

List of Audits Completed as Part of the 2016/17 Audit Plan

Audit	Audit Objective & Opinion																	
Debtors 2016/17	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. Debt requests created by services are raised promptly and accurately 2. Debtor invoices are generated accurately, with any adjustments being justified and payments correctly allocated 3. Recovery action is appropriate and any outstanding debt is reported to services 4. Monthly reconciliation of debtors to general ledger is undertaken <p>Audit opinion</p> <table border="1" data-bbox="389 701 1444 1776"> <thead> <tr> <th data-bbox="389 701 464 763">CO</th> <th data-bbox="464 701 788 763">Assurance Level</th> <th data-bbox="788 701 1444 763">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="389 768 464 936">1</td> <td data-bbox="464 768 788 936">Good</td> <td data-bbox="788 768 1444 936">All debt requests tested were found to accurately reflect service delivery and there was a satisfactory level of assurance that debt requests had been created promptly.</td> </tr> <tr> <td data-bbox="389 940 464 1272">2</td> <td data-bbox="464 940 788 1272">Good</td> <td data-bbox="788 940 1444 1272">Invoices raised within the debtors module accurately reflected the debt requests. Adjustments undertaken on debtors are authorised where appropriate including the write-off of bad debt. Payments are received and recorded correctly within the debtors system and the general ledger. Furthermore any payments allocated to debtors suspense are cleared promptly.</td> </tr> <tr> <td data-bbox="389 1276 464 1574">3</td> <td data-bbox="464 1276 788 1574">Good</td> <td data-bbox="788 1276 1444 1574">Recovery action undertaken by financial services is appropriate with regard to the issues of reminders and final reminders. Furthermore, debt is notified to services regularly using an outstanding debtors report which is colour coded to identify the age of debt. Invoices are suppressed if necessary and this suppression is monitored.</td> </tr> <tr> <td data-bbox="389 1579 464 1776">4</td> <td data-bbox="464 1579 788 1776">Good</td> <td data-bbox="788 1579 1444 1776">The balancing statement file provides evidence that a monthly reconciliation of debtors to the general ledger is undertaken. A review of four of these statements also provided assurance as to the accuracy of the reconciliation process.</td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Good	All debt requests tested were found to accurately reflect service delivery and there was a satisfactory level of assurance that debt requests had been created promptly.	2	Good	Invoices raised within the debtors module accurately reflected the debt requests. Adjustments undertaken on debtors are authorised where appropriate including the write-off of bad debt. Payments are received and recorded correctly within the debtors system and the general ledger. Furthermore any payments allocated to debtors suspense are cleared promptly.	3	Good	Recovery action undertaken by financial services is appropriate with regard to the issues of reminders and final reminders. Furthermore, debt is notified to services regularly using an outstanding debtors report which is colour coded to identify the age of debt. Invoices are suppressed if necessary and this suppression is monitored.	4	Good	The balancing statement file provides evidence that a monthly reconciliation of debtors to the general ledger is undertaken. A review of four of these statements also provided assurance as to the accuracy of the reconciliation process.
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Safeguarding
2016/17

Control Objectives (CO):

1. Appropriate policies and procedures have been established and are available to staff.
2. There is an awareness of the Safeguarding Policy across the organisation including: awareness of roles and responsibilities; adherence to key elements of the policy and confidential reporting practices are followed.

Audit opinion

CO	Assurance Level	Opinion
1	Satisfactory	<p>The Council has in place an up-to-date Safeguarding Policy which was approved at Executive Committee in November 2016. This policy takes into account the Council's wider responsibilities under the Care Act 2014 which includes the safeguarding and welfare arrangements in respect of both children and adults. The policy is readily available to staff and Members through the intranet; however, further consideration needs to be given on how this information is embedded to the heart of the organisation and also disseminated to elected Members and volunteers.</p>
2	Satisfactory	<p>Awareness is demonstrated through the delivery of compulsory online training, staff news items and briefings. In addition, the importance of safeguarding is recognised by its inclusion within the Portfolio of the Lead Member for the Community and by having a designated Safeguarding Officer who reports to the Lead Member on a regular basis. Further adherence to the policy should be considered through the development of an action plan in relation to the following policy aspects:-</p> <ul style="list-style-type: none"> - To raise awareness of safeguarding with Council volunteers, for example, the use of a guidance leaflet could provide initial support. Further consideration needs to be given to the level of training that volunteers should be entitled to. - Key officers have a clear understanding of their roles and responsibilities. To ensure that safeguarding is embedded the inclusion of the policy safeguarding statement '<i>safeguarding is everyone's responsibility</i>' should be included as a standard item within the job particulars. - With the exception of the procurement toolkit and licencing, a review of a sample of policies/ programmes (and the decision making behind these) found little evidence to support the policy statement "Where applicable the safeguarding of children,

			<p>young people and vulnerable adults is considered in strategies, plans and services'. It is recommended that Council templates used in connection with decision making provide appropriate safeguarding prompts.</p> <ul style="list-style-type: none"> - With regard to licencing, the decision in October 2016 to make safeguarding awareness a requisite to obtaining a taxi licence needs to be implemented. - Mechanisms are in place in relation to the reporting of a safeguarding incident. Assurance as to the confidentiality of this data and its retention needs to be adequately addressed within the Housing Services retention schedule and evidence of the appropriate data sharing agreements with the other partner organisations should be retained. 						
<p>Information Governance 2016/17</p>	<p>Control Objectives (CO):</p> <p>1. The Council has a robust Information Governance framework in place.</p> <p>Audit opinion</p> <table border="1" data-bbox="391 1008 1439 2078"> <thead> <tr> <th data-bbox="391 1008 467 1070">CO</th> <th data-bbox="467 1008 735 1070">Assurance Level</th> <th data-bbox="735 1008 1439 1070">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="391 1070 467 2078">1</td> <td data-bbox="467 1070 735 2078">Limited</td> <td data-bbox="735 1070 1439 2078"> <p>It was identified that an overarching Information Governance Policy (IGP) was in existence, but has been at draft stage for an extended period of time and therefore it is recommended that this policy be reviewed to ensure that procedures meet current legislative duties. In addition consideration should be given to enhancing the policy to include further information including; a documented training schedule; a review frequency; list of associated supporting policies; and reference to the Council's Information Security Incident Management Policy. Once the IGP has been amended and taken to Committee for approval, this policy should be communicated to all staff.</p> <p>The IGP as mentioned above is an overarching framework, and should be supported by a number of more detailed policies and codes of practice that relate to particular risk areas. A total of 14 policies were reviewed during testing and the following was found; 1 policy was no longer relevant, 2 policies were up-to-date, and the remaining 11 policies were due for review. Of these policies, some of these had been previously identified as due for review by the relevant services; therefore recommendations have not been made to review these policies as services are already aware and some are already under review. Of the final policies, recommendations in regards to reviewing these policies have been made in the appended</p> </td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Limited	<p>It was identified that an overarching Information Governance Policy (IGP) was in existence, but has been at draft stage for an extended period of time and therefore it is recommended that this policy be reviewed to ensure that procedures meet current legislative duties. In addition consideration should be given to enhancing the policy to include further information including; a documented training schedule; a review frequency; list of associated supporting policies; and reference to the Council's Information Security Incident Management Policy. Once the IGP has been amended and taken to Committee for approval, this policy should be communicated to all staff.</p> <p>The IGP as mentioned above is an overarching framework, and should be supported by a number of more detailed policies and codes of practice that relate to particular risk areas. A total of 14 policies were reviewed during testing and the following was found; 1 policy was no longer relevant, 2 policies were up-to-date, and the remaining 11 policies were due for review. Of these policies, some of these had been previously identified as due for review by the relevant services; therefore recommendations have not been made to review these policies as services are already aware and some are already under review. Of the final policies, recommendations in regards to reviewing these policies have been made in the appended</p>
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			<p>recommendation sheet. Considering the absence of an appropriately approved overarching IGP and the number of policies that require review, it is difficult to obtain evidence that the Council maintains a robust information governance framework. However, audit testing in regards to the key legislative duties placed upon the Council found that, generally, the Council is meeting these duties.</p> <p>Audit testing confirmed that the Council is generally operating in compliance with the primary legislation governing the handling and dissemination of data; Data Protection Act (DPA), Freedom of Information Act (FOIA), Environmental Information Regulations (EIR) and the Local Government Transparency Code. For data protection purposes, the Council is registered as a data controller on the Information Commissioner's public register and, where data is processed on the Council's behalf, appropriate contracts are in place. In addition, there is evidence that appropriate technical and physical security measures are taken to protect personal data. It is recommended that consideration be given to providing further information to customers in regards to who the Council are, the purpose for collecting the information, how we will use the information, and who it will be shared with or disclosed to. This will ensure that the Council is meeting its legal obligations of fair processing (principle 1 of the Data Protection Act).</p> <p>As required by the FOIA, the Council maintains a Publication Scheme, based on the Information Commissioner's model scheme. Freedom of Information requests (FOIs) are managed using the Firmstep platform which is utilised to monitor the progression of answering these requests; a review of the system confirmed that just under 90% of FOIs had been answered on time. EIR requests are also handled through this system, although currently there are no documented handling procedures for how these requests are handled. The recommendation is made that these be established and published on the Council's website, potentially on an EIR specific webpage, to comply with the Regulations principles of proactive dissemination. A recommendation has also been made as to reviewing the information published on the website under the Local Government Transparency Code to ensure that all relevant, up-to-date information is published in line with the code.</p>
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Business
Continuity
2016/17

Control Objectives (CO):

1. Determine the accuracy and completeness of the Council's Business Continuity Plan across corporate plans and individual service plans, including an IT disaster recovery plan.

Audit opinion

CO	Assurance Level	Opinion
1	Limited	<p>The Civil Contingencies Act 2004 places a statutory duty on the Council to maintain plans to enable the Council to continue providing critical services to the community at a time of disruption. A review of the Council's current plans provided evidence that both a Corporate Business Continuity Plan (CBCP) and service specific Business Continuity Plans (SBCPs) are in existence, including an IT specific Disaster Recovery Plan (IT DRP) to enable the recovery of systems should servers at Tewkesbury Borough Council fail.</p> <p>Key staff, responsibilities, escalation and invocation procedures are outlined within these documents. In addition, standardised documents for the recording of actions and expenditure are supplied within the plans. However, the accuracy and completeness of these plans is questionable, with testing, training and monitoring of the plans found to be limited, with the last update to the plan completed in September 2013.</p> <p>15 SBCPs were identified for services within the Council and a review of these confirmed that five of these are yet to be fully completed or updated to the new template introduced in February 2016. The identification of priorities as included within the SBCPs is inconsistent, with the large majority of SBCPs not using the guidance provided for identifying critical functions of the service. In regards to the IT DRP, annual testing of critical systems is completed although tests of the operational functioning of the system using frontline staff is not currently completed due to time constraints outlined in the contract. Therefore it is recommended that an exercise be completed in which tests with frontline staff, e.g. a benefit assessor, is completed to ensure that the system is not only live, but operationally functioning. This should be considered during the current procurement process for a new ITDR facility.</p> <p>A random sample of staff (one staff member from each service that retain a SBCP- 15 staff), it was identified that the level of knowledge of</p>

		<p>the Council's BCPs was greatly variable, with almost half of the staff asked unable to demonstrate a sufficient knowledge of their SBCP. Therefore further consideration should be given to the dissemination of knowledge so that all staff are aware of business continuity within the Council.</p> <p>It should be noted here that business continuity has been identified as a Significant Governance Issue in the 2015/16 Annual Governance Statement and has been brought to the attention of the Audit Committee. In addition, a consultation with the Civil Protection Team has been completed as of 22 February 2017, with the intention to further develop the current BCPs.</p>
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Tewkesbury
Leisure
Centre
2016/17

Control Objectives (CO):

1. Payment Arrangements have been established in accordance with the terms of the contract.
2. Performance Standards as set out in the service specification of the contract are being monitored.
3. A strategic partnership board has been established with agreed functions.

Audit opinion

CO	Assurance Level	Opinion
1	Satisfactory	<p>The contract provides for the receipt of both an annual and deferred payment, arrangements have been set up within the general ledger to allocate such payments. Initial payments are due to be made at the end of June 2017 and Places for People have provided confirmation of payments to be made which agree to the terms of the contract. In line with the contract, arrangements do need to be put in place to receive operating surplus/deficit data on a yearly basis in order to maintain oversight on the potential additional shared surplus sums due from the end of year three of the contract. A review of insurance terms within the contract noted that the Council is responsible for building insurance payments and cover is provided through the 'materials damage and business interruption policy'. It was noted that the policy does have conditions attached in relation to fire extinguishing appliances and security. Consideration does therefore need to be given to how the Council/Places for People can demonstrate compliance to these conditions. The contract is prescriptive in respect of the type of insurance cover that Places for People should hold and evidence was obtained that confirmed these insurances are in place.</p>

	2	Satisfactory	<p>Schedule 1 of the contract relates to service specification and outlines a series of standards in relation to annual, service and facility performance. There is a satisfactory level of assurance that performance standard categories as set out in the service specification are being monitored. This monitoring is carried out through a variety of mechanisms, such as informal discussions, monthly inspections and quarterly meetings with formal reports. In respect of the formal reports, a performance monitoring report is produced quarterly which considers both contract service and facility specifications relating to cleaning, customer service (complaints), maintenance, activities, marketing, incidents, events, membership and utilisation. The technical report considers additional contract facility specifications of health and safety, staffing and training; although currently this report has not been produced on a quarterly basis. It is recommended that these reports identify the contract specifications relating to the environment, catering, IT, access and security. The formal reporting should also be enhanced to demonstrate compliance to contract outcomes.</p> <p>It is noted that several of the contract specifications relate to the fabric of the building such as ventilation, heating, lighting, drainage and these are currently being monitored through the defect reporting system with the builders. The Asset Manager has confirmed that, once the defect period has ceased, compliance to these specifications will be reported by Places for People through the technical report.</p> <p>In respect of annual performance, a spreadsheet has been produced which lists the contract data that is to be provided on an annual basis, this should be updated to include participation, annual services, fire risk assessment, electrical certificates, equipment, licences and legislation and also quality management (QUEST). The contract does require an authority outcomes scorecard to be established, which tracks achievement against targeted groups. A key element of this scorecard is participation and the first year of the contract is the collection of this data. The scorecard should be produced within year 2 of the contract so that annual reporting can take place.</p> <p>The contract service specification also makes reference to the level of price increase that Places for People can initiate. A revised pricing schedule was introduced in April 2017 and charges which do not apply to the authority's set activities were found to have been increased in line with contract conditions. The revised charges which relate to the authority's set pricing requirement (such as adult and junior swim) had increased above the CPI inflation rate and should have been approved – this was obtained during the audit process.</p>
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	3	Satisfactory	<p>The Places for People service delivery proposals within the contract provide for the implementation of a strategic partnership board. Approval was gained from the Executive Committee in November 2016 for the establishment of this board, its composition and terms of reference. The board is expected to meet on a quarterly basis and, since November 2016, the Asset Manager confirmed two meetings have taken place. Places for People's Method statement 1 does also state that the board will be allocated 10% of the over performance allowance and therefore it is recommended that financial data in respect of surplus's generated are reported to the board on an annual basis.</p>						
<p>Treasury Management 2016/17</p>	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. Investments are placed in accordance with the council's treasury management strategy. 2. The investment register is reconciled on a monthly basis to the main accounting system. <p>Audit opinion</p> <table border="1" data-bbox="392 943 1444 2049"> <thead> <tr> <th data-bbox="392 943 467 1039">CO</th> <th data-bbox="467 943 692 1039">Assurance Level</th> <th data-bbox="692 943 1444 1039">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="392 1039 467 2049">1</td> <td data-bbox="467 1039 692 2049">Good</td> <td data-bbox="692 1039 1444 2049"> <p>A Treasury Management Strategy (TMS) was produced in line with the Council's Treasury Management Policy (TMP) and was appropriately approved by a meeting of the Council on 18 February 2016. The TMS outlines the Council's strategy for investments and borrowing and dictates the Treasury Management procedures, providing a source of reference in regards to appropriate counterparties and value limits.</p> <p>Testing a sample of 10 investments, and four cases of borrowing confirmed that these were placed in line with the TMS. In addition it was confirmed that the deals were placed with justification and supporting documentation was retained. Interest and broker fees were found to have been accurately calculated and coded to the general ledger. Observation of an investment being made confirmed that there is an adequate separation of duties and security measures are in place for the placing of investments. As a measure of good practice it was agreed with the Accounting Technician that in cases in which the council loans money through a broker, the Accounting Technician will provide confirmation of the Council's bank details and deal summary directly to borrowers to ensure that the council and the borrowers are not solely reliant on information provided via the broker.</p> </td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Good	<p>A Treasury Management Strategy (TMS) was produced in line with the Council's Treasury Management Policy (TMP) and was appropriately approved by a meeting of the Council on 18 February 2016. The TMS outlines the Council's strategy for investments and borrowing and dictates the Treasury Management procedures, providing a source of reference in regards to appropriate counterparties and value limits.</p> <p>Testing a sample of 10 investments, and four cases of borrowing confirmed that these were placed in line with the TMS. In addition it was confirmed that the deals were placed with justification and supporting documentation was retained. Interest and broker fees were found to have been accurately calculated and coded to the general ledger. Observation of an investment being made confirmed that there is an adequate separation of duties and security measures are in place for the placing of investments. As a measure of good practice it was agreed with the Accounting Technician that in cases in which the council loans money through a broker, the Accounting Technician will provide confirmation of the Council's bank details and deal summary directly to borrowers to ensure that the council and the borrowers are not solely reliant on information provided via the broker.</p>
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	2	Good	The investment register is reconciled on a monthly basis to the General Ledger; which is subject to review by Senior Management.
Corporate Improvement Work	<p><u>Business Continuity</u> Days were allocated to quality assure and support managers in the completion of their service business continuity plans.</p> <p><u>Firmstep FOI Application</u> Internal Audit sat in on a demonstration of a potential new FOI system and provided advice on the pros and cons of the system.</p>		

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

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