

APPENDIX A

Internal Audit Activity during 2013/14

The table below provides a summary of audit activity during 2013/14.

<u>Audit Title</u>	<u>Position of Review</u>	<u>Opinion</u>
Carry Over Work:		
Completion of reviews in progress as at 31st March 2013		
2012/13 Phase 2 Accounts Payable/Purchase Ledger (including feeder systems)	Final report issued	Adequate
2012/13 Phase 2 Accounts Receivable/Sales Ledger	Final report issued	Adequate
2012/13 Phase 1 Asset Management (incl. Asset Register)/Capital Accounting	Final report issued	Adequate
2012/13 Phase 2 Asset Management (incl. Asset Register)/Capital Accounting	Final report issued	Adequate
2012/13 Phase 2 Council Tax	Final report issued.	Full
2012/13 Phase 2 Housing Benefits	Final report issued	Adequate
2012/13 Phase 2 Main Accounting Systems (MAS)	Final report issued	Adequate
2012/13 Phase 2 National Non Domestic Rates NNDR	Final report issued	Full
2012/13 Phase 2 Payroll	Final report issued	Limited
SWIFT Financials	Final report issued	Adequate
2012/13 Phase 2 Treasury Management	Final report issued	Adequate
2012/13 SAP Access and Security	Final report issued	Limited
2012/13 IT Disaster Recovery	Final report issued	Limited
Grants Register	Final report issued	Adequate
Contractors Home to Work mileage	Finalised.	n/a
ICT Contract Management	Work is in progress.	n/a
SWIFT Disaggregation Consultancy	Completed	n/a
Contract Management - Amey	Final report issued	Adequate
Data Quality- Accidents in the Workplace	Final report issued	Adequate

<u>Audit Title</u>	<u>Position of Review</u>	<u>Opinion</u>
Ethical Governance	Final report issued	Adequate
Biggleswade Day Centre	Final report issued	Adequate
Leighton Buzzard Day Centre	Final report issued	Adequate
Domiciliary Care Units	Final report issued	Adequate
Direct Payments for Care	Final report issued	n/a
Service Level Agreements - Follow Up	Final report issued	Satisfactory progress
Hawthorn Park Lower School Follow Up	Final report issued	Satisfactory progress
Sutton Lower School	Final report issued	Adequate
Templefield Lower School	Final report issued	Adequate
The Lawns Nursery	Final report issued	Adequate
<u>2013/14 Plan</u>		
Fundamental Systems		
Accounts Payable/Purchase Ledger (including feeder systems)	Final report issued	Adequate
Accounts Receivable/Sales Ledger	Final report issued	Adequate
Asset Management (incl. Asset Register)/Capital Accounting	Work is in progress.	n/a
Council Tax	Final report issued	Adequate
Housing Benefits (including Council Tax Support Scheme)	Final report issued	Adequate
Main Accounting Systems (MAS)	Final report issued	Adequate
National Non Domestic Rates NNDR	Final report issued	Adequate
Payroll	Final report issued	Adequate
SWIFT Financials	Work is in progress	n/a
Treasury Management	Final report issued	Adequate
Housing Rents including tenant arrears	Final report issued	Adequate
Cash And Banking (Non Invoiced Income)	Final report issued	Adequate

<u>Audit Title</u>	<u>Position of Review</u>	<u>Opinion</u>
Improvement and Corporate Services		
Recruitment Controls (including vetting)	Work in progress	
Data Quality- Customer Satisfaction for Roads and Pavements	Work in progress	
Data Quality- Invitations to Health Screening	Work in progress	
Data Quality- Visits to Libraries	Work in progress	
Teachers Pensions	Work in progress	
Officers Declaration of Interests - Follow Up	Final report issued	Satisfactory progress
Members Declaration of Interests	Final report issued	Adequate
Officers Hospitality and Gifts - Follow Up	Draft report issued	Unsatisfactory progress (draft)
Members Hospitality and Gifts - Follow Up	Draft report issued	Satisfactory progress (draft)
Contracts Management	Final report issued	Limited
Value for Money review of spend on legal advice	Final Report issued	n/a
Customer First Information Security	Deferred	
IT Disaster Recovery	Latest position statement reported as part of the recommendation tracking report.	
SAP Access and Security	Work in progress	
ICT Governance Phase 2	Work in progress	
IT Network Management and Security	Cancelled	
Corporate Services/Finance		
Impact of Welfare Reform	Deferred	
Adherence to Procurement Procedures	Work in progress	
DSG - outturn compilation	Finalised	n/a
Children's Services		
Derwent Lower School	Final report issued	Limited
Husborne Crawley Lower School	Final report issued	Adequate
Potton Lower School	Final report issued	Adequate
Robert Peel Lower School	Final report issued	Limited
Sandy Upper School Follow Up	Final report issued	Satisfactory

<u>Audit Title</u>	<u>Position of Review</u>	<u>Opinion</u>
		progress
Thomas Whitehead Lower School	Final report issued	Limited
Flitwick Lower School	Final report issued	Limited
Mary Bassett Lower School	Final report issued	Adequate
Corporate Financial Management	Work in progress	
Social Care, Health and Housing		
Housing Repairs Commissioning	Final report issued	Limited
Domiciliary Care Framework Agreement	Scoping in Progress	
Financial Management	Work in Progress	
Direct Payments	Deferred to 2014/15	
Independent review of Care Homes Contract Model	Final report issued	Full
Sustainable Communities		
Section 278 Agreements	Work in Progress	
Public Health		
Review of SLAs	Final report issued	Adequate
Special Investigations		
National Fraud Initiative (NFI)	On-going throughout year	n/a
Special Investigations	Four investigations finalised.	n/a
Pro Active Anti Fraud:		
Timesheet claims	Scoping in Progress	
Expense claims	Work is in progress.	
Consultancy etc.		
Major projects - Consultancy	Work undertaken includes ESS/MSS, Routewise, and the Local Welfare Provision Board	n/a
Risk Management Activities	On-going throughout year	n/a
Supporting Annual Governance Statement	12/13 AGS finalised 13/14 to be presented to	n/a

<u>Audit Title</u>	<u>Position of Review</u>	<u>Opinion</u>
	June Audit Committee	
Audit of Individual Grants	On-going throughout year	n/a
General Advice	On-going throughout year	n/a
Head of Audit Chargeable Against Plan	On-going throughout year	n/a
Benchmarking Exercise	Completed	n/a
Contingency	This has been used to supplement the consultancy budget	n/a

Key Issues arising from finalised reviews

1. 2013/14 Accounts Payable

This review covered policies and procedures, and the Accounts Payable processes, including ordering, goods receipting, authorisation of invoices, reconciliations and controls over master data. The overall audit opinion was adequate.

2. 2013/14 Accounts Receivable

This review covered policies and procedures, and the Accounts Receivable processes, including invoicing, amendments, accounting arrangements, debt monitoring and write offs. The overall audit opinion was adequate.

3. 2013/14 Main Accounting System

This review covered policies and procedures, accounting for financial transactions, transfers from feeder systems, controls to ensure accuracy, and reporting mechanisms. The overall opinion was adequate.

4. 2013/14 Cash and Banking

This review covered policies and procedures and the processes for ensuring transactions are recorded and supported by appropriate documentation. It also reviewed the access controls and the contract for the provision of the Capita income system. The overall audit opinion was adequate.

5. 2013/14 Payroll

The review covered policies and procedures, controls over standing data, the accuracy of payments and deductions, controls over payments to and received from statutory agencies, the accurate posting of data, and compliance with legislative requirements. The audit opinion for Phase 1 was adequate. This is an improvement from 2012/13 which was limited. Work on phase 2 is ongoing; there are no significant findings to date.

8. 2013/14 Housing Rents

This review covered policies and procedures and the processes to support the calculation, receipt and recording of amounts due. The audit opinion was adequate.

9. 2013/14 Treasury Management

This review covered policies and procedures, compliance with existing statutory and best practice guidance, performance monitoring, authorisations, accounting treatment, cash flow, investment and borrowing controls and separation of duties. The overall audit opinion was adequate.

10. 2013/14 NNDR

This review covered the NNDR processes including the identification and recording of commercial properties, amendments to accounts, discount and exemption processes, overdue account monitoring and recovery action, write offs, the recording of transactions within the authority's accounts, billing processes and business continuity procedures. The overall audit opinion was adequate.

11. 2013/14 Council Tax

The scope of this review was similar to the above, but covering Council Tax and therefore domestic properties. The overall audit opinion was adequate assurance.

12. 2013/14 Housing Benefits (including Council Tax Support Scheme)

This review covered processes from the receipt of correspondence, assessment of claims, supporting evidence, payment processes, fraud detection, system security arrangements and compliance with DWP requirements. It also gave assurance on the resolution of issues that were raised by external auditors in relation to the Council's Housing Benefit Subsidy Claim. The overall audit opinion was adequate.

13. 2013/14 Housing Repairs Commissioning

This review covered processes for the commissioning and management of Housing Repairs. The overall audit opinion was limited. The review identified policy, record keeping, budgetary control, procurement and contract management weaknesses. Progress has already been made in respect of procurement and invoice review processes and a follow up audit is planned later in 2014/15.

14. Grants Register

This review considered whether grant funding was maximised, the currency of documented procedures and processes, and the accuracy of grant claims in terms of compliance with grant conditions, and that they were clearly identified and monitored. The overall audit opinion was adequate.

15. Contractors Home to Work Mileage

The scope of this review was mileage expense claims made by external workers paid via the accounts payable payment system. This was a light touch review and as such no audit opinion was proffered however a number of actions to improve controls were agreed and implemented.

16. SWIFT Disaggregation Consultancy

This review considered the disaggregation of SWIFT data between Bedford Borough Council and Central Bedfordshire Council SWIFT systems following the dissolution of Bedfordshire County Council.

17. Contract Management - Amey

The scope of this review was the fixed cost services that are provided by Amey and focused on the supporting records maintained by Amey including time recording and the allocation of costs, as well as the billing arrangements. The overall opinion was adequate.

18. Data Quality

The scope of this review covered the collection and reporting of data on Accidents in the Workplace. The overall opinion was adequate.

19. Ethical Governance

This review focused on the guidance and policies available to Members when acting in an official capacity on bodies external to the Council. The overall opinion was adequate.

- 20. Biggleswade Day Centre**
The focus of this review was the Centre's documented policies and procedures, and respective processes and controls for security of cash and other income (including amenity funds) and assets, consumable supplies, budgets, and payroll claims. The overall opinion was adequate.
- 21. Leighton Buzzard Day Centre**
The focus of this review was as for Biggleswade Day Centre above. The overall opinion was adequate.
- 22. Domiciliary Care Units**
This review focused on documented policies and procedures and the respective processes for security of cash including residents' monies, purchasing, budgetary control and payroll claims. The overall opinion is adequate.
- 23. Direct Payments for Care**
This review focused principally on the mechanisms in place for the prevention and detection of fraud. As the review did not review all the expected key controls in the system an audit opinion was not appropriate, however the review did identify significant control weaknesses for which an action plan has been agreed.
- 24. Service Level Agreements Follow Up**
This follow up review focused on the extent to which the agreed actions in the 2010-11 audit had been implemented. The overall opinion was satisfactory progress.
- 25. Officers' Declaration of Interests Follow Up**
This review focused on the responsibilities of, and guidance and policies available to officers in respect of declaration of interests. This was a follow up review and 'Good' Progress had been made in implementing the recommendations made.
- 26. Members' Declaration of Interests**
This review focused on the responsibilities of, and guidance and policies available to Members in respect of declaration of interests. The overall audit opinion was adequate.
- 27. Officers' Hospitality and Gifts Follow Up**
This follow up review focused on the extent to which the agreed actions in the 2009-10 audit had been implemented. The overall opinion was unsatisfactory progress, but additional actions have been agreed and are being progressed.
- 28. Members Hospitality and Gifts Follow Up**
This follow up review focused on the extent to which the agreed actions in the 2009-10 audit had been implemented. The overall opinion was satisfactory progress.
- 29. Contract Management**
This audit exercise undertook a "cradle to grave" review of the procurement and management of the Technical Consultancy Services Framework contract comparing against relevant policies and procurement rules. The overall audit opinion was limited assurance.

30. Value for Money Review of Spend on Legal Advice

The purpose of this consultancy review was to provide assurance to management that key controls associated with the procurement of external legal support are operating effectively and are facilitating Value for Money from the Council's expenditure on legal support bought in from outside the Council. Due to the nature of the work, an audit opinion was not appropriate, however the review identified some Value for Money issues and appropriate management actions were agreed and are in the process of implementation.

31. DSG Outturn Compilation

The purpose of this review was to provide assurance to the Chief Finance Officer that the DSG (Dedicated Schools Grant) had been used for the purposes of the Schools Budget as defined in the School Finance (England) Regulations 12 (sections 5,6 & 7) and to confirm the final deployment of the DSG in support of the Schools Budget.

32. Independent Review of Care Homes Contract Model

The purpose of the audit was to provide assurance to management that key controls associated with the Care Home Contracts Model were operating effectively and in doing so examined guidance and compliance with the standards defining the completion of workbooks, performance monitoring and reporting, and the accuracy and completeness of information provided by service providers. The accuracy and completeness of information provided in respect of the Council's BUPA care contracts was also reviewed. The overall audit opinion was full assurance.

33. Public Health Review of Service Level Agreements

The purpose of this audit was to review the content of the Service Level Agreements (SLAs) governing the four Public Health services against accepted best practice to provide assurance that the SLAs secure an adequate level of governance over the services. The overall opinion was adequate.

34. School Audits

The audit reviews for schools focus on the main systems, including purchasing, financial management, payroll, financial returns, governance, asset management and data management, bank accounts and the administration of the school fund. Consideration is also given to any concerns raised by the Schools Finance Team, or the Head Teacher.

Following each audit, an action plan is prepared and agreed with the school. Where any significant weaknesses are identified, a follow up audit visit is undertaken to provide assurance that the agreed actions have been implemented.