

## List of Audits completed as part of the 2017-18 Audit Plan

Audit	Audit Objective & Opinion		
Cemeteries	<p><b>Control Objectives (CO):</b></p> <p>CO1: All burial records are accurate with any changes being recorded immediately.</p> <p>CO2: Fees and charges are applied correctly and recovered in a reasonable timescale.</p> <p>CO3: There is a grave digging contract in place and the key elements of the contract are monitored.</p> <p><b>Audit opinion</b></p>		
	<b>CO</b>	<b>Assurance Level</b>	<b>Opinion</b>
	1	Satisfactory	<p>There are well maintained plans for both Tewkesbury and Bishops Cleeve cemeteries. The burial details maintained are not strictly in accordance with the requirements of the Local Authorities' Cemeteries Order 1977. The Council maintains an index to the register of burials, the register of purchased graves and the grantee forms. This information collectively gives reasonable assurance that details required to be maintained as part of the burials register are available - with the exception of the signature of the person making the entry. Signatures could be hand written in the register to purchase graves. Data inconsistencies occurred on occasions between the index to the register and actual register. Furthermore, in two of the cases sampled the depth of graves had been incorrectly recorded. It is therefore recommended that a checklist is produced in relation to the recording process to assist in ensuring consistency with data entry. Records kept in relation to disinterment and memorials are robust.</p>
	2	Satisfactory	<p>Assurance was obtained that all cemetery fees and charges have been appropriately approved. All fees and charges are available to the public to view via the Council's website. In respect of burials and crematoria, testing found that fees had been applied correctly and were recovered in a reasonable timescale. Furthermore, headstone permits were found to have been paid and issued correctly. It is noted that online forms are being developed to create greater opportunity to receive payments over the internet and reduce the number of cheque payments being receipted. In respect of improving service efficiency and limiting the risk of incorrect fees being received, it is recommended that the cemeteries</p>

			<p>officer be trained to take such payments. A small number of refunds are given where burial plots are no longer required and in order to demonstrate transparency of service, terms and conditions surrounding the granting of refunds should be formalised and published via the Council's website.</p> <p>The Council offers an optional charged service in relation to the maintenance of graves. Fees in respect of this service were found to have been paid correctly and there was evidence that the required maintenance works had been carried out. Data entry demonstrating completion of tasks to be performed could be minimised, if the Sexton were to enter this data directly into the grave maintenance log this could then be presented at the council offices on an agreed regular basis for verification. The charges for this optional service do need to be reviewed, since elements of the service (i.e. cutting) are currently being performed for all graves by either the Sexton or under the Ubico contract. Details of this optional maintenance service, including its terms and conditions, should be made available to the public via the Council's website.</p> <p>Annually the budget for cemeteries is reviewed and approved; the fees charged are reviewed against other authorities approximately every two years.</p>
	3	Good	<p>There is a good level of assurance that the key terms of the grave digging contract are being adhered to. Graves are being dug in a timely manner although not necessarily strictly in accordance with the contract which states that the grave should be dug 24 hours prior to the funeral and then be opened again at least 2 hours before the funeral. Currently, graves are normally excavated the day of the funeral and there is therefore a potential timing issue, however, all grave digging has been completed on time. The Asset Manager confirmed that the grave digging contract conditions are currently under review and the intention is to clarify the current practice within the new contract.</p> <p>Maintenance of the cemeteries is carried out by the Sexton and the Council's grounds maintenance contractor – Ubico, which is responsible for strimming part of the Tewkesbury Cemetery. There is reasonable assurance that graves are being maintained appropriately. It is noted that some difficulties have arisen in relation to damage to headstones and the timeliness of strimming carried out by Ubico. Monitoring measures have been established to review these issues. Further assurance in relation to the maintenance of the cemeteries, including the graves, could be provided through engaging with the public by having a website online 'report it' function in relation to cemeteries. It should be noted that an audit in respect of the Ubico</p>

		<p>contract monitoring was undertaken in 2016/17, which identified that there were no performance indicators in relation to the ground maintenance element of the contract. Associated recommendations are due to be reviewed at the end of the current financial year.</p>						
<p>Property leases</p>	<p><b>Control Objectives (CO):</b></p> <p>1. Property leases are monitored and income collected is in accordance with the terms of the lease</p> <p><b>Audit opinion</b></p> <table border="1" data-bbox="391 573 1441 1747"> <thead> <tr> <th data-bbox="391 573 462 640">CO</th> <th data-bbox="462 573 738 640">Assurance Level</th> <th data-bbox="738 573 1441 640">Opinion</th> </tr> </thead> <tbody> <tr> <td data-bbox="391 640 462 1747">1</td> <td data-bbox="462 640 738 1747">Satisfactory</td> <td data-bbox="738 640 1441 1747"> <p>Using a sample of 10 leases, evidence was obtained that the leases had been appropriately authorised and, where applicable, rent reviews have been completed. There was evidence that invoices for rent and insurance recharges had been raised promptly and accurately. Where payments were not being paid in line with the lease terms, payment arrangements had been set up and debts were generally recovered within a year of the invoice being raised.</p> <p>In regards to the monitoring of the lease terms, the Estates Officer (EO) and the Asset Manager (AM) gave verbal assurance that inspections of properties are carried out; however only the inspection sheets for the homeless properties have been retained and, therefore, there is a limited audit trail of inspections previously completed. This had been identified prior to the audit being undertaken and the EO has subsequently compiled a monitoring spreadsheet; visits to gather relevant supporting documentation, including insurance and electrical certificates, is ongoing.</p> <p>It was identified that visits are scheduled according to an informal risk assessment- based on tenure, cases of non-payment or where the tenants are considered vulnerable. However, to provide groundings for the visit schedule, it is recommended that a formal risk assessment is completed and documented accordingly. Relevant supporting evidence and inspection sheets will be retained to provide a comprehensive audit trail.</p> </td> </tr> </tbody> </table>		CO	Assurance Level	Opinion	1	Satisfactory	<p>Using a sample of 10 leases, evidence was obtained that the leases had been appropriately authorised and, where applicable, rent reviews have been completed. There was evidence that invoices for rent and insurance recharges had been raised promptly and accurately. Where payments were not being paid in line with the lease terms, payment arrangements had been set up and debts were generally recovered within a year of the invoice being raised.</p> <p>In regards to the monitoring of the lease terms, the Estates Officer (EO) and the Asset Manager (AM) gave verbal assurance that inspections of properties are carried out; however only the inspection sheets for the homeless properties have been retained and, therefore, there is a limited audit trail of inspections previously completed. This had been identified prior to the audit being undertaken and the EO has subsequently compiled a monitoring spreadsheet; visits to gather relevant supporting documentation, including insurance and electrical certificates, is ongoing.</p> <p>It was identified that visits are scheduled according to an informal risk assessment- based on tenure, cases of non-payment or where the tenants are considered vulnerable. However, to provide groundings for the visit schedule, it is recommended that a formal risk assessment is completed and documented accordingly. Relevant supporting evidence and inspection sheets will be retained to provide a comprehensive audit trail.</p>
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Members' Allowances

**Control Objectives (CO):**

1. A scheme has been formally approved and Members are paid the correct allowance in accordance with the scheme.

**Audit opinion**

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1	Satisfactory	<p>A review of the Council Minutes confirmed that the scheme had been appropriately approved. In addition, testing throughout the audit in relation to actual allowance paid, mileage and subsistence claims, and attendance records, confirmed that appropriate controls are in place. Testing confirmed:</p> <ul style="list-style-type: none"> <li>- A sample of 15 Member's allowances found that allowances in relation to basic allowance and special responsibility allowance had been accurately entered into the payroll system.</li> <li>- A sample of 5 mileage claims and 5 subsistence claims were accurately paid.</li> <li>- Attendances are monitored by Democratic Services to ensure that Members meet the two thirds attendance requirement in line with the scheme and there were no cases of Member's failing to meet this requirement.</li> </ul> <p>Some minor variances in start and end dates were identified in relation to the following:</p> <ul style="list-style-type: none"> <li>- Mayor (overpayment of £9.14 and underpayment of £17.75 to the previous Mayor)</li> <li>- Deputy Mayor (underpayment of £7.26)</li> <li>- Support Members (underpayment of £0.98)</li> </ul> <p>These have resulted in small under and overpayments. This only affected the first payment made. To ensure that the effective dates are accurately recorded in future, it is recommended that a verification check be completed by Democratic Services after the Payroll Officer has entered the information into the payroll system.</p> <p>Testing of a sample of 10 mileage and subsistence claims found that payments had been made in accordance with the scheme. In one of the claims sampled, a claim for a refund for a Member's broadband had been submitted; no supporting evidence had been obtained to verify that the amount paid is accurate to that refunded. There are currently two members who are reclaiming this provision through payroll.</p>

		<p>It was identified that the provision for Member's broadband had been approved by Executive Committee in 2010. The broadband provision for members is not currently included within the Members' Allowance Scheme or the Members' ICT Policy and to ensure consistency of application of this provision, it is recommended the provision be reviewed and recorded in the Members' ICT Policy.</p> <p>It was verbally confirmed by Democratic Services and the Payroll Officer that no claims against the Dependents Care Scheme Allowance had been made.</p>
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Licensing	<p><b>Control Objectives (CO):</b></p> <ol style="list-style-type: none"> <li>1. License applications both new and renewals are appropriately processed in a timely manner, approved and the correct fee has been received.</li> <li>2. License conditions are enforced in accordance with the Council's policy and legislative requirements, and complaints and breaches of conditions are investigated in a timely manner.</li> <li>3. The public have access via the Council's website to its licensing policies and up to date statutory licence registers.</li> </ol> <p><b>Audit opinion</b></p> <table border="1"> <thead> <tr> <th>CO</th> <th>Assurance Level</th> <th>Opinion</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Limited</td> <td> <p>The licence applications tested related to private hire/hackney, licensing act 2003, street trading and animal boarding. There is a satisfactory level of assurance that licence applications are processed in a manner that gives consideration to the key elements of the associated policies in relation to street trading and personal licences. In respect of the other licences tested the following policy/procedures errors were identified:-</p> <ul style="list-style-type: none"> <li>• Private hire/hackney - the safeguarding requirements of the policy have not yet been fully implemented and no process has been established to ensure that six monthly LOLER certificates in respect of disabled access vehicles are provided to the Council.</li> <li>• Temporary Event Notices – recording of the number of temporary event notices that an individual, licensee or business has had needs to be improved. In one case of a limited company the premise user allowance had been exceeded by 10 events. Definitions of premises users should be listed on the Council's website.</li> </ul> </td> </tr> </tbody> </table>		CO	Assurance Level	Opinion	1	Limited	<p>The licence applications tested related to private hire/hackney, licensing act 2003, street trading and animal boarding. There is a satisfactory level of assurance that licence applications are processed in a manner that gives consideration to the key elements of the associated policies in relation to street trading and personal licences. In respect of the other licences tested the following policy/procedures errors were identified:-</p> <ul style="list-style-type: none"> <li>• Private hire/hackney - the safeguarding requirements of the policy have not yet been fully implemented and no process has been established to ensure that six monthly LOLER certificates in respect of disabled access vehicles are provided to the Council.</li> <li>• Temporary Event Notices – recording of the number of temporary event notices that an individual, licensee or business has had needs to be improved. In one case of a limited company the premise user allowance had been exceeded by 10 events. Definitions of premises users should be listed on the Council's website.</li> </ul>
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- Animal Boarding – the current home visit check undertaken by the Environmental Health Officers (EHO) does not provide confirmation that the correct fee has been receipted. The requirement that all licences are renewed from 1 January is not consistently applied and there is no evidence of enforcement being undertaken in respect of non-renewals.

It should be noted that in respect of all types of licences tested there were data entry errors into Uniform, such as full list of consultees not recorded, the receipt date of applications was consistently incorrect, outstanding payment balances being created in error, payment receipt data missing, status of licence incorrect and in respect of animal boarding - visit dates and officer details not entered.

In relation to fees the majority of payments reviewed were found to be correct and allocated to the appropriate ledger code, there were control weakness identified as follows:-

- Annual payments for premises licences – there is limited assurance that all annual payment invoices have been raised. Currently, annual payments are not recorded on the Licence's Uniform module and there is reliance on the debtors system for generating reminders. A review of 10 licences found that annual payments had not been raised in relation to 3 of these licences leading to a loss of income of £950 – debtors invoices were raised during the audit process to recover this debt.
- Street trading – there was no demonstration of a check on street traders operating close to a prime site which has a potential charge of £1,313.
- Private hire vehicles – payments receipted after new fees were applied were being accepted at the old fee rate for a short period of time.
- Animal boarding – fees currently range between £121 and £252 dependent of number of boarders. Each establishment receives an EHO visit; however, the pricing schedule does not appear to take into consideration this element of the service.

			<p>Currently, there is no income reconciliation between licences and the general ledger; such a process would assist in identifying miscoding errors, non-payments, reduced payments and data entry errors such as ghost outstanding balances on Uniform.</p>
	2	Limited	<p>The Council's enforcement is currently based on a reactive approach to issues arising through complaints. Complaints are currently handled by EHOs through the environmental service requests and, as a result, no data in relation to the complaints is recorded within the licencing module of Uniform and there is, therefore, no clear audit trail in relation to a premises breaching a licence objective or its set conditions. Such information needs to be captured in order to prioritise the risk associated with each premises. Complaints in respect of noise were reviewed and, where these related to licenced premises, they were dealt with promptly with reference to licence compliance in some instances. It was noted that receipt dates of complaints were not correctly reflected within the uniform system. In addition, there is currently no online 'report it' function which allows the public to make a complaint specific to the licence objectives. In order to comply with Section 28.2 of the Council's statement of licensing for licenced premises a risk assessment that prioritises premises into high, medium and low risk needs to be undertaken. In risk assessing premises it is suggested that consideration needs to be given to complaints received, non-renewals and venue capacity.</p>
	3	Satisfactory	<p>Policies/procedures and fees in relation to the licences tested have been approved and are available on the council's website. The licence information on the website in respect of personal licences, temporary event notices and animal boarding needs to be reviewed for relevancy.</p> <p>Sampling of licences against the public register provided assurance the adequate information was available to the public. In respect of reporting of licences in accordance with government guidance it would be prudent to provide the Licencing Sub-Committee with a regular report on officer approved applications.</p>

## **Corporate Improvement Work**

### **Management commitments**

Following a staff engagement survey undertaken in 2016 there were fundamental areas of engagement that needed to be addressed. These included activities such as ensuring team meetings were taking place, Personal and Professional Development appraisals taking place annually (supported with in-year dialogue), regularity and quality of management communication etc. To address this and in consultation with staff, a set of management commitments were implemented and promoted internally. At the request of management, internal audit have been asked to undertake a review to ascertain how well these commitments have been implemented. The outcome of this work will be reported at the next Audit Committee.

### **Public Sector Internal Audit Standards (PSIAS)**

As detailed in the main Committee report this assessment took place mid-November. To enable the assessment to take place, this required a concerted team effort to manage the logistics of the assessment such as the provision of evidence, timetabling interviews and managing the assessment week.

### **S106 Working Group**

Embracing the added value internal audit can provide at a consultancy stage, internal audit representation has been requested onto this group from the Head of Development. The group will look at the overall S106 process and how it can be managed effectively. The group is working towards a timetable to present a new framework to Executive Committee in March 2018. The Head of Development has also requested a formal audit be considered for inclusion within the 2018/19 internal audit plan to give assurance that the agreed outcomes are effectively implemented.

### **ICT Risk Assessment**

During the period, the team has commenced work with support from the ICT Manager on developing an ICT risk assessment. The assessment will identify the ICT operating environment including the controls that are in place for each ICT activity. The assessment should conclude areas of high, medium and low risk and will help inform the work of internal audit moving forward. Once concluded, consideration will need to be given as to whether the internal audit team have the necessary technical skills to undertake certain aspects of work.



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