

INTERNAL AUDIT REPORTS ISSUED IN Q1 & 2 - 2013/14

1. The following reviews were finalised in quarter 1/quarter 2 of 2013/14:

REPORT/ASSURANCE RATING	ISSUE DATE	SUMMARY OF CONTROLS OPERATING
Vaughan Primary School – Governance & Financial Controls Review Assurance Rating = Amber/green	2.4.13	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. All 9 recommendations have been agreed for implementation.
Mobile Phones and Mobile Devices	11.04.13	See Appendix 4.
Core Financial System Review – 2011/12 – Accounts Payable Assurance Rating = Amber/green	12.04.13	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. All 8 recommendations have been agreed for implementation. Additionally a further 3 recommendations relating to the extra work carried out on one-time vendors have also been agreed for implementation.
Stanburn Junior School – Governance & Financial Controls Review Assurance Rating = Amber/green	17.04.13	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. All 16 recommendations have been agreed for implementation.
Transformation Programme – Engagement and Culture Change Libraries RFID Phase 1 Assurance Rating = Green	22.04.13	Overall 92% of the expected controls were found to be in place and operating effectively and 8% were substantially operating. The level of engagement within the Libraries project was effective because of the presence of a full time Change Champion, the visibility and availability of the management team to staff and the use of floorwalkers who were expert at demonstrating the customer focussed behaviours that has enabled the regular staff to make the transition. Both recommendations have been agreed for implementation

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<p>Transformation Programme – Engagement & Culture Change Independent Living (For Young Care Leavers) Report</p> <p>Assurance Rating = Green</p>	<p>25.04.13</p>	<p>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. Both recommendations have been agreed for implementation</p>
<p>Whitefriars Community School – Governance & Financial Controls Review</p> <p>Assurance Rating = Amber</p>	<p>29.04.13</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. All 16 recommendations have been agreed for implementation.</p>
<p>Audit Briefing Note - Incorrect Tax Calculation April 2013 Payroll</p>	<p>7.05.13</p>	<p>Review of the recent payroll error to identify 'lessons to be learnt' from what happened. 2 recommendations have been agreed for implementation.</p>
<p>Grange Primary School – Governance & Procurement Review</p> <p>Assurance Rating = Amber</p>	<p>10.05.13</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. All 14 recommendations have been agreed for implementation.</p>
<p>St John Fisher Catholic School – Governance & Financial Controls Review</p> <p>Assurance Rating = Amber/green</p>	<p>17.05.13</p>	<p>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. All 8 recommendations have been agreed for implementation.</p>
<p>The Sacred Heart Language – Governance & Financial Controls Review</p> <p>Assurance Rating = Amber/green</p>	<p>30.05.13</p>	<p>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. All 14 recommendations have been agreed for implementation.</p>

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<p>Transformation Programme – Engagement & Culture Change Business Support</p> <p>Assurance Rating = Amber</p>	<p>7.06.13</p>	<p>Overall 67% of the expected controls were found to be in place and operating effectively, 8% were substantially operating and 25% were partially in place. Although these percentages would normally indicate an amber/green assurance rating there are a number of high risk recommendations therefore this has been assessed as an amber report.</p> <p>All 8 recommendations have been agreed for implementation although for 2 recommendations this is an agreement to take the issues forward to the Operations Board.</p>
<p>Core Financial System Review – 2012/13 – Council Tax</p> <p>Assurance Rating = Green</p>	<p>25.06.13</p>	<p>Overall, 90% of the elements of the controls were operating effectively, with 10% substantially operating. Each of the 11 key controls is made up of a number of individual elements that were each tested. Therefore 9 key controls are fully in place and 2 key controls are substantially in place.</p> <p>One of the 3 recommendations has been agreed for implementation. For 1 recommendation, the target for taking action on the Schedules of Alterations from the Valuation Office Agency has been revised to 30 days which leaves the outstanding risk that the potential increase in yield from new builds may be delayed slightly due to this amendment of target. The remaining recommendation has not been agreed regarding the timescale for quality checks by the Service Manager on authorisations of write-offs. This is a low residual risk however as the quality check will continue to be carried out and forms part of the general housekeeping processes.</p>
<p>Client Finances – Court of Protection</p> <p>Assurance Rating = Amber</p>	<p>26.06.13</p>	<p>Overall 58% of the expected controls were found to be in place and operating effectively, 6% were substantially operating, 12% were partially in place with a further 24% not operating.</p> <p>All 10 recommendations have been agreed for implementation.</p>
<p>St John Fisher Catholic School - Petty Cash review</p> <p>Assurance Rating = Red</p>	<p>28.06.13</p>	<p>Overall 35% of the expected controls were found to be in place and operating effectively, 12% were substantially operating with a further 53% partially in place.</p> <p>Three recommendations have been agreed for action including the two high risk recommendations. There are two medium risk recommendations that have not been agreed for action relating to the provision of tea and coffee for staff and making advances from petty cash for the holiday club.</p>

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<p>Audit Briefing Note – Business Continuity/Disaster Recovery in Schools</p> <p>Assurance Rating = Amber</p>	<p>28.06.13</p>	<p>Overall it has been identified that 69% of the returned sample of schools have a business continuity/disaster recovery plan in place that is working well. However further work is needed to ensure that all schools establish an effective business continuity/disaster recovery plan that can be used in the event of an incident.</p> <p>14 separate audit briefing notes were sent to the individual schools included in the testing sample which included guidance.</p>
<p>Cedars Manor School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Red</p>	<p>28.06.13</p>	<p>Overall 27% of the expected controls were found to be in place with a further 73% not in place.</p>
<p>Glebe Primary School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 93% of the expected controls were found to be in place with a further 7% not in place.</p>
<p>Grimsdye School – Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 100% of the expected controls were found to be in place.</p>
<p>Kenmore Park Infant & Nursery School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Red</p>	<p>28.06.13</p>	<p>Overall 33% of the expected controls were found to be in place with a further 7% not in place.</p>
<p>Kenmore Park Junior School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Red</p>	<p>28.06.13</p>	<p>Overall 33% of the expected controls were found to be in place with a further 67% not in place.</p>

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<p>Newton Farm Nursery Infant & Junior School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 86% of the expected controls were found to be in place, 7% were partially in place with a further 7% not in place.</p>
<p>Pinner Park Infant & Nursery School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 86% of the expected controls were found to be in place, 7% were partially in place with a further 7% were not in place.</p>
<p>Pinner Park Junior School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 93% of the expected controls were found to be in place and 7% were partially in place.</p>
<p>Pinner Wood School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Red</p>	<p>28.06.13</p>	<p>Overall 34% of the expected controls were found to be in place, 13% were found to be partially in place with a further 53% not in place.</p>
<p>St Anselms Catholic Primary School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Red</p>	<p>28.06.13</p>	<p>Overall 27% of the expected controls were found to be in place with a further 73% not in place.</p>
<p>St Bernadettes Catholic Primary School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 86% of the expected controls were found to be in place, 7% were partially in place with a further 7% not in place</p>

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<p>Weald Junior School Business Continuity/ Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>28.06.13</p>	<p>Overall 100% of the expected controls were found to be in place.</p>
<p>Aylward Primary School – Governance & Financial Controls Review</p> <p>Assurance Rating = Amber/green</p>	<p>28.06.13</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.</p> <p>Two of the six recommendations have been agreed for action. The high risk recommendations (relating to the need to place orders before the goods/ services are received and demonstrating that the correct number of quotes have been obtained, or a waiver agreed, under Contract Procedure Rules), have not been agreed for action. Also two recommendations relating to recording actions on the register of interests forms (for interests that have been declared) and widening the separation of duties for income have not been agreed either. Audit comments have been added to address the management responses. Therefore the level of improvement in the framework of controls is limited (even though a number of expected controls were found to be in place and operating effectively from the outset).</p>
<p>Payroll - Core Financial System Review 12/13</p> <p>Assurance Rating = Green</p>	<p>9.07.13</p>	<p>Overall, 81% of the elements of the controls were operating effectively, 4% were substantially operating and 15% were partially operating. Each of the 9 key controls is made up of a number of individual elements that were each tested. Therefore 6 key controls are fully in place 2 key controls are substantially in place and 1 key control is partially in place.</p>
<p>Treasury Management – Core Financial System Review 12/13</p> <p>Assurance Rating = Green</p>	<p>15.07.13</p>	<p>Overall, 72% of the elements of the controls were operating effectively, 11% were substantially operating and 17% were partially operating. Each of the 10 key controls is made up of a number of individual elements that were each tested. Therefore 6 key controls are fully in place, 1 key control is substantially in place, and 3 key controls are partially in place.</p>
<p>Norbury School Business Continuity – Disaster Recovery – Audit Briefing Note</p> <p>Assurance Rating = Green</p>	<p>18.07.13</p>	<p>Overall 60% of the expected controls were found to be in place, 33% were partially in place with a further 7% not in place.</p>

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West Lodge Primary School Business Continuity – Disaster Recovery – Audit Briefing Note Assurance Rating = Green	18.07.13	Overall 67% of the expected controls were found to be in place, 20% were partially in place with a further 13% not in place
Planning Enforcement Assurance Rating = Green	13.08.13	Overall 67% of the expected controls were found to be in place and operating effectively, 20% were substantially operating and 13% were partially in place. All 10 recommendations have been agreed for action.
Corporate Contract Monitoring Assurance Rating = Amber/green	18.09.13	Overall 56% of the expected controls were found to be in place and operating effectively, 25% were substantially operating, 9% were partially in place with a further 10% not operating. All 13 recommendations have been agreed for action.

2. The following draft reports were also issued in quarter 1/quarter 2 of 2013/14:

REPORT/ASSURANCE RATING	ISSUE DATE	SUMMARY OF CONTROLS OPERATING
Personalisation Assurance Rating = Amber	01.05.13	There are 2 areas reviewed which have been rated as red assurance which are Monitoring and Financial Assessments, these areas should be focussed on to ensure the recommendations are implemented as soon as possible to improve the control environment as 15 of the 23 recommendations are related to these areas. Overall 55% of the expected controls were found to be in place and operating effectively, 11% were substantially operating and 34% were partially in place. 23 recommendations have been made to address the weaknesses identified, 10 were rated as high risk, 12 were rated as medium risk and 1 was rated as low risk. A further 6 recommendations (3 high risk and 3 medium risk) have been made in relation to the Online Social Care Shopping Portal Project.
Audit Briefing Note – Agency Staff	28.06.13	The Council is currently paying a premium to employ agency staff over permanent/temporary/fixed term employees and does not appear to be obtaining value for money or reducing expenditure on agency staff in accordance with Council policy (Agency Worker Policy and MTFs).

3. The following follow up reports were in issued in quarter1/quarter 2 of 2013/14:

REPORT	DATE OF FOLLOW UP MEMO	CONCLUSION
<p>Core Financial System – Key Control Review – Accounts Receivable – Follow-up</p> <p>Original assurance = Amber</p> <p>Re-assessed assurance rating = Green</p>	<p>5.04.13</p>	<p>It was established that the action agreed to address 5 of the 7 recommendations has been fully implemented and evidence was obtained to support this. It was established that 1 agreed action has been partially implemented. This relates to all staff responsible for raising debtor accounts either through the FB70 screen, journals or by completing a request form being reminded that their calculations for the invoice amount should be checked by a second employee to ensure the debt is correct, it was reported that a reminder of this is yet to be sent out to staff. It was further identified that 1 recommendation has not been implemented; this relates to the Shared Services Technical Team still accepting journal upload requests that have been sent by officers other than the authorising manager. It is intended that a communication will go out to the business in this respect, this is expected to be actioned in May.</p>
<p>Children’s Centres – Follow up</p> <p>Original assurance = Red</p> <p>Re-assessed assurance rating = Green</p>	<p>12.06.13</p>	<p>It was established that the action agreed to address 17 of the 18 recommendations has been fully implemented and evidence was obtained to support this. It was reported that the remaining agreed action is implemented but evidence was not provided to support the response. This relates to banking sheets being checked by a second employee and evidence of the check being recorded.</p>
<p>Transformation Programme – Engagement & Culture Change Procurement - Follow up</p> <p>Original assurance = Red/amber</p> <p>Re-assessed assurance rating = Amber/Green</p>	<p>20.08.13</p>	<p>It was established that the action agreed to address 9 of the 13 recommendations has been fully implemented and evidence was obtained to support this. It was established that for 3 of the remaining 4 agreed actions, implementation is in progress. It was further identified that 1 recommendation has not been implemented, this relates to an ongoing review of the benefits achieved in the procurement project against the actual expenditure periodically throughout the rest of the project as well as a full review at the end of the project being undertaken, there is still a need to agree how this will be measured and this needs to be done with the Director of Finance & Assurance. Although percentages indicate that follow up is a Green report with 79% of expected controls operating effectively, 17% substantially operating and a further 4% 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), an assurance rating of Amber/Green has been given due to one outstanding high risk recommendation</p>