

## SUMMARY OF INTERNAL AUDIT ACTIVITY APRIL 2010 – NOVEMBER 2010

	AUDIT AREA	AUDIT INPUT	CONTROLS RATING	KEY CONTROL ISSUES
1.	<b>SHARED SERVICES</b>			
	Capital	To ascertain whether effective arrangements are in place to ensure the Council will be able to comply with the new International Financial Reporting Standards (IFRS) for Capital Accounting.	Not yet available.	Work in progress.
	All other reviews to be undertaken in Quarter 4, apart from Emergency Planning and Business Continuity.	Emergency Planning/Business Continuity  <b>Proposed to include in the 2011/12 Risk Assessment. See Appendix 3.</b>		
2.	<b>CORPORATE GOVERNANCE</b>			
	External Inspection (CAA, Use of Resources)	Support was provided in collating information for external inspections particularly in respect of internal control issues.	Not applicable to this item. Proactive input provided rather than an audit / review.	Not applicable to this item. Proactive input provided rather than an audit / review.
	Service Assurance Statements	Co-ordinated a review of the system of governance and provided a gap analysis highlighting areas of control weakness to feed into the Annual Governance Statement.	Not applicable to this item. Proactive input provided rather than an audit / review	Gap analysis provided showing areas of control weakness which were reported in the Annual Governance Statement.

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	Data Quality	Supporting the ongoing data quality control process, including sample checks of "high risk" National Indicators.	Not applicable to this item. Proactive input provided rather than an audit / review.	Only minor issues have been identified.
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	Contract Standing Orders.	To verify that controls in place in respect of purchasing are adequate and operating effectively.	Substantial.	Only minor issues identified.
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<b>3.</b>	<b>ANTI-FRAUD &amp; CORRUPTION</b>			
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	National Fraud Initiative (NFI)	<ol style="list-style-type: none"> <li>1. Ongoing monitoring of the results from the 2008/09 exercise.</li> <li>2. On-going monitoring of the results from the 2009/10 council Tax/Electoral Register exercise.</li> <li>3. Co-ordination of the Council's input to the 2010/11 exercise. This includes: Benefits, Payroll, Creditors, Concessionary Travel, Taxi Licenses and Licenses to supply alcohol, Market Traders and Insurance claims data. A briefing session for all data holders was held in July 2010.</li> </ol>	Not applicable to this item.	<ol style="list-style-type: none"> <li>1. Investigations of the 2008/09 exercise are nearing completion and to date have identified overpayments of housing benefit and council tax benefit of £83K.</li> <li>2. Investigations are ongoing and have to date identified £41K of inapplicable single person discounts for which recovery is ongoing.</li> <li>3. Results due in February 2011. Internal Audit will co-ordinate the investigation of the relevant matches.</li> </ol>
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	Systems Interrogations	Using IDEA software, current Council Tax records were matched to a report generated from the NFI data, to remove cases where a change of circumstances had already been notified and Single Person Discount had already ceased.	Not applicable to this item.	This resulted in a reduction of 344 (approx 24%) fewer matches requiring investigation by the Council Tax section.
	Fraud Awareness/Bulletins	Fraud Bulletins have been placed on the Loop to highlight specific fraud risks.	Not applicable to this item.	Ongoing

<b>4.</b>	<b>KEY BUSINESS SYSTEMS</b>			
	Maintenance Inspection Regimes.	<b>Postponed</b> to allow the maintenance schedules that have been put in place in respect of trees, pathways/infrastructure and memorials to become embedded. <b>Included in the 2011/12 Risk Assessment. See Appendix 3.</b>		

<b>5</b>	<b>COMPUTER AUDIT</b>			
	Government Connect (Version 4.1)	Review planned for Quarter 4.  <b>Postponed to include in the 2011/12 Risk Assessment. See Appendix 3.</b>		
	ICT Framework.	Review to commence in Quarter 4.		

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6.	<b>FINANCIAL SYSTEMS</b>			
	Key System Reviews- Benefits, Council Tax and NNDR.	All reviews to be undertaken in Quarter 4.		
	Debtors	To verify that controls in place in respect of the debtor system are adequate and operating effectively	Substantial (Draft report)	No control issues identified.
	Asset Management	To ascertain whether the Council manages its assets effectively to help deliver strategic priorities and service needs.	Adequate (Draft report)	Work in progress. The Council maximises the use of it's asset base however some plans and policies and the contract change notice need to be finalised.
	Estates.	Review planned for Quarter 4.  <b>Proposed to include in the 2011/12 Risk Assessment. See Appendix 3.</b>		

7.	<b>KEY OPERATIONS</b>			
	Refuse Collection/Recycling Contract.	To provide assurance that the contract for the provision of the Council's refuse collection and recycling service is adequately and effectively managed and monitored	Substantial	No control weaknesses identified
	Housing (Home Improvement Agency)	Review to commence in Quarter 4.		

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	Housing (Low Cost Housing)	To provide assurance that the controls in place within the administration for Low Cost Housing provision are adequate and effective and that exposure to risk is minimised	Adequate.	The low cost housing scheme resale procedure is still at draft stage and needs to be reviewed and finalised. Some data protection issues to be resolved.
	Review of Planning Processes.	To provide assurance that internal controls in respect of the use of S106 monies for play and recreation fund schemes and controls over the planning fee collection process are adequate and effective	Adequate	A procedure document should be developed that defines the criteria by which future Play and Recreation bids are to be assessed. Local guidance notes should be put in place that clearly define non-material amendments.
	Neighbourhood Working.	To avoid a duplication of effort, this review was cancelled as a Value for Money review of this area was being undertaken by the Policy Service.  A review of Fees and Charges was substituted for this review.	N/A	N/A
	Fees and Charges Review.	This review was carried out at the request of the Head of Shared Financial Services, to identify areas where the council could increase its income stream by amending or introducing charges for services.	Not applicable.  A spreadsheet detailing areas where charges could be increased or introduced was passed to the Head of Shared Financial Services. This was used to inform the budget process.	N/A

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<b>8.</b>	<b>GENERAL AREAS</b>			
	<b>Post Audit Reviews</b>			
	Formal follow-up reviews of: Licensing; Framework for Partnership Working; E-claims; Control of Cash; Debt Management; ICT Security; Budget Setting and Control, Whistle Blowing, Markets, Neighbourhood Assets, Transport, Car Parking; Freedom of Information and Data Protection; Mayor's Charity and Cash and Bank.	All reports are followed up on an ongoing basis when the date for implementation of the management action falls due.  The majority of the management actions have been put in place and the remainder have been given revised dates for implementation.	N/A	N/A
	<b>Residual Work from 2009/10</b>			
	Cash and Bank	To verify that the controls in place for the Cash and Bank system are adequate and operating effectively.	Limited	Recommendations were made to improve the post opening procedures and to issue corporate guidance in respect of receipt of postal income.
	Creditors	To verify that the controls in place for the Creditor system are adequate and operating effectively.	Adequate	A recommendation was made to ensure that changes to creditor details including bank account details are actioned only on receipt of written instructions from the creditor/supplier.
	Risk Management	To establish that Risk Management is embedded throughout the Authority.	Adequate	Risk management documents are being updated. Recommendations were made to improve Risk Management in respect of Partnerships.

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<b>9.</b>	<b>GENERAL AREAS (Cont'd)</b>			
	<b>Unplanned Reviews</b>			
	Insurance Certificates and Driving Licenses (09/10)	Review of procedures in respect of checks of insurance and driving licenses for officers and members (09/10 work).	Adequate	Recommendations were made to improve guidance in respect of annual checks and to improve processes to ensure these checks take place
	Mayor's Charity	Full review of accounting processes for the Mayor's Charity.	Adequate	Some recommendations made to improve controls over income collection and security.

## KEY TO CONTROL RATINGS

<b>Substantial</b>	The Authority can place sufficient reliance on the controls. Only minor control weaknesses exist.
<b>Adequate</b>	The Authority can place only partial reliance on the controls. Some control issues need to be resolved.
<b>Limited</b>	The Authority cannot place sufficient reliance on the controls. Substantive control weaknesses exist.

The above control ratings relate only to the point in time when the final audit report was issued. They represent a historic rather than a current judgement as managers are charged with implementing corrective action plans to address the control issues raised. This is in turn supported by a programme of follow-up reviews by the Internal Audit Service.