

List of Audits Completed as Part of 2014-15 Audit Plan
(December 2014 – February 2015)

Audit	Audit Objective & Opinion								
Repair and Renewal Grants	<p>Control Objectives (CO):</p> <p>1. Repair and renew grants have been awarded in accordance with the grant criteria and adequate monitoring is taking place as per the Memorandum of Understanding (MOU) with DEFRA.</p> <p>Audit Opinion</p> <table border="1" data-bbox="392 685 1457 2054"> <thead> <tr> <th data-bbox="392 685 475 786">CO</th> <th data-bbox="475 685 663 786">Assurance Level</th> <th data-bbox="663 685 1457 786">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 786 475 2054">1</td> <td data-bbox="475 786 663 2054">Satisfactory</td> <td data-bbox="663 786 1457 2054"> <p>The Memorandum of Understanding (MoU) between the Council and Defra requires the Council's Chief Internal Auditor to give an audit opinion that invoices submitted by the Council are in compliance with the grant scheme. The scheme was due to end on 31 March 2015 but during the course of the audit this has now been extended by Defra to 30 June 2015. This was an interim audit to give reasonable assurance that the main conditions of the scheme are being complied with. Days have been allocated within the 2015/16 Audit Plan, for Internal Audit to formally sign off the scheme.</p> <p>At the time of audit, approximately £205,125.22 has been awarded. In terms of compliance with the scheme, a sample of 5 applications was checked as well as the underlying monitoring framework. The audit confirmed;</p> <ul style="list-style-type: none"> • Expenditure has been correctly approved and meets the definition of eligible property and eligible expenditure as set out in Schedule 1 and 2 of the MoU. • A record has been maintained of each grant application, the measures applied for, the value and a reference number as set out in Schedule 3 of the MoU. • Pre and post inspections greater than the required sample size of 5% have been carried out in accordance with Part 11 of the MoU. <p>With regards to invoicing Defra, at the time of the audit, quarterly invoices have yet to be raised. Para 2 of the MoU requires the Council to provide a schedule on the last working day of each quarter and will invoice Defra within 20 working days of the last quarter. No expenditure had been incurred in quarter 1 and in relation to quarter 2, as only £39k of expenditure had been incurred, it was verbally agreed with Defra this could be carried forward to the quarter 3 (period ending 31 December) invoice.</p> </td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Satisfactory	<p>The Memorandum of Understanding (MoU) between the Council and Defra requires the Council's Chief Internal Auditor to give an audit opinion that invoices submitted by the Council are in compliance with the grant scheme. The scheme was due to end on 31 March 2015 but during the course of the audit this has now been extended by Defra to 30 June 2015. This was an interim audit to give reasonable assurance that the main conditions of the scheme are being complied with. Days have been allocated within the 2015/16 Audit Plan, for Internal Audit to formally sign off the scheme.</p> <p>At the time of audit, approximately £205,125.22 has been awarded. In terms of compliance with the scheme, a sample of 5 applications was checked as well as the underlying monitoring framework. The audit confirmed;</p> <ul style="list-style-type: none"> • Expenditure has been correctly approved and meets the definition of eligible property and eligible expenditure as set out in Schedule 1 and 2 of the MoU. • A record has been maintained of each grant application, the measures applied for, the value and a reference number as set out in Schedule 3 of the MoU. • Pre and post inspections greater than the required sample size of 5% have been carried out in accordance with Part 11 of the MoU. <p>With regards to invoicing Defra, at the time of the audit, quarterly invoices have yet to be raised. Para 2 of the MoU requires the Council to provide a schedule on the last working day of each quarter and will invoice Defra within 20 working days of the last quarter. No expenditure had been incurred in quarter 1 and in relation to quarter 2, as only £39k of expenditure had been incurred, it was verbally agreed with Defra this could be carried forward to the quarter 3 (period ending 31 December) invoice.</p>
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			<p>Quarter 3 has yet to be raised. Defra has confirmed a revised submission date of 28 February is acceptable and assurance has been given by officers this date will be achieved. There are also 2 further submission dates of 31 March 2015 and 30 June 2015.</p> <p>On the basis that there is a monitoring framework in place and, as the grants reviewed comply with the criteria of the scheme, provided that the new submission date of 28 February 2015 is achieved then, overall, the opinion would be that, generally, there is a satisfactory level of control with regards to administering the scheme.</p> <p>To strengthen the arrangements, recommendations have been made around the following;</p> <ul style="list-style-type: none"> • On legal advice, terms and conditions should be issued and signed for each grant award. These have been produced but have not been issued. These T&C discharge the Council's responsibility. • The check against the Business Flood Grant Scheme needs to be evidenced as claimants must not have received other sources of public funding. • The post inspections undertaken need to be reported within the Defra schedule. 						
<p>New Leisure Centre</p>	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. The build of a new leisure centre and the associated capital expenditure has been formally approved. 2. There are adequate project management and budget monitoring procedures in place. 3. The appropriate procurement processes have been followed. <p>Audit Opinion</p> <table border="1" data-bbox="392 1328 1461 2040"> <thead> <tr> <th data-bbox="392 1328 483 1429">CO</th> <th data-bbox="483 1328 671 1429">Assurance Level</th> <th data-bbox="671 1328 1461 1429">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 1429 483 2040">1</td> <td data-bbox="483 1429 671 2040">Good</td> <td data-bbox="671 1429 1461 2040">The build of a new leisure centre has been subject to a number of reports to Executive Committee and Council since March 2011. Approval has been obtained in respect of the decision to build a replacement facility prior to the closure of the current one, for the new facility to be located on the Council Offices site, the facility mix, the preferred governance arrangement and the total budget for the project (including capital and revenue expenditure). Furthermore, information has been provided to full council in accordance with the requirements of the Council's Financial Procedure Rules.</td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Good	The build of a new leisure centre has been subject to a number of reports to Executive Committee and Council since March 2011. Approval has been obtained in respect of the decision to build a replacement facility prior to the closure of the current one, for the new facility to be located on the Council Offices site, the facility mix, the preferred governance arrangement and the total budget for the project (including capital and revenue expenditure). Furthermore, information has been provided to full council in accordance with the requirements of the Council's Financial Procedure Rules.
CO	Assurance Level	Opinion							
1	Good	The build of a new leisure centre has been subject to a number of reports to Executive Committee and Council since March 2011. Approval has been obtained in respect of the decision to build a replacement facility prior to the closure of the current one, for the new facility to be located on the Council Offices site, the facility mix, the preferred governance arrangement and the total budget for the project (including capital and revenue expenditure). Furthermore, information has been provided to full council in accordance with the requirements of the Council's Financial Procedure Rules.							

	2	Satisfactory	<p>The Council has an agreement in place with Pick Everard to provide project management services in relation to the new leisure centre project. In-house, the Council has identified its own project lead, project sponsor and stakeholders. Given the size of the project, its cost, complexity and strategic sensitivity; assurance was obtained that the appropriate project management processes and procedures are being followed.</p> <p>A risk register has been in place throughout the project and the project team has recently produced a revised risk register as a number of risks have now been negated given the progress made to date. The current risk register identifies the financial risks to the Council as well as reputational, operational and risks around the physical construction of the leisure centre. Risks are reported and reviewed as part of the monthly project team meetings.</p> <p>Assurance was obtained that budget monitoring is in place. Monitoring spreadsheets are used by the Asset Manager to track capital and revenue expenditure against the approved budgets. In addition, capital expenditure is monitored by Financial Services within a capital monitoring spreadsheet, which includes expenditure in relation to the new leisure centre project. Furthermore, all expenditure to date has been made in accordance with the Council's budget scheme of delegation.</p> <p>A Member Reference Group is in place which receives progress updates and information in relation to the build of the new leisure centre. It is recommended that its Terms of Reference are updated to reflect the roles of officers who currently sit on the group.</p>
	3	Satisfactory	<p>The build element of the new leisure centre is being procured through a framework agreement with SCAPE, a local authority owned and controlled company; for which the Council has entered into the appropriate access agreement. In respect of appointing an operator for the new leisure centre, the OJEU procurement process has been followed and audit testing provided assurance that this has been carried out in accordance with the requirements of the Council's Contract Procedure Rules and the Public Contracts Regulations 2006.</p> <p>Assurance was obtained during the audit that all appropriate delivery agreements are in place for the design and management of the new leisure centre project. In terms of compliance to these agreements, it is recommended that evidence of the NEC supervisor having the appropriate insurances in place is obtained.</p>

Information Governance

Control Objective (CO)

1. The Council has a robust information governance framework in place.

CO	Assurance Level	Opinion
1	Satisfactory	<p>The Council is currently in the process of developing its information governance framework. It is acknowledged that the overarching policy is at an early draft stage and is intended to be a high level document which sets the tone for good information governance; supported by a number of individual policies and procedures. The key policies and procedures which support the framework were found to be in place and these were reviewed during the audit to ensure they are robust, up to date and relevant. Recommendations have been made in relation to reviewing and updating policies which are now due for review, developing document retention/destruction policies for service areas where these do not currently exist and developing an information governance training programme for staff and Members.</p> <p>The primary legislation governing data rights is the Data Protection Act, Freedom of Information Act and Environmental Information Regulations. Audit testing confirmed that the Council is generally in compliance with the key requirements of this legislation. For data protection purposes the Council is registered as a data controller on the Information Commissioner's public register, where data is processed on the Council's behalf appropriate contracts are in place and the appropriate technical and physical security measures are taken to protect personal data.</p> <p>As required by the Freedom of Information Act, the Council has developed a Publication Scheme, although this now requires updating and publishing in accordance with the Information Commissioners model scheme. Furthermore a freedom of information log exists although in order to address current issues with monitoring of these requests and compliance with response times, it is recommended that the potential for using the firmstep platform to manage these requests is investigated. Recommendations have also been made in respect of publishing information in relation to the Environmental Information Regulations on the Council's website.</p> <p>The audit also obtained assurance that the data required to be published by 31 December 2014 under the Local Government Transparency Code is now available on the Council's website and data due to be published by 2 February 2015 is in hand.</p>

S106 Grants

Control Objective

1. Procedures have been established in respect of the monitoring of S106 agreements and to follow-up previous audit recommendations made within the Section 106 Audit 2012/13

Audit Opinion

CO	Assurance Level	Opinion
1	Satisfactory	<p>A process for handling S106 agreements has been reviewed and updated and is documented within a new process map, the previous audit recommendation has therefore been implemented.</p> <p>With regard to previous audit recommendation 2, it is noted that this has been partially implemented. The S106 monitoring module was found to record obligations accurately. There is evidence in respect of triggers being completed within the monitoring module. However, the data retained does not provide assurance that regular monitoring is being undertaken in respect of identifying the number of properties being built, including those obligations associated with affordable properties.</p> <p>To assist with the monitoring of the completion of properties, consideration is now being given to receiving valuation updates from the revenues inspection process. This information will then be included within the monitoring module. Once triggers have been met, invoices in respect of obligations are raised promptly and for the accurate amount.</p>

The level of internal control operating within systems will be classified in accordance with the following definitions:-

LEVEL OF CONTROL	DEFINITION
<i>Good</i>	Robust framework of controls – provides substantial assurance.
<i>Satisfactory</i>	Sufficient framework of controls – provides satisfactory assurance – minimal risk. Probably no more than one or two 'Necessary' (Rank 2) recommendations.
<i>Limited</i>	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.
<i>Unsatisfactory</i>	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.