

**INTERNAL AUDIT PLAN 2012/13****PROGRESS TO THE END OF QUARTER 2 – 2012/13****Chief Executives 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	
Multi Functional Devices	B	Adequately controlled	1	2	0	3
Communications	B	Adequately controlled	0	1	8	9

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

**Multi Functional Devices (MFDs)**

This was the first review undertaken since the MFDs were installed throughout the Council in 2010/11. MFDs were introduced as a way of delivering savings to the Council by reducing the cost of printing throughout the organisation. The audit review confirmed that these savings had more than been achieved. However, during the audit a copy of the contract with the current supplier could not be located, hence a high risk recommendation that this be located as soon as possible. In addition further recommendations were made with regards to a number of legacy devices that still remain throughout the council and the fact that if further savings are to be realised these need to be removed.

**Communications**

The audit was undertaken with the following objective:

- To identify whether the design and print service provides value for money through efficient, effective and economical systems of control.

Overall the audit found this area to be functioning well however a number of recommendations were made with a view to help improve the service currently provided, these included:

- Producing corporate guidance to staff on the services provided including what options are available and timescales for completion of any works submitted;
- Reviewing and updating the corporate style guide with a view to developing a 'Council Brand';
- Production of a corporate report template to ensure consistency,
- Creation of design briefs, and
- Looking at ways that the service could possible generate income by undertaking work for outside bodies.

**Resources and Support Services Directorate**

The following areas have been completed in Quarter 2:

## APPENDIX

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Payroll	A	Well controlled	0	1	3	4
Barracks Trust	B	Well controlled	0	0	0	0

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

### **Payroll**

This is one of the key areas that is audited as part of the managed audit and that which External Audit place reliance on. The audit examines the key controls within the Payroll function ensuring that all payroll information is properly and accurately recorded, held securely and that all payments are made in accordance with the required PAYE regulations. In addition a review of the pension information provided to Staffordshire County Council was also completed. From a review of these controls no major issues were identified. The 4 recommendations made were in relation to a specific risk profile for payroll being created within the risk management system and the updating of various records within the system in relation to casual employees, sickness records, and travel and subsistence claims.

### **Barracks Trust**

The objectives of this review were to:

- review the processes and procedures involved in the operation of the Barracks Trust;
- ensure that there is a clearly defined control framework for the operation of the Barracks Trust; and
- ensure that all financial information is accurately recorded and maintained in accordance with Financial Regulations and Standing Orders.

Overall the Barracks Trust was found to be well controlled with no recommendations being made.

### **Operational Services Directorate**

#### **Areas completed in Quarter 2 of the 2012/13 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	
Streetscene	B	Adequately controlled	0	1	4	5
Park Attendants	A	Adequately controlled	0	1	0	1

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

**Streetscene**

This review looks at the Streetscene function and ensures that it is operating in accordance with the Councils Standing Orders and Financial Regulations. Overall the function was found to be adequately controlled with just a small number of recommendations being made. These were in relation to:

- Ensuring that all reports obtained from the Fueltek system are examined and verified for accuracy,
- ensuring that all the insurance details for current suppliers are up to date,
- reviewing the fleet list to ensure that it is up to date in terms of ownership and to allow accessibility to the fleet list to the necessary managers to enable monitoring of plant and equipment, and
- ensuring that all log books are fully completed and maintained accurately.

**Park Attendants**

This review is completed on an annual basis and involves a number of spot checks being undertaken on various parks throughout the Borough to ensure that the correct fees and charges are being applied and collected.

A number of visits were made to the various parks over the summer and on all occasions it was found that whilst tennis courts and bowling greens were being occupied, no payments had been collected. A recommendation was therefore made to ensure that a review of the current processes for the collection of income from these venues be undertaken to ensure that the collection of income is maximised and balanced against the cost of resources in doing so.

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

<b>Contract Name</b>	<b>Contractor</b>	<b>Value of Work</b>	<b>Audit Findings</b>
Cremator Replacement	Facultatieve Technologies	£709,144.42p	No problems identified, contract delivered within budget
Supply of Gym Equipment to Jubilee 2	Technogym Ltd	£250,122.19p	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.

<b>Audit Area</b>	<b>Risk Category</b>	<b>Level of Assurance</b>	<b>Number of Recommendations and Classification</b>			<b>Total</b>
			<b>High</b>	<b>Medium</b>	<b>Low</b>	
Performance Management	A	Adequately Controlled	1	1	2	4

The main issues arising from the above audit can be summarised as follows:

### **Performance Indicators**

The audit of performance management in this respect covers the auditing of the Performance Indicators 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:

- Ensuring that indicators are calculated correctly and in accordance with the correct definitions and format;
- Explanations should be provided for any variances greater than 10%, and
- Copies of working papers should be provided as evidence to support the indicators that have been calculated.

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### **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.*