

City of Durham

At a Meeting of the **AUDIT OVERVIEW COMMITTEE** held in the Town Hall, Durham, on Monday, 23rd June, 2008, at 9.30 a.m.

Present: Councillor Lightley (in the Chair)
and Councillors Jackson, Kellett and Martin.

Also Present: Councillors Cowper, Howarth, Lodge, Marsden, Turnbull, Wilkinson, Wolstenholme and Young

62. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dickie, Simmons, D.Smith and Mrs T. Naples.

63. MINUTES

The Minutes of the Meetings held on 31st March, 2008, were confirmed as a correct record and signed by the Chairman.

Report of the Director of Financial Services.

64. ANNUAL AUDIT AND INSPECTION LETTER 2007

The Director of Financial Services circulated a copy of the Audit Commission Report on the Annual Audit and Inspection Letter for 2007.

Resolved: That the report be accepted.

65. ANNUAL GOVERNANCE STATEMENT 2007/2008

The Director of Financial Services submitted a comprehensive report in relation to the 2007/2008 Statement of Internal Control, with the Head of Internal Audit presenting the report.

Resolved: That the 2007/2008 Statement of Internal Control be recommended to the Council for approval.

66. DRAFT STATEMENT OF ACCOUNTS 2007/2008

The Audit Overview Committee considered the report of the Director of Financial Services on the Draft Statement of Accounts for 2007/2008, for comments prior to the Statement being considered at the meeting of Council to be held 30th June, 2008.

A copy of the Draft Statement of Accounts 2008/2009 was circulated and an opportunity was afforded to Members to ask further questions and comment on the Accounts. Members discussed the Council's policies on reserves in the light of the risks the Council faces.

Resolved: That the draft Statement of Accounts for 2007/2008, be recommended to the Council for approval.

**67. 2007/2008 ANNUAL AUDIT PLAN OUT-TURN
FOR THE PERIOD 1st APRIL 2007 TO 31st MARCH 2008**

The Director of Financial Services submitted a comprehensive report relating to the 2007/2008 Annual Audit out-turn and compared the actual work undertaken by Internal Audit with that planned for the period 1st April, 2007, to 31st March, 2008, with the Head of Internal Audit presenting the report.

Resolved: That the contents of the Report for the 1st April, 2007 to the 31st March, 2008 be noted.

68. AUDIT COMMISSION ANNUAL AUDIT AND INSPECTION PLAN 2008/2009

Mr C. Waddle, District Auditor was in attendance to answer Members' questions on the Audit Commission Report – Annual Audit and Inspection Plan 2008/2009.

Resolved: That the report be noted.

69. IN PRIVATE

Resolved: That pursuant to Section 100.A(4) of the Local Government Act 1972 the public be excluded from the remainder of the Meeting during consideration of the item listed in Column 1 below, being a report of the Officer mentioned in Column 2 below on the grounds that if members of the public were present during discussion of this item there would be disclosure to them of exempt information (as defined in Section 100.I) of the description indicated in Column 3 below.

Column 1	Column 2	Column 3
Special Investigations	Director of Financial Services	Information relating to any individual (Para 1) Information which is likely to reveal the identify of an individual (Para.2) Information relating to the financial or business affairs of any particular person (including the Authority holding the information) (Para.3) Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime (Para.7)

Report of the Director of Financial Services.

70. SPECIAL INVESTIGATIONS

The Director of Financial Services and Head of Internal Audit confirmed there was nothing to report on special assignments.

Resolved: That the report be noted.

The Meeting terminated at 10.40 a.m.

Chair

CITY OF DURHAM**AUDIT OVERVIEW COMMITTEE****30th JULY 2008****REPORT OF THE DIRECTOR OF FINANCIAL SERVICES****1. PROGRESS REPORT FOR THE PERIOD 1st APRIL 2008 TO 30th JUNE 2008****1.1 Introduction**

This report will compare the actual work undertaken by Internal Audit with that planned for the period 1st April 2008 to 30th June 2008.

1.2 Progress Report

1.2.1 In the period 1st April 2008 to 30th June 2008, the following work was undertaken and compares to the plan as shown below:

Original Audit Plan days	Revised Audit Plan days		Cumulative Planned Audit Days	Cumulative Actual Audit Days	Variance Audit Days
449.00	410.14	Non productive time	111.76	133.60	21.84
246.00	246.00	Management & Administration non chargeable	61.50	41.10	(20.40)
65.00	65.00	Management & Administration chargeable	16.25	8.07	(8.18)
282.00	282.00	2007/2008 Audit Plan	59.50	55.60	(3.90)
40.00	40.00	Follow Up work	10.00	7.93	(2.07)
484.00	305.86	Contingencies & Special Investigations	102.92	118.57	15.65
1566.00	1349.00	Total	361.93	364.87	2.94

A more detailed analysis is given in Appendix A, together with an up to date position for all audit assignments allocated.

1.2.2 As reported to Committee in March 2008, all eight authorities in the County have approved reduced/focussed internal audit coverage in 2008/09 covering the main financial and service critical areas only in the initial plan. This is to enable unallocated resources to be used to support the Local Government Review (LGR) process during the transition year including "plugging" gaps internally and providing mutual aid support to provide sufficient flexibility.

1.2.3 The original audit plan for 2008/09 therefore comprised of only 28 audit assignments.

- 1.2.4 Durham County Council's Internal Audit Team has suggested that they may be able to carry out assignment 09/26 (External network penetration testing) depending upon resources. However, this has not yet been finalised. Assurance in respect of assignment 09/27 (In Print Partnership) will be provided by Derwentside District Council Internal Audit Team as was the case for 2007/08. Assignment 09/28 (Other possible IT work) will be determined on an ad hoc basis as the need arises.
- 1.2.5 Since the 3rd June 2008 the internal audit service has been working at a reduced capacity due to a vacancy for the auditor post. After consideration of a number of options it has been decided not to fill this post, and the rest of the audit team will share the duties and responsibilities of the post for the rest of the financial year. However as a result of this vacancy it has been necessary to revise the audit plan and recalculate spare resources available for LGR. (see Appendix B)
- 1.2.6 All audit assignments brought forward from 2007/08 for completion in 2008/09 have been completed with the exception of 08/06 IT Application Controls which will be carried out later in the year.
- 1.2.7 At the end of June 2008 seven (7) audit assignments including one of the Councils critical business systems have been completed. (25% of the audit plan). Only one assignment (09/01 Performance indicators) was marginally over its planned number of days. All other work allocated from the audit plan for Quarter 1 has largely been completed on time with many well within the days allocated. This reflects an improvement in system controls and a reduction in errors from previous years.
- 1.2.8 Audit assignment 09/04 Treasury Management has been unavoidably delayed, and assignment 09/09 Crematorium due to be carried out in Quarter 2 was brought forward to Quarter 1 to compensate. It is anticipated that Treasury Management will now be completed in Quarter 2.
- 1.2.9 Additional work to assist with reconciliations of supporting people, furniture packs and NWA for final accounts totals 16.36 days, this has been charged to the contingency provision.
- 1.2.10 Further work on designing and implementing an improved reconciliation process for supporting people has been carried out. Training on the use of the data base is now being carried out. This work has taken 20.23 days to the end of the quarter all work in this respect will be charged to the contingency provision.
- 1.2.11 In line with the Mutual Aid / Shared Service Protocol, City of Durham's Internal Audit Service has agreed to carry out two audit assignments for Teesdale District Council. These are in respect of Council Tax and NNDR and will be carried out using the City of Durham Internal Audit Service methodology. A target of 15 days for each assignment has been set, and these assignments are planned to commence on the 11th July 2008. All of this work will be charged to the contingency provision.
- 1.2.12 Work carried out in respect of the Local Government review audit sub stream is shown below, and will be charged to the contingency provision-
- A draft Audit Strategy and Terms of Reference has been prepared and submitted to the Audit/Risk Management/Governance work stream for approval. (6.20 days)
 - A draft suite of local performance indicators has been prepared for discussion at the next audit sub stream meeting on the 15th July 2008 (0.67 days)
 - A relationship protocol has been developed for discussion at the next audit sub stream meeting on the 15th July 2008. (0.93) days

1.2.13 A member of the Audit Team has been seconded to the Accountancy section to assist with final accounts. (45.50 days to date) It is likely that this secondment will continue up until vesting day of the new Authority. This time will be charged to the contingency provision.

1.2.14 With the reduction in capacity arising from the vacant auditor post, unallocated resources have reduced from 484 to 305.86 days. Allowing for the secondment to accountancy of a further 117 days (net) for the rest of the year, 30 days mutual aid for Teesdale and work already charged to contingency to date of 110.67 days then the total contingency provision already accounted for is 257.67 days. This leaves just 48.19 days contingency for the rest of the year.

1.2.15 Performance against the key local performance indicators for the period 1st April 2008 to the 30th June 2008 are shown below compared with the same period last year:-

2007/2008		Indicator	2008/2009	
number	%		number	%
9	6.5	Number of audits undertaken and completed	7	25
38	-	Number of recommendations made	31	-
38		Number of recommendations agreed	31	
0	-	Number of recommendations not agreed	0	-
0	-	Number of recommendations partly agreed	0	-
-	50	% of draft reports issued within 10 working days of closure meeting	-	78
-	75	% of Final report and recommendation action plans issued within 5 working days of the post audit meeting	-	75
-	75	% of recommendation action plans signed off and returned within 5 working days of issue	-	60
0		Number of Recommendations withdrawn	3	-
-	50	% of Post audit questionnaires completed and returned	-	80
-	60	% Post audit meetings held within 10 working days of the issue of the draft report	-	89

1.2.16 At the 1st April 2008 there were 152 recommendations outstanding, of these 64 recommendations have yet to be followed up with 48 due for follow up in July and a further 16 in later months.(see Appendix C)

1.2.17 Of the 88 recommendations already followed up (see Appendix D):-

- 29 have been implemented; 12 at the initial follow up stage, 16 after a second follow up and one after referral to the Director/Head of Service.
- 3 have been withdrawn
- 51 will be followed up a second time in July
- 5 will be followed up in later months.

1.2.18 There have been 2 recommendations subject to escalation to Directors/Heads of Service during the period. One has already been implemented and the other is due for review in July.

2. AUDITS COMPLETED IN 2008/09 RELATING TO 2007/08 (EXCLUDING ITEMS ALREADY REPORTED)

2.1 Audits assessed as EXCELLENT and awarded an audit opinion score of 1

2.1.1 Internal audit reviewed the following systems where given the nature of the risks involved in the achievement of the control objectives, key controls and other parts of the internal control system are working effectively and provides full assurance that risks material to the achievement of the control objectives are adequately managed.

2.1.2 Accountancy Budgets

Internal controls are working effectively, risks are being adequately managed. Only one minor recommendation regarding retention of data for evidence purposes was made. Staff are to be congratulated for their efforts.

2.2 Audits assessed as NEEDS IMPROVEMENT and awarded an opinion score of 4

2.2.1 Internal Audit reviewed the following systems where given the nature of the risks involved in the achievement of the control objectives, neither the key controls or the other parts of the internal control system are working effectively, and some corrective action is needed in both areas. This provides only limited assurance that risks material to the achievement of the control objectives are adequately managed.

2.2.2 Data retention and disposal

Main recommendations were in respect of the nomination of responsible officers, including awareness of responsibilities, and familiarisation with the Council's Policy, and the poor state of repair of the Green Lane storage facility.

2.2.3 Housing Rents

Recommendations included ensuring that reconciliations were carried out on a timely basis, issues regarding the Bailiff, a periodic review of the effectiveness of the new Allpay system and written procedure notes.

2.2.4 Sickness

Recommendations regarding the maintenance of standing data, communication of internal audit recommendations to staff, completion and return of Employee sickness declaration forms and evidence requirements were made.

3. AUDITS COMPLETED IN 2008/09

3.1 Audits assessed as EXCELLENT and awarded an audit opinion score of 1

3.1.1 Internal audit reviewed the following systems where given the nature of the risks involved in the achievement of the control objectives, key controls and other parts of the internal control system are working effectively and provides full assurance that risks material to the achievement of the control objectives are adequately managed.

3.1.2 Crematorium

No recommendations were made, all internal controls are in place and working effectively. Staff should be commended for their efforts.

3.2 Audits assessed as SATISFACTORY and awarded an audit opinion score of 3

3.2.1 Internal Audit reviewed the following systems where given the nature of the risks involved in the achievement of the control objectives key controls are adequate but other parts of the internal control system requires corrective action. This provides reasonable assurance that risks material to the achievement of the control objectives are adequately managed.

3.2.2 Creditors

Main recommendations were in respect of the backlog of outstanding cheque cancellations, and a suggested review of the batch control sheet.

3.3 Other Audit Reviews

Further reviews were carried out which did not require an audit opinion.

3.3.1 Benefits Accuracy Q1

Internal Audit undertakes a quarterly review of the accuracy of benefit claims. These aim to meet two objectives:

- Enable client management to monitor performance against BVPI 79a.
- Evidence requirements of the Verification Framework.

The quarterly audit identified that 124 of the 125 (99.2%) determinations were compliant with the Verification Framework Requirements.

3.3.2 Performance Indicators

Recommendations were mainly concerned with interpretation of definitions, and errors in calculation.

3.3.3 Annual Governance Statement

The Annual Governance Statement has been prepared, scrutinised and approved by Council.

3.3.4 Durham Sport

An annual review of Durham Sports accounts has been carried out which includes verification that funds have been spent in accordance with grant conditions, and accuracy of data. The Head of Internal Audit has signed the grant certification form.

3.3.5 Local Area agreement (LAA)

A review of the LAA arrangements has been carried out in accordance with County Council arrangements. This included verification that funds have been spent in accordance with grant conditions, and accuracy of data. Details of the Councils governance arrangements and a letter of assurance (signed by the Director of Financial Services) have been forwarded to the County Council.

4. RECOMMENDATIONS

- 4.1 That the Audit Overview Committee note the contents of the Progress Report for the 1st April 2008 to the 30th June 2008.

08/2009 DETAILED ANNUAL

PERIOD 1/04/2008 TO 31/03/2009

Audit number	Audit item	Target Days	Outturn Actual	Variance	Progress / Complete	Reported to committee
09/01	Performance indicators	15.00	15.83	0.83	Y	
09/02a	Housing benefits quarterly check	7.00	6.90	-0.10	Y	
09/03	Creditors	10.00	9.93	-0.07	Y	
09/04	Treasury management	5.00	1.73	-3.27	Pre audit	
09/05	Annual Governance Statement	5.00	2.13	-2.87	Y	
09/06	Durham Sport	5.00	2.00	-3.00	Y	
09/07	LAA	5.00	3.13	-1.87	Y	
Total Quarter 1		52.00	41.65	-10.35		

Key system
Key system

Audit number	Audit item	Target Days	YTD Actual	YTD Variance	Complete	Reported to committee
09/02b	Housing benefits quarterly check	7.00	0.00	-7.00	Testing	
09/08	Payroll	15.00	2.03	-12.97	Pre audit	
09/09	Crematorium	7.00	5.53	-1.47	Y	
09/10	Accountancy FMS	10.00	0.00	-10.00	NYA	
09/11	Cash reconciliations	5.00	0.00	-5.00	Pre audit	
09/12	NNDR liability	10.00	6.37	-3.63	Testing	
09/13	Cash collection	10.00	0.00	-10.00	NYA	
Total Quarter 2		64.00	13.93	-50.07		

Key system
Key system
Key system
Key system
Key system

Audit number	Audit item	Target Days	YTD Actual	YTD Variance	Complete	Reported to committee
09/02c	Housing benefits quarterly check	7.00	0.00	-7.00	NYA	
09/14	Sickness	10.00	0.00	-10.00	NYA	
09/15	Housing Benefits	20.00	0.00	-20.00	NYA	
09/16	Council Tax liability	15.00	0.00	-15.00	NYA	
09/17	Debtors	10.00	0.00	-10.00	NYA	
09/18	Safeguarding of assets	10.00	0.00	-10.00	NYA	
09/19	Risk management	7.00	0.00	-7.00	NYA	
Total Quarter 3		79.00	0.00	-79.00		

Key system
Key system
Key system

Audit number	Audit item	Target Days	YTD Actual	YTD Variance	Complete	Reported to committee
09/02d	Housing benefits quarterly check	7.00	0.00	-7.00	NYA	
09/20	Planned Maintenance	10.00	0.00	-10.00	NYA	
09/21	Gas maintenance	10.00	0.00	-10.00	NYA	
09/22	Responsive repairs	10.00	0.00	-10.00	NYA	
09/23	Housing rents	10.00	0.00	-10.00	NYA	
09/24	Governance arrangements	5.00	0.00	-5.00	NYA	
09/25	Fraud and Corruption	5.00	0.00	-5.00	NYA	
Total Quarter 4		57.00	0.00	-57.00		

Key system
Key system
Key system
Key system

Audit number	Audit item	Target Days	YTD Actual	YTD Variance	Complete	Reported to committee
09/26	External penetration testing	0.00	0.00	0.00	NYA	
09/27	In print partnership	0.00	0.00	0.00	NYA	
09/28	Other possible IT work	30.00	0.00	-30.00	NYA	
TOTAL		30.00	0.00	-30.00		

	Target Days	YTD Actual	YTD Variance
TOTAL AUDIT PLAN	282.00	55.58	-226.42

Brought forward

Audit number	Audit item	Target Days	YTD Actual	YTD Variance	Complete	Reported to committee
08/35 b/f	Accountancy Estimates	0.00	4.10	4.10	Y	
08/33 b/f	Data Retention and Disposal	0.00	0.40	0.40	Draft	
08/06 b/f	IT Application controls	0.00	0.40	0.40	b/f NYA	
08/36 b/f	Housing rents	0.00	1.33	1.33	Y	
08/23 b/f	Sickness	0.00	1.67	1.67	Y	
Total brought forward		0.00	7.90	7.90		

		Target Days	YTD Actual	YTD Variance
n/a	Follow ups	40.00	7.93	-32.07

Non Productive Time

	Target Days	YTD Actual	YTD Variance
Bank Holidays	32.000	12.00	-20.00
Annual leave	176.583	34.50	-142.08
Sickness	47.750	52.40	4.65
Special leave	5.167	1.50	-3.67
Day release	79.500	11.50	-68.00
Other training	53.058	11.13	-41.93
Study leave / exams	13.500	9.50	-4.00
Hospital/Dental appointments	2.583	1.07	-1.51
TOTAL	410.14	133.60	-276.54

Management and Administration (non chargeable)

	Target Days	YTD Actual	YTD Variance
Audit planning, management and supervision of the section.	75.00	18.13	-56.87
Review of policy documentation	10.00	0.40	-9.60
Advice and discussion with District Audit	5.00	0.40	-4.60
Audit sub group etc	4.00	1.40	-2.60
Maintenance of data base	5.00	0.47	-4.53
Idea Sub Group	4.00	0.33	-3.67
OMT	2.00	0.00	-2.00
Review of Internal Audit	2.00	0.00	-2.00
Key lines of enquiry	5.00	1.33	-3.67
New legislation	2.00	0.00	-2.00
Business Planning	5.00	0.67	-4.33
Document imaging/Back Scanning	10.00	0.00	-10.00
Options appraisal	20.00	0.00	-20.00
Risk management	10.00	2.60	-7.40
Internal Audit review meetings	10.00	0.20	-9.80
General Administration	60.00	13.60	-46.40
PDR's	3.50	0.00	-3.50
Business Continuity	5.00	0.00	-5.00
Emergency planning	5.00	0.00	-5.00
OMT briefing / review meetings (P Darby)	3.50	1.57	-1.93
TOTAL	246.00	41.10	-204.90

Management and Administration (chargeable)

	Target Days	YTD Actual	YTD Variance
Tender openings	3.00	0.00	-3.00
Financial appraisals	3.00	0.07	-2.93
Stores - stocktaking	4.00	0.00	-4.00
Advice to Departments	20.00	5.03	-14.97
Audit awareness training	2.00	0.87	-1.13
Review of regulations and procedures	3.00	0.00	-3.00
Implementatuion of recommendations involving additional work by Internal Audit	10.00	0.00	-10.00
Annual Governance Statement	10.00	2.10	-7.90
Misc working groups	10.00	0.00	-10.00

TOTAL	65.00	8.07	-56.93
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Ad Hoc work (Contingency)

		Target Days	YTD Actual	YTD Variance	Complete	Reported to committee
09 - cont	Millenium / Audit Claim	0.00	0.83	0.83		
09 - cont	A Turner	0.00	1.10	1.10		
9 - cont	Payments	0.00	0.33	0.33		
9 - cont	Co-opted member	0.00	1.73	1.73		
9 - cont	Furniture Packs - Final Accounts work	0.00	5.93	5.93		
9 - cont	Supporting People - Final Accounts Work	0.00	8.43	8.43		
9 - cont	NWA - Final Accounts work	0.00	2.00	2.00		
9 - cont	XML document conversion / IDEA work for Revenues	0.00	1.07	1.07		
9 - cont	Customer services incident	0.00	2.97	2.97		
9 - cont	Supporting People - Implementation of new system for grant claim	0.00	20.23	20.23		
9 - cont	Secondment to Accountancy	0.00	45.50	45.50		
9 - cont	Key workers group	0.00	0.53	0.53		
9 - cont	Work experience - Barry Quinn	0.00	1.13	1.13		
9 - cont	Cash procedures/collection of cash	0.00	0.87	0.87		
9 - cont	Auddis - Leisure Centres	0.00	0.60	0.60		
9 - cont	Change of signatories - Solicitors Imprest account	0.00	0.53	0.53		
9 - cont	Furniture packs - Implementation of new system for checking prior to payment	0.00	1.40	1.40		
		0.00	95.18	95.18		
	Local Government Review work	0.00	0.00	0.00		
9 - cont	Local Government review - mutual aid (Teesdale)	0.00	2.00	2.00		
9 - cont	Local Government review - audit substream - performance indicators	0.00	0.67	0.67		
9 - cont	Local Government review - audit substream - relationship protocol	0.00	0.93	0.93		
9 - cont	Other Local government review work	0.00	5.67	5.67		
9 - cont	Local Government review - audit substream - audit strategy	0.00	6.20	6.20		
09/addnl1	Teesdale Council tax	0.00	0.00	0.00		
09/addnl2	Teesdale NNDR	0.00	0.00	0.00		
		0.00	15.47	15.47		
		0.00	0.00	0.00		
		0.00	0.00	0.00		
		0.00	0.00	0.00		
		0.00	0.00	0.00		
		0.00	0.00	0.00		
	Contingency	305.86	110.65	-195.21		
Total		305.86	110.65	-195.21		

	Target Days	YTD Actual	YTD Variance
Totals	1349.00	364.83	-984.17

Audit Planning - Annual plan

<u>Productive Time</u>			Apr/May	June/Mar	Total
Available audit days	1566.00		264.00	1085.00	1349.00
less non productive time	449.00		80.33	329.31	410.14
Total available audit days	1117.00		183.67	755.69	938.86
Available days for Audit Section	1566.00		264.00	1085.00	1349.00
<u>Non productive time</u>	Original	Revised	Combined 2/12 of original	Combined 10/12 of revised	Total
Bank Holidays 6 x 6	36.00	32.00	12.000	20.000	32.000
Annual leave (4 x 34.5) (2 x 29.5)	197.00	172.50	32.833	143.750	176.583
Sickness (3.5%)	54.00	46.50	9.000	38.750	47.750
Special leave (1 day per person per year)	6.00	5.00	1.000	4.167	5.167
Day release	79.50	79.50	13.250	66.250	79.500
Other training	60.00	51.67	10.000	43.058	53.058
Study leave / exams	13.50	13.50	2.250	11.250	13.500
Hospital/dental appointments	3.00	2.50	0.500	2.083	2.583
	449.00	403.17	80.333	329.31	410.142
Productive days available	1117.00		183.67	755.69	938.86
<u>Management and Administration (non chargeable)</u>					
Audit planning, management and supervision of the section.	75.00		12.50	62.50	75.00
Review of policy documentation	10.00		1.67	8.33	10.00
Advice and discussion with District Audit	5.00		0.83	4.17	5.00
Audit sub group etc	4.00		0.67	3.33	4.00
Maintenance of data base (follow ups, returned cheques etc)	5.00		0.83	4.17	5.00
Idea sub group	4.00		0.67	3.33	4.00
OMT Assume 4 Audit overview reports + miscellaneous	2.00		0.33	1.67	2.00
Review of Internal Audit	2.00		0.33	1.67	2.00
Key lines of enquiry	5.00		0.83	4.17	5.00
New legislation	2.00		0.33	1.67	2.00
Business planning	5.00		0.83	4.17	5.00
Document imaging / back scanning	10.00		1.67	8.33	10.00
Options appraisal	20.00		3.33	16.67	20.00
Risk management	10.00		1.67	8.33	10.00
Internal Audit review meetings (average 1hr per meeting x 12 per year)	10.00		1.67	8.33	10.00
General Administration (scale 1/6 50 + all others 10)	60.00		10.00	50.00	60.00
PDR's	3.50		0.58	2.92	3.50
Business continuity	5.00		0.83	4.17	5.00
Emergency planning	5.00		0.83	4.17	5.00
OMT briefing/review meetings	3.50	246.00	0.58	2.92	3.50
			41.00	205.00	246.00
<u>Miscellaneous chargeable time *</u>					
Tender openings	3.00		0.50	2.50	3.00
Financial appraisals	3.00		0.50	2.50	3.00
Stores - stocktaking	4.00		0.67	3.33	4.00
Advice to Services	20.00		3.33	16.67	20.00
Audit awareness training (stragglers + new staff)	2.00		0.33	1.67	2.00
Review of financial regulations and procedures	3.00		0.50	2.50	3.00
Implementation of recommendations involving additional work by Internal Audit	10.00		1.67	8.33	10.00
Annual Governance Statement	10.00		1.67	8.33	10.00
Misc working groups	10.00	65.00	1.67	8.33	10.00
			10.83	54.17	65.00
Follow up audits	40.00	40.00	6.67	33.33	40.00
			58.50	292.50	351.00
Audit time available		766.00	125.17	463.19	587.86
Audit planned work		282.00	47.00	235.00	282.00
Spare resources for Local Government Review work		484.00	78.17	228.19	305.86

Audit ref	Audit name	Rec no	Recommendation	Planned implementation date
08/05	Burial Service	R8	The use of current ICT resources or already available burial software packages should be investigated with the view to replacing the current manual system.	01-Apr-08
08/Cont 1	NWA - Payment and collection of charges	R4	All properties with incorrect rateable values should be amended to ensure that future charges are correctly recharged	01-Apr-08
08/Cont 1	NWA - Payment and collection of charges	R5	Where NWA charge based on a fixed charge basis, the Council recharge should be based on the same basis	01-Apr-08
08/Cont 1	NWA - Payment and collection of charges	R6	Investigations should be carried out to establish if the recharged amount can be rounded up to the nearest penny when calculated to ensure that the whole amount paid is recovered.	01-Apr-08
08/27	Planned Maintenance	R1	Properly checked and signed delivery notes should be gathered and forwarded to payment services for scanning.	07-Apr-08
08/27	Planned Maintenance	R2	The sign-off sheets should be amended to enable the recording of the date for each tenants signature.	07-Apr-08
08/36	Housing Rents	R1	The TCI database be checked to confirm whether or not the 11 accounts highlighted are still active.	30-Apr-08
08/36	Housing Rents	R2	Following confirmation of the accuracy regarding the TCI database and SX3 a full reconciliation be carried out as part of the year end procedures.	30-Apr-08
08/36	Housing Rents	R3	The Team Leader (PB) is to monitor the Current Arrears to ensure that reasonable action is taken by the appointed Recovery Officer for that area.	30-Apr-08
08/36	Housing Rents	R4	The recovery action stages be carried out in accordance with the Authorities Debt Management Strategy	30-Apr-08
08/36	Housing Rents	R6	The income received via pay point be monitored and a regular analytical review be carried out to compare the income collected via the rent collectors and via pay point to assess its effectiveness with regards to collections.	30-Apr-08
08/36	Housing Rents	R7	The Rents Supervisor is to ensure that all of his Rents duties, responsibilities and procedures are recorded and passed over to the Revenues Supervisor and Team Leader	30-Apr-08
08/44	Gala Bars and Catering	R1	Daily cashing up sheets must be signed by the person cashing up the takings for the day to ensure a full audit trail exists	30-Apr-08
08/44	Gala Bars and Catering	R2	Regular bankings must be undertaken, to ensure that Insured Safe limits are adhered to.	30-Apr-08
08/44	Gala Bars and Catering	R3	For all functions undertaken, appropriate documentation must be fully and accurately completed, stating the quantity of items and price per item	30-Apr-08
08/44	Gala Bars and Catering	R4	Care should be taken to ensure that only prices per the price list are charged and invoiced	30-Apr-08

Audit ref	Audit name	Rec no	Recommendation	Planned implementation date
08/32	Customer Services	R1	Voicemail returns should be continually monitored to ensure good performance and achievement of targets.	31-May-08
08/32	Customer Services	R7	Customer survey results be compiled on a regular basis to ensure that management information is timely and problem areas can be promptly identified.	31-May-08
08/32	Customer Services	R8	Other methods of recording customer surveys should be investigated which would allow the accurate and automatic production of management information, such utilisation of the CRM, or an Access database.	31-May-08
08/32	Customer Services	R9	That a suitable system be set up to ensure that all completed forms have been recorded.	31-May-08
08/32	Customer Services	R3	A record of each PVR checked should be maintained on the CRM system.	31-May-08
08/32	Customer Services	R4	The problems with creating CRM reports should be addressed in order that accurate LPI's can be produced.	31-May-08
08/32	Customer Services	R5	CRM reports should be used to monitor waiting times and manage resources to ensure targets are met.	31-May-08
08/32	Customer Services	R6	Services be reminded of the requirement to close cases once they have been dealt with. Extra training should be given if required.	31-May-08
08/15	Creditors	R2	Payments staff be reminded that when scanning invoices care is to be taken to ensure that the invoices are accurately matched to the correct order.	30-Jun-08
08/44	Gala Bars and Catering	R7	Investigations be undertaken into the feasibility of moving the CCTV camera's to a more prominent place.	30-Jun-08
08/44	Gala Bars and Catering	R8	All new and changed risks identified in the Control Risk Self Assessment (CRSA) be transferred onto the Risk Register for regular monitoring.	30-Jun-08
08/36	Housing Rents	R5	The issues regarding the Bailiff be resolved to ensure that reasonable action to taken to pursue the debts	30-Jun-08
09/01	Performance Indicators	R3	When checking part-time staff to make adjustments for FTEs the actual number of days sick should be calculated and the system report amended where necessary.	30-Jun-08
09/01	Performance Indicators	R4	Records be maintained of phased returns and incorporated into BVPI 12 calculation.	30-Jun-08
09/01	Performance Indicators	R5	The figure for BVPI 12 be amended from 9.99 to 9.90.	30-Jun-08
09/01	Performance Indicators	R2	In order to ensure that BVPI 218a and 218b are accurate all relevant times should be recorded, and taken account of in the calculation.	30-Jun-08
08/42	Debtors	R2	Services should ensure that the necessary documentation is promptly passed to legal when the debt is referred. If insufficient documentation is available Revenues should be informed in order that alternative recovery action can be initiated.	30-Jun-08

Audit ref	Audit name	Rec no	Recommendation	Planned implementation date
08/42	Debtors	R3	Each credit note to be authorised prior to processing with appropriate evidence and system notes to support this. A credit note proforma should be utilised where appropriate.	30-Jun-08
08/42	Debtors	R7	The browser reporting facility be utilised to check invoices prior to despatch. This should be carried out by an independent officer if resources allow.	30-Jun-08
08/34	Transfer Station	R1	The process for compiling information for the Environmental Agency Waste Return be reviewed in order to provide accurate and reliable information.	30-Jun-08
08/44	Gala Bars and Catering	R5	The reconciliation be brought up to date promptly to reflect the results of the investigation, and care taken to ensure that in the future, background information is completed for each new item, to prevent such errors occurring again.	30-Jun-08
08/44	Gala Bars and Catering	R6	All price increases for the Gala Bar must be sent to the Director of Financial Services for approval, prior to being introduced.	30-Jun-08
09/01	Performance Indicators	R6	The figure for BVPI 82ai be amended from 18.97 to 19.79	30-Jun-08
09/01	Performance Indicators	R7	The figure for BVPI 82aii be amended from 7444.61 to 6638.88	30-Jun-08
09/01	Performance Indicators	R8	The figure for BVPI 82bi be amended from 14.85 to 2.78	30-Jun-08
09/01	Performance Indicators	R9	The figure for BVPI 82bii be amended from 5829.72 to 932.74	30-Jun-08
09/01	Performance Indicators	R10	The figure for BVPI 84c be amended from 428 to 364	30-Jun-08
09/01	Performance Indicators	R11	The figure for BVPI 84b be amended from 9.74 to -6.67	30-Jun-08
09/01	Performance Indicators	R1	The date that the person entered temporary accommodation should be recorded and used in the calculation for BVPI 183b.	30-Jun-08
09/01	Performance Indicators	R12	The figure for BVPI 183b be amended from 3 to 10.	30-Jun-08
09/01	Performance Indicators	R14	The figure for BVPI 213 be amended from 0.59 to 0.60.	30-Jun-08
09/01	Performance Indicators	R13	The figure for BVPI 204 be amended from 56 to 35.29.	30-Jun-08
08/23	Sickness	R1	Regular checks should be carried out by managers to ensure that sickness days match across documentation, Resourcelink, and DHS. All significant discrepancies should be followed-up.	30-Jul-08
08/23	Sickness	R2	Heads of Service should ensure that recommendations regarding sickness are filtered down through team briefings to officers who are required to implement them.	30-Jul-08

Audit ref	Audit name	Rec no	Recommendation	Planned implementation date
08/23	Sickness	R3	Procedures should be in place to ensure that all Employee Sickness Declaration Forms are promptly scanned into the employees personal file once they have been processed.	30-Jul-08
08/23	Sickness	R4	All staff should be reminded of the requirement to return a completed ESDF and ensure that it is in by the 4th day of absence.	30-Jul-08
08/23	Sickness	R5	Managers to ensure that employees complete and return an ESDF for each instance of sick.	30-Jul-08
08/23	Sickness	R6	Managers to be reminded that evidence of communication, such as interviews, with employees on long-term sick should be forwarded to Payment Services in order that it can be appropriately scanned and filed into the correct personal folder	30-Jul-08
08/24	Stage School	R1	The GTSS are to liaise with Human Resources to establish when Training with regards to the Child Protection Policy is to be carried out.	31-Jul-08
08/08	Swimming Baths	R16	A central file be set up which holds all of the procedure notes for the Swimming Baths.	31-Aug-08
09/03	Creditors	R1	All outstanding cheque cancellation requests and database records should be actioned and completed as soon as possible and procedures put in place to ensure that backlogs are avoided in the future.	01-Sep-08
09/03	Creditors	R2	All requests for emergency payments should be passed to the Principal Payments Officer for monitoring and review purposes.	01-Sep-08
09/03	Creditors	R3	Consideration be given to re-designing the batch control sheet to ensure that services follow correct procedures.	01-Sep-08
08/42	Debtors	R1	Appropriate officers from each service be formally given the ability to authorise account requests. This should be recorded on the certifying officers list along with their other authorisation abilities.	30-Sep-08
08/42	Debtors	R4	All reports monitored including accounts at bailiff, recovery suppressions, and arrangements, should be initialled by the checking officer.	30-Sep-08
08/42	Debtors	R5	As previously recommended, targets should be set for the raising of invoices by services. Such as 10 working days from provision of service to invoice.	30-Sep-08
08/42	Debtors	R6	Compliance with targets for raising invoices should be monitored on a regular basis by each service.	30-Sep-08
08/35	Accountancy Budgets	R1	Emails confirming the accuracy of the staffing be retained on the server in the relevant working paper folder to ensure that an adequate audit trail is maintained.	01-Mar-09

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06/32	Meadowfield Leisure Centre	D Mitchell	Environment and Leisure Services	R13	Consideration be given to producing a single procedures manual covering all leisure centres	01-Dec-06		Manager of the centre left new manager will take over task in June	30-Apr-08						Manual to be completed by April 2008 - Guest Accreditation
08/Cont 3	Building Control	A King	Planning Services	R2	Consideration should be given to the introduction of timesheets to adequately determine the level of activity undertaken as chargeable/non-chargeable (1.9 – 1.12).	01-Aug-07		Reliant on AK	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R3	Adequate checking procedures need to be introduced to ensure that all charges made by the partner are accurate and reconciled (2.4)	01-Aug-07		Reliant on AK	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R4	Revised validation and income receipting procedures will be devised by Internal Audit and implemented ASAP (3.1 & 3.2)	01-Aug-07		Reliant on AK	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R8	Input control totals should be utilised to ensure that all Debtor accounts are raised as expected (3.7)	01-Aug-07		Building Control Manager is to liaise with Rev Sup regarding carrying out control totals	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R12	The number of inspections carried out by each surveyor should be adequately monitored on a weekly basis over the coming months to ensure a balanced and full workload	01-Aug-07		There are issues regarding the system which are being looked at by ICT	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R7	Reconciliation procedures are to be introduced on a monthly basis to ensure that all income is appropriately coded (3.3 & 3.4 & 3.10).	01-Aug-07		Reliant on AK	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R13	Initial discussions should be held with JBC to determine the possibility of variations to the contract pending the outcome of analysis to be carried out over the next 3 months	01-Aug-07		Dependent on other recommendation and possible implication of LGR	31-May-08						
08/08	Swimming Baths	D Lewis	Environment and Leisure Services	R14	The Area Manager carry out regular reconciliations of the cash and credit card transactions be comparing the amounts on the Analysis Sheet, Compulsory Cash Totals, and	31-Aug-07		A cash reconciliation sheet has been developed and is to be completed on a monthly basis	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R1	The Head of Planning Services should adequately consult all relevant officers on budgets which they are expected to control (1.4).	01-Sep-07		PID is in the process of being developed and DT is to speak to OMT regarding subscriptions	31-May-08						
08/Cont 3	Building Control	A King	Planning Services	R14	Consideration should be given to options available for the long-term provision of the service	01-Oct-07		New staffing structure has recently been agreed which will assist in the options appraisal	31-May-08						
08/08	Swimming Baths	D Lewis	Environment and Leisure Services	R6	The method of payment/charge (i.e. cash, card, cheque, Debtor account) for each hire of the facilities should be recorded on the appropriate hire agreement form. The booking form to be	30-Nov-07		Forms are to be redesigned with the pening of the new pool, these will include a	31-May-08						
08/08	Swimming Baths	D Lewis	Environment and Leisure Services	R7	All payments in respect of parties and bookings must be recorded on the application form, including the initial of the receiving officer and the date received. The payment must also be	30-Nov-07		Staff are to be remind that the forms for parties should b date stamped and initialed when the	31-May-08						
08/08	Swimming Baths	D Lewis	Environment and Leisure Services	R12	Unemployment pass holders should be asked to sign a register when using the facilities.	30-Nov-07		A register has been devised but has yet to be used	31-May-08						
05/33	Furniture pack scheme	A King	Community Services	R15	That a suitable system be devised to ensure that all inspections required under the terms of the contract are carried out and appropriately recorded	01-Nov-04		Reviewed as part of 08/Cont 2 Furniture Packs	30-Jun-08						HB Officers were to be utilised. No longer have any. Workload and staffing issues.
05/34	Council House contents insurance	D Cumberland	Corporate Services	R3	A suitable method for reconciling the rent account with the RSA database be established. Due to the low take up of the scheme it is suggested that the reconciliation be carried out	01-Mar-05		Staffing restrictions - new staff in post July 2005. Implementation date was revised to 30/06/2007	30-Jun-08						Part of HMS. Followed up Oct 07 - not implemented. New system just been installed - when confident in
05/27	Grounds maintenance	A King	Environment and Leisure Services	R13	A control record should be created for each site showing the allotment site, plot number occupied, date of tenancy agreement and the date on which a Sundry Debtors Account was	01-Mar-06		Audit of Public Open Space currently being carried out	30-Jun-08		Referred to Director	30-Jun-08			21/11/07 "This is a time consuming and painstaking exercise. Information is now being collated -
07/39	Sickness	A King	Corporate Services	R1	Employees are to be reminded that they must contact DHS on the first (and second) day of absence before 10am.	01-May-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R2	Employees are to be reminded that they must contact DHS to inform them that they are returning to work.	01-May-07		08/23 Sickness	30-Jun-08						
08/01	Performance Indicators	D Mitchell	Environment and Leisure Services	R4	Care should be taken to ensure that data relating to the current financial year are included in the BVPI calculation.	01-Jun-07		This cannot be checked until the end of the financial year	30-Jun-08						See 09/01 Performance Indicators

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06/33	Supporting People	D Mitchell	Community Services	R1	City Care to liaise with the Revenues Control Team, and the Rents Section, in order that a solution be found to enable the reconciliation of income to the rent control account.	01-Jun-07		New system being installed which will reconcile information	30-Jun-08						To be reconciled by audit.
07/39	Sickness	A King	Corporate Services	R4	Managers are to be reminded that where they have received an email regarding an employee's return to work they must respond in order to ensure the accuracy of the information	01-Jul-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R5	To ensure that employees follow the sickness absence procedures they should be reminded that it is necessary for them to submit the ESDF forms by the 4th calendar day, as per the	01-Jul-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R12	The Human Resources Manager may wish to consider issuing further guidance regarding the use of disciplinary action with regards to sickness	01-Aug-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R13	All managers and supervisors need to be made aware that when completing the return to work interview or sickness counselling forms "Yes, No or N/A" answers are no longer appropriate.	01-Aug-07		08/23 Sickness	30-Jun-08						
08/29	Coxhoe Leisure Centre	D Mitchell	Environment and Leisure Services	R1	Audit to liaise with Coxhoe Leisure Centre to improve the current reconciliation process for Leisure Finance Transactions. This then should be reiterated across the whole of Leisure	30-Sep-07		PJ in touch with Leisure Finance	30-Jun-08						Recent Audit review. Ongoing.
08/Cont 2	Furniture Packs	A King	Community Services	R9	Housing Officers should take care to ensure that charges are correctly calculated and subsequently applied within the Rent Account.	01-Oct-07		Errors found in reconciliation	30-Jun-08						
08/Cont 4	Tenants Content Insurance	A King	Corporate Services	R1	Data from the database should be reconciled to the charges made via tenants rent accounts prior to payment of the premiums on a monthly basis.	01-Oct-07		The reconciliation relies on other large jobs being completed prior to it being carried out. These will be	30-Jun-08						G West Updating access database
07/39	Sickness	A King	Corporate Services	R16	Where appropriate, for employees who work shift/rota, DHS should be informed of the actual shift pattern of the employee to ensure the accuracy of the data.	01-Oct-07		08/23 Sickness	30-Jun-08						
08/16	Payroll	D Mitchell	Corporate Services	R1	The cognos reporting tool be utilised to produce reports to enable the periodic review of amendments. All such reviews should be evidenced.	19-Oct-07		RA is to liaise with ICT to develop these reports	30-Jun-08						Reports taking an excessive time.
08/Cont 2	Furniture Packs	A King	Financial Services	R8	Investigations should be made to determine the feasibility of recovering those costs not previously charged and repayment of those costs overcharged	01-Nov-07		To be followed up next quarter / upon return of AK	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R7	A separate document type should be created within the Anite system for each type of document relating to sickness.	01-Nov-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R10	Managers are to scan all return to work interviews and sickness counselling interviews and forwarded them via email to Payment Services so that they can be electronically	01-Nov-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R11	Managers are to be informed that following the transmission, and confirmation of receipt from Payroll, of sickness counselling/return to work forms, the original should be disposed of	01-Nov-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R18	Any discrepancies noted on weekly absence returns provided by DHS to managers/supervisors should be investigated, amended where applicable and returned to DHS	01-Nov-07		08/23 Sickness	30-Jun-08						
08/Cont 2	Furniture Packs	A King	Community Services	R5	Arrangements should be made to ensure that upon receipt of the keys to a property, or where applicable, notice to vacate a property, NFS are contacted immediately to arrange for the	01-Dec-07		Errors found in reconciliation	30-Jun-08						Errors to be reported following furniture pack reconciliation
08/Cont 2	Furniture Packs	A King	Community Services	R6	For future terminations, NFS should be instructed to collect the furniture within 5 working days and where this is not agreed the end of tenancy should be agreed for the	01-Dec-07		Errors found in reconciliation	30-Jun-08						
08/Cont 2	Furniture Packs	A King	Financial Services	R7	Investigations should be made to determine if the contract may be amended whereby charges would cease the Monday following notification of the requirement to collect the furniture.	01-Dec-07		To be followed up next quarter / upon return of AK	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R9	All managers are to inform their staff that where employees carry out overtime by covering another member of staff's shift due to sickness, this should be stated on the overtime form.	01-Dec-07		08/23 Sickness	30-Jun-08						
07/39	Sickness	A King	Corporate Services	R14	The Employee Sickness Declaration Form should be amended so that the information recorded on the ESDF by the employee is compatible with that used on ResourceLink and	01-Dec-07		08/23 Sickness	30-Jun-08						

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08/51	Service Charges	D Lewis	Financial Services	R1	Accountancy is to obtain copies of all leases for which service charges are made	31-Dec-07		Leases have not been obtained for service charges	30-Jun-08					
08/07	NNDR	D Mitchell	Financial Services	R1	Procedure notes for working practices outside the operation of Sx3 should be reviewed and steps taken to ensure all areas are sufficiently documented.	28-Feb-08		To be codified	30-Jun-08					
08/25	Systems Documentation	D Lewis	Environment and Leisure Services	R2	Reconciliation procedures should be incorporated into the system for the collection of fees and charges for non-domestic waste and should be carried out on a periodic basis.	28-Feb-08			30-Jun-08					
08/25	Systems Documentation	D Lewis	Environment and Leisure Services	R4	The Technical Support Officer is to develop procedures to ensure that the income received from invoices raised is posted to the correct account, and that this information is reconciled	28-Feb-08		Guidance requested	30-Jun-08					
08/25	Systems Documentation	D Lewis	Planning Services	R5	When the Development Control Manager carries out the reconciliations of the Agresso Account for Planning to the CAPS information, supporting evidence is to be maintained to	28-Feb-08		Guidance requested	30-Jun-08					
08/25	Systems Documentation	D Lewis	Property Services	R6	The Admin Technical Support Officer is to run an enquiry on Debtors using the "PROPSERG" Debt Type in order to reconcile the values of the accounts raised, the outstanding balances and	28-Feb-08			30-Jun-08					
08/29	Deerness Leisure Centre	D Mitchell	Environment and Leisure Services	R3	A regular reconciliation is undertaken by Leisure Services staff to ensure that all necessary centre members are reconciled to Leisure Finance payments (refer to outcome of Coxhoe	29-Feb-08		Recent Audit Review. Ongoing	30-Jun-08					
08/32	Customer Services	D Mitchell	Corporate Services	R2	Steps should be put in place to ensure the prompt response to email and web enquiries. For enquiries passed to another service the case on CRM should be left open and followed	29-Feb-08		Ongoing - see KR	30-Jun-08					
07/39	Sickness	A King	Corporate Services	R8	Future calculations of BVPI 12 should be adjusted for part-time staff in accordance with the definition and it's practical interpretation by neighbouring authorities. Furthermore,	01-Mar-08		08/23 Sickness	30-Jun-08					
08/12	Accountancy Final Accounts	D Lewis	Financial Services	R1	Working papers should be hyperlinked to the relevant section of the statement of accounts (if time permits). Failing this, as a minimum, shortcuts should be utilised within the	31-Mar-08		See file	30-Jun-08					
08/12	Accountancy Final Accounts	D Lewis	Financial Services	R2	All working papers should be recorded on a summary of working papers, which should include the minimum requirement for working papers and a record of the subsequent review.	31-Mar-08		See file	30-Jun-08					
07/23	Flexitime	D Lewis	Corporate Services	R1	The current policy should be revised to enable officers to work within the requirements of the service.	30-Apr-07		Single Status	30-Sep-08					
07/23	Flexitime	D Lewis	Corporate Services	R7	The times of the Flexi Time Policy be reviewed to reflect the part time and full time employees working hours.	30-Apr-07		Single Status	30-Sep-08					
08/19	Risk Management	S Riley	Strategic Services	R1	Following approval and implementation of the revised policy/strategy document, the overall score for the Risk Management Strategies enabler be amended to 21 out of 21, equating to	07-Nov-07		Will be revised annually with the RM checklist	30-Nov-08					
08/19	Risk Management	S Riley	Strategic Services	R4	Actions included in the Action plan (attached to the Risk Management Self Assessment Checklist) be reviewed on a quarterly basis, in line with the target dates and the self	07-Nov-07		Will be revised annually with the RM checklist	30-Nov-08					
06/27	Enforcement (Legal)	D Lewis	Strategic Services	R3	Once a budget has been allocated, the requirements for the Lexel Accreditation regarding written procedure notes be adhered to and the procedures developed.	30-Apr-07		A budget has not yet been allocated for the year and uncertainty remains with LGR	01-Apr-09					
06/19	Homelessness	A King	Community Services	R13	Investigations should be carried out to determine the feasibility of all documents relating to each homelessness application (including the application itself) being stored on	01-Apr-06		Waiting for new Housing Management System	30-Jun-07				28-Apr-08	Withdrawn due to budgetary restrictions and LGR. At the request of MT and PK
07/05	Customer Services	A King	Community Services	R7	Service Level Agreements should be developed to ensure that both front and back office services understand what work is to be carried out by Customer Services. Each service should	01-Jan-08		No longer applicable					28-Apr-08	WITHDRAWN - Not a priority will be included in relevant LGR workstream
08/Cont 2	Furniture Packs	A King	Financial Services	R13	The furniture pack system should be subjected to a full review of procedures and any additional amendment required, over and above those included within this report, should be	01-Jan-08		Not in Audit Plan					28-Apr-08	Withdrawn not included in Audit plan due to Transition to new authority (Only major financial and
06/24	Housing Rents	D Simpsons	Financial Services	R3	Procedure Notes with regards the role of the Revenues Supervisor should be produced this should also apply to other key roles within the Rent Department.	01-Jun-06			31-Jan-08		Referred to Director	01-Apr-08	23-Apr-08	RP is leaving at the end of March 08 - therefore procedure notes will be done for then.

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07/40	Dog Fouling	D Mitchell	Environment and Leisure Services	R2	Health to liaise with Legal to ensure that evidence gathered is sufficient to ensure a successful prosecution.	30-Apr-07		Process is currently being revised at present along with the enforcement policy	31-Mar-08	28-Apr-08				
08/15	Creditors	D Lewis	Property Services	R1	Training is to be provided to additional staff as soon as possible to ensure that there is a division of duties between the raising of requisitions and authorisation of orders.	28-Feb-08		To check in 2008/9 Creditors audit.	30-Jun-08	18-Jun-08				
08/25	Systems Documentation	D Lewis	Cultural Services	R1	The TIC Manager and staff develop processes to ensure that the reconciliations are adequately carried out and review procedures of these reconciliations are in place.	28-Feb-08		Officer requires improved access to Agresso	30-Jun-08	06-Jun-08				
07/32	Accountancy - Budgets	A King	Financial Services	R1	Written confirmation should be received to verify the accuracy of the staffing for each service.	01-Oct-07		No written confirmation of staffing received	31-Mar-08	28-Apr-08				
08/Cont 1	NWA - Payment and collection of charges	A King	Financial Services	R1	A periodic (at least annual) reconciliation should be carried out to ensure that the properties within the NWA schedule can be vouched to current Council HRA properties.	01-Oct-07		To be followed up next quarter upon return of AK	01-Apr-08	28-Apr-08				
08/Cont 1	NWA - Payment and collection of charges	A King	Financial Services	R7	Procedures should be fully reviewed and adequate controls should be incorporated to ensure that payments made, amount recharged and refunds received are accurate	01-Oct-07		To be followed up next quarter upon return of AK	01-Apr-08	28-Apr-08				
06/07	Sickness	D Lewis	Corporate Services	R7	For efficiency purposes, consideration should be given to the process of recording the sickness dates on the Employee Sickness Record Card, being discarded	01-Jan-06		Waiting for Time and Attendance to be in place and Personnel Files to be scanned onto Anite	31-Jan-07	28-Apr-08				Covered in the 07/39 sickness audit - retaining the cards
06/42	Council Tax	D Mitchell	Financial Services	R2	Accounts at bailiff should be monitored to ensure that payments are being received. Accounts with no payments should be queried with the bailiff to ascertain what action is being	01-Apr-06			01-Apr-08	28-Apr-08				Confirmed by revenues audits
06/48	Fleet Management	R Burn	Environment and Leisure Services	R26	Driver and user department surveys should be carried out on a regular basis and the findings taken into consideration when reviewing the business plan	30-Apr-07		In progress	31-Jan-08	28-Apr-08				
07/13	Tourism Strategy	D Lewis	Cultural Services	R1	A Tourism Strategy be developed which is clear and concise, takes into account the Area Tourism Partnership, is based on best practise guidance, is linked to corporate priorities,	31-Mar-07		Waiting on County	20-Dec-07	28-Apr-08				
07/13	Tourism Strategy	D Lewis	Cultural Services	R2	The consultation processes be taken into account when the Tourism Strategy is produced	31-Mar-07		Waiting on County	20-Dec-07	28-Apr-08				
07/13	Tourism Strategy	D Lewis	Cultural Services	R3	A timetable be devised which ensures that the Tourism Strategy is reviewed and updated on a regular basis	31-Mar-07		Waiting on County	20-Dec-07	28-Apr-08				Waiting on information from the County before Strategy is produced
08/Cont 2	Furniture Packs	A King	Financial Services	R2	Discussions should be held with NFS to agree the total amount of the over charges levied and a Debtors invoice should be raised to reclaim the agreed amount	01-Oct-07		To be followed up next quarter / upon return of AK	01-Apr-08	28-Apr-08				
08/Cont 2	Furniture Packs	A King	Financial Services	R4	Discussions should be held with NFS to agree the total value of recharges for missing furniture as soon as practical.	01-Oct-07		To be followed up next quarter / upon return of AK	01-Apr-08	28-Apr-08				
08/12	Accountancy Final Accounts	D Lewis	Financial Services	R4	The systems access for Accountancy and Treasury Management be reviewed to ensure that a suitable authority group and access is applied.	31-Oct-07		New user group has not been created	01-Apr-08	08-Apr-08				
08/19	Risk Management	S Riley	Strategic Services	R2	Job descriptions be revised for Heads of Service and other Senior line managers to include Risk Management responsibilities. Job descriptions for all other staff should also have	07-Nov-07		Job descriptions as and when job / holders change. All to be completed by Dec 08	31-Dec-08	28-Apr-08				
08/17	Cash Collection	D Mitchell	Corporate Services	R1	Two officers should be present when daily takings are counted and both should sign the end-of-day report as evidence that proper procedures have been carried out.	28-Feb-08	28-Apr-08							
08/17	Cash Collection	D Mitchell	Corporate Services	R2	Each Securicor sheet should be scanned and saved n the cityinfo server.	01-Nov-07	28-Apr-08							
08/17	Cash Collection	D Mitchell	Corporate Services	R3	That post received by customer services at Meadowfield should be opened by two persons. Both should sign the completed remittance sheet which should be passed, with the	01-Feb-08	28-Apr-08							
08/15	Creditors	D Lewis	Corporate Services	R3	Payment Services are to liaise with the services to ensure that duplicate payments are not made by accurately checking their records to ensure that orders and invoices are not created / paid	28-Feb-08	28-Apr-08							

Audit ref	Audit name	Lead auditor	Dept	Rec no	Recommendation	Planned impl date	Date impl	Explanation	Rev impl date	Date impl 2	Escalation	Exp impl date following esc	Date impl 3	Date withdrwn
08/25	Systems Documentation	D Lewis	Environment and Leisure Services	R3	The Environmental Health Manager is to develop procedures in order to reconcile the Pest Control, HMO, Tattooing and Ear piecing Licenses.	28-Feb-08	28-Apr-08							
08/24	Stage School	D Lewis	Financial Services	R2	A voluntary declaration needs to be made to HMR&C with regards to the overpayment of VAT for the Gala Theatre Stage School and the equivalent value of VAT should be transferred	31-Mar-08	28-Apr-08							Actionned - 17/01/08
07/32	Accountancy - Budgets	A King	Financial Services	R2	Adequate checks should be carried out to ensure that the information in the Council Tax leaflet is accurate	01-Jan-08	28-Apr-08							
08/Cont 2	Furniture Packs	A King	Community Services	R1	All schedules of charges received by NFS should be stored in an appropriate folder on the server.	01-Sep-07	28-Apr-08							
08/Cont 2	Furniture Packs	A King	Community Services	R3	Adequate checking procedures should be introduced to ensure that charges made by NFS can be vouched to the furniture packs currently held by Durham City Council tenants, in	01-Oct-07	28-Apr-08							
08/Cont 2	Furniture Packs	A King	Community Services	R10	A full reconciliation should be carried out on a periodic basis to ensure that charges made by NFS are correctly raised within the Rent system (including the correct start and end date for	01-Oct-07	28-Apr-08							
08/Cont 2	Furniture Packs	A King	Community Services	R12	Future revisions to charges to be levied on Council tenants should be calculated by adjusting the NFS charge to a 48-week basis and then adding on the administration fee.	01-Jan-08	28-Apr-08							
08/19	Risk Management	S Riley	Strategic Services	R3	Arrangements for recording and reporting a risk following an incident be revised to ensure consistency, and be embedded throughout the council.	31-Mar-08	17-Apr-08							

CITY OF DURHAM

AUDIT OVERVIEW COMMITTEE

30th JULY 2008

ANNUAL REPORT OF THE RISK MANAGEMENT WORKING GROUP

1. INTRODUCTION AND PURPOSE

To inform Audit Overview Committee of the progress made in strengthening the Council's risk management arrangements during 2007/08.

To prepare a comprehensive annual report, outlining the activities of the Risk Management Working Group between April 2007 and March 2008.

2. PROGRESS REPORT

The Risk Management Working Group prepares this annual report but has also produced progress reports to Cabinet and Audit Overview Committee during the course of the year.

The Risk Management Working Group has revised the Risk Management Policy and Strategy and the Strategic Risk Register. Both have been approved by Cabinet. The Group has also produced an action plan to implement the 99 recommendations outlined in the Strategic Risk Register. This action plan has been reviewed in the light of Local Government Review and 19 proposed actions have been postponed. Of the remaining actions, 23 relate to the continuing operation of controls established in previous years and 40 have now been completed. Work has begun on the remaining 17, which are scheduled for completion in 2008/09.

The Risk Management Working Group has considered the risks the Council will face during 2008/09 and identified the risks relating to the establishment of a new unitary authority.

The Group has produced a Transition Plan Risk Register and will monitor this during 2008/09.

The Risk Management Working Group has continued to monitor the operational risk registers. All operational risk registers are being maintained on an ongoing basis and amended where necessary. New procedures have been established to ensure that all audit and health and safety risks are now included in these registers. Guidance notes have been amended accordingly. Training on health and safety risks has been provided, and health and safety risk assessments are now included in the computerised operational risk registers.

The Risk Management Working Group has reviewed the revised Health and Safety Policy, prepared by the Health and Safety Officer. Working with the Health and Safety Officer, the Group has prepared a communications plan and commissioned a training programme to raise awareness of this policy throughout the Council. In so doing, the Group has considered the implications of the recent Corporate Manslaughter and Corporate Homicide Act, which came into force on 6 April 2008.

The Risk Management Working Group has reviewed the risk management and awareness training needs of the Council. It commissioned St. Paul's Travelers to undertake half day workshops for staff and Members. The Business Development Officer has also undertaken specialised risk management training and attended a Management of Risk Course, successfully completing both Foundation and Practitioner stages.

The Group completed its annual self assessment of risk management arrangements in June 2007. The Group found that the Council then complied with 89% of all good practice set out by CIPFA, compared with 71% in June 2006 and 37% in June 2005. The Group established an action to address weaknesses and has reviewed this quarterly. Further progress has been made and the Council now complies with 95% of good practice. Internal Audit has also completed an audit of risk management arrangements. Internal Audit assessed these as being good, a score of 2. Internal Audit made 5 recommendations, 4 of these have already been completed and work is ongoing on the remaining one. The Audit Commission assessed the Council's risk management arrangements as part of its Use of Resources Assessment and awarded a score of 3.

The Risk Management Working Group has continued to monitor insurance claims.

The Risk Management Working Group commissioned internal network penetration testing by a specialist consulting firm. The testing has now been completed. The Group considered the report, outlining the results. This report highlighted 3 main areas where weaknesses could potentially allow a skilled individual with the appropriate tools and have to compromise the network. These high risks have now been addressed by ICT staff and it would be difficult (if not impossible) to gain access to the network now that the recommended measures have been put in place. Medium and low level risks were also identified in the report, and these have also been addressed.

The Risk Management Working Group has continued to maintain and improve the Council's emergency planning and business continuity arrangements. The Group has finalised the high level Influenza Pandemic Plan and amended the Council's Emergency Plan in the light of the recent restructure. The Group has also completed the National Capabilities Survey on behalf of the Council. Work has been delayed in some areas because of reduced support from the Civil Contingencies Unit due to staff vacancies. The Unit has appointed new staff and an increased level of support is now available.

The Business Development Office has undertaken a staff survey, or health check, to assess the extent to which risk management is embedded in the Council and to identify the current position using a maturity model analysis. This study found that risk management was embedded into the culture of this organisation. It found that all staff considered risk management to be important and that health and safety, strategic and business risks are integral in the decision making process. It did, however, highlight significant problems with communication in certain areas. The Risk Management Working Group is now addressing these issues. The maturity model showed that the City of Durham has a Managed/Defined level of risk maturity with actions already underway to progress to the final desirable maturity level of optimising as part of the risk term management plan. This, with a continued training programme and commitment from all staff, this Council will be in an excellent position to manage its risks well.

Members are asked to support the continuing work of the Risk Management Working Group and note the progress made.

3. RECOMMENDATION

That the report be noted.

IN PRIVATE

Resolved: That pursuant to Section 100.A(4) of the Local Government Act 1972 the public be excluded from the remainder of the Meeting during consideration of the items listed in Column 1 below, being reports of the Officers mentioned in Column 2 below on the grounds that if members of the public were present during discussion of these items there would be disclosure to them of exempt information (as defined in Section 100.1) of the description indicated in Column 3 below.

Column 1

Special Investigations

Column 2

Director of
Financial Services

Column 3

Information relating to any individual
(Para. 1).

Information which is likely to reveal the identity of an individual
(Para. 2).

Information relating to the financial or business affairs of any particular person (including the authority holding that information)
(Para. 3).

Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime
(Para. 7).

<p>Note: Members are respectfully reminded that in opening up the Council's business to public scrutiny the Leader of the Council places emphasis on the need to maintain confidentiality on those items which are allowed to remain so under the Access to Information Act - The abovementioned matters fall into that category and Members' co-operation is sought in this regard.</p>
