

## PROGRESS REPORT ON THE WORK OF INTERNAL AUDIT

	<b>System audited</b>	Final report issued	Feedback process in progress	Fieldwork in progress	Brief issued	Possibly defer or cancel
1	Main Accounting System					
2	Budgetary Control					
3	Cash & Bank Reconciliations					
4	Treasury Management					
5	Payroll		✓			
6	Purchasing & Creditors					
7	Debtors					
8	Council Tax/NNDR					
9	Council Tax/Housing Benefits					
10	Risk Management					✓
11	Car Parking Income		✓			
12	Contract Management Arrangements			✓		
13	Cash Collection – Council Offices	✓				
14	Licensing			✓		
15	Emergency Planning/BCP					
16	Annual Governance Statement					
17	Procurement					✓
18	Impact of Budget Constraints on Services					
19	Dunbrik					
20	Information Governance/Document Control, FoI, DPA				✓	
21	Project Delivery Arrangements					
22	Data Quality/Accuracy	✓	✓			
23	Register of Interest & Hospitality		✓			
24	IT Implementation & Network Security					✓
25	Value for Money Arrangements					
<b>Total</b>		2	4	2	1	3

**Review of Data Quality & Accuracy 2011/12**

**Issued: 06-09-11**

**Opinion: *Satisfactory***

This review considered the effectiveness of the corporate performance management arrangements designed to monitor the achievement of the Council's key objectives. The scope of the review covered existing arrangements for setting and monitoring of performance data, with a view to rationalising or simplifying the framework, to facilitate easier understanding of it. The following key risks and associated controls were examined:

- The Council may not comply with relevant legislation, policies, or good practice
- The process may not facilitate the collection of adequate or accurate data
- Covalent may not be utilised to its full potential
- The process may not be as efficient or simplified as possible
- End users may not understand the process or Covalent
- Reporting of performance information to senior management and Members may not be efficient or effective
- Performance data may not be collected on all key activities
- The established process may not be fully complied with
- Fraud or corruption may go undetected
- Opportunities to demonstrate efficiency or value for money may not be maximised
- Risk assessments may not be adequately undertaken and risks not adequately managed

Audit testing indicated that controls were fully met for three of the eleven risks examined. Controls were partially met in the remaining eight. The overall audit opinion was "satisfactory", indicating that good controls are in place to ensure the achievement of organisational objectives, with some occasional instances of non-compliance with established procedures. The following recommendations were agreed with management to address the areas for further development:

- That the Data Quality Statement should be updated to reflect changes in regulation
- That all responsible data collecting and checking officers be included on email distribution
- That data should not be reported via Covalent until it has been verified as quality checked
- That ad hoc one-to-one refresher training sessions be included on the Covalent training log
- Regular periods of review for the Performance Management Framework
- Streamlining and amalgamation of annual corporate service planning and risk management processes
- Update of the strategic risk register.

Members would be advised of the progress in implementing these recommendations in due course.

**Review of Cash Collection at the Council Offices**

**Issued 26-08-2011**

**Opinion:** *Satisfactory*

The purpose of this review was to examine the arrangements for the new cash collection system at the Civic Suite reception, and to give assurance regarding the effectiveness of the process. Previously, the Finance department had been responsible for visiting reception and providing receipts for cash collected. Since 16<sup>th</sup> March 2011, customer services reception staff has undertaken this function. To assess this new arrangement, the following key risks and associated internal controls were assessed:

- The Council may not comply with relevant legislation, policies or good practice
- There could be insufficient income processing records
- There could be unrestricted access to the computerised receipting system
- The receipting system could fail or be incorrect
- Cash may not be stored securely
- Income may not be correctly reconciled
- Staff health and safety may not be adequately protected
- Fraud or corruption may be undetected
- Opportunities to demonstrate efficiency or value for money may not be maximised
- Risk assessments may not be adequately undertaken and risks not adequately managed

The review concluded that controls were met for six of the above ten risks evaluated, whilst the remaining four were assessed as partially met. The overall audit opinion was “satisfactory”, indicating that good controls were in place to ensure the achievement of organisational objectives, with some occasional instances of non-compliance with established procedures. The following recommendations were agreed with management to address the areas for further development:

- That the input error rate should be monitored and additional controls be put in place if it continues to be higher than in previous years
- Introduction of a credit/debit card payment facility within reception, and requesting customer feedback on why they currently prefer to pay CT or NDR in cash
- Amendments to the Customer Services risk register to include the new areas of their service, including risks relating to fraud and corruption, and additional pressures and responsibilities

Members would be advised of the progress made in implementing these recommendations in due course.