

INTERNAL AUDIT REPORTS ISSUED IN 2012/13

1. The following reviews were finalised in 2012/13:

REPORT/ASSURANCE RATING	ISSUE DATE	SUMMARY OF CONTROLS OPERATING
Petty Cash -Vaughan Primary School Assurance Rating = Amber	02.04.12	Overall 65% of the expected controls were found to be in place and operating effectively 12% was substantially operating with a further 23% partially operating. Although percentages indicate an assurance ranking of Amber/Green, due to 2 high recommendations this has been reduced to Amber. All 6 recommendations have been agreed for implementation.
Petty Cash – Stanburn First School Assurance Rating = Amber	30.04.12	Overall 65% of the expected controls were found to be in place and operating effectively, 12% were substantially operating with a further 23% partially in place. Although this indicates an amber/green ranking, an assurance rating of amber has been given as 2 high recommendations have been made. All 5 recommendations have been agreed for action.
Children’s Centres Income Collection & Banking Assurance Rating = Red	22.08.12	Overall 24% of the expected controls were found to be in place and operating effectively, 7% were substantially operating, 59% were partially in place with a further 10% not operating. All 18 recommendations have been agreed for implementation.
Energy Bills Assurance Rating = Amber	24.08.12	Five recommendations have been made to address the weaknesses identified, 1 was rated as high risk and 4 were rated as medium risk. From the sample of 312 (128 by the Climate Change Team and 184 by Internal Audit) energy bills inspected there was no evidence that the authority are paying 2 different suppliers for the same sites. 3 duplicate payments (1.5% of the sample) were identified totalling £1,449.88, of which 2 are within Children’s and 1 is within Adults. The cause of the duplications was due to the invoice being paid against 2 suppliers for Southern Electric. A total of 4 out of 5 recommendations have been agreed for implementation. One recommendation has not been agreed which relates to Procurement obtaining evidence to support their findings as well as using report from a system. This recommendation was made as had Procurement obtained evidence to support their report they would have identified there was no major concern in relation to Energy Bill duplicate payments. As this recommendation has not been accepted there remains a risk going forward that this situation reoccur causing unnecessary work for other areas.

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REPORT/ASSURANCE RATING	ISSUE DATE	SUMMARY OF CONTROLS OPERATING
<p>Core Financial Systems Key Control Review Corporate Accounts Receivable 2011/12</p> <p>Assurance Rating = Amber</p>	<p>27.11.12</p>	<p>Amber report. Overall, 79% (11) of the controls were operating effectively, with a further 21% (3) partially operating. Although these percentages indicate an amber/green assurance, the report has been rated as amber assurance due to the 4 high risk recommendations. Each of the 14 key controls is made up of a number of individual elements that were each tested.</p> <p>A total of 6 of the 7 recommendations have been agreed for implementation. The remaining recommendation has been partially agreed which relates to creating a workflow route for authorisation of a debtor request.</p>
<p>Transformation Programme – Engagement & Culture Change Customer Contact Assess & Decide (CCAD) Report</p> <p>Assurance Rating = Green</p>	<p>28.01.13</p>	<p>Overall 72% of the expected controls were found to be in place and operating effectively and 28% were substantially operating.</p> <p>All 6 recommendations have been agreed for implementation.</p>
<p>Governance & Financial Controls Review – Earlsmead Primary School</p> <p>Assurance Rating = Amber/green</p>	<p>12.02.13</p>	<p>Overall 79% of the expected controls were found to be in place and operating effectively, 9% were substantially operating, 10% were partially in place with a further 2% not operating. Although percentages indicate a green assurance rating, the report is rated as Amber/Green due to one high risk recommendation.</p> <p>All 11 recommendations have been agreed for implementation.</p>
<p>Governance & Financial Controls Review - Stag Lane Junior School</p> <p>Assurance Rating = Amber/green</p>	<p>12.02.13</p>	<p>Overall 75% of the expected controls were found to be in place and operating effectively, 13% were substantially operating, 10% were partially in place with a further 2% not operating. Although percentages indicate a green assurance rating, the report is rated as Amber/Green due to two high risk recommendations.</p> <p>All 13 recommendations have been agreed for implementation.</p>
<p>Governance & Financial Controls Review - Woodlands School</p> <p>Assurance Rating = Amber/green</p>	<p>12.02.13</p>	<p>Overall 74% of the expected controls were found to be in place and operating effectively, 13% were substantially operating and 13% were partially in place. Although the percentages indicate a green assurance rating, the report is rated as Amber/Green due to one high risk recommendation.</p> <p>All 12 recommendations have been agreed for implementation.</p>

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Governance & Financial Controls Review - Longfield Primary School Assurance Rating = Amber/green	14.02.13	Overall 69% of the expected controls were found to be in place and operating effectively, 12% were substantially operating and 19% were partially in place. All 15 recommendations have been agreed for implementation.
Governance & Financial Controls Review - Kingsley High School Assurance Rating = Amber/green	18.02.13	Overall 63% of the expected controls were found to be in place and operating effectively, 23% were substantially operating with a further 14% partially in place. Although the percentages indicate a green assurance rating, the report is rated as Amber/Green due to one high risk recommendation. All 13 recommendations have been agreed for action.
Core Financial Systems Key Control Review Housing Rents 2011/12 Assurance Rating = Green	25.02.13	Overall, 6 (67%) of the key controls were operating effectively, 2 (22%) were substantially operating with a further 1 (11%) partially operating. Each of the 9 key controls is made up of a number of individual elements that were each tested. All 8 recommendations have been agreed for implementation.
Capital Expenditure Programme Assurance Rating = Amber	25.02.13	Overall 57% of the expected controls were found to be in place and operating effectively, 16% were substantially operating, 22% were partially in place with a further 5% not operating. Although these percentages indicate an amber/green assurance, due to the 4 high risk recommendations and the number of recommendations made, the report has been rated as amber assurance. All 21 recommendations have been agreed for action.
Transformation Programme – Engagement & Culture Change Procurement Report Assurance Rating = Red/amber	25.02.13	Overall 17% of the expected controls were found to be in place and operating effectively, 38% were substantially operating, 33% were partially in place with a further 13% not operating. All 13 recommendations have been agreed for implementation.
Governance & Financial Controls Review - Heathland School Assurance Rating = Amber/green	18.03.13	Overall 82% of the expected controls were found to be in place and operating effectively, 16% were substantially operating with a further 2% not operating. Although the percentages indicate a green assurance rating, the report is rated as Amber/Green due to two high risk recommendations. All 8 recommendations have been agreed for action.

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Governance & Financial Controls Review - Elmgrove Primary School Assurance Rating = Amber/green	22.03.13	Overall 70% of the expected controls were found to be in place and operating effectively, 20% were substantially operating, 8% were partially in place with a further 2% not operating. All 11 recommendations have been agreed for implementation.
Transformation Programme – Engagement & Culture Change – Reablement Report Assurance Rating = Green	27.03.13	Overall 80% of the expected controls were found to be in place and operating effectively, 8% were substantially operating and 12% were partially in place. All 4 recommendations have been agreed for implementation.
Contract Monitoring – Community & Environment – Overall report Assurance Rating = Red/amber	28.03.13	Overall 49% of the expected controls were found to be in place and operating effectively, 2% were substantially operating, 44% were partially in place with a further 5% not operating. The assurance rating of red/amber reflects the wider range of control weaknesses across all processes when looking at the overall system. The individual service reports are all rated as either amber or amber/green. 16 recommendations have been agreed for action. The remaining recommendation relates to the fact that whilst it is agreed in principle that it would be preferable to have a single overall contract monitoring officer for the Fraikin contract, it covers other departments and currently there are practical reasons for not being able to fulfil this recommendation.

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2. The following draft reports were also issued in 2012/13

REPORT/ASSURANCE RATING	ISSUE DATE	SUMMARY OF CONTROLS OPERATING
Core Financial Systems Key Control Review Accounts Payable 2011/12	23.10.12	Overall, 70% of the elements of the controls were operating effectively, with a further 18% substantially operating and 12% partially operating. Although these percentages indicate a green assurance, the report has been rated as amber/green assurance due to the 2 high risk recommendations. Each of the 9 key controls is made up of a number of individual elements that were each tested. Nine recommendations have been made to address the weakness identified. Two recommendations have been rated as high risk, and 7 are medium risk.
Mobile Phones	25.10.12	See Appendix B
Transformation Programme – Engagement and Culture change Independent Living (For Young Care Leavers) report Assurance Rating = Green	19.12.12	Green report. Overall 81% of the expected controls were found to be in place and operating effectively, 13% were substantially operating and 6% were partially in place. The different nature of a lean project means that some of the controls cannot be applied in the same way as for a larger project.
Governance & Financial Controls Review – Sacred Heart High School Assurance Rating = Amber/green	07.02.13	Overall 72% of the expected controls were found to be in place and operating effectively, 11% were substantially operating, 15% were partially in place with a further 2% not operating. Although percentages indicate a green assurance rating, the report is rated as Amber/Green due to one high risk recommendation. 15 recommendations have been made to address the weaknesses identified 1 was rated as high risk, 11 were rated as medium risk and 3 were rated as low risk.
Governance & Financial Controls Review - St John Fisher Catholic School Assurance Rating = Amber/green	4.03.13	Overall 81% of the expected controls were found to be in place and operating effectively, 6% were substantially operating with a further 13% partially operating. Although percentages indicate a green assurance rating, this report is an amber/green due to one high recommendation. Eight recommendations have been made to address the weaknesses identified. One was rated as high risk, 4 were rated as medium risk and 3 were rated as low risk.
Governance & Financial Controls Review - Vaughan Primary School Assurance Rating = Amber/green	4.03.13	Overall 81% of the expected controls were found to be in place and operating effectively, 11% were substantially operating, 6% were partially in place with a further 2% not operating. Although percentages indicate a green assurance, the report has been rated as amber/green due to 2 high risk recommendations. Nine recommendations have been made to address the weaknesses identified, 2 were rated as high risk, 4 were rated as medium risk and 3 were rated as low risk.

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<p>Governance & Financial Controls Review - Stanburn Junior School</p> <p>Assurance Rating = Amber/green</p>	<p>14.03.13</p>	<p>Overall 67% of the expected controls were found to be in place and operating effectively, 12% were substantially operating, 17% were partially in place with a further 4% not operating. Sixteen recommendations have been made to address the weaknesses identified, 3 were rated as high risk, 8 were rated as medium risk and 5 were rated as low risk.</p>
<p>Governance & Financial Controls Review – Aylward School</p> <p>Assurance Rating = Amber/green</p>	<p>14.03.13</p>	<p>Overall 86% of the expected controls were found to be in place and operating effectively, 10% were substantially operating and 4% were partially in place. Although percentages indicate a green assurance rating, the report is rated as Amber/Green due to two high risk recommendations. Six recommendations have been made to address the weaknesses identified 2 were rated as high risk, 2 were rated as medium risk and 2 was rated as low risk.</p>
<p>Governance/Procurement Review – Grange Primary School</p> <p>Assurance Rating = Amber</p>	<p>18.03.13</p>	<p>Overall 40% of the expected controls were found to be in place and operating effectively, 33% were substantially operating, 24% were partially in place with a further 3% not operating. 14 recommendations have been made to address the weaknesses identified, 8 were rated as high risk and 6 were rated as medium risk.</p>
<p>Governance & Financial Controls Review - Whitefriars Community School</p> <p>Assurance Rating = Amber</p>	<p>25.03.13</p>	<p>Overall 63% of the expected controls were found to be in place and operating effectively, 21% were substantially operating, 8% were partially in place with a further 8% not operating. Percentages indicate a green assurance rating however due to 4 high risk recommendations this has been given an Amber assurance rating. Sixteen recommendations have been made to address the weaknesses identified, 4 were rated as high risk, 10 were rated as medium risk and 2 were rated as low risk.</p>

3. The following follow up reports were in issued in 2012/13

REPORT	DATE OF FOLLOW UP MEMO	CONCLUSION
<p>Grants to Voluntary Organisations – Follow-up</p> <p>Original assurance rating = Red</p> <p>Re-assessed assurance rating - Amber</p>	<p>04.04.12</p>	<p>It was established that the action agreed to address 20 of the 32 recommendations has been fully implemented and evidence was obtained to support this. It was established that 10 of the remaining 12 agreed actions have been partially implemented. Follow up has established that it is now an amber report with 66% of expected controls now operating effectively, 4% substantially operating, and a further 28% partially in place (it has been assumed that the controls that were originally operating are still operating effectively during follow up and these have not been re-tested). The 30% of controls partially and not operating reflect the 12 recommendations yet to be fully implemented.</p> <p>The level of implementation made to date is not acceptable due to the 12 recommendations which have not been fully implemented, in accordance with the original action plan received, these have now exceeded the implementation dates.</p> <p>As an Amber assurance rating has now been given there will not be a further follow up by Internal Audit, however management should ensure that they monitor the progress of the 12 recommendations still to be fully implemented.</p>
<p>Customer Service Standards – Follow-up (Corporate Review)</p> <p>Original assurance rating = Amber</p> <p>Re-assessed assurance rating – Green</p>	<p>12.04.12</p>	<p>This was a corporate review and a report was issued with 13 recommendations made at a corporate level. These recommendations are to be rolled out to the whole authority. A sample of 10 service areas/teams were chosen to establish their level of customer service standards and individual reports were also issued and a total of 44 recommendations were made.</p> <p>It was established that all 13 recommendations made at a corporate level were implemented and evidence was obtained to support this.</p> <p>It was further established that of the action agreed across the 10 teams, 73% of recommendations made has been fully implemented and evidence was obtained to support this. It was further established that 18% are partially/in the process of being implemented, 2% are planned for implementation, 2% have not been implemented and 5% are no longer applicable.</p> <p>Follow up has established that for the overall corporate report it is now a Green report with 100% of the overall expected controls now operating effectively. (It has been assumed that the controls that were originally operating are still operating effectively during follow up and these have not been re-tested).</p>

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REPORT	DATE OF FOLLOW UP MEMO	CONCLUSION
<p>CCTV – Canon Lane Junior School – Follow-up</p> <p>Original assurance rating = Amber/green</p> <p>Re-assessed assurance rating - Green</p>	<p>20.04.12</p>	<p>It was established that the action agreed to address 3 of the 6 recommendations has been fully implemented and evidence was obtained to support this. It was identified that 1 of the remaining 3 agreed actions has been partially implemented. This relates to the updated CCTV policy which does not contain the retention period of images which was suggested by Internal Audit. Two recommendations are in the process of implementation. These relate to training being undertaken by staff once the CCTV policy has been approved and the school appointing an external service provider to carry out annual maintenance work on the CCTV system.</p> <p>Follow up has established that it is now a green report with 89% of the controls operating (it has been assumed that the controls that were originally operating are still operating effectively during follow up and these have not been re-tested).</p>
<p>Contract Management – Highways Contract – Follow-up</p> <p>Original assurance rating = Amber/green</p> <p>Re-assessed assurance rating - Green</p>	<p>29.06.12</p>	<p>It was established that the action agreed to address 9 of the 11 recommendations has been fully implemented and evidence was obtained to support this. It was established the 2 remaining agreed actions are in progress. These relate to recruiting a dedicated Communications Officer. This new role will be based around a clear communications strategy including processes, standards and ensuring community involvement and to deliver a customer care strategy.</p> <p>Follow up has established that it is now a Green report with 90% of expected controls now operating effectively and a further 5% partially in place (it has been assumed that the controls that were originally operating are still operating effectively during follow up and these have not been re-tested). The 10% of controls partially operating reflects the 2 recommendations yet to be implemented.</p>
<p>Application of Contract Procedure Rules</p> <p>Original Assurance rating = Red</p> <p>Re-assessed assurance rating = Red</p> <p>NB: This will therefore be followed up again in 3 months.</p>	<p>20.09.12</p>	<p>It was established that the action agreed to address 2 of the 7 recommendations has been fully implemented and evidence was obtained to support this. It was established that the remaining 5 agreed actions are in progress. These relate to mandatory refresher training being provided to requisitioner’s approvers and budget holders that have appeared on the non compliance spreadsheets on more than 1 occasion, detailed procedure notes/guidance being compiled covering specific points, SAP being re-configured so that only the budget holder can approve any expenditure from their budget, a decision being made of the action that should be taken for areas of non compliance with Contract Procedure Rules and that once the mandatory training taking place has been completed, Senior Management and HR agreeing a Corporate process that fits in with the Capability Procedure. Many of these actions are linked to the SAP Procurement project which has been delayed.</p> <p>Follow up has established that this remains a red report with 29% of recommendations implemented and a further 71% of recommendations in progress.</p>

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REPORT	DATE OF FOLLOW UP MEMO	CONCLUSION
<p>Roxbourne Junior School CCTV – Follow up</p> <p>Original assurance rating = Amber/green</p> <p>Re-assessed assurance rating = Green</p>	<p>26.09.12</p>	<p>It was established that the action to address 6 of the 7 recommendations has been fully implemented and evidence was obtained to support this. It was established that the remaining 1 agreed action is in progress of being implemented. This relates to the school appointing an external provider to carry out annual maintenance work on the CCTV system. The school has actioned a price comparison for the maintenance.</p>
<p>Weald Junior School – Financial Controls Follow up</p> <p>Original assurance rating = Amber</p> <p>Re-assessed assurance rating = Green</p>	<p>26.09.12</p>	<p>It was established that the action agreed to address 28 of the 30 recommendations has been fully implemented and evidence was obtained to support this. It was established that 1 of the remaining 2 agreed actions has been partially implemented. This relates to all delegations being updated to take out any reference to the old Finance Regulations & Standing Orders, it was identified that the delegations to the members of staff, Inclusion Manager and the Headteacher still all refer to either Standing Orders/Contract Procedures or Standing Orders. The remaining one recommendation is planned for implementation, this relates to various options being considered to obtain value for money at the renewal for the current agreement of rent free printers.</p>
<p>Vaughan School – Petty Cash review follow-up</p> <p>Original assurance rating = Amber</p> <p>Re-assessed assurance rating = Green</p>	<p>24.10.12</p>	<p>It was established that the action agreed to address all of the recommendations has been fully implemented and evidence was obtained to support this.</p>
<p>Norbury School CCTV – Follow up</p> <p>Original assurance rating = Amber/green</p> <p>Re-assessed assurance rating = Green</p>	<p>5.11.12</p>	<p>It was established that the action to address all 5 recommendations has been fully implemented and evidence as obtained to support this.</p>

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<p>Stanburn Junior School – CCTV Follow up</p> <p>Original assurance rating = Red/amber</p> <p>Re-assessed assurance rating = Green</p>	<p>5.11.12</p>	<p>It was established that the action to address all 7 recommendations has been fully implemented and evidence as obtained to support this.</p>
<p>Stanburn First School – Petty Cash review follow-up</p> <p>Original assurance rating = Amber</p> <p>Re-assessed assurance rating = Green</p>	<p>01.02.13</p>	<p>It was established that the action agreed to address all 5 recommendations has been fully implemented and evidence was obtained to support this.</p>
<p>Moriah School IT Data Security follow-up</p> <p>Original assurance rating = Amber/green</p> <p>Re-assessed assurance rating = Green</p>	<p>18.02.13</p>	<p>It was established that the action agreed to address all 4 recommendations has been fully implemented and evidence was obtained to support this.</p>