

2016-17 Internal Audit Assurance Reviews

Audit Review Title	Planned Quarter	Current Status	Audit Opinion	Scope of Audit and Findings
Refunds	1	Complete	Green	<p>This audit reviewed the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 - Procedures are in place to process genuine refunds and manage fraudulent or erroneous refunds. Documented procedure notes are in place with some minor updates required. Testing established that all refunds had been processed correctly and appropriately authorised.</p> <p>RMO2 - Procedures are in place to ensure that refunds are paid timely and the Authority's accounting systems are accurate following refunds made.</p> <p>Refund reports reviewed showed that the values were correct and reconciled to each stage of the process. Testing identified some anomalies in relation to separation of duties and authorisation limits however all refunds checked as part of the audit appeared to be genuine with no evidence of suspicious activity identified.</p>

Public Health	1	Complete	Amber	<p>This audit reviewed the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 - TMBC deliver the outcomes from the core service specifications from KCC and actively work towards achieving the set targets of the funding agreement.</p> <p>The Healthy Living team fulfil the requirements of the Service Level Agreements from KCC's Public Health Team. However the performance of commissioned providers should be reviewed to ensure the accuracy and quality of the performance figures submitted.</p> <p>RMO2 - The spend for Public Health is adequately monitored against the Budget.</p> <p>The funding received from KCC is spent appropriately with the contingency of a reserve built up from consistent underspend in previous years.</p> <p>RMO3 - Delivery and outcomes of Public Health initiatives are accurately and consistently reported to management and KCC.</p> <p>The Healthy Living team fulfil the required reporting arrangements to KCC Public Health and appropriate internal and external boards and committees. Figures and statements reported are accurate and relevant.</p>
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Debtors inc debt recovery	1	Complete	Amber	<p>This audit reviewed the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 - Invoiced income is appropriately managed to ensure that all income due is received, banked and reconciled timely. Procedure notes require review and updating. Some duplicate debtor accounts and invoices were identified and some credit notes had not been authorised. Invoices had been paid correctly and allocated to the correct ledger codes.</p> <p>RMO2 - The finance system is appropriately reconciled to ensure that any discrepancies are quickly identified and addressed.</p> <p>Gaps were identified with the monthly reconciliation between the sales and general ledgers due to staff absence and IT issues. Other reconciliations were completed appropriately.</p> <p>RMO3 - Refunds are effectively managed to ensure that monies owed are paid promptly to maintain good customer relationships.</p> <p>Refunds were effectively managed.</p> <p>RMO4 - Effective processes are in place to identify and manage debts and write-offs (including aged debts), with appropriate reporting to management.</p> <p>Recovery and write-off has been disjointed for the past financial year due to a change of debt collection agency. A new debt recovery agency was appointed in July 2016.</p>
Recruitment Strategy	1	Postponed to Q4		
Risk Management	2	Complete	N/A	Consultancy piece of work with Risk Management Strategy rewritten with accompanying guidance.
Demand Management	2	Quality Assurance		

Financial Planning & Budget Monitoring	2	Complete	Green	<p>This audit reviewed the Council's arrangements in respect of the following scope areas:</p> <p>Financial Planning: - The annual budget, Medium Term Financial Strategy, and Savings & Transformation Strategy all aligned and had been authorised. Known and anticipated risks were identified and assessed during the planning process and subsequent periodic reviews, and included in the Section 151 officer's annual statement. Management Team and Members are provided with regular updates of the Council's financial planning.</p> <p>Budget Monitoring: - Changes of budget holders had not been reported to accountancy and therefore records updated. Guidance on use of budget monitoring systems and reports is available. There was no uniformity in how budgets are reviewed by budget holders; although our work showed that such reviews were proportionate to the size of budget. Chief Officers sign a Summarised Budgetary Control Report to confirm budgets have been checked by their, although half the reports were not returned timely to Accountancy. Variances are appropriately checked by Accountancy.</p>
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Capital Programme Monitoring	2	Complete	Green	<p>This audit reviewed the Council's arrangements in respect of the following scope areas:</p> <p>Alignment of the Capital Programme with Capital Strategy:- All business cases reviewed had clear links to the key criteria for Capital Projects detailed in the Capital Strategy, and were appropriately approved. Income and expenditure was accurately recorded in the Medium Term Financial Strategy. Standard templates for potential projects were completed and generally adequate although a number of additions were recommended for inclusion, e.g. milestones, key risks, and measurable criteria.</p> <p>Monitoring & Delivery of the Capital Programme:- Members were advised of budgets for projects. However, other than the Communities and Housing Advisory Board, progress against key milestones is not normally reported alongside budget information. Comprehensive records were maintained. There were a number of overdue and outstanding post-implementation reviews. Notable variances between approved budgets and final post budget completion were being reported.</p>
Asset Management of IT equipment, inc acquisitions and disposals	2	Fieldwork		

Council Tax and Business Rates Recovery	2	Complete	Green	<p>This audit reviewed the Council's arrangements in respect of the following scope areas:</p> <p>Documented procedure notes:- Procedures were in line with the Corporate Debt Recovery Policy.</p> <p>Timely identification of accounts in arrears:- Identification was timely with reminders sent at appropriate intervals.</p> <p>Options to pay by special arrangements and crediting of accounts:- Assistance is offered to tax payers who seek help. Payment arrangements were fair and equitable with signposting to independent advice services.</p> <p>Collection rates are monitored and reported:- Recovery rates and arrears are accurately reported.</p> <p>Instigation of legal proceedings, use of Enforcement Agents, review of accounts for further action and write-offs:- There was appropriate use of legal proceedings and Debt Recovery Agents. Reasonable attempts to recover debts were made before being passed for write-off, including those returned by the Debt Agency. Appropriate segregation of duties and authorisation was in place.</p>
Corporate Governance – Phase 1	2	Draft Report	TBC	
Review of controls to prevent fraud in Business Rates	3	Planning		
Review of controls to prevent fraud in relation to grants and financial support	3	Planning		
Partnerships	3	Draft Report	TBC	

Payroll	3	Complete	Green	<p>This audit reviewed the Council's arrangements in respect of the following scope areas:</p> <p>Procedure Notes:- Procedure notes require review and updating.</p> <p>Access to the payroll system:- Access rights to the Payroll system were appropriate; however there are no regular reviews to ensure that erroneous profiles or access rights have been granted.</p> <p>Variation and Deduction processes:- All allowances, deductions, amendments and variations were processed timely, accurately, and appropriately authorised. Relevant and required evidence of changes was retained.</p>
Business Continuity Planning – Emergency	3	Fieldwork		
Housing Benefits Overpayments	3	Draft Report		
Project and Programme Management	3	Planning		
Complaints	3	N/A		This audit is merged with Project and Programme Management
Safeguarding	3	Planning		
IT Strategy & Infrastructure	4	Planning		
Leisure Development – external provision	4	Fieldwork		
Development Control	4			
Housing – Empty Property Follow Up	4			
Parking Income	4	Planning		
Local Plan	4			

2015-16 Internal Audit Assurance Reviews completed in 2016/17 to December

Audit Review Title	Planned Quarter	Current Status	Audit Opinion	Scope of Audit and Findings
Housing Benefit Assessments	4	Complete	TBC	<p>This audit reviewed the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 - Adequate arrangements exist to ensure all new claims are legitimate and the correct benefit is being paid to the correct person.</p> <p>Overall testing found that adequate measures exist in order to ensure new claims are legitimate; however training needs to be made available on a more regular basis.</p> <p>RMO2 - The right level of evidence is obtained and verified.</p> <p>Overall testing found that it would be helpful to enhance existing controls, for example through sample management checks of new claims and follow up with a review form once the claim has been in payment for an agreed period of time, to ensure that evidence obtained can be verified as still being applicable.</p> <p>RMO3 - All relevant claims are looked at for potential fraud risk.</p> <p>Overall testing found that assessors would benefit from fraud training when processing new claims.</p>

Empty Properties	4	Complete	TBC	<p>This audit reviewed the Council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 - The role of Housing as corporate lead is clearly defined and there is evidence that the role is proactively fulfilled. Although the corporate lead role was not formally defined Housing has been providing an appropriate level of oversight and facilitation, including acting as Chair of the Empty Homes Group.</p> <p>RMO2 - The Corporate Working Group to tackle the issue of Empty Homes has been established with a clear terms of reference. It meets regularly and has clear action plans, monitoring and escalation processes in place. The Working Group has been established and a number of meetings have been held. The Terms of Reference has been drafted however further embedding is needed in relation to action plans and monitoring as the baseline number of properties was only recently agreed.</p> <p>RMO3 - Public awareness has been raised through appropriate marketing strategies and the reporting process is simple and accessible. The impact/success of both is monitored. Public awareness campaigns have been undertaken, however monitoring of the impact/success links to the further embedding needed at RM02.</p>
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