

Audits finalised since the last Audit Committee meeting: 4<sup>th</sup> February 2014

<b>Audit Title:</b>	<b>Treasury Management</b>				<b>Date of Report:</b>	January 2014	
<b>Number of 'High Priority' Recommendations:</b>	0	<b>Current Audit Opinion:</b>	1	<b>Previous Audit Opinion:</b>	1	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<b><u>Key Recommendations</u></b> No key recommendations were made as a result of the review.							

<b>Audit Title:</b>	<b>Uplands School</b>				<b>Date of Report:</b>	January 2014	
<b>Number of 'High Priority' Recommendations:</b>	4	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	2	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<b><u>Key Recommendations</u></b> The key recommendations made as a result of the review are: <ul style="list-style-type: none"> <li>• In accordance with Financial Regulations for Schools, all purchases with the exception of emergencies, utilities and reimbursements should have an official purchase order raised. These should be raised prior to payment, at the point of order, to ensure commitments on the system and the School's financial monitoring position is up to date.</li> <li>• In accordance with the Financial Regulations for Schools three written quotes should be obtained for all purchases of £5,000 and above. The School should complete a Form C as provided in the Schools Finance Manual; to record details of the quotes, the outcome of the procurement process and Governor approval, in line with the School's Scheme of Delegation.</li> <li>• A new method to record School meals income should be established and implemented to enable regular reconciliations of income received and income banked to be performed. The total weekly income received for school meals should be banked intact.</li> <li>• Following the Internal Audit Review, the School should revisit their SFVS self-assessment and update it to reflect the audit findings, where necessary. An SFVS action plan to address any areas requiring attention should be prepared to resolve such issues. Both the SFVS and the action plan should be approved by the Governing Body.</li> </ul>							

Audit Title:	Department of Transport Highways Grants				Date of Report:	March 2014		
Number of 'High Priority' Recommendations:	1	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	N/A	
<b>Key Recommendations</b> <p>This review was undertaken to provide assurance to the Head of Highways and Transport that work currently undertaken on schemes part funded by the Department for Transport is in compliance with that Department's grant conditions. By undertaking an interim review during the grants' lifecycle, any issues in terms of meeting these grant conditions could be identified and rectified going forward to ensure that the Chief Executive and the Head of Internal Audit can have assurance when they sign off the grant declaration at the end of the grant process.</p> <p>The review covered works on three separate grant funds which were awarded to Swindon following successful bidding processes and contribute in varying degrees to the funding of large capital and revenue schemes. A number of recommendations were made that were relevant to all three grants to varying degrees. However, only one high priority recommendation was made as shown below:</p> <ul style="list-style-type: none"><li>Quarterly expenditure claims completed by Highways and Transport staff and sent to the Department for Transport should be reconciled to the Oracle Financial system and be reviewed and by the appropriate Finance Manager before submission.</li></ul>								

Audit Title:	Welfare Reform Act 2012				Date of Report:		March 2014	
Number of 'High Priority' Recommendations:	0	Current Audit Opinion:	2	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	Moderate	
<u>Key Recommendations</u> There are no key recommendations made as a result of the review.								

Audit Title:	Inv. 13/14 - 2				Date of Report:		March 2014	
Number of 'High Priority' Recommendations:	n/a	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	Moderate	
<u>Key Recommendations</u> There are no key recommendations made as a result of the review.								

<b>Audit Title:</b>	<b>Corporate Manslaughter Follow-up 2013/14</b>				<b>Date of Report:</b>	February 2014	
<b>Number of 'High Priority' Recommendations:</b>	2	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	3	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<p><b><u>Key Recommendations</u></b></p> <p>Progress has been made providing what the Health and Safety Team call 'A Single View of Safety'. There is now a single Health and Safety Team with strong links to the rest of the organisation and its partners. There is an established governance structure, with improved risk management and a broader training offer to address issues in health and safety. Corporate Board now receive regular updates on Health and Safety issues with regular one-to-ones with Board Directors providing opportunities for two-way feedback on health and safety issues.</p> <p>Only two high priority recommendations were made following the review as summarised below:</p> <ul style="list-style-type: none"> <li>• Work should continue to encourage significant partners to join the Health and Safety Practitioner Group meetings and minutes from these meetings should be shared with the member organisations to encourage their contribution and the sharing of important health and safety information and best practice. This will also assist in ensuring, as client, the Council have a clear line of sight on what actions our partners are taking to mitigate health and safety issues.</li> <li>• The decision to transfer back a large proportion of SCS to Council control brings with it a significantly higher risk profile. During the transition period, the Council had no oversight on Health and Safety arrangements at SCS. The Health and Safety Team are now undertaking a schedule of Health and Safety compliance audits across Council establishments. These are based on a pilot project undertaken on Leisure Services which at the time presented a significant health and safety risk. A summary of the results from these compliance audits are fed back to the Managers of those establishments to provide them with a list of actions to mitigate health and safety risks. On a quarterly basis, Corporate Board should receive a Health and Safety Enterprise Risk Management (ERM) Dash Board for monitoring and managing these risks.</li> </ul>							

<b>Audit Title:</b>	<b>Car Parking Income Audit (Anti-Fraud and Corruption)</b>				<b>Date of Report:</b>	November 2013	
<b>Number of 'High Priority' Recommendations:</b>	3	<b>Current Audit Opinion:</b>	3	<b>Previous Audit Opinion:</b>	2	<b>Overall Evaluation (Risk):</b>	<b>Of Concern</b>
<p><b><u>Key Recommendations</u></b></p> <p>The key recommendations made as a result of the review are:</p> <ul style="list-style-type: none"> <li>• Reconcile all YESpay (debit/credit card) and Verrus (PayByPhone) transactions to income on a timely basis.</li> <li>• A report from the respective management systems should be initiated and produced as required to facilitate the reconciliation process.</li> <li>• The reporting of these reconciliations and any variations should be made to the Head of Parking Services promptly.</li> </ul>							

<b>Audit Title:</b>	<b>VFM review of the LIFE Programme</b>				<b>Date of Report:</b>	March 2014	
<b>Number of 'High Priority' Recommendations:</b>	1	<b>Current Audit Opinion:</b>	n/a	<b>Previous Audit Opinion:</b>	n/a	<b>Overall Evaluation (Risk):</b>	n/a
<b><u>Key Recommendations</u></b> The key recommendation made as a result of the review is: <ul style="list-style-type: none"> <li>The need to implement the key recommendations from the Social Return On Investment report produced on the LIFE Programme in the Troubled Families programme.</li> </ul> Note: there was a more generic high priority recommendation made in this report (and in the Oasis VFM report) and this has been transferred to the Corporate VFM report for reporting as the recipients of the LIFE/Oasis reports could not implement it on a standalone basis.							

<b>Audit Title:</b>	<b>Council Tax 2013-14</b>				<b>Date of Audit:</b>	January 2014	
<b>Number of High Priority Recommendations:</b>	0	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	2	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<b><u>Key Findings and Recommendations</u></b> This audit review was conducted as part of the joint working between Swindon Internal Audit Services and the Grant Thornton to ensure that reliance can be placed on the internal control procedures within the Council Tax system. IT controls are subject to a separate audit. In Swindon, at the beginning of 2013/14 there were 91,809 domestic properties in the Borough with a net Council Tax liability of just under £91 million. Council Tax is one of the Council's main sources of income. It therefore underpins all its activities and achievement of the One Swindon priorities. The introduction of the local Council Tax Benefits scheme for 2013/14 is in line with the 'Local and Lasting' One Swindon principle and will contribute to the priorities concerning a growing economy and 'living independently, making a positive contribution'. Since the last review, the one of the two previous recommendations has been implemented. However, three recommendations were made in this years' report including one carried over from the previous year, although these were medium to low priority. One of these has been agreed and the Head of Revenues and Benefits has agreed to bear the risk relating to the other two which related to: <ul style="list-style-type: none"> <li>Writing off bad debts only once at the end of each year</li> <li>Rolling over surpluses on Council Tax Accounts to offset against any shortfall in payments in later years.</li> </ul> The Auditor was pleased to make no high priority recommendations as a result of this year's review and the Council Tax system was assessed as operating to a Satisfactory standard.							

<b>Audit Title:</b>	<b>Community Use of Assets</b>				<b>Date of Report:</b>	March 2014	
<b>Number of 'High Priority' Recommendations:</b>	1	<b>Current Audit Opinion:</b>	n/a	<b>Previous Audit Opinion:</b>	n/a	<b>Overall Evaluation (Risk):</b>	n/a
<b><u>Key Recommendations</u></b> A consultancy review was carried out on the Council's approach to the community use of assets: The key recommendation made as a result of the review is: <ul style="list-style-type: none"> <li>A strategy for community centres should be devised. This should include details of the Council's approach to working with the organisations managing the assets, any contribution by the centres to the Council's corporate aims and objectives and that centres are well run and safe.</li> </ul>							

<b>Audit Title:</b>	<b>National Non-Domestic Rates 2013-14</b>				<b>Date of Audit:</b>	January 2014	
<b>Number of High Priority Recommendations:</b>	1	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	2	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<b><u>Key Findings and Recommendations</u></b> Management and collection of NNDR is currently administered by Capita, with the day to day amendments and queries being resolved in Blackburn and more local issues being dealt with by a small team in Swindon. The last NNDR Audit conducted in 2012-13 identified six recommendations all of which have been implemented apart from one for which the Council, as client, was prepared to bear the risk. From this review, the Auditor was pleased to make only one high priority recommendation which was: <ul style="list-style-type: none"> <li>The exercise to identify any businesses in Swindon using the GIS system that are not being charged non-domestic rates should be completed and the results measured in terms of the benefits gained. It is understood that this exercise has identified 167 businesses that require further investigation.</li> </ul> Overall, the NNDR system was found to be operating to a Satisfactory standard with the collection rate as at October 2013 slightly above the target figure of 70% and expected to achieve the year-end target of 98%.							

<b>Audit Title:</b>	<b>Reduction in Energy Usage</b>				<b>Date of Report:</b>	March 2014	
<b>Number of 'High Priority' Recommendations:</b>	2	<b>Current Audit Opinion:</b>	3	<b>Previous Audit Opinion:</b>	n/a	<b>Overall Evaluation (Risk):</b>	<b>Of concern</b>
<p><b><u>Key Recommendations</u></b></p> <p>The Chief Executive asked Internal Audit to review the current arrangements for the on-going management of the Council's carbon emissions to determine how this met corporate objectives, the Stronger Together Change Programme objective of 'A Low Carbon Swindon' and previous Council commitments to meet longer term national carbon reduction targets. The key recommendations from the review on current arrangements to reduce energy usage are:</p> <ul style="list-style-type: none"> <li>• At a strategic level, a Carbon Management Strategy should be implemented to clearly define the Council's objectives and on-going commitment to carbon reduction. The strategy should state the broad objective of the Council in terms of the level of reduction in carbon emissions within the context of the changing nature of Council services. This should be set within an agreed timescale that complies with any nationally agreed commitments and be linked to a clearly measureable baseline such as that set in the CRC Grant Claim. The strategy should be endorsed by Members and published to demonstrate the Council's commitment to carbon reduction.</li> <li>• Once targets for carbon reduction and management have been agreed as part of the Carbon Management Strategy, progress in delivering these targets against any action plans should be regularly monitored at Head of Service level. The production of performance data to each cost centre manager on their energy consumption would give them some accountability for their energy usage and encourage action to reduce emission levels. This should enable further action to be taken to address slippage in specific areas of the Council and increase accountability.</li> </ul>							

<b>Audit Title:</b>	<b>Tenancy Engagement</b>			<b>Date of Audit:</b>	January 2014		
<b>Number of High Priority Recommendations:</b>	<b>5</b>	<b>Current Audit Opinion:</b>	<b>3</b>	<b>Previous Audit Opinion:</b>	<b>N/a</b>	<b>Overall Evaluation (Risk):</b>	<b>Of concern</b>

### **Key Findings and Recommendations**

Swindon currently is landlord to approximately 10,000 homes in the Swindon area. Following a recent restructure in the Housing Service, a Participation Team was established whose purpose is to increase the level of tenant participation, encouraging tenants and the Council as landlord to share information, ideas and power and improve the standard of housing conditions and services. The team comprises five posts with a net budget of £231k, including running costs. The key high priority findings from the audit review were:

- There is no formal tenant engagement strategy setting out service objectives and targets. Without clear and agreed objectives, evaluating value for money and the extent to which the current participation methods contribute to the corporate objectives is complex.
- Discussions with staff demonstrated that objectives set out in the HCA Regulatory Standard were understood and were being worked towards in the absence of a formal written strategy. Broad principles for participation have been discussed with tenants but these needed to be more clearly defined and captured in the final participation strategy.
- The review confirmed that the current participation methods only capture the views of a minority of the current tenant population. Work has started to develop the existing participation methods and introduce new ones such as Street Reps and the Housing Sounding Board to increase levels of participation. This is essential since the principles of co-regulation and greater service user involvement will form an important element of consumer protection for the foreseeable future.
- Data held on the make-up of the tenant population has not been used to focus engagement activities on under-represented groups, including young, disabled and BME tenants. Through research conducted during the audit, the Auditor identified that this is an area that has been addressed by other social landlords to increase their overall participation rates.
- Research into approaches used by other social landlords determined that they were not using methods significantly different to those in Swindon. However, these approaches were more established and embedded and as a result, they achieved higher levels of tenant engagement with tenants having an enhanced role to support landlords to deliver the right services and develop a value for money approach.

<b>Audit Title:</b>	<b>Payroll: Main System 2013/14</b>				<b>Date of Report:</b>	March 2014	
<b>Number of 'High Priority' Recommendations:</b>	4	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	2	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<b><u>Key Recommendations</u></b> <ul style="list-style-type: none"> <li>• Payments should not be paid without receipt of appropriately authorised supporting documentation. Up to date contracts for employees should be signed by the employee and retained on their personnel file, including where relevant, any supporting set up and amendment documentation. Supporting documents should be retained on file to support additional payments / deductions made to employees. Clarifications regarding mistakes or corrections to payroll forms should be recorded on the forms and signed by the Administrator, along with any further correspondence regarding the matter in dispute.</li> <li>• Payments should not be paid without receipt of appropriately authorised supporting documentation. Where necessary, this should include an employee's authorisation for deductions to be made from their salaries. Evidence of authorisation should be retained on an employee's personnel file. Where deductions are arranged between the employee and another SBC department, evidence of authorisation should be held by that department, or forwarded to Payroll. Spot checks to reduce the level of non-compliance for correct authorisation of Human Resources and Payroll forms should continue. Consideration should also be given to expanding the scope of sample checks, to include payments not currently reviewed (for example, honorarium / higher duty payments, employee authorisation of deductions, including overpayments).</li> <li>• The contractual terms of post number 1442458 should be reviewed to establish the employees correct terms and conditions. Discrepancies between the contract on file, the information on Trent and the basis for the original arrears calculation should be amended as necessary and the amount of arrears reviewed to ensure the payment made was accurate. If appropriate, any difference in money owed and paid should be reclaimed from the employee, in consultation with the Additional Provision and Reintegration Manager (the Line Manager for this post).</li> <li>• The monthly bank detail changes report should be run on a monthly basis and checked prior to the payroll run.</li> </ul>							



<b>Audit Title:</b>	<b>Payroll: Starters and Leavers 2013/14</b>				<b>Date of Report:</b>	March 2014	
<b>Number of 'High Priority' Recommendations:</b>	4	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	2	<b>Overall Evaluation (Risk):</b>	<b>Moderate</b>
<b><u>Key Recommendations</u></b> <ul style="list-style-type: none"> <li>• Staff completing employment forms should be reminded that authorisation is required at all levels set out on the form. Where this authorisation is incomplete, the form should be returned to the recruiting Manager. When received, authorisation should be retained in the employee's file.</li> <li>• The Line Manager of the employee (1127393) should be contacted and a decision made whether to re-claim the overpayment of redundancy from the employee (£690.27).</li> <li>• The former Line Manager of the employee (1440196) should be notified of the underpayment of leave and arrangements made to repay the employee the balance of their leave entitlement (£350.37).</li> <li>• Where necessary, managers should be reminded of their responsibilities as part of the recruitment process and signposted to the guidance available on the Council's intranet. In particular: <ul style="list-style-type: none"> <li>○ DBS clearance should be received in advance of an employee commencing in post, wherever required. Where this is not possible, and an exception is required, authorisation should be obtained prior to start date and evidence retained on employee files.</li> <li>○ Where still relevant, in accordance with the CRB Code of Practice, the CRB disclosure certificate, copies of, or details of, should not be stored in an employee's personal file and should not be retained for any longer than necessary (generally six months after the recruitment decision has been made). Evidence should be limited to the date the clearance was obtained and the certificate number.</li> <li>○ Medical clearance should be received prior to an employee's start date.</li> <li>○ At least two employment references should be obtained prior to employment to comply with the requirements of the Council's Insurance Policy.</li> <li>○ Evidence of an applicant's qualifications relevant to the role should be obtained and held on the employee's file.</li> <li>○ Right to work declarations should be completed for applicants and supporting proof should be signed and dated by the recruiting manager to evidence that these documents have been checked.</li> </ul> </li> </ul>							

<b>Audit Title:</b>	<b>Engagement of Consultants</b>				<b>Date of Report:</b>	March 2013	
<b>Number of 'High Priority' Recommendations:</b>	0	<b>Current Audit Opinion:</b>	3	<b>Previous Audit Opinion:</b>	4	<b>Overall Evaluation (Risk):</b>	<b>Of Concern</b>
<p><b><u>Key Recommendations</u></b></p> <p>There were no new key recommendations made as a result of this follow up review. However, of the seven high priority recommendations made in the initial report four remaining outstanding or partially implemented, they are:</p> <ul style="list-style-type: none"> <li>Professional property-related services (Design, Quantity Surveying, Clerk of Works) should be subject to competitive tendering at an early stage to avoid further breach of European Union procurement regulations. An evaluation should be made of the merits of seeking a framework agreement covering property-related services for all commissioners and service units across the Council on the basis of call off when services are required. This would reflect changing demand for such services in the light of reductions in the Council's capital programme, and changes in means of service delivery. Not implemented</li> <li>The evaluation of a framework agreement, see bullet point above, should consider whether programme management services should also be obtained through the agreement rather than through Pertemps. Not implemented.</li> <li>All consultancy work commissioned within the Council should include a written and agreed statement of work to be carried out, the timescale, and to whom the consultancy is responsible for deliverables within the Council. This requirement should be incorporated in the updated policy. Being implemented.</li> <li>It should be a condition in the future engagement of consultants that their invoices provide a clear statement of work carried out which can be related to project stages or items in the agreed specification. Where consultancies are continuing, payments made to date should be reviewed to ensure that they adequately reflect work carried out and outcomes achieved. Not implemented.</li> </ul>							