

## List of audits completed as part of the 2014-15 Audit Plan (September 2014-November 2014)

Audit	Audit Objective & Opinion		
Capital Accounting	<p><b>Control Objectives (CO):</b></p> <ol style="list-style-type: none"> <li>1. Capital projects, acquisitions and disposals are formally approved and adequate budget monitoring procedures are in place.</li> <li>2. An asset register is maintained and valuations are carried out on a regular basis.</li> </ol> <p><b>Audit Opinion</b></p>		
	CO	Assurance Level	Opinion
	1	Good	<p>Assurance was obtained during the audit that capital projects are formally approved and monitored within a capital monitoring spreadsheet. This is maintained by Financial Services and is currently updated on a quarterly basis for reporting to Overview and Scrutiny Committee. During the audit verbal assurance was obtained that this would now be updated on a monthly basis by the Corporate Accountant. Audit testing confirmed that the monitoring spreadsheet reconciled to the capital holding account for the accounting periods populated to date (AP1- AP3); furthermore, a sample of individual transactions within the spreadsheet provided assurance that these had been allocated against the correct capital projects.</p> <p>Each project is allocated to an accountable officer and audit testing provided assurance that there are adequate budget monitoring procedures in place. Furthermore, there is evidence to support that asset acquisitions and disposals have been formally approved.</p> <p>In respect of capital grants, these are awarded in accordance with the criteria of the scheme and are subject to review and scoring by a Member Working Group. Elements of the current criteria require updating, however, it was established during the audit that a new scheme is proposed to be introduced in 2015/16. The Local Government Transparency Code 2014 requires local authorities to publish specific details of all grants to voluntary, community and social enterprise organisations. This is an action within Financial Services detailed service plan with a target completion date of 30/10/14.</p>

	2	Satisfactory	<p>An asset register is maintained within Financial Services for reporting purposes to evidence and support the relevant balance sheet items in the year end accounts. There is satisfactory assurance that this register includes all material assets of the authority; it is however recommended that a periodic check is carried out against the land terrier in order to identify any omissions as part of the year-end review.</p> <p>In respect of asset valuations, these are carried out every 5 years on a rolling programme, with 20% of the Council's assets being valued each year. A sample of assets from the asset register confirmed that the assets physically exist and have been valued in accordance with the programme of valuations. With regard to having in place a contract whereby asset valuation advice is provided to the council, this ran for the period June 2010 to August 2014 and has now expired. It is therefore recommended that in order to ensure valuations continue to be carried out for capital valuation and insurance purposes, the contract should be retendered.</p>
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ICT – Public Sector Network Compliance	<p><b>Control Objectives (CO):</b></p>		
	<p>1. To follow-up previous audit recommendations made within the PSN Compliance audit 2013/14.</p> <p>2. The 2014/15 self-assessment has been completed and there is sufficient evidence to support PSN compliance.</p>		
	<p><b>Audit Opinion</b></p>		
CO	Previous recommendations	Findings	
1	<p><i>Key ICT and PSNA documentation should be reviewed and updated.</i></p>	<p><u>Recommendation partially implemented.</u></p> <p>This recommendation included 8 action points, 5 of which have been implemented. These relate to amendments having been made to the Council's Information Security Incident Management Policy and Removable Media Code of Practice to reflect the current organisational structure and responsibilities. Furthermore, the Managing your Password Code of Practice has now been finalised and published on the intranet where it is available to staff and the Active Components Compliance Statement has now been signed by the Council's current Senior Information Risk Owner. Of the 3 action points which remain outstanding, these relate to the completion of personal commitment statements for all PSN users and the completion of a business case for all users of removable media devices. The training material used for new PSN users also requires updating to reflect the new PSN framework.</p>	

		<p><i>Actions to be undertaken in order to meet PSNA requirements for employees accessing the PSN network.</i></p>	<p><u>Recommendation partially implemented.</u></p> <p>In order to comply with PSN requirements, the Council must ensure that all PSN users have undergone a BPSS check- this involves a criminal records check of unspent convictions only. There are currently 42 PSN users, 5 of which still require a criminal records check to be undertaken, the process for which was initiated during the audit. The PSN new user form has also now been updated to include a check point to ensure that a criminal records check is undertaken prior to the user being set up on the network; this should in future help eliminate cases where a PSN user has not undergone the relevant checks. Furthermore, the Council's Senior Risk Information Owner has now been identified as the Deputy Chief Executive. It is, however, recommended that this is formalised at CLT and the responsibilities of this role be defined.</p>
		<p><i>Details in relation to staff whom have access to the ICT server room should be obtained by ICT Services.</i></p>	<p><u>Recommendation implemented.</u></p> <p>The ICT Operations Manager now has access to the system used to administer the swipe card access. Prior to the submission of the 2014/15 PSN self-assessment a report was obtained identifying those staff with access to the ICT server room. This identified a number of anomalies and the appropriate action was taken to disable access in these cases. It was agreed with the ICT Operations Manager that going forward, access to the server room would be reviewed annually to co-inside with the PSN submission.</p>
		<p><i>The PSNA should be notified of the recent staff changes and amendments to contact details following the council's organisational review.</i></p>	<p><u>Recommendation implemented.</u></p> <p>Up-to-date contact details for the Council's service desk, security manager and escalation contact details have been provided to the PSNA as part of the 2014/15 PSN submission.</p>
	<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>
	2	Satisfactory	<p>The 2014/15 PSN code of compliance has been completed and returned in advance of its annual expiry, supported by the appropriate documentation and authorised by the Chief Executive and the Council's Senior Information Risk Owner (Deputy Chief Executive). During the audit a response was received from the PSNA stating that the submission has been unsuccessful based on the Council's response to the control statement whereby Baseline Personnel Security Standards (BPSS) should be applied to all PSN users. A requirement of these standards is for a criminal records check (of unspent convictions only) to be carried out for all PSN users, which currently have not been undertaken for 5 of the</p>

			<p>42 PSN users. The process for undertaking these checks was initiated during the audit and a resubmission of the self-assessment will be made once these are completed.</p> <p>The audit reviewed a sample of Information Assurance (IA) controls from within the 2014/15 PSN submission. This provided a satisfactory level of control to support the responses given within the submission and confirmed the following to be in place:</p> <ul style="list-style-type: none"> <li>• Regular and up to date IT health checks.</li> <li>• A change management policy and formalised change control approach.</li> <li>• Process flows in relation to risk and incident response.</li> <li>• Regular patching and security testing.</li> </ul> <p>Recommendations have however been made in relation to reviewing and updating ICT documentation.</p>
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<p>NNDR</p>	<p><b>Control Objective (CO)</b></p>							
	<p>1. The reporting values within the NNDR3 return have been entered correctly from the evidence obtained to support the return</p>							
	<table border="1"> <thead> <tr> <th data-bbox="371 1064 475 1176"><b>CO</b></th> <th data-bbox="475 1064 667 1176"><b>Assurance Level</b></th> <th data-bbox="667 1064 1497 1176"><b>Opinion</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="371 1176 475 1579">1</td> <td data-bbox="475 1176 667 1579">Satisfactory</td> <td data-bbox="667 1176 1497 1579">The reporting values within the NNDR3 return - which include collectible rates, transitional protection, cost of collection - have been entered correctly from the evidence obtained to support the return. In respect of collectible rates, procedures are currently being established and documented concerning the identification of renewable energy resources; the value on the return is currently a nil value. With regard to the various types of relief reported on the return, it was noted that in relation to discretionary relief the associated policy needs to be updated to reflect the Localism Act 2011, in that this relief is now available to all ratepayers.</td> </tr> </tbody> </table>	<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>	1	Satisfactory	The reporting values within the NNDR3 return - which include collectible rates, transitional protection, cost of collection - have been entered correctly from the evidence obtained to support the return. In respect of collectible rates, procedures are currently being established and documented concerning the identification of renewable energy resources; the value on the return is currently a nil value. With regard to the various types of relief reported on the return, it was noted that in relation to discretionary relief the associated policy needs to be updated to reflect the Localism Act 2011, in that this relief is now available to all ratepayers.	
<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>						
1	Satisfactory	The reporting values within the NNDR3 return - which include collectible rates, transitional protection, cost of collection - have been entered correctly from the evidence obtained to support the return. In respect of collectible rates, procedures are currently being established and documented concerning the identification of renewable energy resources; the value on the return is currently a nil value. With regard to the various types of relief reported on the return, it was noted that in relation to discretionary relief the associated policy needs to be updated to reflect the Localism Act 2011, in that this relief is now available to all ratepayers.						

Business Flood Grants

**Control Objective**

1. Payments in respect of the Flooded Business Support Grant Scheme have been made in accordance with guidance published by the Government and are adequately monitored.

**Audit Opinion**

CO	Assurance Level	Opinion
1	Satisfactory	<p>Local authorities are responsible for administering the flooded business support scheme in accordance with guidance provided by HM Government. The scheme, which is deliberately kept simple, allows local authorities sufficient flexibility to meet the needs of businesses in their area. A sample of payments made in relation to the scheme to date, were all found to have been made in accordance with the criteria specified within the guidance. Furthermore, grants have been awarded consistently in terms of the amount allocated to each business based on whether they were directly or indirectly affected by the flooding and the level of impact suffered.</p> <p>The scheme has been well promoted to businesses across the borough through various different channels including the local press, social media, Tewkesbury Borough News and via information leaflets sent out with business rates bills.</p> <p>In terms of monitoring the scheme, a record is maintained of all businesses who have applied for the grant funding, including whether they have been successful in their application and the total amount awarded. To date, of the £475,000 available, a total of £124,000 has been allocated. It is therefore recommended that in respect of the remaining grant monies totalling £351,000, a decision should be made on how this will be allocated to businesses within the borough in accordance with the HM Government guidance.</p>

National Fraud Initiative

**Control objective**

1. Processes are in place for the requirements of the 2014/15 NFI data matching exercise to be met.
2. There is assurance that the outcomes of the 2013/14 NFI data matching exercise have been progressed.

CO	Assurance Level	Opinion
1	Satisfactory	<p>As part of the 2014/15 NFI matching exercise, the Council is required to provide datasets in respect of creditor payments, payroll, licences, insurance claimants and housing benefits. The deadline for extracting this data from the relevant systems was 6 October 2014, which has been met in all cases (or arrangements have been made for this to be done on the Council's behalf i.e. insurance claimants and housing benefits). This is with the exception of licensing data (market traders, personal alcohol and taxi drivers) which was extracted during the audit. Extracted data is required to be uploaded onto the NFI web application from 6 October 2014 and at the time of the audit had been completed for both creditors and payroll datasets in accordance with the specified security requirements. Licensing data was uploaded during the course of the audit (22/10/14).</p> <p>A further matching exercise between Council Tax and Electoral Register data is now completed on an annual basis. This is subject to a different timetable and Council Tax data was extracted on 1 October 2014. This data is now held securely and verbal confirmation was provided that this will be uploaded for matching on 1 December 2014. Verbal confirmation was also provided that Electoral Register data will be uploaded following its publication on 1 December 2014.</p> <p>In accordance with the Code of Data Matching Practice, a fair processing notice has been published on the Council's website and provided to employees via an internal newsletter informing them that their data will be used in order to prevent and detect fraud. Furthermore, in the majority of cases, fair processing notices are actively provided to individuals via service specific documentation i.e. application forms.</p>
2	Good	<p>Assurance was obtained during the audit that the outcomes of the 2013/14 NFI data matching exercise have been progressed. A total of 546 matches were identified as part of the exercise, of which 519 have been reviewed to date; the remaining 27 matches are in the process of being reviewed. Outcomes of this matching exercise have identified no frauds to date although 164 errors have been established with a total monetary value of £53,697.96, for which appropriate action has been taken.</p>

Data Quality

**Control Objective**

1. The following key performance indicators have been calculated and reported accurately through the 2014/15 quarter 2 progress report.

**Revenues and Benefits**

- average number of days to process new benefit claims
- average number of days to process change of circumstances
- percentage of Council Tax collected
- percentage of NNDR collected

**Environmental and Housing Services**

- number of reported enviro-crimes

2. To ensure that previous audit recommendations concerning quarter 4 2013/14 progress report have been completed.

CO	Assurance Level	Opinion
1	Satisfactory	<p>In respect of the Key Performance Indicators reviewed during the audit, there is a satisfactory level of assurance that systems are in place to accurately calculate these figures.</p> <p><u>Revenues and Benefits Services</u></p> <ul style="list-style-type: none"> <li>- 'average number of days to process new benefit claims' reported as 23.97 days, has been fairly stated.</li> <li>- 'average number of days to process change of circumstances' reported as 14.09 days. The data did include 318 claims that had been completed in October 2014 and therefore should have been excluded from the calculation. This represents an increase change in the number of days to 14.20 days. The error in reporting is less than 10% of the total number of claims and therefore the performance indicator has been fairly stated.</li> <li>- 'percentage of Council Tax collected' is reported as 57.28% and has been fairly stated.</li> <li>- 'percentage of NNDR collected' is reported as 64.31% and has been fairly stated.</li> </ul> <p><u>Environmental and Housing Services</u></p> <ul style="list-style-type: none"> <li>- the 'number of enviro crimes' is reported as 383 and has been fairly stated.</li> </ul>
2		<p>The three previous data quality recommendations relating to reviewing equalities data from the disabled facilities grant survey; establishing a clear performance definition for number of attendance at Cascades and verification of Citizens' Advice Bureau data supporting the indicator 'percentage reduction in overall crime' have been implemented.</p>

Council Tax	Control Objective		
CO	Assurance Level	Opinion	
1	Good	<p>The 2014/15 Council Tax bills have been raised accurately and in accordance with the agreed charges. Council Tax precepts were appropriately agreed by Council on 27 February 2014 and parameters correctly applied to the Northgate system. The recalculation of the gross liability for two Parishes confirmed that this had been calculated correctly, based on the agreed banding values and that the number of properties in respect of Council Tax 2014/15 on Northgate reconciled to the Valuation Office schedules.</p>	
2	Good	<p>Band reconciliations are undertaken between the Valuation Office schedules and the Northgate system. Any amendments were found to have been accurately updated within the Northgate system.</p>	
3	Satisfactory	<p>Procedures are in place to identify new homes within the borough, the timeliness of recording this data within Northgate needs to be considered. The development of these properties is monitored through the inspection process. Further consideration needs to be given to the prioritisation of initial inspections and to using Northgate to record the inspection process. Testing identified that the completion of properties is predominantly through notifications received from the new owner and not by the developer or through the issue of completion notices to developers, in the circumstances, further consideration has been given to ensuring that Council Tax is raised at the earliest opportunity by authorising the inspecting officer to immediately issue completion certificates.</p> <p>With regard to Council Tax liability, parameters concerning discounts and exemptions were found to have been correctly noted on Northgate. Furthermore, a review of accounts provided assurance that discounts and exemptions had been applied accurately to accounts and were supported by adequate evidence. In respect of the discounts/exemptions relating to severe mental impairment consideration needs to be given to setting up a regular review process.</p>	
Corporate Improvement Work	Summary of work undertaken		
Contract registers	<p><b>Complete:</b> This has been discussed at previous Audit Committees and explained that an action within the Council's Procurement Strategy was that contract registers should be in place for each service grouping. This was given even greater emphasis by the Local Government Transparency Code 2014. The Code requires the registers to be reported in far more detail than the original plan. Internal Audit, through its allocation of corporate improvement days, has helped facilitate this process. Registers will be uploaded to the transparency page of the Council's website in December.</p>		



Revenues and Benefits Improvement Programme	<b>Complete:</b> Internal audit played a proactive role on the project team which looked at the processes and systems within Revenues and Benefits. Work undertaken has included processing mapping, equalities analysis and process challenge whilst ensuring fundamental controls remained.
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**The level of internal control operating within systems will be classified in accordance with the following definitions:**

LEVEL OF CONTROL	DEFINITION
<b>Good</b>	Robust framework of controls – provides substantial assurance.
<b>Satisfactory</b>	Sufficient framework of controls – provides satisfactory assurance – minimal risk. Probably no more than one or two 'Necessary' (Rank 2) recommendations.
<b>Limited</b>	Some lapses in framework of controls – provides limited assurance. A number of areas identified for improvement. A number of 'Necessary' (Rank 2) recommendations, and one or two 'Essential' (Rank 1) recommendations.
<b>Unsatisfactory</b>	Significant breakdown in framework of controls – provides unsatisfactory assurance. Unacceptable risks identified – fundamental changes required. A number of 'Essential' (Rank 1) recommendations.

**Recommendations/Assurance Statement**

CATEGORY		DEFINITION
1	Essential	Essential due to statutory obligation, legal requirement, Council policy or major risk of loss or damage to Council assets, information or reputation. Where possible it should be addressed as a matter of urgency.
2	Necessary	Could cause limited loss of assets or information or adverse publicity or embarrassment. Necessary for sound internal control and confidence in the system to exist and should be pursued in the short term, ideally within 6 months.