

2013-14 Audit Plan Assurance Work Current Status

Audit Review Title	Planned Quarter	Current Status	Audit Opinion	Scope of Audit and Findings (where finalised)
<i>Car Parking Income</i>	1	<i>Final report issued</i>	<i>Amber</i>	<p><i>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Adequate arrangements exist to ensure the regular collection of money from the council's parking meters. The audit found that the Council's contractor is making cash collections in line with the contract. Opinion: Green</i></p> <p><i>RMO2 – There are adequate arrangements in place to manage the council's parking meters. The audit found the Council has a contract in place with the supplier to maintain the parking meters, however opportunities were identified to enhance the recording and monitoring of repairs requested to ensure faults with meters are rectified within the timescale specified in the contract. Opinion: Amber</i></p> <p><i>RMO3 – Income received through the Council's parking meters, season tickets and pay by mobile is verified, recorded and banked effectively. The audit found that arrangements are in place for income to be banked and recorded on the Council's ledger, however it was recommended that a reconciliation process be implemented to confirm the Council receives the correct amount from Park Mobile in respect of usage of the Pay By Mobile service. Opinion: Amber.</i></p>
<i>IT Asset Management</i>	1	<i>Final report issued</i>	<i>Amber</i>	<p><i>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Adequate policies and procedure notes exist to support the procurement of IT Assets. The Council has set out appropriate policies and procedure notes to support the procurement of IT Assets, however the Council does not have a contract in place with an IT equipment supplier; while work is underway to procure a new contract equipment is procured through a framework agreement. Opinion: Amber.</i></p> <p><i>RMO2 – The process for acquiring and recording IT Assets is appropriate. The audit found that arrangements are in place for all IT assets to be recorded on a register though opportunities to enhance records relating to equipment used by staff working from home were</i></p>

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				<p><i>identified. Opinion: Amber.</i></p> <p><i>RMO3 – The accounting of IT Assets in respect of renewals, disposals and depreciation is adequate. The audit found that arrangements are in place for the renewal of IT assets and for the secure disposal of equipment that has reached the end of its useful life and for this to be accurately accounted for though opportunities to improve records relating to disposals were identified. Opinion: Amber.</i></p>
<i>Mobile Telephones</i>	<i>1</i>	<i>Final report issued</i>	<i>Red</i>	<p><i>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Provision of mobile phones is adequately documented and administered. The audit found that the Council does not have a formal policy in place to support the provision of mobile phones to staff and weaknesses were identified in the arrangements to maintain an inventory. Opinion: Red.</i></p> <p><i>RMO2 – Costs are adequately administered. The audit found that arrangements to pay and recharge services for mobile phones are effective however arrangements to monitor usage are weak. Opinion: Red.</i></p> <p><i>RMO3 – Allowances given towards use of private mobile phones are appropriately administered. While there is no formal policy in place in respect of allowances for business use of private mobile phones, the audit found arrangements to pay the allowance were adequate. Opinion: Amber.</i></p> <p><i>It should be noted that the audit testing conducted did not identify any instances of misuse/ abuse of mobile phones provided. The weaknesses identified are not considered to represent a significant governance issue as the financial risk is relatively small (representing a total expenditure less than 10% of the Council's triviality threshold for the Statement of Accounts) and the function is not key to the achievement of any of the council's objectives.</i></p> <p><i>Action was taken by management to address the weaknesses identified in the audit immediately after the issue of the report; the report was considered by Management Team, a review of all mobile contracts has been carried out and a draft policy prepared. Internal Audit will continue to</i></p>

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				<i>monitor progress against the recommendations agreed.</i>
<i>Recruitment Vetting Procedures – Counter Fraud Review</i>	1	<i>Final report issued</i>	Red	<p><i>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Adequate recruitment vetting procedures exist to reduce the risk of employment fraud both internally and externally. The audit found that evidence of identification, right to work and qualifications is not routinely saved. This does not mean that checks were not carried out, however assurance could not be provided that these checks are taking place in practice. As such it was recommended that evidence should be retained on personnel files of successful applicants. In addition arrangements to verify the identity, right to work and qualifications of staff procured through Recruitment Agencies were found to be weak with records maintained by individual services not Personnel. Opinion: Red.</i></p> <p><i>It should be noted that the review did not identify any instances of fraud, false employment records and all staff required to hold professional qualifications were confirmed as current members of the appropriate bodies.</i></p> <p><i>Action was taken by management to address the weaknesses identified in the audit immediately after the issue of the report; the report was considered by Management Team and responsibilities of Personnel and recruiting managers have been clarified in instructions to staff. Internal Audit will continue to monitor progress against the recommendations agreed.</i></p>
<i>Grant Claims</i>	3	<i>Final report issued</i>	Green	<p><i>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Adequate policies and procedure notes exist to support the payment of grant claims and Parish Precepts. Audit testing confirmed appropriate policies and procedures are in place. Opinion: Green.</i></p> <p><i>RMO2 – Adequate records are maintained of all grants, Parish Precepts and financial arrangements with Parish Councils that have been approved and are to be paid. Audit testing confirmed that</i></p>

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				<i>appropriate records including Member approvals exist to support payments to Parish Councils. Opinion: Green.</i>
Asset Management	1	Final report issued	Amber	<p>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Adequate records are maintained of all the Council's land and property holdings in respect of fixed assets. The audit found that the council has an asset register in place and arrangements in place for this to be maintained, and for income in respect of rents and leases of council properties to be recovered through the council's Debtors system. The audit recommended that these arrangements be supported by the production of an Asset Management Plan and for records of rental/lease income due maintained within Finance to be streamlined and digitised. Opinion: Amber.</p> <p>RMO2 – Reviews are carried out of property holdings in light of changing operational needs and market opportunities. The audit found arrangements in place for assets to be reviewed and re-valued on a rolling programme in line with professional guidance. The reviews have resulted in the rationalisation of assets held including the lease of office space to Kent Police; audit testing however identified delays in the invoicing arrangements. Opinion: Amber.</p> <p>RMO3 – Valuations, acquisitions, sales and leases are appropriately dealt with obtaining the best terms for the Council. Audit testing identified weaknesses in the process for administering Periodical Income Accounts (the functionality within the Debtors system that allows for automated billing in line with lease/rental agreements), variances between rental/lease agreement details held in Finance and Estates Management, and the accurate and timely application of RPI increases. Opinion: Red.</p> <p>RMO4 – There is an effective estates management service. The review found that the Council's Estates Team are appropriately qualified and experienced, with arrangements in place to ensure the team are kept up to date on best practice; the review recommended that procedure notes be prepared to support officers in the more</p>

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				complex and less frequently applied processes. Opinion: Amber.
Leisure Services Business Unit (LSBU) Income Collection	1	Final report issued	Green	<p>The audit considered the Council's arrangements in respect of the following risk management objective (RMO):</p> <p>RMO1 – Cashing up and banking procedures are adequately controlled across all LSBU sites and cash is adequately collected and verified. This audit examined income records from the LSBU during the period 1 April – 31 October 2013 prior to the Leisure Trust as these figures will feed the Council's Financial Statements for the 2013-14 financial year. The review found that key controls were in place and working effectively with income receipted, banked and recorded on the general ledger accurately and on a timely basis. Opinion: Green.</p>
Parking Enforcement - Penalty Charge Notice Recovery	2	Final report issued	Amber	<p>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Adequate policies and procedure notes exist in relation to recovery of Penalty Charge Notices (PCNs). Audit testing found that the Council works to a Parking Recovery Policy within the Corporate Debt Recovery Policy with arrangements to ensure Civil Enforcement Officers are adequately trained. The review recommended that comprehensive procedure notes be prepared to support the administration of the service. Opinion: Amber.</p> <p>RMO2 – Appropriate procedures are in place to calculate, agree, issue and recover PCN charges. The audit found that there are arrangements in place for Penalty Charge Notices to be accurately calculated and appropriately issued, with recovery a combination of automated system actions and where this is not successful, manual officer intervention. Audit testing of cases subject to recovery action found that all cases are progressed through the stages set out in the policy however some delays in the later stages of recovery were identified. Opinion: Amber</p>
Council Tax Reduction Scheme	2	Final Report Issued	Green	<p>The audit considered the Council's arrangements in respect of the following risk management objective (RMO):</p> <p>RMO1 – An appropriate scheme and effective process has been</p>

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				adopted following the introduction of the Council Tax Reduction Scheme (CTRS). The review found that the Council Tax Reduction Scheme implemented at Tonbridge & Malling Borough Council had been developed, publicised and implemented in line with the Government guidance. Audit testing also confirmed that the system parameters had been appropriately set to ensure the reduction is accurately calculated and applied to accounts, with recovery parameters adjusted to ensure outstanding liabilities are recovered. Opinion: Green
Discretionary Housing Payments	2	Final report issued	Red	<p>The audit considered the Council's arrangements in respect of the following risk management objective (RMO):</p> <p>RMO1 – There are appropriate arrangements in place for administering Discretionary Housing Payments (DHPs). The review found that the council has a policy in place in respect of DHPs which sets out arrangements applications to be considered and awarded on the Northgate Benefits System. Audit testing found weaknesses in the process that had resulted in two cases that had been paid a DHP though they were not eligible in line with the Council's policy (though not in defiance of the guidance from the Department for Work & Pensions which is less specific); in addition one of these cases had been paid in duplicate. Audit testing also identified opportunities to strengthen controls and improve the accuracy and consistency of record-keeping, authorisation of determinations made on applications for DHPs and clarification of the appeals process. Opinion: Red.</p> <p>It should be noted that management have responded positively to the review and were taking steps to improve controls during the audit review process.</p>
Concessions	3	Final Report Issued	Amber	<p>The audit considered the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Adequate records are maintained of all concessions with the Council. Audit testing found that there are arrangements in place to maintain records of all concessions held though opportunities to</p>

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				<p>enhance and update these were identified. Opinion: Green.</p> <p>RMO2 – Leases/agreements are appropriately dealt with obtaining the best terms for the Council. The audit found that appropriate processes have been followed in the selection of contractors for concessions with details of decisions reported to Members. Audit testing identified delays in the invoicing of concession holders and errors in the application of VAT codes with recommendations agreed to address these. Opinion: Amber.</p> <p>RMO3 – All concession lease/agreements are being monitored. There are arrangements in place for relevant officers across the council to meet regularly to monitor the operation of the concessions and that while some concessions have been subject to a Council inspection, there are no formal arrangements for ongoing inspections though a schedule was being prepared during the course of the audit. Opinion: Amber.</p> <p>RMO4 – Potential for other future concessions has been considered. Audit testing found that opportunities to introduce additional concessions have been explored; there has been no interest from potential operators however this is kept under review. Opinion: Green.</p>
Youth & Play Development - Income Collection	2	Fieldwork completed, report with client for consideration	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – There are adequate processes to ensure that all income streams for the Activate, Y2 Crew and Playscheme for Summer 2013 are secure.</p> <p>RMO2 – There are adequate processes to ensure that the schemes are strictly controlled in line with Ofsted guidance.</p> <p>RMO3 – Adequate procedures are in place to ensure that staff are aware of the risks associated with the management of the schemes.</p> <p>RMO4 – There is sufficient public liability and employer's liability insurance in place.</p> <p>RMO5 – The schemes are not being monitored to ensure that any</p>

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				savings could be achieved.
Planning Applications	2	Fieldwork completed, report drafted	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Adequate procedures have been adopted for the administration of planning applications.</p> <p>RMO2 – Adequate processes exist in relation to handling and banking of development control payments.</p>
Debtors	3	Fieldwork completed, report drafted	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Effective key controls are in place to manage the council's Debtors system.</p>
Commercial Food Safety Regulation	3	Fieldwork completed, report drafted	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RM01 – There are plans, policies and procedures in place as required by the food safety legislation and guidance.</p> <p>RM02 – There are arrangements in place to carry out effective food safety inspections and enforcement activity in the Borough.</p>
Personal & Premises Licensing	3	Fieldwork completed, report drafted	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Effective policies and procedure notes exist to support the personal and premises licence function.</p> <p>RMO2 – Appropriate arrangements are in place for the proper administration of personal and premises licences.</p> <p>RMO3 – Appropriate enforcement arrangements exist for personal and premises licences.</p>
Benefit Investigations	2	Fieldwork completed, report drafted	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – The Investigations Team work to policies and procedure notes that are in line with guidance and legislation.</p>

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				<p>RMO2 – Arrangements are in place to investigate benefit fraud referrals.</p> <p>RMO3 – Arrangements are in place to conduct compliance work to help ensure benefit changes of circumstances result in updating benefit cases.</p> <p>RMO4 – Arrangements are in place to proactively prevent and detect fraud.</p>
NNDR Administration & Recovery	4	Fieldwork completed, report drafted	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Arrangements are in place to identify, record and reconcile chargeable properties within the borough.</p> <p>RMO2 – Charges placed upon properties are in line with the relevant legislation.</p> <p>RMO3 – Arrangements are in place to identify and recover unpaid NNDR liabilities.</p>
Refuse Collection, Recycling, Street Cleansing and Grounds Maintenance	3	Fieldwork underway	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Appropriate controls exist to ensure that the Refuse Collection and Recycling contracts are monitored and managed effectively to ensure that the council's obligations are delivered.</p> <p>RMO2 – Appropriate controls exist to ensure that the Grounds Maintenance contracts are monitored and managed effectively to ensure that the council's obligations are delivered</p> <p>RMO3 – Appropriate controls exist to ensure that the Street Cleansing contracts are monitored and managed effectively to ensure that the council's obligations are delivered.</p>
Housing Benefit Overpayments Management	4	Fieldwork underway	---	<p>The audit will consider the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Appropriate and timely action is taken to recover all Housing Benefit Overpayments.</p>

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				RMO2 – There are effective performance monitoring arrangements in place in respect of overpayments.
Bank Reconciliation	2	Fieldwork underway	---	The audit will consider the Council's arrangements in respect of the following risk management objective (RMO): RMO1 – There are key controls in place which ensure that all areas of the bank reconciliation are carried out in an accurate and prompt manner.
Housing Benefits - Assessment, Interventions & Reviews.	3	Not yet started	---	
Creditors	4	Not yet started	---	
Car Parking Permits	4	Not yet started	---	
Data Protection	4	Not yet started	---	
Council Tax Administration & Recovery	4	Not yet started	---	
Payroll	4	Not yet started	---	
Corporate Consultancy Work	1-4	Underway	---	Work has commenced on corporate consultancy reviews as directed by the Council's Management Team.
Events Management	3	Fieldwork completed, report with client for consideration	---	The review seeks to identify opportunities to further enhance the management of future events by analysing the management and experiences of the Taste of Tonbridge day.

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