

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 17th December 2007

INTERNAL AUDIT PLAN 07/08 – PROGRESS REVIEW

REPORT OF THE GROUP AUDITOR (South West Audit Partnership) This matter is the responsibility of Councillor Williams, 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 2007.

1. Purpose of Report

1.1 To provide members with update on the activities of the Internal Audit team for the period September 2007 to December 2007.

2. Work undertaken by Internal Audit September 2007 to December 2007

Included within the report are details of the audits completed from September 2007 to December 2007 including any **significant** findings or recommendations.

3. Recommendation

The Committee should note the content of this report.

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Final Reports Issued between September 2007 and December 2007

Date of Report	Audited Area	Overall Level of Assurance	Detail
September 2007	Council Tax	Reasonable ▲★★★	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. The issues uncovered during this review either relate directly to the migration to the new revenues system or are as a direct result of resource issues brought about by the pressures faced by the section during the year. The main issues were backlog of void inspections and non-performance of PREDs. A Management action plan has been agreed and the areas of weakness are in the process of being addressed.
September 2007	National Non-Domestic Rates	Reasonable ▲★★★	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. The issues uncovered during this review either relate directly to the migration to the new revenues system or are as a direct result of resource issues brought about by the pressures faced by the section during the year. The main issues were lack of monitoring of debts referred to bailiffs and non-performance of PREDs. A Management action plan has been agreed and the areas of weakness are in the process of being addressed.
October 2007	Waste Management	Reasonable ▲★★★	Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives. The audit was undertaken at a time when the service was preparing itself to join the Somerset Waste Partnership which diverted operational staff from addressing some of the issues identified within the review. The majority of issues raised during this review have been addressed by the creation of the Somerset Waste Partnership or will be taken forward by and addressed by it in the future. Staff within the waste services unit continue to deliver an efficient and effective service despite the pressures they were under surrounding the formation of the Strategic Waste Partnership.
October 2007	Register of Electors	Reasonable ▲★★★	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. The only significant weakness was in the area of contingency planning which management have plans to address. Staff within the Electoral Registration function continue to provide an efficient and effective service which was recognised during the audit.

Date of Report	Audited Area	Overall Level of Assurance	Detail
November 2007	Financial Management	Reasonable ▲★★★	Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives. The issues raised in this audit are mainly of an administrative nature and serve only to enhance controls already in place. Aside from the lack of a modern fit for purpose Financial Management System the main concerns are the need to strengthen and develop procedural documentation to enable effective confirmation that work methods accord with approved processes. The weaknesses will be addressed through changes in the operation of the Council's accounting systems brought about by Southwest One.
November 2007	Risk Management	Partial - ▲★☆☆	Most of the areas reviewed were not found to be adequately controlled. Generally the Council's Risk Management arrangements are not well managed and require the introduction or improvement of internal controls to ensure the achievement of objectives. Although the Council has a developed Risk Management Strategy and many Council staff are aware of Risk Management the Council has lost momentum due to a number of significant issues it has dealt with culminating in a major restructuring. As a result, the risk management process has stalled and the objectives of the Strategy are not being achieved. The matters raised within this report have been recognised by management and a management action plan agreed that will take stock and re-launch Risk Management within the Council.
November 2007	Training and Development	Reasonable ▲★★★	Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives. There were only minor issues identified during the review which was encouraging given the significant changes faced by the service in readiness for Southwest One which has had an impact on central training in the current financial year. A management action plan has been put in place to address the issues raised.

Audit Opinions

Audit Opinion ▲★★★★ **Full** ▲★★★★ **Reasonable** ▲★★★ **Partial** ▲★★ **No** ▲★

Full ▲★★★★ - I am able to offer full assurance as 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.

Reasonable ▲★★★★ - I am able to offer reasonable assurance as 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.

Partial - ▲★★★ I am able to offer Partial assurance. Generally risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

No ▲★★★ I am not able to offer any assurance. 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.
