

Audit reviews from 2011-12 plan not considered in Chief Internal Auditor's Opinion for 2011-12

| Audit Review Title | Planned Quarter | Current Status | Audit Opinion | Scope of Audit and Findings |
|---|------------------------|------------------------------|----------------------|--|
| <i>Treasury Management</i> | <i>1-4</i> | <i>Completed</i> | | <i>This review is a quarterly check of all investments made by the council to ensure they are made in compliance with the Treasury Management strategy and policies. The checks in respect of Q1-4 have been completed and no key control compliance issues were identified.</i> |
| <i>Housing Benefits Overpayments</i> | <i>1</i> | <i>Interim Report Issued</i> | <i>---</i> | <i>The audit fieldwork was completed however there were a number of areas of debate over the draft report that prevented a final report being issued promptly and in the interim period a number of improvements took place. It was decided that in order to be able to issue a final report a repeat would have to be undertaken of a significant number of areas of testing; this was considered inefficient as the planned days had already been used. As the area is due for audit again in the 2012-13 year it was decided that it would be more cost effective to carry out the audit earlier in the year and to include consultancy time in order to analyse the areas that could result in preventing overpayments from accruing and difficult collection areas.</i> |
| <i>Fees & Charges</i> | <i>1</i> | <i>Final Report Issued</i> | <i>Substantial</i> | <i>The audit found that the council's Fees and Charges are adequately set, approved and communicated. Management Team were asked to consider opportunities for alignment with other Council's in Kent when reviews take place.</i> |
| <i>Creditors</i> | <i>4</i> | <i>Final Report Issued</i> | <i>Substantial</i> | <i>The audit found that key controls were in place and operating effectively over the Creditors and corporate petty cash functions.</i> |
| <i>Housing & Council Tax Benefits</i> | <i>3</i> | <i>Final Report Issued</i> | <i>Substantial</i> | <i>The audit found that the Housing & Council Tax Benefit IT Systems was adequately controlled. The audit also found that there were arrangements in place for staff interests to be declared however an opportunity to enhance the record keeping arrangements was identified. Arrangements were found to be in place for the Department for Work & Pensions Customer Information System to be adequately monitored. Though an opportunity to enhance the segregation of duties in the process, arrangements were found to be in place to process customer appeals against decisions following benefit applications.</i> |

All items in italics have previously been reported to this committee.

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| <i>Cash Receipting</i> | 4 | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that controls were in place and operating effectively to ensure that payments received through the council's Cash Kiosks were properly receipted, banked and accounted for. The audit also included a follow up review that confirmed that appropriate management action had been taken in respect of the recommendations made in the previous Cash Receipting audit.</i> |
| <i>General Ledger</i> | 4 | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that key controls were in place and operating effectively over the Main Accounting (General Ledger) function.</i> |
| <i>Payroll – Salaries & Wages</i> | 4 | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that key controls were in place and operating effectively over the Payroll (Salaries and Wages) function.</i> |
| <i>LSBU Memberships</i> | 2 | <i>Final Report Issued</i> | <i>Substantial</i> | <i>The audit found that Memberships were promoted effectively. The audit also found that there were arrangements in place to process payments for Memberships however audit sample testing identified some minor errors. The audit also found that the Zest reward scheme is appropriately controlled and administered.</i> |
| <i>Planning Applications</i> | 2 | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that effective procedures were in place to administer planning applications received for development in the borough and that appropriate controls are in place and complied with in the processing of payments made in respect of planning applications.</i> |
| <i>Cash & Banking</i> | 4 | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that key controls and procedures were in place to complete the bank and cheque reconciliations accurately and on a timely basis.</i> |
| <i>Capital Accounting & Asset Management</i> | 4 | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that the council had an adequate Capital Strategy in place that was being followed in practice. Audit testing confirmed that arrangements were in place to ensure that capital purchases made are in line with the Local Authority (Capital Finance and Accountancy) Regulations (England) 2003 and CIPFA Prudential Code for Capital Finance in Local Authorities. The audit also found that monitoring arrangements are in place over capital schemes including timescale and budget monitoring however while arrangements were in place for post implementation reviews to be carried out, a number of planned reviews are currently outstanding.</i> |
| <i>National Non-Domestic Rates (NNDR) Collection & Administration and Recovery</i> | 4 | <i>Final Report Issued</i> | <i>Substantial</i> | <i>The audit found that key controls are in place and operating effectively over the collection and administration of National Non-Domestic Rates. However, there were opportunities to strengthen controls identified.</i> |

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| <i>Refuse Collection Contract</i> | <i>3</i> | <i>Final Report Issued</i> | <i>High</i> | <i>The audit found that adequate controls were in place to ensure payments to the council's refuse collection contractor and any payments from the contractor to the council have been correctly calculated in line with the contract, accurately recorded and paid on a timely basis.</i> |
| <i>Licensing Administration & Enforcement</i> | <i>3</i> | <i>Not completed</i> | | <i>This audit was included on the plan as it was understood that a new Licensing Manager was to be appointed in the 2011-12 year and would likely to make a significant changes to the Licensing Team processes. The new Licensing Manager was appointed in</i> |
| <i>Improvement & Development – Performance</i> | <i>2</i> | <i>Not completed</i> | | <i>This audit was included on the plan because the service manager had identified and scored the area as a 'high' risk. Discussion with the client service manager prior to commencing fieldwork found that the risk identified related to the publication of the next Corporate Performance Plan and ensuring the borough's residents are able to influence service delivery; while this is a risk, it would not be considered high in terms of audit planning and as such it was agreed that this would not be a good use of audit resources.</i> |

2012-13 Audit Plan Assurance Work Current Status

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| <i>Environmental Health Administration Function</i> | <i>1</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that there are adequate arrangements in place to provide administrative support to the Council's Environmental Health function, that there is adequate segregation between the roles of Legal and Environmental Health in respect of Licensing activities and that invoicing and credit note procedures are adequately controlled. However, further documentation and procedure notes are required to ensure that processes are consistent and that roles, responsibilities and priorities of the team are documented.</i> |
| <i>Treasury Management</i> | <i>1</i> | <i>Final report issued</i> | <i>High</i> | <i>The audit found that the council's strategy and policy for the control of Treasury Management activities are in line with the CIPFA Code of Practice, that the authority follows the appropriate procedures for the investment of funds and that externally managed funds are effectively managed and controlled in line with the council's policies.</i> |
| <i>Housing Register</i> | <i>1</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that there are adequate procedures in place to process applications for housing and that adequate arrangements are in place to manage the Housing Register. There were some recommendations made to strengthen the internal controls.</i> |
| <i>Internet & Email Misuse</i> | <i>1</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that there is an adequate internet & email usage policy in place which provides a practical framework for usage within the council and that there are appropriate arrangements in place to manage and monitor the use of the authority's internet and email usage. Recommendations were made to improve management information.</i> |
| <i>Insurances</i> | <i>1</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that the current insurance contract held meets the council's requirements, that claims received by the council are appropriately processed and administered and that adequate processes exist to ensure that the risk of claims reoccurring are minimised.</i> |
| <i>Housing Applications and Support Counter Fraud Review</i> | <i>1</i> | <i>Final report issued</i> | <i>Limited</i> | <i>The audit found that there are arrangements in place for identifying Housing Application Fraud but the arrangements in place for dealing with Housing Application Fraud are limited and require formalisation of responsibilities and training in order to provide adequate controls against fraud.</i> |

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| <i>Annual & Flexi leave schemes</i> | <i>2</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that there are adequate arrangements in place for operation of the annual leave scheme, flexi scheme and for other special leave. Recommendations were made to improve consistency of the schemes and stronger record keeping.</i> |
| <i>Parking Permits</i> | <i>2</i> | <i>Final report issued</i> | <i>Limited</i> | <i>The audit found that adequate controls exist for processing parking permit applications, monitoring and reviewing permits issued. However, it was found that inadequate controls exist to manage visitors' permits and dispensations.</i> |
| <i>Travel and Subsistence Claims</i> | <i>3</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that policies and procedures are in place for the reimbursement of staff travel & subsistence claims with procedures to verify, process and pay claims found to be adequately controlled. The audit did identify opportunities to enhance procedure notes and records of business insurance and made recommendations to further enhance records maintained by staff submitting claims and for them to submit claims for payment promptly.</i> |
| <i>Bulky Waste Collections</i> | <i>2</i> | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that there are effective arrangements in place to manage the Bulky Waste Collections service. Arrangements in place to collect, record and process payments for Bulky Waste Collections were found to be adequately controlled with only minor administrative enhancements identified. The audit did find that there are limited arrangements in place to monitor and manage performance and the report recommended that these arrangements be enhanced.</i> |
| <i>Data Security</i> | <i>1</i> | <i>Final report issued</i> | <i>High</i> | <i>The audit found that there are sound processes and policies in place to ensure the security of data as per the Government Connect Code of Connection (CoCo). The audit also found that there are effective arrangements in place to maintain the physical security of IT equipment and data including removable media.</i> |
| <i>Freedom of Information requests</i> | <i>4</i> | <i>Final report issued</i> | <i>Limited</i> | <i>The audit found that the public are informed of how to make freedom of information requests and that the council has a publication scheme in place designed to ensure that relevant/appropriate information is published to prevent excessive freedom of information requests being received, however this requires updating and enhancement. The audit also found that there are arrangements in place for the council to assess and respond to freedom of information requests received in accordance with legislation, however the audit identified opportunities</i> |

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| | | | | <i>to improve the consistency of record keeping and to enhance monitoring and approval arrangements in respect of responses sent.</i> |
| <i>Contingency Planning & Disaster Recovery</i> | 3 | <i>Final report issued</i> | <i>Substantial</i> | <i>The audit found that the council has appropriate plans and processes in place to ensure key services are maintained and other services can be resumed to minimise the impact of any emergency incident. However the plan is due to be reviewed and updated and a small number of minor administrative improvements were identified.</i> |
| Refunds | 2 | <i>Final report issued</i> | <i>Limited</i> | <i>The audit found that there are adequate policies and procedures in place in respect of refunds, however the review identified inconsistencies in how refunds are administered across the council and made recommendations to ensure that a full audit trail back to the original payment is retained for all refunds.</i> |
| Use of NETconsent | 3 | Final report issued | Substantial | The audit found that NETconsent has sound internal controls but also has the potential to be used corporately as well as being used as a document store with facilities to ensure documents are regularly updated. A subsequent paper has been presented to Management Team to raise awareness of the package. |
| Planning Enforcement | 3 | Final report issued | Limited | The audit found that arrangements are in place to respond to complaints received about potentially unpermitted development and for these to be investigated. The audit found that arrangements are not currently risk based and there are inconsistencies in arrangements to carry out proactive monitoring. The review also identified enhancements to the performance monitoring arrangements in place following the introduction of a new prioritisation scheme for complaints received. |
| NNDR | 4 | Final report issued | Substantial | The audit found that the system for NNDR had sound internal controls. However, it was felt that more frequent balancing of Council records to Valuation Office records should take place so that potential differences could be resolved at an early stage. |
| Complaints Handling | 2 | Draft report with client for consideration | --- | The audit seeks to ensure that there are adequate arrangements in place to record, monitor and respond to complaints received by the council. |
| Housing & Council Tax Benefits Overpayments Management | 2 | Draft report with client for consideration | --- | The audit seeks to confirm that appropriate and timely action is taken to recover all Housing Benefit Overpayments and that there are effective performance monitoring arrangements in place in respect of |

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| | | | | overpayment recovery. |
| Taxi Licenses | 3 | Draft report with client for consideration | --- | The audit seeks to confirm that there are adequate policies and procedure notes in place to support the taxi licensing function and adequate arrangements to administer taxi licenses. |
| Housing Options | 3 | Draft report with client for consideration | --- | The audit seeks to confirm that Housing Advice and Homelessness functions and arrangements to provide financial support are adequately controlled. |
| Housing & Council Tax Benefits | 4 | Fieldwork completed, report drafted | --- | The audit seeks to ensure that applications for benefit are accurately assessed, with supporting evidence and in a timely manner, that reviews are being carried out to prevent incorrect payments of benefit and that the Housing & Council Tax Benefits IT system is adequately controlled. |
| Payment Card Industry Data Security Standards (PCI DSS) | 1 | Fieldwork completed, report drafted | --- | The audit seeks to provide consultancy advice on the council's compliance with the PCIDSS requirements. |
| Payroll | 4 | Fieldwork completed, report drafted | --- | The audit seeks to confirm that the council's Payroll function is appropriately controlled. |
| Council Tax | 4 | Fieldwork completed, report drafted | --- | The audit seeks to confirm that arrangements in place to control discounts, disregards and exemptions applied to Council Tax accounts are effective and that council tax refunds are appropriately controlled. |
| Corporate Debt Management | 4 | Fieldwork completed, report drafted | --- | The audit seeks to confirm that there is a corporate debt policy that ensures that ensures efficient debt collection, debts to one person from different services are identified and that there is consistency across the Council with the appointment and use of bailiffs. |
| Fighting Fraud Locally Compliance | 4 | Fieldwork underway | --- | Compliance review of the council's counter fraud arrangements with the government's Fighting Fraud Locally Strategy. |
| Data Protection Statements/Declarations | 4 | Postponed to 2013-14 plan at the request of the Chief Executive | --- | Proposed compliance review of the council's arrangements to provide Data Protection Statements/Declarations. (To replace the Human Resources System audit). |