

Internal Audit Plan 2011/12**Progress to the End of Quarter 2 – 2011/12****Resources and Support Services Directorate**

The following areas have been completed in quarter 2

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Bank Account & Reconciliation Arrangements	B	Well Controlled	0	0	1	1
Creditors – Key controls	A	Well controlled	0	0	0	0
Grants, Concessions & External Funding	B	Adequately Controlled	1	1	1	3

The main issues arising from the above audits can be summarised as follows;

Bank Account & Reconciliation Arrangements

This review examined the arrangements in place for reconciling the council's bank account and ensuring that there are adequate controls in place to ensure that all the council's income and expenditure can be accurately accounted for. The arrangements in place were found to be well controlled and no major issues or concerns identified. Just one recommendation was made and this related to ensuring that the list of users for the system was updated.

Creditors – Key Controls

This was a 5 day review that examined the key controls identified within the Creditors system. The main controls were identified as, ensuring that orders can only be raised by authorised officers, verifying invoices received to orders raised and ensuring that regular reconciliations are undertaken in relation to the creditors system. From a review of these controls no major issues were identified.

Grants Concessions & External Funding

As part of this audit we examine the systems and processes in place to ensure that all monies received and granted by the council is correctly accounted for. In addition this also includes ensuring that where any external funding is received this is spent in accordance with the terms and conditions of the grant given. The main issues that arose from this audit related to a review of the role of the grants co-ordinator due to the fact that the number and types of grants now received by the organisation had reduced considerably over the last few years.

Operational Services Directorate**Areas completed in Quarter 2 of the 2011/12 Audit Plan**

The following areas have been completed in quarter 2;

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Recycling & Waste Services	B	Adequately controlled	2	9	1	12

The main issues arising from the above audits can be summarised as follows;

Recycling & Waste Services

This audit was a combined review that looked at both Recycling and Refuse Collection and looked at the procedures and processes that were operating across the whole service area. A number of recommendations were made in relation to this service area these included;

- Completing the work that was required in respect of the Waste Transfer Station
- Implementing a formal stock control system for the wheelie and recycling bins
- Ensuring that all stock is held securely
- Updating the policy and procedure manuals for the service area, and
- Reviewing the current arrangements in place in respect of the 'Bring-Sites' that are located throughout the Borough.

Regeneration & Development Services**Areas completed in Quarter 2 of the 2011/12 Audit Plan**

The following areas have been completed in quarter 2;

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Section 106 Agreements	B	Less than Adequately controlled	4	4	1	9

The main issues arising from the above audits can be summarised as follows;

Section 106 Agreements

This was the first audit review conducted in respect of Section 106 agreements, the objectives of the review were to ensure that there were adequate procedures in place to document and record monies received from these arrangements and that procedures were in accordance with Standing Orders and Financial Regulations. It was identified that at present there was no central record of what Section 106 agreements were in place and therefore no easy way of identifying whether monies had been received etc.

Recommendations were therefore made in relation to establishing a database and setting up

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formal procedures to ensure that monies received can be identified and traced within Agresso the council's financial information system.

In accordance with Financial Regulations all final payments made against a contract need to be verified by Internal Audit before payment can be made. During quarter 2 the following final payments have been audited

Contract Name	Contractor	Value of Work	Audit Findings
Kidsgrove Ski Centre	Sandy & Co	£132,962	No problems identified, contract delivered within budget
Newcastle and Stoke-on-Trent Employment Land Review	Scott Wilson	£37,105	No problems identified, contract delivered within budget

Corporate Reviews

These are audit reviews that cut across all Service Areas, as such Audit Briefs go out to all Executive Directors, Corporate and Service Managers and reporting is done on an individual service level in order to retain confidentiality of the issues identified.

Areas completed in Quarter 2 of the 2011/12 Audit Plan

The following areas have been completed in quarter 2

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Gifts Hospitality & Private Works	A	Adequately controlled	0	2	0	2
Performance Management	A	Adequately controlled	0	7	3	10
Information Assurance	A	No Opinion <i>* Information Security Briefings</i>	0	0	0	0

The main issues arising from the above audits can be summarised as follows;

Gifts Hospitality & Private Works

This is an annual review which is completed on behalf of the Audit Commission as part of the managed audit. There were no areas of concern that arose from this review, recommendations that were made related to the requirement to remind staff of their obligations in respect of the receipt of gifts and hospitality and registering of any outside interests as set out in the Employee Code of Conduct.

Performance Management

The audit of performance management in this respect covers the auditing of the Performance Indicators prior to ensure that all indicators produced are accurate and reflect the performance of the services areas to which they relate, main issues that arose from this audit are summarised below;

- All performance indicators should be completed and forwarded to the Performance Officer prior to the specified deadline;
- All performance indicators should be supported by working papers, and
- All performance indicators should be signed off by the officer responsible for collecting and collating the data.

Information Assurance

Together with other members of the Information Security Group, the Audit Manager has been involved in presenting a series of briefings to all staff on Information Security. In total 11 sessions were presented which covered more than 300 staff from across the council. Further sessions have been arranged over the forthcoming month to capture those staff that were previously unable to attend the earlier sessions. The sessions which incorporated the use of DVD's and presentations on the new Information Security Management Policies, Protective Marking and the Use of Social Media were all designed to raise awareness and to reinforce the key message that the security of the information held within this organisation is the responsibility of everyone.

Note on recommendations

Recommendations fall into one of three categories;

- High (H):** *action that is considered imperative to ensure that the authority is not exposed to high risks;*
- Medium (M):** *action that is considered necessary to avoid exposure to significant risks;*
- Low (L):** *action that is considered desirable and which should result in enhanced control or better value for money.*