

**Report No 1- 2005/06 - Tonbridge Castle Lettings**

The scope of the audit was to examine the systems currently in place regarding hire of facilities at Tonbridge Castle.

In the opinion of the Auditor, the Control Assurance Level is Substantial.

No High Priority recommendations were made.

**Report No 2- 2005/06 - Cheque Control**

The audit was undertaken to examine the systems in place for controlling the issue and use of cheques to ensure that they are accounted for and that reconciliations are regularly carried out.

In the opinion of the Auditor, the Control Assurance Level is High.

No High Priority recommendations were made.

**Report No 3- 2005/06 - Angel Centre Break In**

This audit was carried out following a reported break in at the Angel Centre. There was a loss of £800 to the Council.

In the opinion of the Auditor, the Control Assurance Level is Limited.

Four High Priority recommendations were made. These related to increasing the security in areas and raising awareness of staff to security needs. These recommendations were agreed and have been implemented.

**Report No 4- 2005/06 - Cemeteries**

This audit was undertaken to examine the systems for administering the service and to ensure compliance with Financial Rules and the Council's Risk Management Strategy.

In the opinion of the Auditor, the Control Assurance Level is Substantial.

One High Priority recommendation was made. This required all suppliers and fixers of monuments to supply a copy of their public liability insurance. This recommendation was accepted and has been implemented.

**Report No 5- 2005/06 – CCTV**

This audit was undertaken to ensure that adequate procedures exist to meet Home Office Guidelines on the use of CCTV, the costs of the scheme are apportioned correctly and are invoiced regularly.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

#### **Report No 6- 2005/06 – Homelessness**

This audit was undertaken to ensure that homeless applications are dealt with in accordance with the terms of the Agreement held with the TMHA, and that the Council is discharging its responsibilities as laid down in the Homelessness Strategy.

In the opinion of the Auditor, the Control Assurance Level is Substantial.

No High Priority recommendations were made.

#### **Report No 7- 2005/06 – Cashiers**

This audit was undertaken to ensure that all cash receipted is collected, banked and recorded to the ledger promptly and accurately.

In the opinion of the auditor, the Controls Assurance level is High.

No recommendations arose from this audit.

#### **Report No 8- 2005/06 – Lease Cars**

This audit was undertaken to audit the controls relating to the Lease Car Scheme.

In the opinion of the auditor the control assurance level is Substantial.

One High Priority recommendation was made. This related to obtaining Legal advice on EU contract requirements. The recommendation was accepted and assurance was given by Legal Services that the Council were EU compliant.

#### **Report No 9- 2005/06 – Commercial Services**

This audit was undertaken to audit the key controls relating to Commercial Services.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

#### **Report No 10- 2005/06 – Pollution Prevention Control**

This audit was carried out to ensure that all premises requiring authorisation or permission to operate under the Environmental Protection Act 1990 and the Pollution Prevention Control Regulations 1999 have registered with the council.

In the opinion of the Auditor, the Control Assurance Level is Substantial.

One High Priority recommendation was made. This recommendation required the implementation of a computer system to record information to ensure that inspections were made of all relevant premises. The computer system has been installed, premises data has been added and training for the system has been provided. It should be fully implemented by March 2006.

#### **Report No 11- 2005/06 – Review of Debtco System**

The objective of this exercise was to review the current Debt Recovery system, Debtco, and ascertain the resources involved. This work formed part of the Revenues and Benefits Best Value Review. Testing was not carried out in order to give an assurance level but was aimed at investigating alternative location of the debt recovery process and was used as part of the evidence process for the review.

#### **Report No 12- 2005/06 – Investments**

This audit was carried out to ensure that surplus funds are invested in accordance with the Council's Treasury Management Policy and Treasury Investment Policy.

In the opinion of the Auditor, the Controls Assurance level is High

No High Priority recommendations were made.

#### **Report No 13- 2005/06 – Central Post Opening**

This audit was undertaken to examine the security over the handling of incoming mail, the arrangements for sorting and distributing the post.

In the opinion of the Auditor, the Controls Assurance level is High

No High Priority recommendations were made.

#### **Report No 14- 2005/06 – Housing & Council Tax Benefits**

This is one of the Council's main accounting systems and has a priority rating for an audit to be undertaken on an annual basis. This audit was undertaken using a CIPFA Audit Matrix. This matrix is designed to ensure that all of the internal controls within the entire system are reviewed.

In the opinion of the Auditor, the Controls Assurance level is High.

One High Priority recommendation was made. This required that where a statutory rate change happens then a second officer should check the entries made and sign a record to show that this has taken place. This is recommended as an enhancement to the system to provide evidence that this check is carried out.

### **Report No 15 - 2005/06 – Leavers**

This audit examined a sample of leavers throughout the year in order to ensure that any monies owed to the Council by an employee when they leave are recouped.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 16 - 2005/06 – Development Control**

This audit was carried out using a CIPFA Audit Matrix in order to identify and evaluate the internal controls within the Development Control process.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 17 - 2005/06 – Payroll**

As a main accounting system the Payroll system is subjected to audit on an annual basis. This audit used a CIPFA Audit Matrix in order to identify and evaluate the internal controls for the entire system.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 18 - 2005/06 – Arrangements with Parish Councils**

This audit was undertaken to examine the systems in place relating to the collection and distribution of Parish precepts, in addition financial arrangements for paying revenue support and grants for special projects.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 19 - 2005/06 – Tonbridge Pool Cash Up**

As one of the areas dealing with cash the Pool is subject to unannounced audit inspections where a cash up of all monies held takes place to ensure that all monies advanced by way of floats and petty cash can be accounted for. Additionally, one cashier is requested to cash up to ensure that there are adequate controls and procedures for cashing up. The cash up also included a review of the procedures for administering the Crazy Golf and Bouncy Castle receipts. During these audits, the opportunity is taken to examine the contents of the safe(s) and to comment on these contents.

In the opinion of the auditor the control assurance level is Limited.

Three High Priority recommendations were made. These related to introducing greater control to issuing receipts where cash takings took place. The recommendations were made as a suggested improvement and there was no evidence of malpractice. The recommendations were accepted and are to be implemented in 2006/07.

#### **Report No 20 - 2005/06 – Larkfield Leisure Centre Cash Up**

As another area dealing with cash Larkfield Leisure Centre was also subject to an unannounced cash up. The objectives were the same as for the Tonbridge Pool Cash up above.

In the opinion of the auditor the control assurance level is Substantial.

No High Priority recommendations were made.

#### **Report No 21 - 2005/06 – Creditors**

This system is a main accounting system and is subject to an annual audit. This year a full systems audit was undertaken using the CIPFA Audit Matrix.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

#### **Report No 22 - 2005/06 – Part Time Workers Leave**

The leave calculations for all part time workers were checked in order to ensure that the leave entitlement was correctly calculated.

In the opinion of the Auditor, the Controls Assurance level is High.

No recommendations were made.

#### **Report No 23 - 2005/06 – Play Leadership**

This audit was carried out in order to ensure that the Play Scheme for 2005/06 was administered in accordance with written procedures and to test the controls in place.

In the opinion of the Auditor, the Controls Assurance level is High.

Two High Priority recommendations were made. These were to ensure that partnership agreements included a requirement for Public Liability and Employers Liability insurance to be in place and for these to be produced prior to the commencement of the scheme. These recommendations were agreed and will be implemented in the 2006/07 schemes. There was no specific

problem during the 2005/06 scheme but this action will ensure that greater consideration of risk has been undertaken.

#### **Report No 24 - 2005/06 – Commercial Properties**

This audit was carried out to ensure that the shops and associated maisonettes, depots and business units are recorded on a Terrier and that the correct rental income is being received where appropriate. Small units of land rented at a peppercorn rent were not included within this audit.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

#### **Report No 25 - 2005/06 – Benefit Fraud Investigation**

The Chief Internal Auditor is the line manager for Internal Audit and the Benefit Investigation Section. In order to maintain the independence of the Audit in accordance with the CIPFA Code of Practice for Internal Audit, the audit brief was prepared and the report reviewed by the Principal Internal Auditor. The objective of the audit was to confirm that the Council's policies and procedures are in accordance with the outlines laid down by the Benefit Fraud Inspectorate in their "Good Practice" guide.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

#### **Report No 26 - 2005/06 – Insurances**

The audit was undertaken to ensure that the insurance policies held by this Authority are regularly reviewed and provide comprehensive and adequate cover for all of the Council's functions.

In the opinion of the Auditor, the Controls Assurance level is High.

No recommendations were made.

#### **Report No 27 - 2005/06 – Poulton Wood Golf Course**

This audit was undertaken to ensure that the Council receives Green Fees for the use of the courses at Poulton Wood accurately and promptly.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

There was one High Priority recommendation made. This concerned a requirement for loyalty card application forms to record proof of payment on them. This was accepted and it was planned to introduce this practice from January 2006.

### **Report No 28 - 2005/06 – Leybourne Lakes**

The Park is now fully functional and this audit was carried out to confirm that the arrangements for the safe and accurate collection, counting and banking of car park income are satisfactory. In addition, the facilities and procedures were examined to ensure the safety and security of the public. In connection with the latter, the Council's Insurance Officer accompanied the auditor on a site visit in October 2005.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

### **Report No 29 - 2005/06 – Refuse Collection, Recycling and Amenity Cleansing**

This audit examined a sample of payments for the above contract to confirm that the Council is making the correct payments in relation to the contract sum and any variations. In addition a check was made to ensure that a valid risk assessment had been carried out.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 30 - 2005/06 – General Ledger**

This audit was a review of the system using the Audit Commissions testing schedules to evaluate the effectiveness of the internal controls set up within the system.

In the opinion of the Auditor, the Controls Assurance level is High.

No recommendations were made.

### **Report No 31 - 2005/06 – Angel Centre Cash Up**

As one of the areas dealing with cash the Angel Centre is subject to Unannounced audit inspections where a cash up of all monies held takes place to ensure that all monies advanced by way of floats and petty cash can be accounted for.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

### **Report No 32 - 2005/06 – Mileage Claim Checks**

The audit consisted of extracting all mileage claims for 2004/05 from Payroll records and reviewing the journeys undertaken for reasonableness of mileage claimed.

For some journeys the mileage claimed was checked against the mileage calculated by either the AA or RAC route finder websites. Any discrepancies identified were passed to the Chief Officer concerned for resolution.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

### **Report No 33 - 2005/06 – Council Tax**

As Council Tax is a key financial system it is audited each year and this year's audit was limited to testing the key controls and following up recommendations made in the previous audit.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 34 - 2005/06 – Car Park Income**

The system for collecting, counting and banking ticket machine income changed from early December, with the whole function being carried out by Contract Security Services Limited. This audit was therefore undertaken to verify, by a sample check, that collections and bankings had been carried out accurately.

In view of the limitation of this sampling an audit opinion was not given.

No recommendations were made.

### **Report No 35 - 2005/06 – Penalty Charge Notices**

Penalty Charge Notice income in the current year is below Budget. The Director of Planning and Transportation has regularly informed Management Team of the reasons for the shortfall and the actions being taken to address the situation. Management Team requested that Internal Audit carry out an independent review of the service in order to seek assurance that all factors had been considered. The audit confirmed the reasons given by the Director of Planning and Transportation.

In view of the limitation of this sampling an audit opinion was not given.

No recommendations were made.



### **Report No 36 - 2005/06 – Sales Ledger**

This audit was undertaken to ensure that income due to the Authority is promptly invoiced, correctly charged, brought to account and debts are promptly and appropriately followed up.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

### **Report No 37 - 2005/06 – National Non-Domestic Rates**

As one of the Council's main accounting systems NNDR is subject to annual audit review. The objective of this audit was to document and review the system using the CIPFA Audit Systems based matrix and to evaluate the effectiveness of the internal controls set up within the system.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 38 - 2005/06 – Housing Benefits Performance Standards**

The objective of the audit was to ensure that there are sufficient internal controls and evidence to demonstrate that the standards are being met and that there is an action to achieve the standards where it is not already met.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

### **Report No 39 - 2005/06 – Housing Benefits Overpayments**

This audit was undertaken to review the procedures for identifying any overpayment of benefit and the means of recovering such overpayments.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

### **Report No 40 - 2005/06 – Mobile Telephones**

The scope of the audit was to document and review the system for the provision of mobile phones to evaluate the effectiveness of the internal controls set up within the system.

In the opinion of the Auditor, the Controls Assurance level is Limited.

Two High Priority recommendations were made. It was recommended that

electronic versions of the bills were obtained in order to make the certification and payment process more efficient. The second recommendation suggested different options for the provision of mobile phones that could be more cost effective in some cases. These were recommended improvements to the system and would not materially affect the accounts. At the time of writing this report the Audit report has only just been issued and is still being considered.

#### **Report No 41- 2005/06 – Buildings Maintenance**

It was undertaken to ensure that the Maintenance Programme is being delivered to agreed standards, that Response Maintenance is being delivered within timescales based on priority ratings and that the work done is in accordance with the appropriate Standing Orders and Financial Rules.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

#### **Report No 42- 2005/06 – Best Value Performance Indicators**

The objective of the audit was to ensure that there are sufficient internal controls over the calculation of BVPI's and where TMBC scores are in the bottom half of the results, that action is being taken or a Management decision not to change has been made so as not to affect service delivery.

In the opinion of the Auditor, the Controls Assurance level is High.

No High Priority recommendations were made.

#### **Report No 43- 2005/06 – Land Charges**

The objective of the audit was to ensure that secure arrangements exist for the collection and recording of monies collected. All monies collected are promptly, completely and accurately brought to account and that adequate records are maintained. The appropriate CIPFA Audit Matrix was used to carry out a full systems review.

In the opinion of the Auditor, the Controls Assurance level is High.

There was one High Priority recommendation made that concerned the possible future charging by KCC for Highways information following the cessation of the Highways Contract. The recommendation requested a legal view as to whether there could be a charge made and if so, could it be passed on. This audit is still being considered.

#### **Report No 44- 2005/06 – Corporate Charge Cards/Chip and Pin Receipts**

This audit was undertaken to confirm that adequate controls and procedures

are in place with regard to the use of Corporate Credit cards and payments to this Authority by way of “chip and pin” cards.

In the opinion of the Auditor, the Controls Assurance level is Substantial.

No High Priority recommendations were made.

### **Report No 45- 2005/06 – Members Allowances**

The objective of the audit was to identify if the procedures in place for the processing of Members allowances are adequate.

In the opinion of the Auditor, the Controls Assurance level is High.

There was one High Priority recommendation made. This was to ensure that Payroll Section receive all amendments to Members responsibilities on a timely basis in order to prevent incorrect payment of allowances. A reminder has been sent to the appropriate officers. This recommendation resulted from the Payroll Section not being informed of a Members change in responsibility and an incorrect allowance was paid. This has been rectified and it is considered that this isolated incident would not have a material effect on the accounts of the Council.