

**Assurance Work 2013-14 finalised in 2014-15**

Audit Review Title	Audit Opinion	Purpose of Review/Summary of findings
<i>Rent Arrears</i>	<i>Red</i>	<i>Findings reported to the Finance &amp; Audit Committee on 17 September 2014</i>
<i>IT Asset Register</i>	---	<i>The audit found that while information required to inform an IT Asset Register is largely held, a number of expected key controls were absent. An interim report, containing a summary of the audit findings, was issued to client management to allow the opportunity to review existing controls and develop an IT Asset Register.</i>
Expenses Fraud	Red	<p>The audit considered the council's arrangements in respect of the following risk management objective (RMO):</p> <p>RMO1 – Appropriate arrangements are in place to prevent fraudulent expense claims being made (including petty cash, mileage, travel, subsistence &amp; training). The review found that there was little information available to employees and inconsistent procedures in place for claiming expenses; with claims being processed by two different teams. Recommendations: seven high, four medium priority. Opinion: Red.</p>
<i>Void Property Management</i>	<i>Green</i>	<p><i>The audit considered the council's arrangements in respect of the following risk management objective (RMO):</i></p> <p><i>RMO1 - Appropriate arrangements exist for void property management. The review found that there are suitable arrangements in place for identifying void properties and void works are carried out in a timely manner. Recommendations: one medium, two low priority. Opinion: Green.</i></p>
Human Resources Self Service	Green	<p>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Access to the HR21 system is adequately controlled. The review found that all employees with IT access have appropriate access to the HR self-service system. Recommendations: none. Opinion: Green.</p> <p>RMO2 – HR21 functionality in regards to the recording of leave is effective. The review found that appropriate guidance has been made available to employees and managers in regards to the requirement to request leave on HR21 and the processes for doing this. Recommendations: none. Opinion: Green.</p> <p>RMO3 – Recommendations made in the unsatisfactory Annual &amp; Flexi Leave audit carried out during the 2012-13 financial year have been appropriately implemented. The review found that adequate action has been taken to address the weaknesses identified with guidance provided to all staff and managers and standardised methods for recording and approving leave now in place. Though a single comprehensive leave policy is not yet in place, work is ongoing to prepare this which it is anticipated will further strengthen control in this area. Recommendations: none. Opinion: Adequate.</p>

N.B Items in italics have been reported to a previous meeting of the Finance & Audit Committee

**Assurance Work 2014-15 – Plan revised January 2015**

Audit Review Title	Audit Opinion	Purpose of Review/Summary of findings
Discretionary Housing Payments	<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 – Key controls are in place for the effective administration of Discretionary Housing Payments. The audit found that while DHP's are effectively administered there is no process in place to ensure accuracy or fairness across the decision making process. Recommendations: one high, one medium priority. Opinion: Amber</i></p> <p><i>RMO2 – Key controls are in place for the accurate payment of Discretionary Housing Payments. The audit found that payments are made accurately and in a timely manner. Recommendations: none. Opinion: Green.</i></p>
Car Parking Income (Including Permits)	<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 – Parking and permit charges are appropriately set, advertised and reviewed. The audit found that Member approval was not sought for all parking charges on an annual basis, and charges for season tickets and the town centre worker's scheme were not fully advertised on the council website. Recommendations: two high, three medium and one low priority. Opinion: Amber.</i></p> <p><i>RMO2 – Adequate arrangements are in place to manage the council's parking meters. The audit found that effective and appropriate arrangements are in place to manage, maintain and insure the authority's parking meters. Recommendations: none. Opinion: Green.</i></p> <p><i>RMO3 – Parking income received is appropriately processed. The audit found that income is appropriately and efficiently collected, banked and allocated to the correct budgets, though income from parking enforcement is not published annually as required by government guidance and the 2014 Transparency Code. Recommendations: one high priority. Opinion: Green.</i></p>
Treasury Management	<i>Green</i>	<p><i>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – An appropriate Treasury Management strategy is in place. The audit found that comprehensive strategy has been adopted by the authority, in accordance with relevant legislation and guidance. Recommendations: none. Opinion: Green.</i></p> <p><i>RMO2 – Key controls are in place to manage the appropriate investment of funds. The audit found that council funds are appropriately invested though reconciliations and authorisation of investments are not always undertaken in a timely manner. Recommendations: one medium, two</i></p>

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		<p><i>low priority. Opinion: Green.</i></p> <p><i>RMO3 – Key controls are in place to manage the appropriate borrowing of funds. The audit found that expected controls were in place to ensure borrowing is undertaken only when appropriate and with the necessary authorisations. Recommendations: none. Opinion: Green.</i></p>
<p><i>Disabled Facilities Grants (Private Sector Housing)</i></p>	<p><i>Green</i></p>	<p><i>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Disabled Facilities Grants are supported by appropriate policies and procedures. The audit found that appropriate policies and procedures are in place though the policy is in need of updating. Recommendations: one low priority. Opinion: Green.</i></p> <p><i>RMO2 – Disabled Facilities Grant applications are determined appropriately. The audit found that appropriate arrangements are in place for Disabled Facilities Grant applications to be determined by the council in a timely manner and in accordance with legislation. Recommendations: none. Opinion: Green.</i></p> <p><i>RMO3 – Awards of Disabled Facilities Grant are appropriately monitored. The audit found that appropriate monitoring is undertaken once a Grant has been awarded in terms of ensuring that works are completed satisfactorily and arranging for payments to be made. Recommendations: none. Opinion: Green.</i></p> <p><i>RMO4 – Discretionary Disabled Facilities Grants are dealt with appropriately. The audit found that suitable arrangements are in place for awarding discretionary Disabled Facilities Grants though a formal policy was not in place to support these arrangements. Recommendations: one medium priority. Opinion: Amber.</i></p>
<p><i>Disabled Adaptations (Council Homes)</i></p>	<p><i>Green</i></p>	<p><i>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Disabled Adaptations to council properties are properly organised and carried out. The audit found that appropriate arrangements exist for all recommended disabled adaptations to be made to council properties, though a formal policy was not in place to support these arrangements. Recommendations: one low priority. Opinion: Green.</i></p>
<p><i>Income Collection - PayMe</i></p>	<p><i>Green</i></p>	<p><i>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</i></p> <p><i>RMO1 – Arrangements are in place to ensure payments received through PayMe are accurately tested for. The audit found that appropriate arrangements were in place to enable the council to receive and process payments through PayMe, though a policy relating to refunding PayMe transactions had not been approved and circulated to relevant staff. Recommendations: two medium, one high priority. Opinion: Green.</i></p>

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Income Collection – Kiosk	Green	<p>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Payments received through the kiosks are accurately accounted for. The review found that appropriate arrangements exist for income received via the Kiosks to be counted, banked, allocated to the correct account and recorded on the General Ledger. Recommendations: none. Opinion: Green.</p> <p>RMO2 – Arrangements are in place to ensure the reliable operation of the kiosks. The review found that appropriate arrangements exist to insure and maintain the Kiosks though a need was identified for access to the cashier's room to be reviewed. Recommendations: one medium. Opinion: Green.</p>
Housing Benefit Overpayments	Green	<p>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Adequate processes are in place to support Housing Benefit overpayments. The review found that an appropriate Overpayments Recovery Policy is in place and adequate measures exist to prevent overpayments occurring. Recommendations: one medium priority. Opinion: Green.</p> <p>RMO2 – Adequate processes are in place to recover overpaid Housing Benefit. The review found that adequate procedures are in place and are followed in practice to recover overpaid housing benefit. Arrangements also exist for unrecoverable overpayments to be written-off. Recommendations: one medium priority. Opinion: Green.</p>
Reprographics	Red	<p>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Suitable printing arrangements are in place across the council. The review found that there was not a policy in place regarding appropriate printer usage, there were no formal arrangements to monitor printer usage, and there were a number of printers that were significantly over / under used. Recommendations: two high, two medium, three low priority. Opinion: Red.</p> <p>RMO2 – Suitable mailing arrangements are in place across the council. The review found that appropriate arrangements exist for council post to be collected and sent, though opportunities were identified to make further use of machinery in the post room. Recommendations: one low priority. Opinion: Amber.</p> <p>RMO3 – The charging and re-charging of work performed by Reprographics is managed appropriately. The review found that inconsistent recharging methods were being used, which discouraged employees from using Reprographics. Recommendations: one high priority. Opinion: Red.</p>

Audit Review Title	Audit Opinion	Purpose of Review/Summary of findings
Transparency	Report provided to management	The audit provided consultancy advice on the requirements of the Transparency code 2014.
Risk Management Framework	Report provided to management	The audit provided consultancy advice on the adequacy of the council's risk management arrangements.
Creditors	Amber	<p>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Key controls are in place for the effective management of the creditors system. The review found that all creditor payments are made using the correct rate of VAT and are supported by approved invoices which are checked for accuracy. Isolated errors were identified in relation to deductions for the Construction Industry Scheme (CIS). Recommendations: one high, one medium priority. Opinion: Green.</p> <p>RMO2 – Key controls are in place for the effective management of petty cash. The review found that appropriate arrangements exist for petty cash to be issued and for reconciliations to be carried out to confirm the accuracy of all petty cash floats. Inconsistencies were however identified in the information recorded on petty cash vouchers, and vouchers are not always supported by an adequate receipt. Recommendations: two high, one medium priority. Opinion: Green.</p>
Audit follow up: Trade Waste	Adequate	<p>The audit considered action taken in response to weaknesses identified in the red, Trade Waste audit; the details of which were reported to the Finance &amp; Audit Committee on 17 September 2014.</p> <p>The review found that all weaknesses identified in the previous audit have been rectified. To do this: a number of actions have been taken to increase take up of the trade waste service; formal confirmation is now provided to all customers who make changes to their trade waste agreement; inaccuracies in the collection schedules have been rectified; and, an adequate schedule of enforcement visits has been put in place. Recommendations: none.</p>

Audit Review Title	Audit Opinion	Purpose of Review/Summary of findings
Audit follow up: Mobile Telephones	Adequate	<p>The audit considered action taken in response to weaknesses identified in the unsatisfactory, Mobile Telephones audit; the details of which were reported to the Finance Audit Committee on 16 July 2013.</p> <p>The review found that significant progress has been made towards rectifying the weaknesses identified in the previous audit. To do this: a Mobile Phone policy has been implemented; arrangements have been put in place for mobile phones to be formally requested, transferred and returned; an accurate mobile phone inventory has been put in place; and, a review has been carried out of those officers who have been allocated a council mobile phone, which will be repeated on an annual basis. Minor weaknesses were identified in officer compliance with the Mobile Phone policy.</p> <p>Recommendations: two high, one medium, three low.</p>
Audit follow up: Homelessness	Adequate	<p>The audit considered action taken in response to weaknesses identified in the red, Homelessness audit; the details of which were reported to the Finance &amp; Audit Committee on 17 September 2014.</p> <p>The review found that all weaknesses identified in the previous audit have been rectified. To do this: a number of homelessness prevention measures have been put in place; monthly caseload meetings have been established which has improved application turnaround time; greater monitoring is undertaken of temporary accommodation placements to ensure that rent is being paid / benefit claims have been submitted; storage facilities are no longer funded and bed &amp; breakfast placements have ceased.</p> <p>Recommendations: none.</p>
Rent Collection & Administration	Green	<p>The audit considered the council's arrangements in respect of the following risk management objectives (RMOs):</p> <p>RMO1 – Rent liability is accurately calculated. The review found that the 2014-15 rent charges were accurately calculated and applied to the housing system; tenants were appropriately made aware of the new charges. Recommendations: none. Opinion: Green.</p> <p>RMO2 – Adequate arrangements are in place for the administration of the council's rent accounts. The review found that all properties, tenants and rent accounts are uniquely identifiable and appropriate arrangements exist for additional charges to be applied to rent accounts where necessary. Arrangements are in place for transfers, adjustments and refunds to be carried out with adequate approval, though several minor omissions were identified in testing. Recommendations: two high, one low priority. Opinion: Amber.</p> <p>RMO3 – Adequate arrangements are in place for the accurate collection of rent. The review found that there are appropriate arrangements in place for rent to be collected and allocated to the correct accounts. Recommendations: none. Opinion: Green.</p>

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Vehicles Plant Acquisitions, renewals & disposals	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objectives (RMOs): RMO1 – The acquisition & renewal of all vehicles & plant is properly managed. RMO2 – The disposal of vehicles & plant is properly managed.
NNDR Recovery	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objectives (RMOs): RMO1 – There are processes in place to identify and recover NNDR not paid. RMO2 – There are appropriate procedures in place to administer write-offs.
Housing – Rent Deposit Scheme	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objectives (RMOs): RMO1 – Arrangements exist to distribute rent deposits. RMO2 – Arrangements exist to recover all rent deposits.
Parking Enforcement & PCN Recovery	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objectives (RMOs): RMO1 – Arrangements are in place for the appropriate issuing of PCN's. RMO2 – Penalty Charge Notices are appropriately monitored and recovered where possible.
Capital Accounting	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objective (RMO): RMO1 – Arrangements exist for the appropriate accounting of income and expenditure relating to capital projects in the General Fund and Housing Revenue Account.
Housing Allocations	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objectives (RMOs): RMO1 – Arrangements are in place to administer and manage the Common Housing Register. RMO2 – Allocation of council housing is managed effectively.
IT Assets – Acquisitions, Register & Disposals	Fieldwork completed, in quality control	The audit considers the council's arrangements in respect of the following risk management objectives (RMOs): RMO1 – The acquisition of IT assets is appropriately managed. RMO2 – An adequate IT asset register is in place. RMO3 – The disposal of IT assets is appropriately managed.
Corporate Document Management	---	Audit not completed – resources used to provide consultancy support in relation to setting a new document retention policy.

N.B Items in italics have been reported to a previous meeting of the Finance & Audit Committee

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Borough Market	---	Audit not completed – Given it will be necessary for the borough market to be temporarily closed while the Coastal Community funded improvement works are carried out, a decision was taken, with the approval of management, that it would not be beneficial for the audit to be carried out at this time.
Bribery & Corruption	---	Audit not completed – There were inadequate resources in place to complete the 2014-15 Internal Audit plan therefore a decision was taken, with the approval of management, that it would be more beneficial to begin the highest risk audit on the 2015-16 plan, than complete the lowest risk audit on the 2014-15 plan.