

SUMMARY OF AUDIT WORK - APRIL TO SEPTEMBER 2006

LEISURE SERVICES

Analysis of Mandays

Leisure Centres & Pools

Fishburn Swimming Pool	5.50
Bars & Catering	10.50
Ferryhill	5.75
Shildon Sunnydale	6.00
Spennymoor	5.50
Fitness Suites	2.25
General	11.0
Torex System	<u>5.00</u>
Total	<u>51.50</u>

Other Leisure Activities

Cyber Cafes	2.75
Depot Canteen	4.25
Green Lane Canteen	6.00
Locomotion Canteen	<u>0.25</u>
Total	<u>13.25</u>

Formal Audit Reports Issued

Recommendations

Rating

Ferryhill Leisure Centre	Yes	Medium/High
Depot Canteen	None	N/A
Green Lane Canteen	None	N/A
Fishburn Swimming Pool	None	N/A
Shildon Sunnydale Leisure Centre	None	N/A

Leisure Department Issues Reviewed

1.	<p>Leisure Fitness Suites</p> <ul style="list-style-type: none"> • Contribution to Competition Line regarding their staff member clarified. • Revised income reconciliation procedures, designed to ensure accuracy of income sharing with Competition Line are working well. Year-end certification no longer a problem. • Important part of the Competition Line agreement is the Minimum Income Guarantee (MIG). Data agreed to ensure the agreed value of the MIG (£353,000) to the Council is maintained in real terms. • Problems reported by other authorities in relation to risks associated with machine maintenance and induction training, have been addressed through Health and Safety Section.
2.	<p>Catering</p> <ul style="list-style-type: none"> • Contracting arrangements reviewed.
3.	<p>Gymnastics Centre</p> <ul style="list-style-type: none"> • Payment in respect of capital contribution due from Competition Line (£150,000) now received.
4.	<p>Newton Aycliffe Fitness Suite Major Redevelopment</p> <ul style="list-style-type: none"> • Need for full risk management approach to major contract work agreed.
5.	<p>Fishburn Pool</p> <ul style="list-style-type: none"> • Security issue relating to personal property reviewed.
6.	<p>Torex Information Management System</p> <ul style="list-style-type: none"> • Difficulties encountered with the new system reviewed. Initial lack of training is being addressed – system now improved.
7.	<p>Ferryhill Leisure Centre</p> <ul style="list-style-type: none"> • Inventory records require updating.
8.	<p>Risk Register</p> <ul style="list-style-type: none"> • Assistance provided to transfer identified risks into the electronic register.
9.	<p>Leisure Centre Bars</p> <ul style="list-style-type: none"> • Managers to review the operations to improve performance as trading results were below budget expectations.

NEIGHBOURHOOD SERVICES

Analysis of Man days

Concessionary Bus Passes	4.50
Concessionary TV Licences	4.00
Environmental Health Recharges	5.00
Homeless Service	2.75
Home Improvement Agency	5.75
Shop Improvement Grants	3.50
Supporting People	14.25
Vehicle Maintenance Operation	<u>5.00</u>
Total	<u>44.75</u>

Formal Audit Reports Issued

Recommendations

Rating

Homelessness	Yes	High
Home Improvement Agency	Yes	High
Supporting People	Yes	High
Concessionary Travel	Yes	High
Concessionary Travel (Follow-Up)	Yes	High
Concessionary TV Licences	Yes	High
Shop Improvement Grants	Yes	Low
Vehicle Maintenance Operation	None	N/A

Neighbourhood Services Department Issues Reviewed

1.	Homelessness <ul style="list-style-type: none">• Reconciliation processes agreed with staff in relation to income from homeless units. Control arrangements improved for energy cards.
2.	Home Improvement Agency <ul style="list-style-type: none">• Non cancellation of entries in Land Charges Register due to problems in notification of payments to the Council
3.	Supporting People <ul style="list-style-type: none">• Review of reconciliation arrangements for this service. Discrepancies between Housing and Carelink databases being resolved by managers.
4.	Concessionary Travel <ul style="list-style-type: none">• Issue arrangements differ around the County with Sedgefield requiring less proof of identity than others. Director to consider.
5.	Concessionary TV Licenses <ul style="list-style-type: none">• Reconciliation procedures reviewed to improve processing accuracy.
6.	Carelink <p>Procedural changes implemented to improve internal control arrangements.</p>
7.	Vehicle Stores <ul style="list-style-type: none">• Controls under review as some minor discrepancies identified in year-end stocktake.
8.	Shop Improvement Grants <ul style="list-style-type: none">• Review to be undertaken to ensure that properties in receipt of grant have not changed ownership within clawback period
9.	Fleet Management <ul style="list-style-type: none">• Fuel monitoring work carried out in the authority requires further development.

HOUSING SERVICES

Analysis of Man days

Contractors Final Accounts	12.50
Housing Management	8.25
Housing Recharges	7.00
Housing Rent Arrears	19.25
Portable data Capture	5.25
Redecoration Allowances	<u>7.00</u>
Total	<u>64.75</u>

<u>Formal Audit Reports Issued</u>	<u>Recommendations</u>	<u>Rating</u>
Housing Rent Arrears	Yes	High
Housing Voids	None	N/A
Portable Data Capture	None	N/A

Housing Department Issues Reviewed

1.	<p>Housing Rent Arrears</p> <ul style="list-style-type: none"> Former Tenants Arrears Policy to be developed
2.	<p>Maintenance Contracts</p> <ul style="list-style-type: none"> Zurich Municipal lift engineer's inspection reports used to confirm there is no duplication with outside contractor inspection arrangements
3.	<p>Contractor's Final Account</p> <ul style="list-style-type: none"> Contract procedures examined and reviewed. Concerns over accuracy of valuations resulted in an excess payment to a contractor. Procedure under review to eliminate risk of re-occurrence
4.	<p>Fuel Stores</p> <ul style="list-style-type: none"> Security arrangements at Depot reviewed and additional measures and monitoring implemented. Updated computer software needs identified.
5.	<p>Redecoration Allowances</p> <ul style="list-style-type: none"> Revisions to operation of scheme agreed.

CHIEF EXECUTIVE'S

Analysis of Man days

Civic Car	5.25
Land Charges	4.00
Training & Employment Services	11.50
Financial Incentives	<u>3.25</u>
Total	<u>24.00</u>

Formal Audit Reports Issued

	<u>Recommendations</u>	<u>Rating</u>
Land Sales	Yes	High
Financial Incentives	Yes	Medium
Training & Employment Services	Yes	High/Medium
Civic Car	None	N/A
Land Charges	None	N/A

CEO Department Issues Reviewed

1.	Land Sales <ul style="list-style-type: none">Delays in receiving monies under a joint disposal arrangement
2.	Financial Incentives <ul style="list-style-type: none">Type of start-up businesses receiving incentive grants reviewed as limited funds available to continue scheme.
3.	Training and Employment Services <ul style="list-style-type: none">Reconciliation issues between grant claims and General Ledger progressed.

RESOURCES DEPARTMENT

Analysis of Mandays

Income Audits

Collection Section	5.25
Emergency Receipts	2.25
Postal Remittances	5.25

General Audits

Bailiff Services	5.25
Capital Receipts	4.25
Car Leasing	6.75
Cheque Production	6.00
Financial checks	11.50
Imprests & Floats	0.50
Insurances	1.75
Parish Recharges	5.25
Petty Cash	0.50
VAT	7.25

System Audits

ICT	4.75
Accounts Payable	5.75
Accounts Receivable	1.25
Payroll	9.25
Business Rates	5.75
Treasury Management	<u>0.75</u>
Total	<u>89.25</u>

Formal Audit Reports Issued

<u>Formal Audit Reports Issued</u>	<u>Recommendations</u>	<u>Rating</u>
Accounts Receivable System	Yes	High
Capital Accounting & Receipts System	Yes	High
VAT	Yes	Low
Postal Remittances	None	N/A
Payroll System	None	N/A
Car Leasing	None	N/A
Petty Cash	None	N/A
Bailiff Services	None	N/A
Emergency Receipts	None	N/A
Parish Recharges	None	N/A

Resources Department Issues Reviewed

1.	Accounts Receivable System <ul style="list-style-type: none">• Participation in credit managers meetings to improve debt collection processes
2.	Capital Accounting & Receipts System <ul style="list-style-type: none">• Access to the Capital Assets Register to be reviewed and amended• Procedure and System Notes to be prepared for the Capital Accounting System
3.	VAT <ul style="list-style-type: none">• De-Minimus limit to be reviewed
4.	Accounts Payable <ul style="list-style-type: none">• Control arrangements to prevent duplicate payments to creditors.
5.	Housing Benefit <ul style="list-style-type: none">• Recovery arrangements on overpaid benefit have been revised.
6.	Information Technology <ul style="list-style-type: none">• Audit Commission risk assessment to be used as basis of I.T. audit work.
7.	Cheques Stationery <ul style="list-style-type: none">• Availability of alternative suppliers of blank cheque stationery is being investigated.
8.	Computer Audit <ul style="list-style-type: none">• County Durham Authorities are to re-start a working group to develop further computer interrogation software. Latest version of software acquired
9.	Investments <ul style="list-style-type: none">• Undue delay by one institution to confirm level of investments by the Council at 31st March 2006

CORPORATE SERVICES

Analysis of Mandays

Corporate Governance	9.75
Data Quality	1.00
Energy Management	8.00
NFI data Matching	0.25
Risk Management	20.25
Fuel Stores	2.25
Standing Orders	0.50
Statement of Internal Control	<u>3.00</u>
Total	<u>45.00</u>

<u>Formal Audit Reports Issued</u>	<u>Recommendations</u>	<u>Rating</u>
None	N/A	N/A

Corporate Services Issues Reviewed

1.	<p>Officer Interests/Hospitality</p> <ul style="list-style-type: none"> New arrangements recently implemented in an attempt to ensure the completeness of the Register.
2.	<p>Audit Customer Satisfaction Surveys</p> <ul style="list-style-type: none"> On-going consultations with managers around Council. No major concerns reported.
3.	<p>Procurement</p> <ul style="list-style-type: none"> Progress being made towards a new set of Contract Procedure Rules as part of the Council's Constitution.
4.	<p>Electronic Tendering System</p> <ul style="list-style-type: none"> Increasing use of system anticipated following appointment of Procurement Officer.
5.	<p>Establishment Control</p> <ul style="list-style-type: none"> Revised processes to enhance the control of staffing issues have been progressed.
6.	<p>Electricity Contract</p> <ul style="list-style-type: none"> Major suppliers expressing doubts on availability of renewable electricity. Even if available, will be potentially at a substantial extra cost to the Council.

Audit Policy and Management Arrangements

<u>Chargeable Management</u>	<u>Mandays</u>
Audit planning	22.75
Audit management & Supervision	5.75
District Audit Liaison	0.75
All Departments Miscellaneous	4.00
Development & Awareness	<u>27.75</u>
Total	<u>61.00</u>

<u>Non Chargeable Management</u>	
Time Management System	11.25
Training - In-house	2.00
Training – external	1.00
Staff Development	1.00
Manager & other staff meetings	10.75
Audit Sub Groups	<u>4.00</u>
Total	<u>30.00</u>

Total Number of Mandays during Period

Leisure	64.75
Neighbourhood Services	44.75
Housing	64.75
Chief Executives	24.00
Resources	89.25
Corporate	45.00
Audit Policy & Management	<u>91.00</u>
	<u>423.50</u>