

### Audits finalised since the last Audit Committee meeting: April 2014

Audit Title:	Housing Benefit Claims Processing				Date of Report:		April 2014	
Number of 'High Priority' Recommendations:	1	Current Audit Opinion:	2	Previous Audit Opinion:	1	Overall Evaluation (Risk):	Moderate	
<u>Key Recommendations</u> The key recommendation made as a result of the review is: <ul style="list-style-type: none"><li>The Council is not currently meeting the requirements of <i>The Contracting Out (Functions of Local Authorities: Income-Related Benefits) Order 2002</i> to check at least 10% of Capita's daily decisions. The risk of non-compliance with legislation raised by not being able to check 10% of decisions needs to be included in the Revenues and Benefits risk register and managed through the risk management procedure. Furthermore, regular updates should be provided to senior officers and Members of numbers checked and progress towards achieving the 10% check.</li></ul>								

<b>Audit Title:</b>	<b>Adult Safeguarding 2013/14</b>				<b>Date of Report:</b>		April 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 Recommendations</u></b> <ul style="list-style-type: none"> <li>A single referral point for reporting safeguarding incidents in the first instance should be introduced to receive safeguarding alerts across the Borough, to provide greater assurance that SBC are aware of all alerts, and reducing the need to wait for agencies to report these in the first instance. Alerts should be collected at this point and then forwarded to both the Adult Safeguarding Support Officer and the relevant agency responsible for following up the alert. The set-up of this reporting point should be accompanied by a media / awareness campaign, to communicate changes to staff, service users and the public, to ensure the procedure is followed.</li> </ul>								

<b>Audit Title:</b>	<b>Housing Rents</b>				<b>Date of Report:</b>		May 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> There are no key recommendations made as a result of the review.								

Audit Title:		Creditors				Date of Report:		April 2014	
Number of 'High Priority' Recommendations:		2	Current Audit Opinion:	2	Previous Audit Opinion:	2	Overall Evaluation (Risk):		Moderate
<b>Key Recommendations</b>									
The key recommendations made as a result of the review are:									
<ul style="list-style-type: none"><li>Invoices for amounts of £250,000 or over must be authorised by two officers with the appropriate mandate level. When this is not the case they should be returned to the originating business area to be suitably authorised.</li><li>The Procurement Team should contact Capita Finance to be added to the e-mail distribution list to receive updates of the authorised signatory list on a regular basis. The Procurement Team should use the up to date authorised signatory list to check that any officer signing off a Form C, has the appropriate mandate to do so. If they do not, then an appropriate authoriser should be found.</li></ul>									

<b>Audit Title:</b>	<b>Open Housing System Control &amp; Integrity</b>				<b>Date of Report:</b>		April 2014	
<b>Number of 'High Priority' Recommendations:</b>	2	<b>Current Audit Opinion:</b>	2	<b>Previous Audit Opinion:</b>	1	<b>Overall Evaluation (Risk):</b>	<b>Moderate</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>There are a number of corporate issues relating to areas such as the need for Information Governance and other related policies; identification of information asset owners for system and data; an information asset register; information risk assessments etc. that were raised during the course of the audit. These issues will be reported separately to the Board Director: Resources (in his capacity as Senior Information Risk Owner (SIRO)) and the Interim Head of Information Technology and Strategy in order for them to address. Once implemented these will have an impact on the Open Housing system.</li> <li>The third party support should not be granted unsupervised privileged access using another user's Login. Specific logins should be used when granting domain access to third parties, to restrict access only to those servers and functions required in relation to the specific system that is being worked on.</li> </ul>								



<b>Audit Title:</b>	<b>Hillmead</b>				<b>Date of Report:</b>	April 2014	
<b>Number of 'High Priority' Recommendations:</b>	13	<b>Current Audit Opinion:</b>	3	<b>Previous Audit Opinion:</b>	N/A	<b>Overall Evaluation (Risk):</b>	<b>Of Concern</b>

### **Key Recommendations**

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

- The Council should create a Records Management Policy, which should include the following:
  - reference to the Document Retention Disposal Policy
  - indexing and classification
  - storage and handling
  - access and security
  - tracking
  - disposal

The policy should also consider alternative archiving arrangements such as the use of an electronic document and records management system (EDRMS), which may be more efficient and effective.

- The Policy should also include (or be supported by a policy giving direction on) classification of information and access restrictions to documents. The previous draft Information Classification Policy should be reviewed in conjunction with current guidance on information classification, to determine if any of the originally produced document can still be used.

Once a classification system has been implemented Logistics should ensure that all items are classified before they are archived. They should restrict access to records at Hillmead in accordance with the policy, when requests for documents are made.

Consideration should be given to introducing security keys for external doors to the Hillmead facility

- The Records Management Policy, when created, should set out whose responsibility it is to ensure that records are disposed of after their retention period has passed, and a process for the secure disposal of items stored at Hillmead. This should include arrangements/requirements for transfer of documents to the County Archivist, where required.

All members of Logistics must ensure that no items are accepted for archiving, which do not have a disposal date included.

- An assessment should be carried out to determine whether items should continue to be stored using the current method, or whether records with the highest level of classification should be stored in a separate area from the rest, with a lockable entry point, so that access can be restricted.
- Restrictions on access to records should be implemented. This could be achieved by requiring each record stored to include an information owner. Any retrieval requests must then be authorised by the information owner before the file is given to the requesting officer. These restrictions should be enforced by Logistics when retrieval is requested.
- A Council wide assessment of the type of records that require storage should be performed. This should identify any types of records that due to their size or the medium used for storage have particular requirements. Designated storage areas for any such items should be identified.
- To ensure there is traceability of items at all times. The forms used for archiving, retrieval and return should include a space for requestor and member of logistics to sign and date as evidence of who has possession. These forms should be stored by Logistics, until the item is disposed of.

- The number of files in each box should be recorded on the new box form. A check of the number of files should be performed by Logistics before it is archived, when it is retrieved and subsequently returned to ensure that no content is missing. These checks should be evidenced by Logistics on the relevant forms. This check should be used to assess the condition of the contents to ensure that its storage will not cause damage to other records stored.

When a file is removed from a box a copy of the request sheet should be placed in the box in place of the file, so that that its location can be traced if another officer requests the box or file.

- Further investigation into the missing file should be conducted. The department that owns the file should be contacted to establish whether the box held vital information to determine the actions required e.g. reporting of a security breach.

The 13 files, identified as having no details on the Hillmead index, should have their details recorded so that they are available for retrieval in the future.

- All entries on the Hillmead Spreadsheet with no unique reference number should be reviewed. Any duplicate entries should be removed, and all others should be investigated to find out if and where they are at Hillmead.
- An emergency plan for Hillmead should be written, which should include:
  - measures to salvage records and the priority given to the different records
  - locations for storage of salvaged records or suppliers that might be needed to create a suitable location

The plan should be tested and reviewed regularly. It should be communicated to all necessary staff members and a copy should be kept off site in an accessible location.

- It should be confirmed that regular tests on the intruder alarm system have been performed to ensure that it is functioning correctly.
- A risk assessment should be performed to determine whether the existing equipment is suitable for the building and the records stored. It should be established if the Fire Service need to be notified of the type of contents stored at Hillmead.

<b>Audit Title:</b>	<b>Main Accounting 2013-14</b>				<b>Date of Audit:</b>		May 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>
<p><b><u>Key Findings and Recommendations</u></b></p> <p>This audit review was conducted as part of the Annual Audit Plan on the key financial systems to ensure that reliance can be placed on the internal control procedures within the Council's Main Accounting system.</p> <p>No high priority recommendations were made following this audit review.</p> <p>The review determined that some progress had been made in implementing the recommendations made in the previous report on Main Accounting from 2012/13. However, progress in up-dating procedural guides for the various reconciliations that take place in the Main Accounting system has been limited, and there is still a requirement to bring these up-to-date to reflect current practice and provide business continuity.</p> <p>Testing on transactions, reconciliations, interfaces with the General Ledger and close down of the Main Accounting system confirmed that systems were operating to a high standard.</p> <p>The audit also found that, following the implementation of the R12 version of Oracle, controls in the Main Accounting system were not adversely affected and it is a credit to staff that the closedown timetable for 2012/13 was achieved whilst the transition to the new system was taking place.</p>							

<b>Audit Title:</b>	<b>Troubled Families Grant Claim – Quarter 1</b>				<b>Date of Report:</b>		May 2014	
<b>Number of ‘High Priority’ Recommendations:</b>	N/a	<b>Current Audit Opinion:</b>	N/a	<b>Previous Audit Opinion:</b>	N/a	<b>Overall Evaluation (Risk):</b>	N/a	
<p><b><u>Key Recommendations</u></b></p> <p>This review was undertaken as part of the grant conditions attached to the Troubled Families Grant Funding. The purpose of the review was to provide reasonable assurance to the Authority’s Chief Executive that the guidelines set out by the DCLG have been complied with and that the numbers of families included on the claim can be verified as being eligible for inclusion in the programme and have evidence to support their achievement of one or more criteria as set by the Government.</p> <p>In compliance with this requirement an audit on the grant claim figures for the quarter up to and including April 2014 was conducted. Detailed testing was conducted on 11 (20%) families within the claim along with a review of the total claim figures. All figures included in the claim could be verified, resulting in 54 families being included on the claim of which 43 received a reward target, the total of which was £27,000 for the period.</p> <p>No recommendations were made following the review and the claim was successfully submitted within the required timescales.</p>								





<b>Audit Title:</b>	<b>National Fraud Initiative</b>				<b>Date of Report:</b>	January 2014	
<b>Number of 'High Priority' Recommendations:</b>	NA	<b>Current Audit Opinion:</b>	NA	<b>Previous Audit Opinion:</b>	NA	<b>Overall Evaluation (Risk):</b>	N/A

### **Key Recommendations**

Several reports with potential matches for fraud and error were received by the Council by the Audit Commission. These matches were risk assessed, prioritised and investigated by Internal Audit, in conjunction with relevant service areas. the results are as follows:

- **Creditors:** The NFI duplicate payment matches were superseded by work carried out by Internal Audit, using their own processes to identify duplicate payments over a three year period. This work has identified £27,000 of previously unrecovered duplicable payments, which are now in the process of being reclaimed from suppliers
- **Housing Benefits:** Numerous matches were received from the Audit Commission. Matches are currently under investigation by the Housing Benefit Fraud Team. Two frauds have been proven from investigations carried out so far, to the value of £2,500.
- **Blue Badges to Deceased Persons:** Work with the service area identified 33 deceased current blue badge holders. As a result these badges have now been cancelled. Eight records for further investigation have been identified and notified to the section. The Council was able to cancel one additional blue badge as a result of the exercise, as it was found that a non-deceased badge holder had current passes in both Wiltshire and Swindon.
- **Concessionary Travel to Deceased Persons:** Work with the department identified 149 deceased current badge holders for cancellation, which will prevent future renewal. A further 74 records for investigation have been identified and notified to the section. A further 24 records with out-of-date addresses were also identified from the exercise.
- **VAT:** A number of potentially incorrect payments of VAT against supplier invoices were investigated, but were found to have been paid at the correct amount when reviewed. No further action was required.
- **Insurance:** Two cases of potential serial insurance claims were reported to the Council. These were found to be legitimate claims in both cases. No further action was required.
- **Immigration cases:** Several potential cases of housing tenants not having the correct immigration status were identified through the NFI exercise. Internal Audit worked with the UK Borders Agency to review these cases. All queries in relation to the cases raised have been resolved to their satisfaction and one case has been handed over to the Borders Agency for pastoral assistance in relation to their immigration status.

There are on-going investigations in relation to the above (and other) NFI reports.

<b>Audit Title:</b>	<b>Investigations</b>	<b>Date of Report:</b>	<b>1<sup>st</sup> Quarter 2014/15</b>
<p>The following investigations were completed during the first quarter of 2014/15:</p> <ul style="list-style-type: none"> <li>• Inv. 13/14 – 8</li> <li>• Inv. 14/15 – 1</li> </ul>			

<b>Audit Title:</b>	<b>ICT Consultancy / Guidance</b>	<b>Date of Report:</b>	<b>1<sup>st</sup> Quarter 2014/15</b>
<p>Due to the current lack of ICT resource within the Council the Internal Audit section has been providing advice and assistance to the Interim Head of Information Technology and Strategy and the Board Director: Resources, in his role as the Council's Senior Information Risk Owner (SIRO). Advice/guidance has been given on the following:</p> <ul style="list-style-type: none"> <li>• Draft ICT Strategy</li> <li>• Key ICT risks</li> <li>• Mobile Device Management Solution</li> <li>• Compliance with the NHS ICT Toolkit</li> <li>• Compliance with the Public Sector Network connection</li> <li>• Scoping Penetration Testing</li> <li>• Payment Card Industry Standard compliance</li> </ul>			

### **Swindon Commercial Services Limited (SCS Ltd)**

Internal Audit provides a limited audit consultancy service to SCS. Reports have also finalised on the following areas:

- SCS Policies and Procedures
- SCS SRF / Weighbridge