

Internal Audit Plan 2012/13**Progress to the End of Quarter 3 – 2012/13****Chief Executive's Directorate**

The following areas have been completed in quarter 3:

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Mayors Charity Fund Accounts	A	Well Controlled	0	0	0	0
Elections	B	Well Controlled	0	0	2	2

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

Mayor's Charity Fund Accounts

The audit of the Mayors Charity Fund Accounts is completed on an annual basis to ensure that statements produced are complete and accurately presented in the Authority's financial statements. As can be seen from the results shown in the above table controls were found to be operating well and no recommendations were made.

Elections

The main objectives of this review are to ensure that the Elections process is carried out in accordance with the relevant regulations and legislative requirements, as well as ensuring compliance with the Council's financial regulations. As can be seen from the results in the table above it was found that controls were operating well with just two low risk recommendations being made which related to ensuring risk assessments include all aspects of the elections process and procedures in relation to the staffing of elections.

Resources and Support Services Directorate

The following areas have been completed in quarter 3:

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Data Protection	B	Adequately Controlled	0	3	1	4
Creditors	A	Adequately Controlled	0	2	3	5
Treasury Management	A	Well Controlled	0	0	1	1
National Non Domestic Rates	A	Adequately Controlled	1	0	1	2

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Post Opening	A	Well Controlled	0	0	0	0
Electronic Payments	B	Well Controlled	0	0	1	1
Removable Media	B	Adequately Controlled	0	6	3	9

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

Data Protection

The main objectives of this review are to ensure that:

- the responsibility for ensuring compliance with the Act has been assigned;
- systems that process personal data are registered under the Act;
- an adequate programme of awareness and education has been prepared, and presented to all staff that deal with data protection;
- subject access requests have been effectively dealt with centrally; and
- incident management and reporting arrangements exist.

In the main it was found that adequate procedures were in place with just a small number of recommendations being made, these were in relation to the updating of job descriptions to cover the requirement to protect personal and sensitive data, a review of the forms used to collect data throughout the organisation to ensure that they contain the relevant statement in respect of Data Protection and also a reminder to Heads of Service of the need to respond to Subject Access requests.

Creditors

The review is completed annually, the main objectives of which are to ensure that all orders raised and invoiced processed are done so in accordance with the Councils Standing Orders and Financial Regulations. The audit identified no major problems with only a small number of recommendations that related to the updating of Agresso user lists to ensure that staff who had now left the organisation were deleted, the updating of risk assessments to include all aspects of the creditors process, updating the Business Continuity Plan and the a reminder be issued corporately with regards to the payment of invoices within 30 days to ensure that all relevant information is received by the Creditors Section to enable the Council to achieve this performance target.

Treasury Management

The main objectives of this review are to ensure that the Council's Treasury Management function is adequately controlled in accordance with CIPFA guidance. The audit revealed no major weaknesses and found that all the necessary controls were operating effectively. There was just one recommendation made and this was in relation to creating a risk profile on the GRACE risk management system relating solely to the Treasury Management function in order that the operational risks relevant to this area are clearly identifiable.

National Non Domestic Rates

This review is undertaken annually, the objectives of which are too ensure that there are adequate controls in place to ensure that the council complies with all the legal requirements in respect of NNDR and that the charges made are accurate and relevant. The majority of

controls were found to be in place, however one High Risk recommendation was made and this was in relation to the approval of write offs below £2,500 during Write offs for the 2011/12 financial year below the value of £2,500 in respect of NNDR, Council Tax and Sundry Debtors accounts should be approved by the Executive Director of Resources and Support Services at the earliest opportunity. In addition a further recommendation was made in relation to reviewing the Health and Safety risk assessments relative to the Revenues and Benefits on an annual basis.

Post Opening

The main objectives of this review are to ensure that:

- post-opening procedures are in place and operating effectively, and
- there is integrity and security of postal remittances.

Overall the audit revealed that the procedures were in place with regard to post opening and these were working satisfactorily. In addition it was confirmed that Security controls were in place and best practice was being demonstrated.

Electronic Payments

This audit ensures that the systems and procedures in place for the collection of income via the Council's website and via telephone (Automated Telephone Payments, ATP) are operating effectively. Generally controls were found to be in place with just one recommendation being made, which related to the updating of the Council's website to include a listing of the types of credit and debit cards accepted by the Council.

Removable Media

This review was undertaken by CW Audit Services, who are delivering the Council's Computer Audit contract for 2012/13. The main objectives of this review are to ensure that:

- there is an appropriate framework in place to ensure that use of removable media is appropriate to need, properly authorised and that electronic information is protected from unauthorised use, disclosure, access, modification loss or destruction,
- the issue and use of removable media and data held is restricted to authorised personnel,
- the use of removable media is properly controlled and appropriate to need, and
- access to confidential/sensitive data is properly restricted.

A number of recommendations were made as a result of this review and these included:

- reminding staff about the policy on removable media,
- ensuring registers containing records of removable media are kept up to date and reviewed to ensure accuracy,
- where officers leave the council any removable media is returned and then records updated accordingly,
- risk registers are updated, and
- proper stock and inventory controls are implemented.

Operational Services Directorate**Areas completed in Quarter 3 of the 2012/13 Audit Plan**

The following areas have been completed in quarter 3

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Operational Services Administration	B	Adequately Controlled	0	7	2	9
Tree Management	B	Adequately Controlled	0	5	3	8
Sports and Events	B	Adequately Controlled	0	1	1	2
Museum	B	Adequately Controlled	0	5	1	6

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

Operational Services Administration

The Operational Services Administration Section is responsible for the administration of matters relating to Streetscene, Leisure, Waste Collection and Environmental Health. The objectives of the audit were to ensure that work undertaken within the Service is done so in accordance with financial regulations in that any money received is correctly accounted for and that stock and inventory records are being maintained. There were a number of recommendations made these related to procedural issues to ensure compliance with the Councils financial regulations, security of premises and records held within the department and also the completion and review of risk assessments in relation to Health and Safety issues.

Tree Management

The objectives of this review is to ensure that the Council has a policy and strategy in place for the management of trees within the Borough, in addition ensuring that the service is delivered in accordance with the Councils Standing Orders and Financial Regulations, and that there is compliance with the Information Security and Health and Safety polices. Overall adequate assurance could be given with regards to the delivery of this service. A small number of recommendations were made and these were in relation to ensuring that the strategy in place was reviewed and updated, establishing a separate cost centre for this function in order to ensure that budgets could be more easily monitored, establishing performance data and targets for the service area and the updating and completion of a tree register for all the trees within the Borough for which the Council has a responsibility for.

Sports and Events

The review looked at the provision of sport and leisure events within the Borough which also incorporated the Summer playscheme that has operated within the Borough for 11-16 years over the six week summer holiday period for a number of years now. The main objectives are to ensure compliance with the Councils financial regulations, information security and Health and Safety policies, as well as ensuring the completion of relevant risk assessments.

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Overall the service was found to be operating well, a small number of recommendations these related to ensuring that all information was recorded within the Gladstone Leisure system and that the Councils website be reviewed to ensure that any outdated information is removed.

Museum

A review of the service delivered and provided by the Borough Councils Museum was undertaken to ensure that they were in compliance with the Council financial regulations, information security and health and safety policies as well as ensuring that the necessary risk assessments had been completed. Findings from this review led to a number of recommendations being made which mainly related to procedural issues with regards to compliance with Financial regulations, these included completion and updating of stock and inventory records, ensuring that accurate records are maintained and that risk assessments are kept up to date.

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 3 the following final payments have been audited

Contract Name	Contractor	Value of Work	Audit Findings
Annual Weed Spraying Contract	Gibson & Faulding	£92,656.62	No problems identified, contract delivered within budget

Regeneration and Development Services Directorate

Areas completed in Quarter 3 of the 2012/13 Audit Plan

The following areas have been completed in quarter 3:

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Health and Safety	B	Adequately Controlled	0	5	5	10
Public Buildings Maintenance	B	Adequately Controlled	0	4	3	7

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

Health and Safety

The main objectives of this review were to ensure that:-

- there is a Health and Safety Policy in place which is fully approved, distributed and compliance monitored throughout the Council.
- responsibility for health and safety is appropriately assigned both at a corporate and a departmental level.
- appropriate training and guidance is provided on health and safety for all new starters and specific training given to roles where further knowledge is necessary.

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- an appropriate schedule of Health and Safety Risk Assessments is in place and is performed according to set procedures.
- the Council observes all health and safety responsibilities and receives regular updates to remain compliant with legislation and best practice.
- appropriate controls are in place to ensure that visitors to the Council premises are made aware of health and safety issues.
- adequate reporting procedures exist to ensure that incidents prompt remedial action and proactive review of similar potential hazards throughout the Council.
- health and safety management information and reporting is timely and escalated to the appropriate level within the Council for consideration.

Overall the findings of the review found the area of Health and Safety to be operating well throughout the Council, however a number of recommendations were made with a view to assisting management in further improving this function throughout the organisation. These included ensuring:

- a regular review of target 100 to ensure that managers are updating the system with their risks,
- all new starters attend a Corporate Induction covering Health and Safety issues,
- updating records and undertaking refresher training in respect of both First Aiders and Fire Marshalls,
- distributing an updated copy of the Health and Safety Policy to all staff,
- ensuring that the intranet site is kept up to date in respect of Health and Safety issues.

Public Buildings Maintenance

The main objectives of this review were to ensure that:

- contract procedures per Standing Orders and Financial Regulations are followed effectively;
- there are adequate management procedures in place to operate external contracts; and procedures are in place to ensure official orders are raised for the work.
- adequate procedures are in place in relation to the payment of contractors for work carried out.
- there are procedures in place to ensure that the work is performed to the requirement of the Council; and to correct any shortfalls in performance.
- procedures are in place to monitor contract expenditure against the annual and total budget and that regular management reports are produced.
- adequate controls are in place to protect ICT equipment during contracts from misuse/damage.
- in relation to Repairs and Renewals the whole ordering system from requisition to invoice payment is controlled.
- all relevant risks have been identified and recorded appropriately and that adequate insurance cover exists.
- adequate controls exist to confirm that there is compliance with legislation.

The findings of the audit found that overall controls were found to be in place and operating effectively, a number of recommendations were made to management to help further improve existing procedures and processes, these included:

- a review of the existing contracts in place,

- ensuring that the intranet is kept up to date with the information in relation to the service,
- ensuring that all invoices received are paid promptly, and
- updating and reviewing current risk assessments

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.

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Gifts Hospitality and Private Works	A	Well Controlled	0	0	1	1

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

Gifts and Hospitality

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.

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.*