

Summary of Audit Work: April 2008 – 1st March, 2009

Chief Executives Department – Issues Reviewed

Not applicable.

No formal audit work was carried out during the year with regard to the services provided by the Chief Executive taking into account the level of perceived risk.

Summary of Audit Work: April 2008 – 1st March, 2009

Housing Services

Analysis of Mandays

Property Services

Contractors' Final Accounts	13.50
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Management & Rents

Housing Management & Voids	12.00
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Portable Data Capture	5.00
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Rent Accounting	13.50
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	<u>30.50</u>
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Other

LSVT	6.50
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Total	<u>50.50</u>
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Formal Reports Issued

Recommendations

Risk Assessment

April 2008 – August 2008

Contractors Final Accounts	None	N/A
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Portable Data Capture	None	Medium
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Rent Accounting	None	Medium
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September 2008 – March 2009

Housing Management	Yes	Medium/High
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Housing Management – Garages	None	N/A
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Housing Management – Voids	Yes	Medium
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Summary of Audit Work: September 2008 – 1st March, 2009**Housing Services – Issues Reviewed****1 Housing Management**

- Controls were examined relating to the allocation and letting of properties, as well as the collection of income.
- One recommendation was made to formalise the declaration of interest process.

2 Housing Management - Garages

- The system of control in respect of procedures, sold properties and VAT on garage tenancies was examined.
- No audit recommendations were made.

3 Housing Management – Voids

- The audit involved examining systems of control in respect of the management process for void properties i.e. terminations, inspections, repairs and recharges.
- Recommendations were made in respect of recording of property repairs and inspections on Orchard and for the Head of Property Services to provide an assessment update in respect of the void turnaround scheme.

This audit work was substantially completed but it is anticipated that the formal report will be issued in financial year 2009/10

- Rent Accounting (inc Rent Arrears Monitoring, Refunds and Rechargeable Works)

Audits Not Carried Out

The following work which was planned in the 2008/09 audit plan was not carried out due to work prioritisation:

- Partnership Arrangements - Mears
- Disturbance & Redecoration Allowances

Summary of Audit Work: April 2008 –1st March, 2009Leisure Services

Analysis of Mandays

Leisure Centres & Pools

Leisure Centre – FLC	8.75
Leisure Centre – NALC	10.50
Leisure Centre – SSLC	8.00
Leisure Centre – SLC	0.50
Leisure Centre - Fitness Suites	<u>0.50</u>
	<u>28.25</u>

Other Leisure Activities

Green Lane Catering	6.25
Torex System	<u>6.00</u>
	<u>12.25</u>

TOTAL **40.50****Formal Reports Issued****Recommendations Risk Assessment**April 2008– August 2008

Ferryhill Leisure Centre	Yes	Medium
Newton Aycliffe Leisure Centre 2007/08	Yes	Medium / High
Green Lane Canteen	Yes	Medium

September 2008 – March 2009

Newton Aycliffe Leisure Centre 2008/09	Yes	Medium/High
Sildon Sunnydale Leisure Centre	Yes	Medium
Torex	Yes	N/A

Summary of Audit Work: September, 2008 –1st March, 2009**Leisure Services – Issues Reviewed****1 Newton Aycliffe Leisure Centre**

- This audit involved reviewing the systems and procedures in place in relation to income, staffing, inventory, memberships and the cyber café.
- A number of recommendations were made to improve controls relating to bookings and memberships at the venue and the associated insurance and Health & Safety requirements, the application of the membership scheme including concessionary memberships, controls relating to petty cash and floats, stock controls and adherence to the Working Time Regulations

2 Shildon Sunnydale Leisure Centre

- This audit involved reviewing the systems and procedures in place in relation to income, staffing, inventory, memberships and the cyber café.
- A number of recommendations were made to improve the controls relating to staff who exceed the Working Time Regulations, bookings made at the venue, the associated insurance arrangements and charging applied, and the application of the membership scheme including free and concessionary memberships.

3 Torex System

- This review involved examining the systems of control in respect of receiving and reconciling income through the authority's Leisure Management System.
- A number of recommendations were made to improve controls in respect of the recording and reconciling the income received through the system and for staff to receive appropriate training in these areas.

The following work which was planned in the 2008/09 audit plan was not carried out due to work prioritisation:

- Spennymoor Leisure Centre
- Fitness Suites
- Bars & Catering

Summary of Audit Work: April 2008 – 1st March, 2009

Neighbourhood Services

Analysis of Mandays

Regularity & Systems Audits

Carelink System	13.50
CCTV	7.25
Concessionary Fares	2.00
Concessionary TV Licences	2.00
Fleet Management System	2.50
Home Improvement Agency	0.00
Homelessness	8.25
Shop Improvement Grants	1.75
Trade Refuse Charges	<u>11.25</u>
TOTAL	<u>48.50</u>

Formal Reports Issued

Recommendations Risk Assessment

April 2008 – August 2008

Carelink	Yes	Medium / High
CCTV	Yes	Medium / High
Concessionary TV Licences	Yes	Medium
Homelessness Service	Yes	Medium

September 2008 – March 2009

Concessionary Fares	No	Medium
Shop Improvement Grants	Yes	Low/Medium
Trade Refuse	Yes	Medium/High
Fleet Management System	N/A	N/A

Summary of Audit: Work September, 2008 – 1st March, 2009**Neighbourhood Services – Issues Reviewed****1 Concessionary Fare Scheme**

- Controls in place for the issuing of bus passes were reviewed.
- No recommendations were made.

2 Shop Improvement Grants

- A review of the shop improvement grant scheme was carried out.
- One recommendation was made for a record to be compiled showing grants which have been awarded by the authority and passed onto Durham County Council to ensure that grant monies can be monitored following LGR.

3 Trade Refuse

- Controls in place for trade refuse collections, income and stock were examined.
- A number of recommendations were made to improve controls relating to trade refuse agreements, collections and the subsequent charging for the service, for management checks to be introduced and for stock control to be improved.

4 Fleet/Fuel Management System

- Advice and guidance was provided by internal audit throughout the year on the setting up and monitoring of a new fuel management system.

The following work which was planned in the 2008/09 audit plan was not carried out due to work prioritisation:

- Building Regulations and Planning Audit
- Home Improvement Agency
- Horticulture
- Licencing
- Neighbourhood Wardens

Summary of Audit Work: April 2008 –1st March, 2009Resources

Analysis of Mandays

Income Audits

Collection Section	8.00
Cash Offices – Green Lane	3.50
Cash Offices – Ferryhill	3.00
Cash Office – Newton Aycliffe	1.00
Cash Office – Shildon	0.50
Postal Remittances	<u>3.50</u>
	19.50

General Audits

Car Allowances	1.75
Car Leasing and Loans	0.25
Financial Checks	17.25
Imprest & Float System	2.00
Inventories	3.75
Members Expenses	1.50
VAT Return	<u>2.50</u>
	29.00

Systems Audits

Capital Accounting	6.00
Council Tax	13.75
NNDR	18.75
Treasury Management	8.50
Accounts Payable	14.25
Accounts Receivable	7.25
Payroll	14.75
Housing Benefits	<u>25.25</u>
	108.50

TOTAL**157.00**

Continued - Summary of Audit Work: April 2008 –1st March, 2009

Formal Reports Issued	Recommendations	Risk Assessment
<u>April 2008 – August 2008</u>		
Collection Section Bank Reconciliation 2007/08	None	Medium / High
Green Lane Cash Office	None	Medium
Council House Sales 2007/08	None	Low / Medium
Accounts Receivable 2007/08	Yes	Medium
Payroll 2007/08	Yes	Medium / High
<u>September 2008 - March 2009</u>		
Ferryhill Cash Office	Yes	Medium
Newton Aycliffe Cash Office	Yes	Medium
Postal Remittances	Yes	Low/Medium
Car Allowances	No	Low/Medium
Members Allowances	No	Low/Medium
VAT Return	Yes	Medium
Capital Accounting	No	Medium
Council Tax	Yes	High
NNDR	Yes	Medium
Treasury Management	No	Medium
Payroll	Yes	Medium/High
Housing Benefits	Yes	High
Financial Checks	N/A	N/A
Imprest and Floats System	N/A	N/A
Inventories	N/A	N/A

Summary of Audit Work: September, 2008 – 1st March, 2009**Resources – Issues Reviewed****1 Ferryhill Cash Office**

- Controls in place at the Cash Office for cash floats, collections and banking, security and emergency receipts were examined.
- The Collection and Deposit Book was up to date and the Collections' section reconciliation spreadsheet in relation to this cash office was also up to date.
- One minor recommendation was made in relation to recording under and over bankings

2 Newton Aycliffe Cash Office

- Controls in place at the Cash Office for cash floats, collections and banking, security and emergency receipts were examined.
- The Collection and Deposit Book was up to date and the Collections' section reconciliation spreadsheet in relation to this cash office was also up to date.
- One minor recommendation was made in respect of the signing of documentation

3 Postal Remittances

- This audit examined the controls in place for receiving income through the post and its subsequent distribution to the appropriate sections within the authority.
- A number of minor recommendations were made in relation to the recording of postal remittance information and for performance to be monitored

4 Car Allowances

- Controls in place for the submission, authorisation and payment of car mileage claims were reviewed along with insurance and VAT arrangements.
- No recommendations were made.

5 Members Expenses

- Controls in place for basic pay, special responsibility and other member allowances were reviewed and a sample of claims were examined
- No recommendations were made.

6 VAT Return

- Controls in place in respect of the completion, checking and authorisation of VAT returns were reviewed.
- This work included checking a sample of invoices to confirm the coding of VAT and the VAT registration details.
- One recommendation was made to improve controls in respect of suppliers VAT registration numbers

7 Capital Accounting

- A review of the Capital Asset Register was carried out which included the identification and valuation of assets.
- The capital receipting system was also examined.
- No recommendation were made

8 Council Tax

- The purpose of the review was to examine the effectiveness of controls within the Council Tax system.
- Changes actioned by the Valuation office were found to be appropriate, as were property valuation request forms and information sources.
- Collection and arrears figures are reported to senior management regularly and are closely monitored.
- Two recommendations were made – one in respect of introducing periodic checks on individuals who receive Single Person discount and the other for suspense items to be regularly reviewed.

9 NNDR

- The purpose of the review was to assess the effectiveness of controls within the NNDR system.
- Audit work confirmed that the overall NNDR liability had been correctly calculated and sample testing also showed that discounts, reliefs and exemptions had been correctly applied.

10 Treasury Management

- The review was carried out to assess Treasury Management activity and ensure the Council policy regarding investment is being followed.
- There is an approved lending list and processes for fixed term investments, and a spreadsheet is maintained showing income and payments.
- Investments made were examined and controls were appropriate.
- Monthly activity transactions are reconciled to the FMS system and a performance report shows investment activity.
- No recommendations were made.

11 Payroll

- A review was carried on payroll systems and processes within the Authority.
- Operational procedures for the processing of payroll were examined and found to be satisfactory.
- Audit work involved examining starters, leavers, sickness, maternity/paternity pay, timesheets, national insurance numbers, working time regulations, access to records, information systems and procedures
- Recommendations were made to improve the authorisation process.

12 Housing Benefits

- The review examined the effectiveness of controls within the benefits system.
- Claims checking identified no discrepancies and overpayments can be identified.
- Backdated claims were assessed in accordance with benefit regulations and supported by appropriate documentation.
- Recommendations were made for a periodic reconciliation to be carried out on the debtors spreadsheet and the debt analysis report. Two other minor recommendations were made.

13 Financial Checks

- Examination was carried out in respect of Enterprise Investment Grants applications and also on individuals who expressed an interest in occupying shops/industrial units etc.

14 Imprest & Float System

- Checks were carried out on a sample of floats which are retained throughout the authority.

15 Inventories

- The internal audit section compiled inventory guidance and coordinated the completion of inventory records prior to LGR

The following work which was planned in the 2008/09 audit plan was not carried out due to work prioritisation:

- Rent interface reconciliation
- Car Leasing & Loans
- Emergency Receipts & Receipt Books
- Recurring Receipts
- Council House Sales & Mortgages
- Information Technology
- Insurance
- Parish Recharges

The following audit work is substantially completed but the formal report will be issued in financial year 2009/10:

- Accounts Payable
- Accounts Receivable
- Shildon Cash Office
- Bank Reconciliation
- Collection Section

Summary of Mandays**Audit Policy & Management****Chargeable Management Time**

Audit Planning & Administration	22.75
Audit Management & Supervision	53.75
Advice & Consultancy	<u>11.25</u>
	<u>87.75</u>

Non – Chargeable Management Time

CFO Audit Sub Group	11.25
CFO Risk Management Sub Group	1.50
External Training Courses & Seminars	34.50
Internal Training Courses & Seminars	39.50
Other Working Groups	0.25
Audit Committee Reports/Meetings	1.00
Section Meetings	9.00
Time Management System	<u>8.25</u>
	<u>105.25</u>

<u>Total</u>	<u>193.00</u>
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Corporate Studies & Projects

Energy Management	55.00
Special Investigations	14.50

<u>Total</u>	<u>69.50</u>
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AUDIT MANDAYS TOTAL

Chief Executive	0.00
Housing Services	50.50
Leisure Services	40.50
Neighbourhood Services	48.50
Resources Department	157.00
Audit Policy & Management	193.00
Corporate Studies & Projects	69.50

<u>TOTAL</u>	<u>559.00</u>
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