

**List of Audits Completed as part of the 2015/16 Audit Plan
(September 2015 – November 2015)**

Audit	Audit Objective & Opinion		
Treasury Management	<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>		
	CO	Assurance Level	Opinion
	1	Good	<p>The Council has a robust Treasury Management Strategy which is appropriate to the level of activity.</p> <p>Acceptable Counterparties are identified on a monthly basis based on the criteria set out in the Treasury Management Strategy; and activity is restricted accordingly.</p> <p>Each investment (amount and duration) is made with due regard to the Council's short to medium term cash flow requirement. Investments are supported by appropriate documentation, the agreed principal and interest payments are recovered on the due date specified.</p> <p>The Strategy imposes further lending restrictions and requires treasury management activity to be monitored with regards to:</p> <ul style="list-style-type: none"> - Non Specified Investments; - Liquidity Management; - Average Portfolio Rating; - Interest Rate Exposure; and - Long Term Lending <p>Adequate segregation of duties exists within the Treasury Management function to ensure that investments are placed securely and in accordance with the Strategy.</p>
2	Good	<p>The investment register is reconciled on a monthly basis to the main accounting system; the reconciliation is properly carried out and is subject to review and approval.</p>	

Debtors

Control Objectives (CO):

Audit Opinion:

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.

CO	Assurance Level	Opinion
1	Good	<p>Through the sample testing of invoices assurance was obtained that debt requests created by services were raised promptly and accurately.</p> <p>Debtor invoices are generated accurately based on service 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 debtor's suspense are cleared promptly.</p> <p>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.</p> <p>The balancing statement file provides evidence that a monthly reconciliation of debtors to the general ledger is undertaken. A review of two of these statements also provided assurance as to the accuracy of the reconciliation process.</p>

Leisure Centre

Control Objectives (CO):

1. Monitoring arrangements exist which provide assurance that the new leisure centre will be built on time, within budget and to the required specification.
2. Payments concerning the project are authorised and are made in relation to materials on site or works completed
3. The Management Team, Council Members and the public are kept informed of the development of the new leisure centre

Audit Opinion

CO	Assurance Level	Opinion
1	Good	<p>A programme of works in respect of the building of the new leisure centre has been established by the contractor. In respect of this programme there are reporting arrangements in place which monitor its delivery in respect of being on time and within cost through the Pick Everard contract. Reporting through this contract occurs regularly and data supporting these reports is considered accurate although the implications of each warning notice issued should be addressed within a risk register.</p> <p>The monthly reporting includes a financial reporting element and this confirms the project is being delivered within the overall budget that was approved by members. Monthly reports are communicated to the project sponsor (Deputy Chief Executive) with regular financial updates also provided to the member working group.</p> <p>The quality monitoring of the build programme is undertaken by Faithfull & Gould. This is performed through an inspection regime which was found to consist of regular weekly visits. It should be noted that this inspection regime is not strictly in accordance with the contracted requirements, however, the Asset Manager indicated that the inspections are being performed at key times and therefore the current inspection arrangement is considered adequate. In addition, monitoring reports are produced on a weekly basis with a monthly summary. Information within the reports is adequate for the purposes of quality monitoring and a review of a sample of issues/defects confirmed that these are being resolved promptly.</p>
2	Good	<p>Through a review of invoices in relation to the build contract assurance was obtained that payments are being made in line with contractual terms. Furthermore, expenditure is being appropriately allocated within the general ledger.</p>

	3	Good	There is an active communication network in place to disseminate progress and issues of the leisure centre build to Members through the Leisure Facility Member Reference Group; staff and also members of the public.												
Budgetary Control	<p>Control Objectives (CO):</p> <ol style="list-style-type: none"> 1. The budget is formally approved at Council prior to the commencement of the financial year and the general ledger reflects the approved budget. 2. Responsibility for budgetary control is defined. 3. There is adequate budget monitoring. <table border="1" data-bbox="440 622 1457 1839"> <thead> <tr> <th data-bbox="440 622 512 719">CO</th> <th data-bbox="520 622 692 719">Assurance Level</th> <th data-bbox="700 622 1457 719">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 730 512 887">1</td> <td data-bbox="520 730 692 887">Good</td> <td data-bbox="700 730 1457 887">The 2015/16 budget of £9,209,670 was appropriately approved at Council, prior to the commencement of the financial year. The approved budget has successfully been uploaded to the General ledger.</td> </tr> <tr> <td data-bbox="440 898 512 1424">2</td> <td data-bbox="520 898 692 1424">Satisfactory</td> <td data-bbox="700 898 1457 1424"> <p>The Council's Financial Procedure Rules have been updated to reflect the current organisational structure, and Officer's roles with regards to Financial Management. At present they remain in draft format awaiting ratification by Council.</p> <p>The scheme of budget delegation is documented, and reflects the new organisational structure. However, there is no current (i.e. relating to the 2015/16 budget) record of the Council Officers to whom budget responsibility has been assigned and their signature by way of acknowledging acceptance.</p> <p>Training on budgetary control has been provided. The non-mandatory nature of the event meant that not all those that should have attended actually attended.</p> </td> </tr> <tr> <td data-bbox="440 1435 512 1827">3</td> <td data-bbox="520 1435 692 1827">Good</td> <td data-bbox="700 1435 1457 1827"> <p>Monitoring reports are produced on a regular basis, and contain accurate information that is received in a timely manner by the nominated budget holders.</p> <p>An independent review of budgets is carried out by Financial Services.</p> <p>Significant variances are investigated, documented and where appropriate formal action plans are implemented.</p> <p>Adequate governance arrangements exist - there is regular review and reporting of the Council's financial position at Senior Management, and Member level.</p> </td> </tr> </tbody> </table>			CO	Assurance Level	Opinion	1	Good	The 2015/16 budget of £9,209,670 was appropriately approved at Council, prior to the commencement of the financial year. The approved budget has successfully been uploaded to the General ledger.	2	Satisfactory	<p>The Council's Financial Procedure Rules have been updated to reflect the current organisational structure, and Officer's roles with regards to Financial Management. At present they remain in draft format awaiting ratification by Council.</p> <p>The scheme of budget delegation is documented, and reflects the new organisational structure. However, there is no current (i.e. relating to the 2015/16 budget) record of the Council Officers to whom budget responsibility has been assigned and their signature by way of acknowledging acceptance.</p> <p>Training on budgetary control has been provided. The non-mandatory nature of the event meant that not all those that should have attended actually attended.</p>	3	Good	<p>Monitoring reports are produced on a regular basis, and contain accurate information that is received in a timely manner by the nominated budget holders.</p> <p>An independent review of budgets is carried out by Financial Services.</p> <p>Significant variances are investigated, documented and where appropriate formal action plans are implemented.</p> <p>Adequate governance arrangements exist - there is regular review and reporting of the Council's financial position at Senior Management, and Member level.</p>
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Corporate Improvement Work							
Fraud arrangements	An assessment of the Council's overall fraud arrangements was undertaken using the 'Fighting Fraud Checklist for Governance'. The work was requested by the Corporate Governance Group. The outcome of this assessment is an Agenda Item for Audit Committee in December.						
Environmental Health and Development Control service review	Internal Audit has provided advice on a number of work streams including: Disabled Facilities Grants (application and verification of documents); dealing with complaints; and payments reconciliation between the planning and finance systems. The Internal Auditor is a member of the project team.						

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.