

INTERNAL AUDIT REPORTS FINALISED JULY - SEPTEMBER 2009

Final audit reports issued:

System	Current Audit Opinion	Previous Opinion	Overall Evaluation (Risk)	Key Findings / Recommendations	Date of audit
Anti-fraud and Corruption – Car Parks	4	N/A	Significant	<p>A review has been carried out to provide assurance to the Head of Street Smart that efficient control and procedures are in place for Parking Services and income collection.</p> <p>The following key recommendations should be implemented in order to achieve the improvements required:</p> <ul style="list-style-type: none"> • set, monitor and manage service performance and outcomes i.e. from Capita, CSS and Environment and Regeneration Finance to demonstrate ownership, accountability and action planning to address issues effectively. This should embrace compliance with Financial Regulations and best practice i.e. benchmarking for continued improvement and driving efficiencies and effectiveness in overall service performance. • implement the recommendations from this audit to provide effective anti-corruption and anti-fraud controls operated for the service. • establish a clear management trail for Car Parking services and for all those parties that facilitate delivery of the service. A guidance and procedural manual should be developed clearly setting out roles and responsibilities, hand over requirements, effective and timely reporting, monitoring and decision-making. • Car Parking asset register should be updated and subject to periodic review to identify all assets, including lease arrangements and in-house managed Car Parking. <p>An update on management's progress in implementing agreed recommendations will be presented to this month's audit committee.</p>	March – May 2009

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System	Current Audit Opinion	Previous Opinion	Overall Evaluation (Risk)	Key Findings / Recommendations	Date of audit
Festivals and Events	4	N/A	Of Concern	<p>A review has been carried to provide assurance to the Head of Culture that the Festivals and Events system is robust and efficient.</p> <p>The following key recommendations should be implemented in order to achieve the improvements required:</p> <ul style="list-style-type: none"> • Business Planning should incorporate the business cases identified as part of the commercialisation project and be extended beyond 2010. • Regular surveys and consultations to develop an understanding of the community's needs should be implemented to ensure that these needs are at the heart of the design and delivery of the service. • Budgets for the Bowl concerts should distinguish between income and expenditure to identify where the causes of any over / under spend are. • Market test for suppliers of services and equipment as well as concessions to demonstrate best value. The process of determining the successful bidders should be documented and transparent • Fully document the process of awarding the concessions. • Cash handling procedures should be reviewed and amended to address the weaknesses identified in the audit report. • A checklist should be produced for all documents required from suppliers to ensure that the relevant CRB, insurance and employment checks are carried out on a consistent basis. • Copies of Insurance certificates detailing the public liability cover held by performers and suppliers of equipment, used in running festivals and events, should be obtained and retained centrally by the Festivals and Events Team. • Risk assessments should be reviewed on a regular basis prior to each event to ensure that any variation in circumstances are catered for in mitigating actions. Key risks should be escalated to ensure they are reflected where necessary in the Departmental and Corporate risk registers. • A checklist of all documents be required for inspection at an event by Council inspection officers, blue light services and possibly the public should be drawn up with responsibility for obtaining these documents allocated to staff to ensure they are all present when the event starts. 	July 2009

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Business Continuity	3	3	Of Concern	<p>A review of Business Continuity Arrangements was carried out to provide assurance to the Director of Policy, Performance and Communications that arrangements for business continuity management within the Council are robust and efficient.</p> <p>The following key recommendations should be implemented to achieve the improvements required. Those with the highest priority concern the following areas:</p> <ul style="list-style-type: none"> • Corporate Board should agree a prioritised timetable for production and testing of business continuity plans for all Council and significant partner services. Key service business continuity plans should be completed as a matter of priority. • Plans should include services provided away from the main council offices – for example, schools, day centres, adult care homes, and mobile services within the community – including the requirement for equipment, plant and vehicles to deliver services. • The Business Continuity Team should meet regularly to develop a full understanding of business continuity issues. • In preparing an updated business continuity strategy, consideration should be given to the management structures set out in the existing strategy, and whether they remain appropriate in the light of the business continuity plans now being prepared. This should include the roles of senior management teams within group directorates, members of the Council, and partner representatives. • Performance monitoring arrangements should be put in place to report on progress and development of plans against a corporately agreed programme and timetable of business continuity work. • The corporate, group and departmental risk registers and those of significant partnerships should recognise business continuity as a risk. They should also identify the extent to which business continuity plans have been completed and tested, and hence, the level of mitigation that can be relied on through the plans. • Within partnerships, resources should be provided from all partners to jointly develop and test business continuity plans. Where the Business Continuity Manager carries out work for partner organisations, an agreement regarding sharing of resources should be sought. 	June 2009

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Asset Management – Follow-up	3	3	Of Concern	<p>A follow-up of the 2007/08 report on Asset Management has been completed.</p> <p>The status of the 39 recommendations made in the previous audit are as follows:</p> <table><tr><td>Implemented</td><td>In Progress</td><td>Not Implemented</td><td>Superseded</td></tr><tr><td>16</td><td>7</td><td>14</td><td>2</td></tr></table> <p>Key recommendations which remain outstanding and new recommendations made as result of the follow-up are shown below:</p> <ul style="list-style-type: none">• Directorates should be required to formally sign off and agree properties assigned to them in the asset register.• It should be ensured that all keys to void properties are signed for, both when they are taken and when they are returned.• The Council should ensure that periodic inspections of properties take place. The results should be recorded, including confirmation that tenants are adhering to the conditions of the lease and are maintaining the required condition of the property. Subsequent actions should also be recorded.• There should be ongoing liaison between Property Services and the Business Continuity Manager concerning property-related risks and other issues relevant to the availability of buildings for business continuity.• Directorates should be required to formally sign off and agree properties assigned to them in the asset register.• All voids must be supported by a fully completed inspection checklist.• SAMP templates should include a requirement for an action plan containing all asset management related schemes, capital bids, etc., including required actions, timescales and responsible officers.	Implemented	In Progress	Not Implemented	Superseded	16	7	14	2	April – May 2009
Implemented	In Progress	Not Implemented	Superseded										
16	7	14	2										

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Capita Contract Management	3	N/A	Of Concern	The full report with management response is being reported on separately at this meeting of the committee.	April 2009
Payroll	3	2	Of Concern	<p>A review has been carried out to provide assurance to the Group Director of Business Transformation that the Payroll system is robust and efficient.</p> <p>The following key recommendations should be implemented in order to achieve the improvements required:</p> <ul style="list-style-type: none"> • The processes for starters and leavers, including obtaining necessary evidence and recording required information should be followed comprehensively. • Documented detailed procedures should be devised, agreed and issued for the following: <ul style="list-style-type: none"> ➤ Payroll processes using the Midland Trent System (i.e. detailed procedures to support flowcharts of processes) ➤ Honorariums ➤ Overtime ➤ Checking new and existing employees' entitlement to work in the UK • Exception reports, showing the net pay variance of staff, should be produced during each payroll run. Also, for cases where net pay has increased/decreased by more than an acceptable level. • The A1 form should be updating to include provision to record the credit side of the GL upload file, so the figures written on the A1 from match the control total, prior to the file being uploaded into the general ledger. • Trent system access profiles should be reviewed to ensure that adequate segregation of duties is maintained between setting up a member of staff/new post on the system and attaching them to the Payroll to enable payment. Password access to the Payroll system should be reviewed to ensure access granted is authorised and appropriate. • Copies of all required exception reports that are produced and checked when the payrolls are run should be retained on file. • Changes made to the Payroll system should be fully tested and signed off before upgrades to the live system are made. 	May/June 2009

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System	Current Audit Opinion	Previous Opinion	Overall Evaluation (Risk)	Key Findings / Recommendations	Date of audit
TASK	2	N/A	Moderate	<p>A review has been carried out to provide assurance to the Managing Director of Swindon Commercial Services (SCS) and Director of Finance that the TASK Works Management System is robust and efficient, and data posted from it to other applications in the Council is complete and accurate.</p> <p>The following key recommendations should now be implemented in order to achieve the improvements required:</p> <ul style="list-style-type: none"> SCS should develop an information strategy for its future ALMO status. The strategy should identify future information needs, strengths and weaknesses and availability/non-availability in current provision, and options for meeting those needs. The benefits identified from the TASK contract should be signed off by the Managing Director of SCS and presented to the Management Board. They should be used, together with the development of the information strategy, to consider options for renewal of the Consilium/BT contract or replacement of TASK. These steps should be initiated well in advance of the expiry of the contract in 2011. Housing and other Council business units should be charged within a month of completion for work carried out by SCS. This is important, firstly for the business units to maintain effective budgetary control over work, and secondly because, as an ALMO, SCS will require prompt billing and payment to maintain cash flow. Management reports should be provided identifying jobs that have a completed status, but have not been billed to customers within a month. Charging for these jobs should be managed and monitored against performance targets so as to achieve prompt clearance. 	April 2009

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UNIFORM	3	N/A	Moderate	<p>An audit has been completed to provide assurance to the Director of Planning and Transport that the UNIFORM system is robust and efficient.</p> <p>Recommendations should be implemented in the following key areas in order to achieve the improvements required:</p> <ul style="list-style-type: none"> Access controls should be improved, with particular regard to users only having access to functions and information that they need for their work. Specifically, access by One Stop Shop and Contact Centre staff to records in the Anti-Social Behaviour module of the system should be reviewed. It should be ensured that planning application data extracted from UNIFORM and published on the Council's web site show dates for consultations, advertisements and site notices so as to allow timely responses. Future development of UNIFORM should have due regard to wider initiatives such as New Ways of Working, Connecting People – Connecting Places, Street Smart, and their requirements from the system. It should also have regard to business unit requirements for performance management information, costing of services and development of trading accounts. Levels of responsibility and division of duties within the Council and Capita for managing UNIFORM should be reviewed and clarified. 	May/June 2009

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Open Housing System	2	N/A	Moderate	<p>A review has been carried out to provide assurance to the Director of Housing, Leisure and Libraries and the Director of Finance that the Open Housing System (OHS) is robust and efficient, and data posted between it and other applications within the Council is complete and accurate.</p> <p>The following key recommendations should be implemented in order to achieve the improvements required:</p> <ul style="list-style-type: none"> • The supplier of Open Housing should be requested to make it a requirement that initial passwords provided to new users are changed at first login. If this cannot be agreed with the supplier, the Housing ICT section should ensure that initial passwords are unique and hard to guess, and should reiterate the message that users change them as soon as possible. • New Starters' request forms should be signed by the line manager named on each form. If this signature is different, or absent, the Housing ICT section should refer the form back to the requestor's line manager. • The auditing function within the access control parameters should be used selectively to highlight attempts to compromise security – for example, by recording unsuccessful log-on attempts. • The testing sign-off sheets should require users to identify their location within Housing and which section of testing has been completed. This is provided an explicit check that all areas have been tested. 	July 2009

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Commercial Properties – Follow-up	2	2	Minimal	<p>A follow-up of the 2007/08 report on Commercial Properties has been completed.</p> <p>The status of the 12 recommendations made in the previous audit are as follows:</p> <table><tr><td>Implemented</td><td>In Progress</td><td>Not Implemented</td><td>Superseded</td></tr><tr><td>2</td><td>5</td><td>5</td><td>0</td></tr></table> <p>Key recommendations which remain outstanding and new key recommendations, made as result of the follow-up, are shown below:</p> <ul style="list-style-type: none">A report should be submitted to an appropriate committee setting out reasons for not renewing the lease for the Unison playing field.Notifications of revised rents following review should be signed by the Valuer prior to being passed to other parties for action. In particular, rents should not be amended on Periodics without this authorisation.A decision should be taken on whether to end the tenancy of 9, Theatre Square or allow the business to continue. The latter course of action should be documented and approved at an appropriate level. The level of arrears and recovery should be kept under review.Property files and GIS records should include details of un-triggered or delayed rent reviews and lease renewals so as to act as a means of follow up and tracing progress. Where rents remain unchanged, this should also be recorded.	Implemented	In Progress	Not Implemented	Superseded	2	5	5	0	March 2009
Implemented	In Progress	Not Implemented	Superseded										
2	5	5	0										

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Anti-fraud and Corruption – Petty Cash	2	2	Minimal	<p>An Anti-fraud and Corruption audit on Petty Cash has been completed.</p> <p>The following high priority recommendations, which all relate to examination of petty cash at Lydiard House, have been made to resolve the weaknesses identified:</p> <ul style="list-style-type: none"> ▪ An investigation into the missing receipts/cash at Lydiard House should be undertaken and results should be relayed to Internal Audit. Following this the following should be implemented: <ul style="list-style-type: none"> ♦ Reimbursements made where receipts are available: ♦ petty cash account should be reduced to £30.00 ♦ petty cash account reviewed and reconciled by Head of Finance for ERC for 3 months. ♦ No additional petty cash should be remitted to Lydiard House until process in place and working efficiently ▪ Only the individual who is requesting the petty cash should sign to indicate that they have received the amount and that it was correct. A review of the Lydiard House authorised signatures for petty cash should be undertaken to ensure that appropriate delegation of authority has been made. ▪ All vouchers should be authorised by an approved member of staff prior to payment being provided to the requester. ▪ The petty cash account should be reimbursed on a regular basis at least monthly. ▪ Lydiard House should ensure that they are aware of all keys that are available and cutting new keys should only be undertaken as a last resort. ▪ All keys should be controlled and a record should be maintained of all individuals who have keys to different areas of the site, which should be signed for and returned if the individual leaves or no longer requires the keys. 	March – May 2009

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Gorse Hill Junior School	2	N/A	FMSiS: Standard Met	Gorse Hill Junior School was externally assessed by Internal Audit against the DfES Financial Management Standard in Schools (FMSiS) and awarded a conditional pass. Further information was later submitted and this was revised to 'meets the standard'.	May 2009
			Minimal	An audit of the school was also completed resulting in an overall opinion of 'satisfactory'. Recommendations have been made and agreed to ensure that all weaknesses identified are addressed.	
Gorse Hill Infant School	2	N/A	FMSiS: Standard Met	Gorse Hill Infant School was externally assessed by Internal Audit against the DfES Financial Management Standard in Schools (FMSiS) and awarded a conditional pass. Further information was later submitted and this was revised to 'meets the standard'.	April 2009
			Minimal	An audit of the school was also completed resulting in an overall opinion of 'satisfactory'. Recommendations have been made and agreed to ensure that all weaknesses identified are addressed.	