

AUDIT PANEL		
Report Title	Internal Audit update report	
Key Decision	No	Item No. 5
Ward	ALL	
Contributors	Executive Director for Resources	
Class	Part 1	Date: 22 December 2010

1. Purpose of the Report

1.1. This report presents members of the Audit Panel with a summary of:

- Internal Audit's progress against the audit plan
- the performance of the Internal Audit contractor
- implementation of internal control recommendations
- forward plan for the next quarter.

2. Recommendations

2.1. It is recommended that the Audit Panel note the content of this report.

3. Background

- 3.1. The client side of Internal Audit comprises an Interim Audit and Risk Manager and an Internal Audit Contract Manager.
- 3.2. They contract and supervise the Council's internal audit service provided by RSM Tenon, the contractor. The RSM Tenon contract runs until 31 March 2011 and a re-tendering process is underway.
- 3.3. The contractor is responsible for completing all the internal audit reviews for the authority (non-schools and schools) and any consultancy or grant certification work as directed.

4. Internal Audit Progress Update

2009-10

- 4.1. The 2009/10 audit plan has been completed to final report stage with only two remaining reports in the process of being finalised. They are:
- Property Asset Management - actions being finalised in draft report.
 - Communications: Design & Print Contracts – draft report expected November.

2010-11

- 4.2. The audit work for 2010/11 is progressing well. A summary by Directorate of progress against the audit plan is presented in the table below. More detail on the audit plan can be found at Appendix 1.

Lead Dir.	Original Audit Plan	Audit work added	Audits pulled	Current Audit Plan	Final reports issued	Reports at draft stage	Work in progress	Work not yet due
RES	25	9	2	32	9	2	9	12
CUS	15	1	1	15	7		1	7
COM	12	2		14	6		5	3
REG	7		1	6	1	3		2
CYP	16	5	2	19	8	2	4	5
SCH	26	1	2	25	13	7	3	2
	101	18	8	111	44	14	22	31

4.3. As at the 17/11/10 the summary shows :

- 72% of the audit plan has started
- 52% of the audit plan has progressed to at least draft report stage
- 40% of the audit plan being finalised.

4.4. Since the last Audit Panel Report , there have been four additional audits requested and five audits that have been pulled from the plan. These are listed below:

Additional

Dir.	Audit Title	Comments
CYP	Bankline (BACS payment system for Schools)	Requested by management to review the controls around the separation of duties.
SCH	FMSiS – Forest Hill School	Required as did not meet the standard last year
CYP	Schools Sport Grant	Grant claim to be verified.
COM	Clients Monies – Bargery Road	Requested by management to review the new controls in place

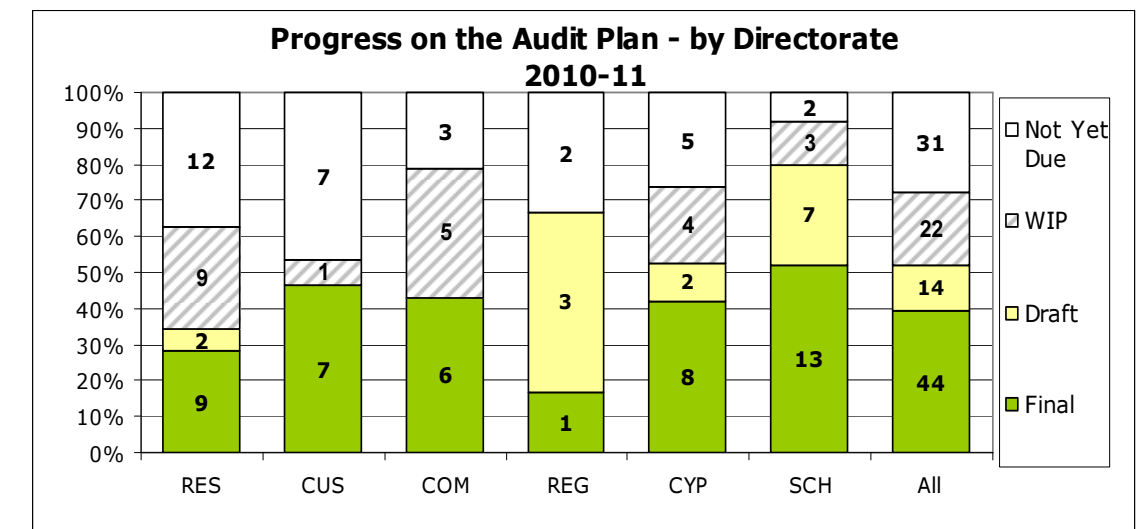
Pulled

Dir.	Audit Title	Comments
CUS	Refuse LATs	Cancelled by management as nothing to audit this year.
SCH	Merlin School	Planned to have an FMSiS and a standard Internal Audit review, but school merging with a private academy so no longer required
CYP	Local Planning Framework	Cancelled by Management as scope covered in another audit.
RES	Carbon Reduction Commitment	Cancelled by management as external review had already been conducted.
SCH	Adamsrill Primary	Cancelled FMSiS assessment as ended on the by Secretary of State for Education (FMSiS only – audit review done last year)

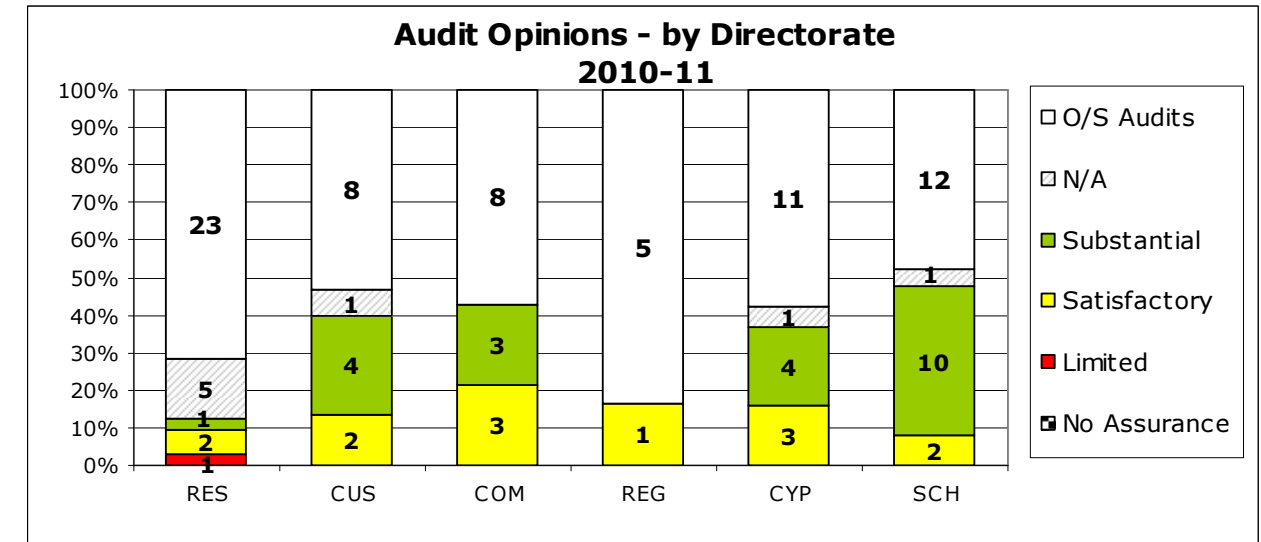
- 4.5. Since the last Audit Panel meeting, 16 audits have been finalised. These are listed below. More detail on progress against the audit plan can be found at Appendix 1 - which shows the key audits in the plan, and Appendix 2 - which shows, by directorate, the progress of the non-key audits including schools audits.

Dir.	Audits title	Final Issued	Assurance Level / FMSiS
RES	Corporate Procurement Contracts	13/10/2010	Satisfactory
RES	Risk Management - Operational Risk Registers	01/11/2010	Limited
RES	Health and Safety	01/11/2010	Consultancy
RES	Agency Employees	04/11/2010	Satisfactory
COM	Client Financial Affairs – Council Public & Private Funerals	09/11/2010	Satisfactory
CYP	Schools' Pensions	16/09/2010	Satisfactory
CYP	Schools' Outsourced Payroll	23/09/2010	Satisfactory
CYP	Childrens' Residence Orders	24/09/2010	Substantial
CYP	SEN Transport	27/09/2010	Consultancy
CYP	Childrens' Centres	05/10/2010	Satisfactory
CYP	Lewisham Safeguarding Children Board (LSCB) Training	22/10/2010	Substantial
SCH	Stillness Infants	23/09/2010	Substantial
SCH	Good Shepherd JMI	23/09/2010	Substantial
SCH	Holy Cross Primary	06/10/2010	Substantial
SCH	Lewisham Bridge Primary	06/10/2010	Substantial
SCH	Forest Hill FMSiS	25/10/2010	Met Standard

- 4.6. The graph below shows the progress against plan by percentage and number of audits for each Directorate and for the Council overall (right hand column). This is on target and represents a considerable improvement on the position in previous years.



4.7. The graph below shows the distribution of audit opinions for the 2010/11 audits finalised to date. The 'N/A' category represents either a consultancy review or a piece of advisory work that does not require an audit opinion.



4.8. As at 17/11/10, there has only been one Limited Report issued and zero No Assurance reports.

4.9. All final reports with 'Limited' and 'No' assurance opinions are reported to the Audit Panel. As at 17/11/10 there have been four finalised reports which have been issued with a negative assurance opinion since the last Audit Panel report:

From 2009/10

- Integrated Childrens' IT System - Limited
- Information Management Framework – Limited
- Use of Consultants – Limited

From 2010/11

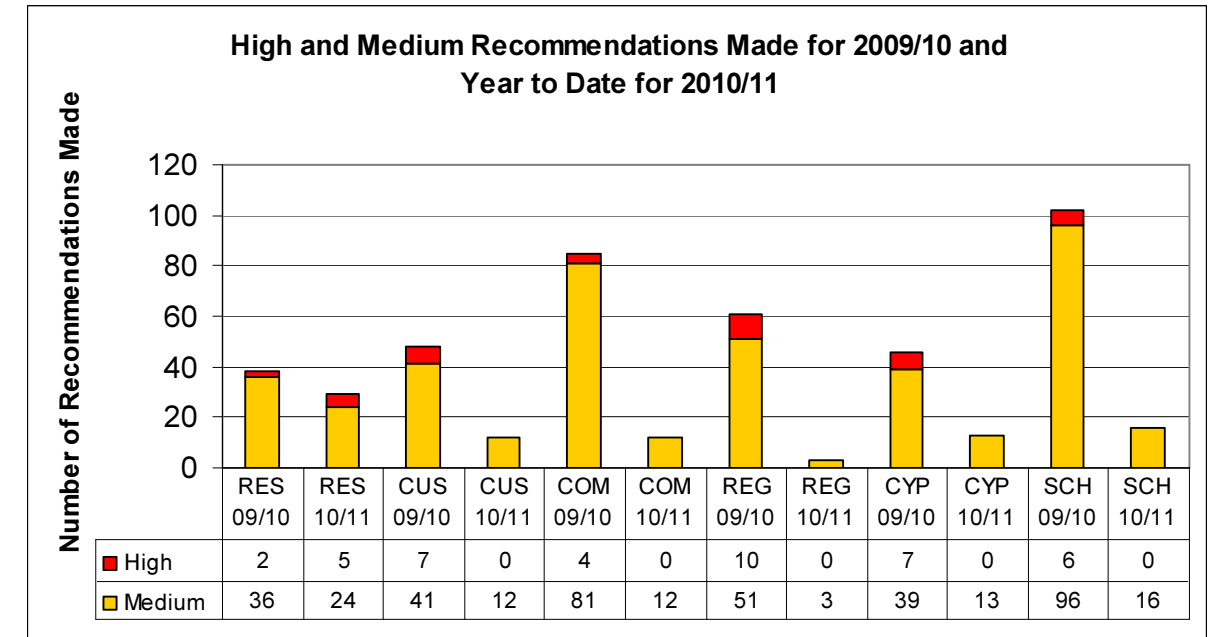
- Operational Risk Registers – Limited

For further details of these limited audits reports please see Appendix 5.

4.10. Some of the key audits for 2010/11 have now started. Although it was planned to start all the key audits in Q3, there will be a few delays – details of which are noted in Appendix 1.

Audit recommendations

4.11. The following graph shows the number and categories of recommendations made for those audits reviews that have been finalised for 2010/11 as at 17/11/10, compared to the whole of 2009/10.



- 4.12. All High and Medium recommendations made in 2010/11, regardless of the overall opinion of the audit, will be followed up by internal audit as part of the audit process. Follow-up reviews will be undertaken within six months of the final report being issued by the contractor.
- 4.13. A monthly consolidated report showing the progress of the follow-up reviews is prepared to assist in tracking the quality of implementation of recommendations. The table below shows the total of all the recommendations followed up since the last meeting. For further details of these reports please see Appendix 3.

	Implemented	In progress	Superseded	Not Implemented	Total
High	2	4	0	1	7
Medium	38	6	1	6	51
TOTAL	69%	17%	2%	12%	58

- 4.14. Although 12% of recommendations have not been implemented, this does not necessarily mean they have been ignored, some may be due to time restraints. Overall 88% have been actioned, are in the process of being actioned or have been superseded. Those recommendations that have not been fully implemented will continue to be monitored.

5. Performance of the Contractor

- 5.1. One of the ways that the performance of the contractor is measured is by Performance Indicators (PI's). A set of PI's were agreed at the start of the contract. These have been revised to ensure that they remain relevant, continue to be stretching, and reflect changes in working practices.
- 5.2. The 2010/11 results for the PI's are up to 31/10/10 and reported in the table below.

No.	Performance Indicator	Target YTD to Oct	Actual YTD to Oct	Variance (+/-)
1	Percentage of all draft reports issued.	50.9%	44.6%	(6.2)%
1a	Percentage of non-school draft audits reports issued	50%	41.9%	(8.1)%
1b	Percentage of school draft audits reports issued	53.8%	53.8%	-
2	Percentage of draft audit reports issued within 15 working days of the exit meeting	90%	84%	(6)%
3	Percentage of final reports issued within 10 working days of agreed draft report	95%	97.5%	2.5%
4	The average level of client satisfaction to be achieved (out of a score of 5)	4	4.2	0.2
5	Percentage of recommendations agreed with management			
	• High recommendations	100%	100%	-
	• Medium recommendations	90%	97%	7%
	• Low recommendations	80%	100%	20%

5.3. Three of the five PI's have been met or exceeded. For the two that have not the variations are:

- PI 1 target not met. To identify why it was split into two – a) for non-schools and b) for schools.

This shows that the schools reports were on target, but the non-schools are 8.1 % behind their target. The contractor has put forward a revised plan for non-schools to catch up from these delays (a mixture of client and contractor reasons) and is confident that the audit plan will be completed by the 31/3/11.

- PI 2 target not met by eight reports (six non-school and two school reports). Although the target has not been met, the amount of reports that have not been issued in time has not increased since last reported and therefore there is no additional cause for concern at this stage.

6. Implementation of recommendations

- 6.1. All High and Medium recommendations are monitored by the internal audit client team to track implementation by managers. This is in conjunction with the detailed follow-up review work conducted by the contractor.
- 6.2. Since 2009/10 open recommendations from final reports are input into a monitoring system called 4Action. This system can be accessed by managers at any time to review and update the recommendations identified to them and/or their service.
- 6.3. The summary of those recommendations that have not been implemented within the agreed timescales by management and have had no progress update on their implementation can be found in Appendix 4. At the Audit Panel's request we invite officers to attend the meeting to explain the current position of the overdue recommendations.

7. Forward plan priorities

7.1. In addition to the ongoing work to deliver the Internal Audit plan and provide advice to managers on their concerns with internal control matters, the next quarter priorities for Internal Audit remain:

- Manage the re-tender process to appoint a contractor for 1 April 2011
- Contribute to the preparation of an Assurance Framework and Assurance Map for the Council
- Begin consultations with directorates to prepare the draft 2011/12 audit plan
- Develop proposals to strengthen assurance reporting arrangements, with a focus on risk management and compliance management

8. Legal Implications

8.1. There are no legal implications arising directly from this report.

9. Financial Implications

9.1. There are no financial implications arising directly from this report.

10. Equalities Implications

10.1. There are no equality implications arising directly from this report.

11. Crime and Disorder Implications

11.1. There are no crime and disorder implications arising directly from this report.

12. Environmental Implications

12.1. There are no legal implications arising directly from this report.

13. Background Papers

13.1. There are no background papers.

If there are any queries on this report, please contact the Interim Audit and Risk Manager on 020 8314 9114.

Appendix 1 - Progress Report on Key Audits

Key Audits – Sorted by directorate and by date due to start (by quarter)

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
RES	Capital Programme - Monitoring and Expenditure	Q2	Yes				
RES	Treasury Management	Q3	Yes				
RES	Main Accounting System (General Ledger)	Q3	Yes				
RES	Budget Control and Monitoring	Q3					Due to start Dec 10
RES	Pensions	Q3					
RES	Accounts Payable (Creditors)	Q3					
RES	Payroll	Q4					Delayed to Jan 11 for new payroll system.
RES	Fixed Asset Register	Q4					Delayed – will start in Feb 11.
CUS	Accounts Receivable (Debtors)	Q3	Yes				
CUS	Council Tax	Q3					Due to start Nov 10
CUS	Housing & Council Tax Benefits	Q3					Due to start Nov 10
CUS	NNDR	Q3					Due to start Nov 10
CUS	Cash Collection & Banking	Q3					Due to start Dec 10
COM	Client contributions for residential and domiciliary care services	Q3	Yes				
COM	Payments to Residential and Domiciliary Care Service Providers	Q3					Due to start Dec 10
CYP	Looked After Children	Q3					

Appendix 2 - Progress Report on by Directorate

Resources Audits – Sorted by final reports issued, draft reports issued and work started

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
RES	Grant - creating work places for 16-24	Q1	Yes	n/a	24/04/2010	Grant Claim	
RES	Grant - Anti Social Behaviour	Q1	Yes	n/a	12/05/2010	Grant Claim	
RES	Grant - Reduction of Deaths on Road	Q1	Yes	n/a	12/05/2010	Grant Claim	
RES	Grant - Educating Adults	Q1	Yes	n/a	12/05/2010	Grant Claim	
RES	Purchasing Cards - Issuing and Management of Cardholders	Q1	Yes	13/07/2010	12/08/2010	Substantial	
RES	Corporate Procurement Contracts	Q2	Yes	23/09/2010	13/10/2010	Satisfactory	
RES	Health and Safety	Q1	Yes	16/09/2010	01/11/2010	Consultancy	
RES	Risk Management - Operational Risk Registers	Q2	Yes	18/10/2010	01/11/2010	Limited	
RES	Agency Employees	Q1	Yes	28/09/2010	05/11/2010	Satisfactory	
RES	CRB checks	Q2	Yes	16/08/2010			Delayed as auditor just returned from study leave
RES	Pre-payment Cards	Q1	Yes	19/08/2010			Delayed as auditor just returned from study leave
RES	Compromised staff bank accounts Investigation	Q1	Yes				Report being drafted for Nov 10
RES	Information Security Management	Q2	Yes				Draft Report passed for review - expected Nov10
RES	Potential Re-coding issues	Q2	Yes				To be included in the 09/10 audit of communication design and print
RES	Management of Contracts	Q2	Yes				Delayed as auditor just returned from study leave
RES	Taxation	Q3	Yes				

Appendix 2 - Progress Report on by Directorate

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
RES	Governance	Q3	Yes				
RES	Data Voice/IP Network	Q3					Due to start Dec 10
RES	PHRIS (ResourceLink)	Q3					Due to start Dec 10
RES	Data Quality and Verification Process	Q3					
RES	Risk Management Maturity Review	Q3					
RES	Use of BACS	Q3					
RES	Implementation of MOSS	Q3					
RES	Payment Card Industry Standard (PCI)	Q3					Due to start Dec 10

Customer Services Audits – Sorted by final reports issued, draft reports issued and work started

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
CUS	Street Trading	Q1	Yes	11/05/2010	25/05/2010	Substantial	
CUS	Houses in multiple occupation licensing scheme	Q1	Yes	09/06/2010	22/06/2010	Satisfactory	
CUS	Housing Repair Grants	Q1	Yes	09/06/2010	23/06/2010	Substantial	
CUS	Licensing	Q1	Yes	05/07/2010	15/07/2010	Substantial	
CUS	Refuse - Recycling	Q1	Yes	15/06/2010	11/08/2010	Consultancy	
CUS	Abandoned Vehicles	Q1	Yes	27/07/2010	12/08/2010	Satisfactory	
CUS	Parks - Management Contract	Q2	Yes	27/08/2010	27/08/2010	Substantial	
CUS	Business Continuity Planning and Management	Q3					External review conducted – new scope to be agreed
CUS	Customer Relationship Management System (CRM)	Q3					Due to start Jan 11
CUS	Homelessness	Q3					Due to start Nov 10

Appendix 2 - Progress Report on by Directorate

Community Services Audits – Sorted by final reports issued, draft reports issued and work started

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
COM	Libraries	Q1	Yes	18/05/2010	25/05/2010	Satisfactory	
COM	Supported Housing - Extra Care	Q1	Yes	25/05/2010	05/07/2010	Satisfactory	
COM	Youth Offending Team	Q2	Yes	05/07/2010	19/07/2010	Substantial	
COM	Supported Housing - Link Line	Q1	Yes	21/07/2010	28/07/2010	Substantial	
COM	Drug & Alcohol Action Team	Q1	Yes	26/07/2010	13/08/2010	Substantial	
COM	Client Financial Affairs	Q2	Yes	06/10/2010	09/11/2010	Satisfactory	
COM	Recruitment and Retention of Social Workers	Q1	Yes				Audit delayed as auditee still not supplied information required.
COM	Events	Q2	Yes				Delayed as auditor just returned from study leave
COM	Homecare Service	Q2	Yes				Started in Sept 10
COM	Occupational Therapy	Q3	Yes				Report being drafted
COM	Client Monies – Bargery Road	Q3	Yes				
COM	Direct Payments & Personal / Individual Budgets	Q3					Due to start Nov

Appendix 2 - Progress Report on by Directorate

Regeneration Audits – Sorted by final reports issued, draft reports issued and work started

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
REG	Door to Door Charging Mechanism	Q1	Yes	30/06/2010	01/07/2010	Satisfactory	
REG	Transport Programme - TFL Funding	Q1	Yes	21/07/2010			Revised draft 04/11/10
REG	Highways - Charging Utilities for Street Works	Q1	Yes	19/08/2010			Revised draft 29/10/10
REG	Parking	Q3	Yes	02/11/2010			
REG	Capital Programme	Q3					Due to start Nov 11
REG	Property Services	Q3					Due to start Nov 11

CYP Audits – Sorted by final reports issued, draft reports issued and work started

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
CYP	Unaccompanied Asylum Seekers	Q1	Yes	28/04/2010	14/05/2010	Substantial	
CYP	Leaving care - Control of Expenditure	Q1	Yes	28/06/2010	23/07/2010	Substantial	
CYP	Schools' Pensions	Q1	Yes	28/06/2010	16/09/2010	Satisfactory	
CYP	Schools' Outsourced Payroll	Q1	Yes	05/07/2010	23/09/2010	Satisfactory	
CYP	Childrens' Residence Orders	Q1	Yes	13/08/2010	24/09/2010	Substantial	
CYP	SEN Transport	Q1	Yes	27/08/2010	27/09/2010	Consultancy	
CYP	Childrens' Centres	Q2	Yes	31/08/2010	05/10/2010	Satisfactory	
CYP	Lewisham Safeguarding Children Board (LSCB) Training	Q1	Yes	30/09/2010	22/10/2010	Substantial	
CYP	CYP Finance Team	Q2	Yes	28/09/2010			Revised draft 17/11/10
CYP	Sixth Form Funding	Q1	Yes	11/11/2010			Delayed to change scope in line with policy
CYP	Youth Service	Q2	Yes				

Appendix 2 - Progress Report on by Directorate

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level	Comment
CYP	Care Planning Arrangements - Transition from Children to Adults	Q2	Yes				
CYP	Schools Sports Grant	Q3	Yes				
CYP	Joint PCT Partnership Arrangements	Q2	Yes				
CYP	CYP Transport Costs	Q3					Due to start in Dec
CYP	CYP Estates Management	Q3					Due to start in Nov
CYP	Bankline (BACS payment for schools)	Q3					Due to start in Nov
CYP	Social Care Contractual Arrangements	Q3					

School Audits – Sorted by final reports issued, draft reports issued and work started

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level / FMSiS	Comment
SCH	Hither Green Primary	Q1	Yes	20/06/2010	21/06/2010	Substantial	
SCH	Dalmain Primary	Q1	Yes	22/06/2010	23/06/2010	Substantial	
SCH	Horniman Primary	Q1	Yes	10/06/2010	24/06/2010	Substantial	
SCH	Sandhurst Primary	Q1	Yes	23/06/2010	05/07/2010	Substantial	
SCH	Torridon Primary	Q1	Yes	25/06/2010	08/07/2010	Satisfactory	
SCH	Stillness Juniors	Q1	Yes	07/07/2010	08/07/2010	Substantial	
SCH	Myatt Garden Primary	Q1	Yes	25/06/2010	19/07/2010	Satisfactory	
SCH	John Stainer Primary	Q2	Yes	20/07/2010	23/07/2010	Substantial	
SCH	Stillness Infants	Q2	Yes	29/07/2010	23/09/2010	Substantial	
SCH	Good Shepherd Primary	Q3	Yes	21/09/2010	23/09/2010	Substantial	
SCH	Lewisham Bridge Primary	Q3	Yes	23/09/2010	06/10/2010	Substantial	

Appendix 2 - Progress Report on by Directorate

Lead Dir.	Audits title	Due	Field Work Begun	Draft Issued	Final Issued	Assurance Level / FMSiS	Comment
SCH	Holy Cross RC Primary	Q3	Yes	29/09/2010	06/10/2010	Substantial	
SCH	Forest Hill Secondary	Q3	Yes	14/10/2010	25/10/2010	FMSiS Met	
SCH	Lucas Vale Primary	Q2	Yes	18/10/2010			
SCH	Torridon Infants	Q3	Yes	05/11/2010			
SCH	Rathfern Primary	Q3	Yes	09/11/2010			
SCH	Rushey Green Primary	Q3	Yes	12/11/2010			
SCH	St Augustines Primary	Q3	Yes	12/11/2010			
SCH	Fairlawn Primary	Q3	Yes	12/11/2010			
SCH	St Marys Primary	Q3	Yes	12/11/10			
SCH	Marvels Lane Primary	Q3	Yes				
SCH	Deptford Park Primary	Q4					
SCH	Lee Manor Primary	Q4					
SCH	Rangefield Primary	Q4					
SCH	Turnham Infants	Q4					

Appendix 3 - Follow-up Reviews

August Follow-up Review

Audit Title & Final Report Date	Adoption & Special Guardianship Allowances 16 February 2010 - Adequate				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
HIGH	0	1	0	0	1
MEDIUM	0	0	0	1	1
TOTAL	0%	50%	0%	50%	2

Audit Comment

This was a 2009/10 audit which was issued with an Adequate (Satisfactory) opinion, and would not normally have had a follow-up review done. However, as it had a High recommendation, it was decided that a follow up review would be appropriate.

Both open recommendations have been input into 4Action for continuous monitoring.

August Follow-up Review

Audit Title & Final Report Date	Fly Tipping – Review of Procedures 20 January 2010 – Advisory				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
High	0	2	0	0	2
Medium	0	0	0	0	0
TOTAL	0%	100%	0%	0%	2

Audit Comment

Those recommendations that are in progress have been re-opened in the 4Action monitoring system. UPDATE : Both recommendations have been closed by management as being implemented.

Appendix 3 - Follow-up Reviews

August Follow-up Review

Audit Title & Final Report Date	Trading Standards 30 March 2010 - Limited				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
HIGH	1	0	0	0	1
MEDIUM	6	0	0	0	6
TOTAL	100%	0%	0%	0%	7

Audit Comment
All recommendations have been implemented. No further monitoring required.

September Follow-up Review

Audit Title & Final Report Date	Carer Grant 19 March 2010 – Limited				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
HIGH	1	0	0	0	1
MEDIUM	4	0	0	0	4
TOTAL	100%	0%	0%	0%	5

Audit Comment
All recommendations have been implemented. No further monitoring required

Appendix 3 - Follow-up Reviews

September Follow-up Review

Audit Title & Final Report Date	Kelvin Grove Primary School, 7 August 2009 - Limited Assurance				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
HIGH	0	0	0	0	
MEDIUM	3	0	1	3	7
TOTAL	43%	0%	14%	43%	7

Audit Comment
Those recommendations that have not been implemented have been entered into 4Action for continuous monitoring

September Follow-up Review

Audit Title & Final Report Date	Planning & Economic Development 26 January 2010 - Limited Assurance				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
High	0	1	0	0	1
Medium	6	1	0	0	7
TOTAL	75%	25%	0%	0%	8

Audit Comment
Those recommendations still in progress and have been entered into 4Action for continuous monitoring.

Appendix 3 - Follow-up Reviews

October Follow-up Review

Audit Title & Final Report Date	Contracts (Register, Business Continuity, Tendering and Appeals) 22 April 2010 Limited Assurance				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
High	0	0	0	0	0
Medium	6	2	0	0	8
TOTAL	75%	25%	0%	0%	8

Audit Comment : Those recommendations still in progress have been entered into 4Action for continuous monitoring

October Follow-up Review

Audit Title & Final Report Date	Edmund Waller Primary School – 18 March 2010 Limited Assurance				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
High	0	0	0	0	0
Medium	5	1	0	0	6
TOTAL	83%	17%	0%	0%	6

Audit Comment: Those recommendations still in progress have been entered into 4Action for continuous monitoring

Appendix 3 - Follow-up Reviews

October Follow-up Review

Audit Title & Final Report Date	Homecare – 18 March 2010 Limited Assurance				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
High	0	0	0	0	0
Medium	5	2	0	2	9
TOTAL	56%	22%	0%	22%	9

Audit Comment : Those recommendations still in progress will be entered into 4Action for continuous monitoring

October Follow-up Review

Audit Title & Final Report Date	Property Services Worksmart – 18 March 2010 Limited Assurance				
Recommendation Category	Status				TOTAL
	IMPLEMENTED	IN PROGRESS	SUPERSEDED	NOT IMPLEMENTED	
High	0	0	0	1	1
Medium	3	0	0	0	3
TOTAL	75%	0%	0%	25%	4

Audit Comment: Those recommendations still in progress will be entered into 4Action for continuous monitoring

Appendix 4 - Overdue Recommendations Including Multiple changes of Implementation Dates

Lead Dir.	Audits title	Final Issued	Year of Audit	Assurance Level	High Recs Overdue	Medium Recs Overdue	Other Open High Recs	Other Open Medium Recs
COM	Honor Lea Hostel	07/05/10	09/10	Limited	1			3
No Progress update provided.					High original implementation date 31/8/10. All Medium original implementation dates 30/11/10			

Lead Dir.	Audits title	Final Issued	Year of Audit	Assurance Level	High Recs Overdue	Medium Recs Overdue	Other Open High Recs	Other Open Medium Recs
COM	Community Mental Health (SLAM)	23/12/09	08/09	Limited	1	1		
No progress update provided.					Both implementation dates 31/03/210			

Lead Dir.	Audits title	Final Issued	Year of Audit	Assurance Level	High Recs Overdue	Medium Recs Overdue	Other Open High Recs	Other Open Medium Recs
COM	Drug & Alcohol Action Team	13/8/10	10/11	Substantial		1		
					Original implementation date 31/10/10			

Lead Dir.	Audits title	Final Issued	Year of Audit	Assurance Level	High Recs Overdue	Medium Recs Overdue	Other Open High Recs	Other Open Medium Recs
SCH	Clyde Nursery	26/10/09	09/10	Satisfactory				1
Implementation date changed seven times					Original implementation date 31/12/09. Current implementation date 30/11/10			

Lead Dir.	Audits title	Final Issued	Year of Audit	Assurance Level	High Recs Overdue	Medium Recs Overdue	Other Open High Recs	Other Open Medium Recs
REG	Highway Maintenance	3/5/08	07/08	Unknown				1
Date changed 4 times.					Original implementation date 31/10/08 Current implementation date 31/01/11			

Appendix 5: Audit Reports with a Limited or No Assurance Opinion

Audit	Date Issued and Opinion	High Recs Made	Med. Recs Made	Low Recs Made	Area Review Covered	Key Findings
Use of Consultants (09/10 Report)	21/6/10 Limited	1	3	0	<p>This review looked at :</p> <p>The long term commitments of consultants, including authorisation, tendering process and registration of consultants</p>	<ul style="list-style-type: none"> • Continuing failure to make full use of, or comply with, the current procurement procedure. • Budget Holders' awareness of the procurement process was poor. • Detailed specifications that reflect the Council's needs were not always prepared. • The monitoring of spends is not adequately undertaken and comparisons are not made year-on-year. <p>In addition to the above there were two previous high recommendations had not been implemented – they were :</p> <ul style="list-style-type: none"> • Directorates should maintain a Consultants register. Internal Audit evidenced that the register is out of date and incomplete • That business cases are to be raised for the engagement of consultants, as per the revised guidelines. There was insufficient evidence obtained during this audit to provide management with assurance that this process is followed.
Managers Comments						
None received						

Appendix 5: Audit Reports with a Limited or No Assurance Opinion

Audit	Date Issued and Opinion	High Recs Made	Med. Recs Made	Low Recs Made	Area Review Covered	Key Findings
Integrated Children's System (IT System) (09/10 Report)	16/7/10 Limited	1	2	1	<p>This review covered the following areas:</p> <p>The control access for the ICS system, input validation, system & data activity is logged and recovery arrangements are in place and that accurate reports are available to meet key business objectives.</p>	<ul style="list-style-type: none"> • No procedures to disable leavers' accounts from the actual leaving date. • At the time of this audit, access to the ICS was controlled via the legacy system. The legacy system does not support strong user authentication and authorisation controls (user names and passwords) • The contract for the recovery facility that was in place for the ICS system has been cancelled and there is currently no proven alternative recovery option. In addition there is no single integrated document that defines the testing and recovery arrangements for the ICS.
Managers Comments						
<p>We are reviewing the controls in respect of managing access to the system as it is not currently possible to remove a user's privileges without deleting their workflows etc. We are working to identify alternative preventative controls to address this risk.</p>						

Appendix 5: Audit Reports with a Limited or No Assurance Opinion

Audit	Date Issued and Opinion	High Recs Made	Med. Recs Made	Low Recs Made	Area Review Covered	Key Findings
Information Management Framework (09/10 Report)	27/10/10 Limited	0	5	1	<p>This review covered the following areas :</p> <p>The compliance with legislation and mandatory standards to minimise breaches of data security.</p>	<ul style="list-style-type: none"> • No process for the regular periodic review of suitability and approval of information management policies and procedures. There are a number of draft policies that are overdue review, approval and issue. • No comprehensive list of the information management requirements the Council is obliged to meet; • No corporate compliance approach in place to assess how well the Council is meeting its compliance obligations; • No formal processes in place to ensure third parties handling Council information adhere to the same standards
Managers Comments						

Appendix 5: Audit Reports with a Limited or No Assurance Opinion

Audit	Date Issued and Opinion	High Recs Made	Med. Recs Made	Low Recs Made	Area Review Covered	Key Findings
Operational Risk Registers (10/11 Report)	01/11/10 Limited	0	5	0	<p>This review covered the following areas :</p> <p>Ensuring that risk assessments are included as part of the service plan. Also that material risks are identified at operational level so that they can be tracked and monitored.</p> <p>To review that the risk registers are reviewed at operational, directorate and corporate level and are updated in a timely manner, and that the risk management information system (Performance Plus), is fully utilised for risk reporting and is fit for purpose.</p>	<ul style="list-style-type: none"> • There is no evidence that operational risks are being consistently monitored by the divisional management team. • Review of the operational risk registers at management meetings are not being adequately recorded and the meetings did not clearly identify if any of the risks needed to be escalated to directorate level. • The status of risk reduction measures are not reported in the divisional management meetings. • Risks relating to the current austerity measures and resulting Council savings proposals were not included in the risk registers. • The majority of operational risk registers are yet to be made available on Performance Plus (P+) as required by the Risk management Strategy.
Managers Comments						
Operational risk registers were introduced in 2009/10 as part of the Service Planning process. Following on from this audit, Audit & Risk are discussing with DMTs to get their feedback on the first year of working with operational risk registers. The risk management strategy for 2011/12 is also being revised in parallel with the Service Planning guidance to ensure they are aligned and to address these rec'ns.						