

Internal Audit reports finalised since the previous Audit Committee meeting in November 2017

Audit Title:	Compliance with Contract Standing Orders				Date of Report:	12/1/2017	
Number of 'High Priority' Recommendations:	10	Current Audit Opinion:	3	Previous Audit Opinion:	-	Overall Evaluation (Risk):	Of Concern

Key Recommendations

The key recommendations made as a result of the review are:

- Implement the recommendations from the review to facilitate compliance with the Council's Contract Standing Orders and the EU Procurement Regulations
- Budget managers with procurement authorisations and any Officers with delegated responsibilities should be required to undertake mandatory training of the requirements of the online Procurement Toolkit.
- A standard and consistent approach to contract monitoring should be agreed and published then issued to all staff to promote and ensure compliance.
- The terms of reference for the Procurement Surgeries should be revised.
- An EU Procurement Regulation compliant contract should be put in place to ensure continuity of supply of temporary staff within Children's Services.
- Determine a single point for commissioning house and garden clearance services for Housing Estate Management.
- An analysis of Stores orders placed for materials and equipment should be conducted to determine the aggregate value of spend by category of materials or equipment in the last year.
- Details of the Passenger Transport contacts and payments made to Akcess Transport must be provided to the Procurement Surgery.
- For the supply of future furniture and office removal services put in place a Contract Standing Orders Compliant Contract, advertised through the South West Procurement Portal.
- A specification should be prepared for corporate building fire inspections to be conducted in the next year and a short-term tender put to market to ensure compliance with Contract Standing Orders.

Audit Title:	Care Leaver Payments				Date of Report:	13/12/17	
Number of 'High Priority' Recommendations:	2	Current Audit Opinion:	2	Previous Audit Opinion:	3	Overall Evaluation (Risk):	Minimal
<p><u>Key Recommendations</u></p> <p>The key recommendations made as a result of the review are:</p> <ul style="list-style-type: none"> A clear strategy should be established that outlines the Council's approach to providing support for young people in need of developing financial management skills. The legality of using a young person's leaving care grant to provide an advance, and then using this to offset unpaid balances, should be clarified with the Legal department. This applies equally to where the leaving care grant is used to pay debts or costs incurred by the young person. If considered legal, these terms and conditions should be clearly referenced in any information provided to young people regarding financial support. 							

Audit Title:	Corporate Reporting				Date of Report:	04/01/18	
Number of 'High Priority' Recommendations:	2	Current Audit Opinion:	3	Previous Audit Opinion:	NA	Overall Evaluation (Risk):	Of Concern
<p><u>Key Recommendations</u></p> <p>The key recommendations made as a result of the review are:</p> <ul style="list-style-type: none"> • The Council's senior leadership should work with the extended management team, Members, the public, partners and other stakeholders to determine a vision for how the Council will use and make data available to support Council transformation and efficient and effective delivery of services. A strategy and plan to deliver this vision should be produced that addresses data and information requirements across the organisation. • When developing the Council's strategy in relation to data and information, the barriers and opportunities identified in relation to current processes, technology, practices and organisational culture should be addressed. 							

Audit Title:	New Eastern Villages				Date of Report:	04/01/18	
Number of 'High Priority' Recommendations:	6	Current Audit Opinion:	3	Previous Audit Opinion:	NA	Overall Evaluation (Risk):	Of Concern

Key Recommendations

The key recommendations made as a result of the review are:

- A programme review and re-base lining exercise should take place to refresh key programme elements, including milestones, costs, expected section 106 receipts and the likely impact on infrastructure and other deliverables.
- The programme plan should be brought up to date and should be based on plans produced for remaining work streams. Interdependencies should be mapped and form part of ongoing formal programme status reporting. The critical path for the programme should be produced and feasibility of delivery should be assessed, including a review of contingency/float in programmed activities and whether this is sufficient.
- An assessment of resources available to deliver the Council's borough wide infrastructure plan should take place. The assessment should include both transport and non-transport related infrastructure, where the Council will be required to commit resources to its delivery. In the short-term an appraisal of resources available to deliver the NEV programme should take place, both within the team and across supporting departments.
- Corporate governance arrangements for the NEV programme should be renewed and re-invigorated.
- The Council should carry out a detailed appraisal of the benefits of alternative delivery models for the NEV and for the wider Local Plan. If an alternative delivery vehicle is not appropriate, the Council should consider how it can more effectively bring together disparate resources currently working in a matrix structure more effectively to deliver the local plan.
- A report outlining the financial viability of NEV and actions to mitigate identified risks should be produced and submitted to Programme Board, CMAG and Planning Committee.
- Recommendations have also been made to consider alternative approaches to managing risks related to future large developments in the Council's Local Plan.

Audit Title:	S151 Officer and Head of Internal Audit responsibilities						
Date of Report:	5 th May 2017				Materiality/Impact:		N/a
Number of 'High Priority' Recommendations:	0	Current Audit Opinion:	N/a	Previous Audit Opinion:	N/a	Overall Evaluation (Risk):	N/a
<u>Key Recommendations</u> A review of compliance with the CIPFA guidance on the role of the Chief Financial Officer (s.151 officer) and the Head of Internal Audit was completed. No significant issues were found.							

Audit Title:	Parking Enforcement				Date of Report:	18/12/2017	
Number of 'High Priority' Recommendations:	1	Current Audit Opinion:	2	Previous Audit Opinion:	-	Overall Evaluation (Risk):	Moderate
<u>Key Recommendations</u> The key recommendations made as a result of the review are: <ul style="list-style-type: none"> A review of the Oracle Holding Account used for Penalty Charge Notice income received should be conducted to identify the source of the unallocated funds. Regular reconciliations should also be conducted between income recorded as received on Chipside to income received through the cash management system to ensure it is accurately recorded. 							

Audit Title:	Lawn Primary					Date of Report:	19/01/2018	
Number of 'High Priority' Recommendations:	4	Current Audit Opinion:	3	Previous Audit Opinion:	-	Overall Evaluation (Risk):	Moderate	

Key Recommendations

The key recommendations made as a result of the review are:

- In line with the Financial Regulations for Schools, official orders should be raised on the FMS system at the point of order, when committing the School to the expenditure (with the exception of utilities bills, emergency purchases and staff reimbursements). Authorisation should be received from the appropriate person to ensure there is budget available before an order is placed with a supplier.
- For all purchases over £5,000 the School should obtain three written quotes, in compliance with the Financial Regulations for Schools. The selection of the supplier and the approval for expenditure over £5,000 should be made by Governors as per the Financial Regulations and the School's Scheme of Delegation. The School should retain evidence of this e.g. in Governor minutes, and email trails.
- The procedure for the receipt, recording and banking of income should be reviewed to ensure that there is split of duties between staff.
- The minutes of Governor meetings should be improved to include details of the key discussions held to enable the School to demonstrate that there appropriate governance arrangements in place and adequate scrutiny and challenge by Governors

Audit Title:	Treasury Management								
Date of Report:	07/12/2017				Materiality/Impact:			High	
Number of 'High Priority' Recommendations:	0	Current Audit Opinion:	1	Previous Audit Opinion:	1	Overall Evaluation (Risk):	Moderate		

Key Recommendations

There are no key recommendations made as a result of the review.

Audit Title:	Children's Legal Costs				Date of Report:	21/11/17	
Number of 'High Priority' Recommendations:	0	Current Audit Opinion:	N/A	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	N/A
<p><u>Key Recommendations</u></p> <p>Internal Audit were asked to carry out a review on the approach to the management of legal costs incurred by Children's Services for legal costs as historically the budget had been overspend and there were increased budget pressures to an increase in cases.</p> <p>The Auditor concluded that the budget for Children's legal costs has never been sufficient to meet demand and has always been significantly overspent. Work was needed to agree a realistic budget allocation for 2017/18 and to identify the implications for any additional funds that are needed.</p> <p>Alongside this, action needed to be taken to better understand the legal costs associated with care proceedings and to secure value for money through appropriate procurement exercises.</p> <p>The Auditor made a number of recommendations, which were agreed by the Head of Children, Families and Community Health and the Head of Litigation and Personal, to ensure the two departments work more closely together to allow Children's Services to manage their budget more effectively.</p>							

Audit Title:	Steam Museum				Date of Report:	January 2018	
Number of 'High Priority' Recommendations:	10	Current Audit Opinion:	3	Previous Audit Opinion:	-	Overall Evaluation (Risk):	Moderate

Key Recommendations

The key recommendations made as a result of the review are:

- An annual business plan should be produced for STEAM with relevant business performance measures and outcomes linked to specific projects required to deliver outcomes put in place to monitor and manage service delivery.
- Until the service restructure of STEAM can go ahead reevaluate the capacity and capability of the three managers at STEAM to establish if work on progressing strategic aims and objectives, intended for the service business plan, can be taken forward.
- Work produced to date to look at alternative governance models for STEAM with the South West Museum Development Programme should be used to contribute and support the achievement of departmental objectives.
- As part of the option appraisal for the future of STEAM, evaluate the benefits of becoming a charity to attract new income opportunities including grants, sponsorship and business rates discounts
- Conduct a review of the STEAM museum building lease for Firefly Avenue and NRM loan agreements to identify if there are any limitations of use that could impact or restrict options to be taken forward as part of the STEAM options appraisal:
- The structure and agenda for management meetings should be reviewed to ensure that both the strategic and operational levels of business activity are covered.
- Review the relevance of the existing key performance indicators and targets to ensure they are key measures of success and underpin achievement of business plan objectives.
- A new key performance indicator/outcome should be introduced to monitor and manage achievement of 100% cataloguing of all artefacts at STEAM with a split of the KPI's/outcomes to reflect items on loan from the National Railway Museum and those owned by STEAM.
- The STEAM annual revenue budget should be aligned to the new annual business plan for the service so that financial performance and service outcomes can be effectively monitored and managed.
- In compliance with the Council's Contract Standing Orders undertake a tender process for the café catering provision at STEAM.