

**List of Audits Completed as Part of the 2014/15 Audit Plan
(February 2015 – March 2015)**

Audit	Audit Objective & Opinion															
Payroll	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. Key parameters have been correctly input to the system and are applied correctly during the payroll process. 2. Salary adjustment notifications are entered correctly into the payroll system. 3. Reconciliation and assurance checks are undertaken during the processing of the payroll, supported by a monthly reconciliation to the main accounting system. 4. The payment of employees is verified on an annual basis. <p>Audit opinion</p> <table border="1" data-bbox="400 801 1458 2072"> <thead> <tr> <th data-bbox="400 801 472 902">CO</th> <th data-bbox="472 801 651 902">Assurance Level</th> <th data-bbox="651 801 1458 902">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 902 472 1104">1</td> <td data-bbox="472 902 651 1104">Good</td> <td data-bbox="651 902 1458 1104">Key parameters in respect of income tax, national insurance and pension contributions for the current tax year 2014/ 2015, have been input accurately to the payroll system. Audit testing confirmed that these are applied correctly to employees' salaries during the payroll process.</td> </tr> <tr> <td data-bbox="400 1104 472 1406">2</td> <td data-bbox="472 1104 651 1406">Good</td> <td data-bbox="651 1104 1458 1406">Salary adjustment notifications received by the Payroll Officer are applied correctly within the payroll system. Furthermore, claims in respect of mileage, overtime and timesheets were found to have been processed in accordance with the claim forms submitted. In respect of the agreed 2014/15 pay award, salaries and non-disclosure payments were found to have been paid accurately in line National Joint Council agreement.</td> </tr> <tr> <td data-bbox="400 1406 472 1809">3</td> <td data-bbox="472 1406 651 1809">Good</td> <td data-bbox="651 1406 1458 1809">A number of assurance checks are carried out during the processing of each payroll run. The total BACS payments processed for the month are reconciled to the monthly posting summary from the payroll system. A payroll calculation error report is also produced and checked by the Payroll Officer and remedial action taken where necessary. Furthermore, monthly reconciliations are carried out between the general ledger and the payroll system which are reviewed by the Finance Manager. Audit testing of reconciliations undertaken for August and November 2014 were found to be accurate.</td> </tr> <tr> <td data-bbox="400 1809 472 2072">4</td> <td data-bbox="472 1809 651 2072">Good</td> <td data-bbox="651 1809 1458 2072">A list of employees paid for each service area has been verified by the relevant managers. This exercise, performed annually at the end of the financial year, has been carried out independently of the Payroll Officer. New starters banking information has been inputted onto the system; authorised and checked correctly by the Finance Manager.</td> </tr> </tbody> </table>	CO	Assurance Level	Opinion	1	Good	Key parameters in respect of income tax, national insurance and pension contributions for the current tax year 2014/ 2015, have been input accurately to the payroll system. Audit testing confirmed that these are applied correctly to employees' salaries during the payroll process.	2	Good	Salary adjustment notifications received by the Payroll Officer are applied correctly within the payroll system. Furthermore, claims in respect of mileage, overtime and timesheets were found to have been processed in accordance with the claim forms submitted. In respect of the agreed 2014/15 pay award, salaries and non-disclosure payments were found to have been paid accurately in line National Joint Council agreement.	3	Good	A number of assurance checks are carried out during the processing of each payroll run. The total BACS payments processed for the month are reconciled to the monthly posting summary from the payroll system. A payroll calculation error report is also produced and checked by the Payroll Officer and remedial action taken where necessary. Furthermore, monthly reconciliations are carried out between the general ledger and the payroll system which are reviewed by the Finance Manager. Audit testing of reconciliations undertaken for August and November 2014 were found to be accurate.	4	Good	A list of employees paid for each service area has been verified by the relevant managers. This exercise, performed annually at the end of the financial year, has been carried out independently of the Payroll Officer. New starters banking information has been inputted onto the system; authorised and checked correctly by the Finance Manager.
CO	Assurance Level	Opinion														
1	Good	Key parameters in respect of income tax, national insurance and pension contributions for the current tax year 2014/ 2015, have been input accurately to the payroll system. Audit testing confirmed that these are applied correctly to employees' salaries during the payroll process.														
2	Good	Salary adjustment notifications received by the Payroll Officer are applied correctly within the payroll system. Furthermore, claims in respect of mileage, overtime and timesheets were found to have been processed in accordance with the claim forms submitted. In respect of the agreed 2014/15 pay award, salaries and non-disclosure payments were found to have been paid accurately in line National Joint Council agreement.														
3	Good	A number of assurance checks are carried out during the processing of each payroll run. The total BACS payments processed for the month are reconciled to the monthly posting summary from the payroll system. A payroll calculation error report is also produced and checked by the Payroll Officer and remedial action taken where necessary. Furthermore, monthly reconciliations are carried out between the general ledger and the payroll system which are reviewed by the Finance Manager. Audit testing of reconciliations undertaken for August and November 2014 were found to be accurate.														
4	Good	A list of employees paid for each service area has been verified by the relevant managers. This exercise, performed annually at the end of the financial year, has been carried out independently of the Payroll Officer. New starters banking information has been inputted onto the system; authorised and checked correctly by the Finance Manager.														

Risk Management

Control Objectives (CO):

1. There are satisfactory governance arrangements in place for effective risk management.

Audit Opinion:

CO	Assurance Level	Opinion
1	Satisfactory	<p>It has been concluded that the Council have satisfactory risk management arrangements in places, this conclusion was formed on the basis of:</p> <ul style="list-style-type: none">• There is an approved risk management strategy. The strategy is to be formally reviewed during 2015/16, in line with its three year review period.• There is a corporate risk register in place which is presented at each Audit Committee. Individual project risk registers are in place for the Council's significant projects.• Risk management is a standard item on the monthly Corporate Leadership Team Agenda. It also forms part of the Corporate Governance Group Agenda – this group has Lead Member representation.• Risk management training was provided to management and Members following approval of the previous strategy. <p>Following review and update of the current strategy, it is recommended that further training is organised. Training was last provided in 2012.</p>

Personal Professional Development (PPD)

Control Objectives (CO):

1. To ensure that the current Personal & Professional Development (PPD) procedures have been rolled out within the authority.

Audit Opinion:

CO	Assurance Level	Opinion
1	Satisfactory	<p>Following the first year of implementation of the Personal & Professional Development (PPD) procedure, early 2014, there is satisfactory assurance that the procedure has been rolled out to members of staff within the authority. As confirmation was obtained that the majority of the PPD's have been appropriately carried out, with the exception of staff within the Grounds Maintenance Team who had not yet received a PPD appraisal. It was also noted 29% of the PPDs tested had not been forwarded to Human Resources.</p> <p>There was assurance that the PPD forms were completed in respect of part 2 (reviewing, setting performance targets & achievements), part 3 (reviewing performance against the skills checklist) and part 4 (setting & reviewing learning & development objectives). It was noted the content within these sections did vary, in particular where staff had not undertaken the PPD training (50% of staff tested had not received either the appraiser or appraisee training). It is important in the next round of PPD's that staff receive the required training in completing the forms. Where review dates had been stipulated reasonable assurance was obtained that these had been carried out but had not always been recorded.</p> <p>With regards to the delivery of training requested via the PPD's it was found that in-house training had been provided where appropriate and, where more specific service training was required, the necessary 'Request for Training' forms had been completed. One of the main outcomes of the PPD process is the identification of corporate training by HR. Verbal assurance was provided by the Human Resources Manager that a review of PPD's will be carried out and this will support the development of a new training plan for 2015/2016.</p> <p>There was assurance that upward feedback given by staff members about their line managers had been provided to the relevant senior manager. A possible enhancement to this process would be to obtain external feedback from partnership organisations, who work alongside line managers- this could be considered during the next review of the PPD process.</p>

ICT – Asset Inventory

Control Objective (CO)

1. To ascertain if the Council adequately record, insure and control the issue and disposal of ICT hardware.

Audit Opinion

CO	Assurance Level	Opinion
1	Unsatisfactory	<p>The ICT department maintain an asset register for the purpose of assisting with the management of items of ICT hardware. The review of this register has concluded it is not fit for purpose, and procedures to support the recording and control of acquisitions and disposals need significant improvement. Currently, there are no documented procedures to manage the process from when an item of computer equipment is purchased through to when it is disposed of.</p> <p>Specific areas for improvement include;</p> <ul style="list-style-type: none"> • Documenting the acquisition and disposal system so procedures are applied consistently. • Ensure there is adequate separation of duties within the process. • The ability to track a piece of equipment from when it is purchased and received in ICT to when it is transferred and used by service areas – there are a number of items located in the register deemed to be ‘lost’. This is particularly important for mobile devices. • The introduction of regular checks to verify the hardware is still held. • Reviewing how the disposal supplier has been procured to ensure best value is being achieved. • Using the asset register to inform insurance requirements. <p>The limitations of the current system are recognised and ICT Services have commenced the implementation of an improved version of the register. The audit recommendations can therefore be included as part of this process and will complement the work that has already started.</p>

Health and Safety – Risk Assessments

Control Objective

1. Risk assessments are undertaken in accordance with the risk assessment policy.

Audit Opinion

CO	Assurance Level	Opinion
1	Limited	<p>The risk assessment policy is a general policy statement setting out the commitment to managing health and safety effectively within the organisation. A review of the policy considers that it is 'fit for purpose'. A recommendation has been made to ensure the policy is reviewed regularly, the last review was carried out in 2012 and to determine the approval of the policy, if any changes were to occur.</p> <p>The current policy and supporting procedures are available on the intranet. In respect of undertaking an annual risk assessment, the majority of service areas have now complied with this requirement. A number were prompted however by the undertaking of the audit review despite a continued risk gap update being reported corporately by the Environmental Safety Officer over the last 12 months. This demonstrates the update of assessments are not a routine part of corporate business.</p> <p>Of the assessments which had not been updated and submitted for audit review or require further review, particular attention should be given to:</p> <ul style="list-style-type: none"> • Grounds Maintenance – these have not been reviewed since 2011. To ensure the safety of staff, contractors and members of the public and to achieve compliance to legislation it is imperative that this review is carried out. • Community and Economic Development - risk gaps in relation to the activities they are involved in and some of the existing risk areas identified are still in need of review. The team is involved in many events/activities that all have risk implications that require a specific risk assessment to ensure that suitably sufficient controls are implemented to control these risks. • Asset Management – there were gaps in the identification of key hazards in particular asbestos and legionella. In response to this, a management plan is being developed to manage these risks. This plan will also include the control of fire and electrical hazards. The completion of this management plan and implementation of the findings is imperative to ensure safety of staff, contractors and members of the public and to achieve compliance to legislation.

		<p>It is evident from a review of risk assessments generally that training is required to ensure all assessments are completed consistently and to the required standard. All services need to revisit their risk assessments to ensure controls have been actioned and if so a signature and date for this action needs to be documented.</p> <p>When updating assessments, version control needs to be improved so that the previous assessment is saved and not overwritten. The use of a document management system, such as Sharepoint could be considered.</p> <p>The number of assessments being completed should also be reviewed to identify if the process can be streamlined. Each service is completing a number of similar assessments, for example, an office related assessment. Consideration could be given to producing one generic assessment though this will need to be tailored to meet specific service needs where appropriate.</p>
--	--	---

Homelessness	Control Objective		
	1. Housing and storage support has been provided for homeless individuals through the assessment stage and to those who are accepted as being unintentionally homeless.		
	Audit Opinion		
	CO	Assurance Level	Opinion
	1	Satisfactory	<p>There is a satisfactory level of assurance that temporary housing is provided where necessary to an applicant through the homelessness determination process and after an unintentional homeless has been determined. It was noted during testing that records on Abritas concerning temporary accommodation 'TA placed and closed dates' were not, on occasions, consistent within B&B dates noted on the homeless payments spreadsheet.</p> <p>Rental charges paid by TBC are accurate and housing benefit has been claimed by TBC where appropriate. However, call off contracts should be entered into with each B&B establishment and assurance sought on a regular basis as to the continuous suitability of the accommodation for the homeless applicant.</p> <p>Where appropriate, storage costs were correctly only being paid whilst a homeless application is being assessed and where an unintentional homeless determination has been accepted. The procurement of storage needs to be reviewed in order to demonstrate best value and as part of this procurement exercise consideration needs to be given to obtaining assurance that items being stored are for personal property only and the formula for calculating storage charges is stated.</p>

Benefits

Control Objective

- 1. Housing benefit forms have been accurately entered into Northgate with evidence retained to support the application and benefit entitlement has been correct calculated.
- 2. Benefit checks are performed.
- 3. A reconciliation of benefits to council tax and general ledger is performed

Audit Opinion

CO	Assurance Level	Opinion
1	Satisfactory	Housing benefit forms have been accurately entered into Northgate with evidence retained to support the application and benefit entitlement has been correctly calculated. To support the benefit application process in respect of foreign nationals, documentary evidence of the Tier 1 and Tier 2 assessment and associated decision made by the benefits assessor should be retained.
2	Satisfactory	A new checking regime has been implemented from November 2014 to support the subsidy return – this is a key risk area for the service. This checking reviews overpayments and confirms the accuracy of key change of circumstances data such as ‘information received date’ and ‘earliest change date’. This new process needs to note the date that checking was undertaken in order to demonstrate the regularity of the check being made. In respect of new claims, the main risk identified for 2014/15 is data entry by new staff and it was verbally confirmed by the Benefits Team Leader that all new claims by such staff are currently checked. The previous checking regime for April 2014-October 2014 is not currently complete in that 2 new claims and 3 changes of circumstances have not been checked for each day of processing. This is acknowledged as an issue by the Operational Manager and the intention is to have the appropriate number of claims checked by the end of June 2015.
3	Satisfactory	Reconciliation of benefits to council tax has been performed regularly. A regular monthly reconciliation of benefits to the general ledger has been performed in respect of HB creditors and debtors. To confirm the integrity of the reconciliation process, entries from the HB Creditors and Debtor balancing statement July 2014 were checked and in all instances the values had been correctly stated.

Recycling

Control Objective

1. Agreement in respect of the disposal of recycling waste has been established and key performance data is provided in accordance with the terms of the contract and expenditure in relation to disposal costs is accurate.
2. Kerbside recycling processes are in place to ensure that recycling credit tonnage is accurate and invoices to the county are raised for the correct amount.

Audit Opinion

CO	Assurance Level	Opinion
1	Satisfactory	<p>A contract for the disposal of kerbside recycling waste has been established. Key performance data is provided to the Council in accordance with the terms of the contract through the issue of monthly weighbridge data and summary reports. The Group Manager of Environmental and Housing Services confirmed that additional information concerning waste licence details and calibration test results will be provided from the new contractor through the contract monitoring processes carried out by the Joint Waste Team (JWT) on behalf of the Council.</p> <p>With regard to the earlier MRF contract, and two earlier audit recommendations, there is evidence to demonstrate that calibration tests results have been obtained (previous recommendation 3) and partial licence checks have been performed (previous recommendation 2) by the Council. Expenditure in relation to the disposal of waste is accurate and procedures are in place to monitor possible reconciliation payments.</p>
2	Satisfactory	<p>The development of an agreement between the County Council and the collection authorities has been negated through the establishment of a Joint Waste Committee (JWC) and the setting up of a inter-authority agreement between the County and collection authorities including Tewkesbury Borough Council. Further consideration now needs to be given to establishing the contract monitoring expectations of the JWT (which delivers the functions of the JWC) and the establishment of an escalation process to handle any discrepancies such as the possible withholding of recycling credits.</p> <p>With regard to the waste recycled in 2014/15, there is reasonable assurance that the waste claimed for recycling is from domestic households and credit tonnages claimed have been fairly stated. Invoices for tonnages were raised correctly and at the appropriate charge rate. At the time of the audit there was no evidence to demonstrate that waste at its end destination point was being recycled, however, verbal assurance was provided by the GMEH that such evidence is to be collected through the JWT contract monitoring process. The two outstanding actions concerning the previous audit recommendation (1) will be mitigated by the performance of this check.</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.