

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 10th December 2009

INTERNAL AUDIT PLAN – PROGRESS REVIEW

REPORT OF THE GROUP AUDITOR (South West Audit Partnership) This matter is the responsibility of Councillor Henley, the Leader of the Council.

EXECUTIVE SUMMARY

This report highlights significant findings and recommendations that have occurred since the Committee last considered the findings of Internal Audit reports in September 2009.

1. Purpose of Report

To provide members with an update on the activities of the Internal Audit team for the period September to December 2009.

2. Work undertaken by Internal Audit September to December 2009

Operational Audits - Operational audits are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated. For Operational Audits SWAP aim to provide management and Members with a level of assurance on the robustness of the internal control environment. The following categories of assurance have been agreed:

<p>▲ ★ ★ ★ Comprehensive Assurance</p>	<p>The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively at all times and risks against the achievement of objectives are well managed.</p>
<p>▲ ★ ★ ★ Reasonable Assurance</p>	<p>Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives</p>
<p>▲ ★ ★ ★ Partial Assurance</p>	<p>Most of the areas reviewed were not found to be adequately controlled. Generally risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>
<p>▲ ★ ★ ★ No Assurance</p>	<p>The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>

The following operational audit has been finalised since the Committee last met in September 2009 as below:-

Audit area	Audit Opinion
Operational Audits	
Food Safety	▲ ★★★ Comprehensive Assurance
Car Parks	▲ ★★ ★ Partial Assurance
Governance Audits	
Income Collection	▲ ★★ ★ Partial Assurance
Absence Management	▲ ★★ ★ Reasonable Assurance
Business Continuity	▲ ★★ ★ Partial Assurance
Health & Safety	▲ ★★ ★ Reasonable Assurance

Food Safety

The systems put in place to deliver the service are very well managed and much credit is given to the staff working within the service.

Car Parks

Whilst there are robust controls in place for applying charges and the performance of staff is to a high standard, partly due to the training programme in place, there are weaknesses in the system for reconciling income and budget monitoring arrangements.

Although in terms of operational issues the service is performing well there were major control issues identified around budgetary control. At the time of testing (August / September) no budgetary information had been produced covering the current financial year for the service due to issues with the implementation of SAP.

Governance Audits

Income collection

Although there are some weaker areas reported most notably the lack of a Corporate Policy or Procedure for the collection of income, inadequate division of duties for the processing of refunds and the delays in the banking of income at Priory Depot, I am confident management will address the key

areas of income collection and further progress will be made to bring about improvements in the overall control framework.

Absence Management

On the whole the function of absence management is well controlled within the Authority. Improvements are required in the Council's management of short-term absence and making better use of the return-to-work interview. These interviews are an effective approach to managing absence, followed by trigger mechanisms for reviewing attendance and the use of disciplinary procedures. Additional data from the HR records has also been requested by management to assist them in monitoring the sickness levels of staff.

Business Continuity

Overall the review found that the Council's Business Continuity Planning needs to improve. The audit identified that there was no periodic review by CMT, a number of key service units have no Business Continuity Plans in place and there has been no proactive testing of the Business Continuity Plan / Pandemic Influenza Plans.

Health & Safety

Generally the service is well controlled, the main issues requiring the focus of management include the need to ensure that best practice is shared between services and that the Council's lone working procedures are not periodically tested to confirm meet minimum requirements specified in the corporate policy.

3. Workload Update

Although there are a substantial number of reports at draft stage management are in the process of responding to these and final reports will be issued shortly and the findings shared with this committee.

In addition to the audit work detailed below there are a number of other areas of work that SWAP have undertaken including the on-going provision of audit advice, ad-hoc special investigations and involvement in the SAP project providing advice and guidance on control issues.

The following reviews are in progress or are going through the reporting process :-

Audit area	Type of review	Progress
Partnership Arrangements	Operational Review	Draft Report
IT Audit - Compliance against ISO27002 level one	Computer Audit	Draft Report

IT Audit – Disaster Recovery Planning	Computer Audit	Draft Report
Officers Claims and Allowances Qtr 2	Governance Audit	Draft
Treasury Management Qtr 3	Managed Audit	Draft
Payroll Qtr 3	Managed Audit	Testing
Creditors Qtr 3	Managed Audit	Testing
Debtors Qtr 3	Managed Audit	Testing
Council Tax / NNDR Qtr 3	Managed Audit	Testing
Main Accounting	Managed Audit	Testing

4. Recommendation

The Committee should note the content of this report.

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