

**List of Audits Completed as part of the 2013-14 Audit Plan (April 2013-August 2013)**

Audit	Audit Objective & Opinion						
National Fraud Initiative	<p><b>Control Objectives (CO):</b></p> <p>1. To check NFI matches, report findings and complete NFI return in respect of creditors.</p> <p><b>Audit Opinion</b></p> <table border="1" data-bbox="403 591 1471 1429"> <thead> <tr> <th data-bbox="403 591 488 692">CO</th> <th data-bbox="488 591 683 692">Assurance Level</th> <th data-bbox="683 591 1471 692">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="403 692 488 1429">1</td> <td data-bbox="488 692 683 1429">Good</td> <td data-bbox="683 692 1471 1429"> <p>The controls within the creditor's system provide a good level of assurance to mitigate the potential for duplicate or fraudulent payments. All 212 NFI matching queries were reviewed during the audit which related to payments made during 2011/12 and 2012/13.</p> <p>207 of these queries were closed as 'no issue'; the remaining 5 closed as 'already known' where the wrong creditor had been paid in error, these had subsequently been identified and rectified with the erroneous payment returned and repaid to the correct creditor. This is compared to a total of approximately 11,100 payments processed during this period.</p> <p>A review of the matching queries did however identify a number of creditor accounts that require consolidation, it is therefore recommended that these accounts are reviewed and consolidated where appropriate. As recommended in the 2012/13 creditor's audit; in order to proactively identify possible duplicate payments, the duplicate payments report should be run on a regular basis.</p> </td> </tr> </tbody> </table>	CO	Assurance Level	Opinion	1	Good	<p>The controls within the creditor's system provide a good level of assurance to mitigate the potential for duplicate or fraudulent payments. All 212 NFI matching queries were reviewed during the audit which related to payments made during 2011/12 and 2012/13.</p> <p>207 of these queries were closed as 'no issue'; the remaining 5 closed as 'already known' where the wrong creditor had been paid in error, these had subsequently been identified and rectified with the erroneous payment returned and repaid to the correct creditor. This is compared to a total of approximately 11,100 payments processed during this period.</p> <p>A review of the matching queries did however identify a number of creditor accounts that require consolidation, it is therefore recommended that these accounts are reviewed and consolidated where appropriate. As recommended in the 2012/13 creditor's audit; in order to proactively identify possible duplicate payments, the duplicate payments report should be run on a regular basis.</p>
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Data Quality	<p><b>Control Objectives (CO):</b></p> <p>1. The following local performance indicators have been calculated and reported accurately through the 2012/13 Qtr4 service plans:</p> <p><b>Commercial Services</b></p> <ul style="list-style-type: none"> <li>- Percentage of food establishments broadly compliant with food legislation.</li> </ul> <p><b>Financial Services</b></p> <ul style="list-style-type: none"> <li>- Percentage of supplier invoices paid within 30 days of receipt.</li> </ul> <p><b>Property Services</b></p> <ul style="list-style-type: none"> <li>- Electricity usage.</li> <li>- Gas usage.</li> </ul>						

<b>Audit Opinion</b>		
<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>
1	Satisfactory	<p>In respect of the local performance indicators reviewed during the audit, there is a satisfactory level of assurance that these have been reported accurately through the 2012/13 Qtr4 service plans.</p> <p>Minor anomalies were identified in relation to the percentage of supplier invoices paid within 30 days and the electricity and gas usage reported; however, these were found to have no significant impact on the performance indicator. The descriptions of these particular LPI's were updated during the audit in order to give a more accurate representation of the figures reported.</p> <p>With regard to Property Services indicators, it has been recommended that a clear definition be established in order to provide clarity in respect of the data used within the indicators and in respect of Commercial Services, a previous recommendation remains outstanding whereby the total number of food establishments should be reconciled to the individual reports for 'broadly compliant', 'non-compliant' an 'unrated' premises.</p>

Planning Fees	<b>Control Objectives (CO):</b>	
	<ol style="list-style-type: none"> <li>1. Planning fees have been calculated and received in accordance with the fees schedule and planning performance indicators have been accurately reported.</li> <li>2. The processes relating to the pre-planning application advice provides assurance that the fees are accurate and appropriately allocated to the general ledger.</li> </ol>	
	<b>Audit Opinion</b>	

<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>
1	Satisfactory	<p>Fees in respect of planning applications are promptly banked and allocated to the correct ledger code. In respect of the 20 applications sampled, all were found to have been calculated in accordance with the statutory fee schedule with the exception of 2, which resulted in a minor overpayment to the authority.</p> <p>Planning performance was found to have been fairly stated through the Development Control service plan and the 2012/13 Qtr 3 PS2 return. In respect of the PS2 return, minor variances in the total number of days applications took to be determined were identified; these were in relation to the date of valid application having been incorrectly stated and were found to have no effect on the overall PS2 calculation.</p>

	2	Good	<p>Pre-planning application fees have been correctly calculated, in accordance with the approved fee schedule, promptly banked and allocated to the correct ledger code with VAT having been correctly allocated to VATT/8294.</p> <p>The previous audit carried out in 2010/11 made 2 recommendations in respect of the pre-application process; both of which were found to have been implemented.</p>
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HB Debtors	<b>Control Objectives (CO):</b>		
	<ol style="list-style-type: none"> <li>1. Invoices are raised promptly and for the correct amount.</li> <li>2. Payments are allocated correctly and appropriate recovery action is undertaken in respect of unpaid invoices.</li> <li>3. HB debtor income is reconciled to the general ledger.</li> </ol>		
	<b>Audit Opinion</b>		
	<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>
1	Good	Where there is no ongoing entitlement to benefit, overpayments are issued in the form of invoices to the relevant debtor. These invoices are raised promptly and for the correct amount.	
2	Satisfactory	<p>Payments are appropriately allocated to the general ledger and suspense items are cleared during the monthly reconciliation process.</p> <p>Recovery action is undertaken on unpaid invoices and the outstanding debt is escalated through the County Court process. However, the promptness of this recovery needs to be enhanced particularly in respect of instalment arrangements that have failed and ensuring that county court judgements are entered into during the 6 month grace period. For efficiency purposes consideration should be given to enhancing the work practices which allow for recovery of Council Tax and benefit debt to be performed at the same time.</p> <p>The write-off of debt was found to be appropriately authorised and accounted for. The write-off policy does require amendment to take into account changes in the organisation restructure and authorisation limits as stated within the Council's Financial Procedure Rules.</p>	
3	Good	A reconciliation between the HB Debtor benefits system and the general ledger is performed on a monthly basis.	

Recycling  
(incl follow  
up)

**Control Objectives (CO):**

1. Credits in respect of recycling have been invoiced to the County for all appropriate waste activities, the correct tonnages and charges have been applied and invoices raised on a prompt basis.
2. The performance indicator 'total recycled, composted and reused waste' for year end 2012/13 has been accurately reported

**Audit Opinion:**

CO	Assurance Level	Opinion
1	Satisfactory	<p>In respect of recycling credits, the monthly invoices have been raised promptly and have been accurately stated. Payments have been received in respect of all invoices issued to the County for 2012/13.</p> <p>In relation to seven previous audit recommendations, two have been negated by change in processes involving MRF sample testing and the intended introduction of recycling tender for bring sites. A further two recommendations relating to recovery of debt and a review of variances in weighbridge data reported from Printwaste and the MRF, are considered implemented.</p> <p>The remaining three recommendations (which encompass elements of the Waste County Audit requirements and were agreed with the Waste Policy Officer who is no longer with the Council), relate to obtaining assurance that waste has been recycled together with checks concerning waste licences and tonnage calibration. Due to the current retendering of the MRF contract these are anticipated to be completed by the end of the current financial year.</p>
2	Satisfactory	<p>The year-end LPI '% total recycled, composted and reused waste' has been fairly stated at 53.14%.</p>

Land Charges	<p><b>Control Objective (CO) ;</b></p> <ol style="list-style-type: none"> <li>1. Income in respect of searches has been received and banked in accordance with the agreed scale of fees.</li> <li>2. Expenditure made to the County Council in respect of search information received is accurate.</li> </ol> <p><b>Audit Opinion</b></p> <table border="1" data-bbox="403 436 1465 1355"> <thead> <tr> <th data-bbox="403 436 486 533">CO</th> <th data-bbox="486 436 699 533">Assurance Level</th> <th data-bbox="699 436 1465 533">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="403 533 486 1189">1</td> <td data-bbox="486 533 699 1189">Good</td> <td data-bbox="699 533 1465 1189"> <p>The Land Charges fee setting process has been undertaken in accordance with statutory legislation. Both the actual values for 2012/13 and estimate values for 2013/14 have been approved by the Council's S151 Officer.</p> <p>Income in respect of local land charge searches is promptly banked and allocated to the correct ledger code. In respect of the land searches sampled; all fees were found to have been calculated in accordance with the agreed scale of charges. Information in response to each search question is provided by various departments from across the council and third parties (Gloucestershire County Council). With regard to those questions answered by Tewkesbury Borough Council; a sample of questions were traced back to the service area providing the response and checked for accuracy. This provided reasonable assurance that data reported within the searches is accurate.</p> </td> </tr> <tr> <td data-bbox="403 1189 486 1355">2</td> <td data-bbox="486 1189 699 1355">Good</td> <td data-bbox="699 1189 1465 1355"> <p>Upon receipt of invoices from the County Council in respect of search fees; assurance was obtained during the audit that these charges are verified by Land Charges prior to payment.</p> </td> </tr> </tbody> </table>	CO	Assurance Level	Opinion	1	Good	<p>The Land Charges fee setting process has been undertaken in accordance with statutory legislation. Both the actual values for 2012/13 and estimate values for 2013/14 have been approved by the Council's S151 Officer.</p> <p>Income in respect of local land charge searches is promptly banked and allocated to the correct ledger code. In respect of the land searches sampled; all fees were found to have been calculated in accordance with the agreed scale of charges. Information in response to each search question is provided by various departments from across the council and third parties (Gloucestershire County Council). With regard to those questions answered by Tewkesbury Borough Council; a sample of questions were traced back to the service area providing the response and checked for accuracy. This provided reasonable assurance that data reported within the searches is accurate.</p>	2	Good	<p>Upon receipt of invoices from the County Council in respect of search fees; assurance was obtained during the audit that these charges are verified by Land Charges prior to payment.</p>
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2	Good	<p>Upon receipt of invoices from the County Council in respect of search fees; assurance was obtained during the audit that these charges are verified by Land Charges prior to payment.</p>								
<b>Follow-Up Audits</b>										
One Legal	<p><b>Control Objective (CO);</b></p> <ol style="list-style-type: none"> <li>1. To follow-up previous audit recommendations made within the One Legal (S101 agreement) audit 2012/13.</li> <li>2. To follow-up previous audit recommendations made within the Data Quality audit 2012/13 in respect of One Legal.</li> </ol> <p><b>Audit Opinion</b></p> <p>The previous One Legal (S101 agreement) audit made 5 recommendations; all of which were found to have been implemented. The previous Data Quality audit made 3 recommendations in respect of One Legal; all of which were found to have been implemented.</p>									

Previous Recommendations Reference	Findings
<i>ONE LEGAL (S101 AGREEMENT)</i>	
1	Recommendation implemented. The One Legal service delivery standards have been revised to reflect the current structure operated and approved by the JMLG.
2	Recommendation implemented. Voting rights of each officer on the JMLG are now formally acknowledged within the minutes of each meeting (item 1).
3	Recommendation negated. Decision taken by the JMLG not to receive details of individual complaints or compliments as of November 2012; but to monitor feedback through the relevant LPI on client satisfaction.
4	Recommendation implemented. Approval of an annual survey rather than bi-annual survey was obtained from the Joint Management Liaison Group on 6 July 2012.
5	Recommendation implemented. An initial discussion by the JMLG regarding the benefits of maintaining an account showing the value of the functions took place on 8 November 2012. At this meeting it was agreed that the current proportionate split (50:50) would remain in place until 2014/15.
<i>DATA QUALITY</i>	
1	Recommendation implemented. This recommendation was implemented during the audit. Within the calculation of the LPI, the target hours for part time employees is now calculated based upon their contracted hours and pro-rata'd leave entitlement.
2	Recommendation implemented. A baseline chargeable hours target has been established by which to measure productivity.
3	Recommendation implemented. A definition of the performance indicator 'percentage savings made through the avoidance of external legal provision' has now been established.

Out of the Hat Shop

**Control Objectives (CO):**

1. To follow-up previous audit recommendations made within the Heritage and Visitor Centre audit 2012/13.

**Audit Opinion**

The 2012/13 Heritage and Visitor Centre audit made 7 recommendations, 6 of which were found to have been implemented; with 1 remaining outstanding.

<b>Previous Recommendations Reference</b>	<b>Findings</b>
1	Recommendation implemented. Delegated authority for the Economic Development and Tourism Manager to set entrance fee charges and for the Heritage & Visitor Centre manager to set resale charges has been approved by the Director of Community.
2	Recommendation implemented. A regular reconciliation is now carried out between the cash register and the agency/ events returns.
3	Recommendation implemented. A record of the issue and return of alarm key fobs at the Heritage & Visitor Centre is now maintained by the HVCM.
4	Recommendation negated. A review of the SecurityPlus contract was undertaken by the Economic Development and Tourism Manager in consultation with One Legal and Financial Services. This concluded that no variation to the contract would be made as current arrangements were deemed to be acceptable and charges were not being made for collections due on a Bank Holiday.
5	Recommendation implemented. Reasons for refunds and ticket numbers in respect of bus refunds are now stated within the refund log sheets.
6	Recommendation outstanding. Although the HVCM could provide assurance that ad-hoc stock takes are undertaken, there is limited evidence to demonstrate the regularity of these checks. It is therefore recommended that an appropriate programme of stock taking be introduced based on the cost value of the items.
7	Recommendation implemented. The annual review of the inventory list maintained at the Heritage and Visitor Centre is now documented.

<p>Business Grant Scheme</p>	<p><b>Control Objectives (CO):</b></p> <p>1. To follow-up previous audit recommendations made within the 2012/13 Business Support Grants audit.</p> <p><b>Audit Opinion :</b></p> <p>The 2012/13 Business Support Grants audit made 2 recommendations, both of which were found to have been implemented.</p> <table border="1" data-bbox="416 434 1482 1104"> <thead> <tr> <th data-bbox="416 434 722 600">Previous Recommendations Reference</th> <th data-bbox="722 434 1482 600">Findings</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 600 722 869">1</td> <td data-bbox="722 600 1482 869">Recommendation implemented. A retrospective approval in respect of Miracle Dynamic Solutions has been obtained from both Lead Members. Assurance was obtained that any changes to a business support grant application are now clearly documented and approved by the relevant Lead Members in accordance with the scheme.</td> </tr> <tr> <td data-bbox="416 869 722 1104">2</td> <td data-bbox="722 869 1482 1104">Recommendation implemented. A process is in place whereby a reconciliation is carried out against the new financials system in respect of awarded business grants. This provides assurance that any variances are identified, giving a true picture of expenditure against the allocated business grants budget.</td> </tr> </tbody> </table>	Previous Recommendations Reference	Findings	1	Recommendation implemented. A retrospective approval in respect of Miracle Dynamic Solutions has been obtained from both Lead Members. Assurance was obtained that any changes to a business support grant application are now clearly documented and approved by the relevant Lead Members in accordance with the scheme.	2	Recommendation implemented. A process is in place whereby a reconciliation is carried out against the new financials system in respect of awarded business grants. This provides assurance that any variances are identified, giving a true picture of expenditure against the allocated business grants budget.
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<p><b>Corporate Improvement Work</b></p>	<p><b>Summary of work undertaken</b></p>						
<p>Business Continuity</p>	<p>The update of the Corporate Business Continuity Plan was completed during the period. The Plan was presented to Audit Committee in June for comment and subsequently approved at Executive Committee on 3 July 2013. It is anticipated the team will now help review and update individual service continuity plans.</p>						
<p>Tree Inspection Programme</p>	<p>Members will recall that the team helped develop a Tree Management Policy on behalf of the Environmental Services Manager (UBICO) and this was approved by Executive Committee on 3 October 2012. The Grounds Maintenance Team was to carry out inspections of all high risk locations by March 2013. There has been slippage in the programme and the team has now worked with the ESM to implement a programme that will ensure delivery by March 2014.</p>						

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

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

<b>CATEGORY</b>		<b>DEFINITION</b>
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.