

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 19 October 2020

Report of: Head of Finance and Audit

Subject: INTERNAL AUDIT PROGRESS REPORT

SUMMARY

This report provides the assurances arising from the latest internal audit work and gives an update on the progress being made with delivering the audit plans.

The Audit and Governance Committee's areas of responsibility for Internal Audit include: -

- d) to approve significant interim changes to the internal audit plan and resource requirements;*
- e) to make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations;*
- g) to consider reports from the head of internal audit on internal audit's performance, including the performance of external providers of internal audit services. These will include:*
 - updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.*
- i) to receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.*

RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee: -

- (a) notes the progress and findings arising from Internal Audit work; and
- (b) approves the close down of the older audits of Contract Completion and Leaseholder Charges with the issues to be picked up in other areas of work.

INTRODUCTION

1. This report highlights the progress made to date on the delivery of the Internal Audit Plans and the assurances that can be obtained from the work now completed.
2. It should be noted that since February 2020 which is traditionally the busiest period of the audit year, the Covid-19 pandemic has impacted on the resources available to the service due to:
 - a) reduced productivity from the audit team arising from changes in working arrangements during lock down;
 - b) time lost due to the need to allow auditees to prioritise their pandemic responses over audits and;
 - c) the need to divert auditor resources to assist with the Council responses to the pandemic at both Fareham BC and Portsmouth CC.

The completion of the plans has therefore been impacted; although the team is now making strides to achieve the required coverage. The plans have also been reviewed to identify audits which can be postponed to future audit years.

DELIVERY OF THE 2019/20 AUDIT PLAN

3. Due to the work that was carried out supporting the roll out of the new Procurement and Contract Procedure Rules last year, it has not been possible to progress the next stage of the work which is to look at contract management. This work will therefore roll over to the next audit plan. A decision has also been taken to remove the Anti-Bribery Policy audit due to the loss of resources at the end of the year.
4. This leaves 22 audits in the 2019/20 plan as detailed in Appendix Two. 21/22 audits have been finalised in this internal audit plan. The remaining audit (Recording of Sickness through the HR system) to be completed has reached **Stage 5**, *“A first draft of the report has been received by the Support Officer to be reviewed”*.

PROGRESS OF 2020/21 AUDIT PLAN

5. Work has started to deliver the 2020/21, as noted in Appendix Three, such that 6 audits have been started including 4 which have reached **Stage 4**, *“the Auditor has started to deliver the agreed scope of work”*.

FINALISING PREVIOUS AUDIT PLANS

6. The 10 remaining audits from the previous Audit Plans are detailed in Appendix One. As requested by members, the plan of how to finalise these audits is provided in the table. Considerable work has been carried out to progress 2 audits (Housing Options and Risk Inspections) which should have reached the final stage by the next meeting.
7. It is also proposed that 2 audits (leaseholder charges and contract completion) are now closed down and picked up as parts of other reviews.
8. It should also be noted that we are not expecting any of the audits from the

2019/20 plan to take time to finalise.

FINDINGS FROM COMPLETED AUDITS

9. The 16 final reports that have been issued since the last report are listed below, with the opinions given and number of recommendations made:

Audit	Assurance Opinion	Recommendations Made		
		New Essential	New Important	Outstanding Previous Essential or Important
Treasury Management	Strong	-	-	1
Planning Advice	Strong	-	-	-
Parks and Open Spaces	Strong	-	2	-
Street Cleansing	Reasonable	-	1	-
Banking	Reasonable	-	2	1
Dog Control Follow up	Reasonable	-	1	2
BACS Processing	Reasonable	-	3	-
Tenancy Management	Limited	-	4	3
Housing Rents	Limited	2	-	4
Property Maintenance – Council House Voids	Limited	3	5	-
Assurance on Partnership Governance	N/A	-	3	-
CCTV	N/A	-	-	-
Annual Testing of Procurement Decisions	N/A	-	11	-
Deceased Persons List follow up	N/A	-	5	-
Disabled Facilities Grants- Grant certification	N/A	2	1	2
Recommendation Follow Up	N/A			11

10. Detail of the areas covered, recommendations made and the actions to be taken is provided in Appendix Four.

RISK ASSESSMENT

11. There are a few risk considerations in relation to this report, arising from the Housing Rents, Tenancy Management and Property Maintenance – Council House Voids audits that have only been given limited assurance. Details of the

risks are given in Appendix Four.

Appendices:

Appendix One - Update on Outstanding Audits from Previous Plans

Appendix Two - Audits in the 2019/20 Audit Plan

Appendix Three – Audits in the 2020/21 Plan

Appendix Four - Findings from the Latest Completed Audits

Appendix Five – Reference Tables

Background Papers: None

Reference Papers:

Report by the Director of Finance and Resources to the Audit and Governance Committee on 10 March 2014 on the Contractor Annual Audit Plan 2014/15

Report by the Head of Finance and Audit to the Audit and Governance Committee on 14 March 2016 on the Internal Audit Plan 2016/17

Report by the Head of Finance and Audit to the Audit and Governance Committee on 17 March 2017 on the Internal Audit Plan 2017/18

Report by the Head of Finance and Audit to the Audit and Governance Committee on 18 March 2018 on the Internal Audit Plan 2018/19

Report by the Head of Finance and Audit to the Audit and Governance Committee on 11 March 2019 on the Internal Audit Plan 2019/20

Report by the Head of Finance and Audit to the Audit and Governance Committee on 19 October 2020 on the Internal Audit Plan 2020/21

Enquiries:

For further information on this report please contact Elain Hammell. (Ext. 4344)

Update on Outstanding Audits from Previous Plans

The following table shows those audits that were outstanding in the last quarterly report and shows the current position with finalising the work.

Audit Title	Stage reached of 10*	Original Days in Plan	Proposals to Conclude this work
2014/15			
Information Governance Opinion (Wider piece of work)	5	-	<p>Audit relying on completion of other Audit Work – Targeted for July 2021 This audit will be able to be closed down once the review of all outstanding audit recommendations is commenced and the extract relating to ICT audit recommendations can be produced to feed into the final summary. As this will now be delayed until the 2021/22 plan it is unlikely that we can complete this report until next July.</p>
Contract Completion (Opinion audit)	5	10	<p>Proposed Close Down of Audit at this point This audit involved testing a number of key controls against 17 contracts that had been completed. The draft report received on this in 2015 highlighted the following exceptions found during testing:</p> <ul style="list-style-type: none"> • Issues with managing contract variations and verifying the final contract sums (on 2 contracts) • Reporting of contract overspends to members in accordance with Financial Regulations (on 3 contracts) • Missing health and safety documentation as part of the hand over at the end of the contract in contravention of The Construction (Design and Management) Regulations 2015 (1 contract) • Missing Certificates of practical completion (1 contract) • Retention sums not released in accordance with the terms and conditions of the contract (2 contracts) • Contract documents not finalised (1 contract) <p>The in-house and external auditors who were involved in this review have since left their respective organisations, as has one of the key service managers who was audited at the time. The requirements under the Council's Financial Regulations and the Procurement and Contract Procedure Rules have also changed. It is therefore proposed that this audit is shut down at this point and the issues are covered by the proposed review of contract management.</p>
2016/17			
Daedalus Operating Contracts (Opinion audit)	5	12	<p>Proposed Audit for 2020/21 to supersede this audit The draft audit report in 2016/17 generally gave strong assurance in relation to these contracts, although there were a few minor areas of testing that needed finalising and feeding into the report. Some of these have since been picked up by the finance team. In the meantime, the nature of the operations at Daedalus have been expanded, and there have been changes in the FBC officers involved in estate management and financial support. A new audit has been included in the 2020/21 audit plan which will allow this audit to be closed. The work on this audit has started.</p>
Leaseholder Charges (Wider piece of work)	5	-	<p>Proposed Close Down of Audit at this point This audit involved a collaborative review of the process, led by the relevant accountant who has since left the authority. A number of the issues arising have since been addressed as part of other pieces of work, and many have fed into the business case for the new housing system which is currently being implemented. It is therefore proposed that this audit</p>

Audit Title	Stage reached of 10*	Original Days in Plan	Proposals to Conclude this work
			is shut down at this point and the issues are reviewed in an opinion audit of the system post implementation as part of a future internal audit plan.
Building Health and Safety Risks (Wider piece of work)	5	-	Audit Targeted for Completion using Apprentice Resources - November The draft audit report in 2016/17 generally gave strong assurance in relation to the management of these risks, although there were a few minor areas of testing that needed finalising and feeding into the report. It therefore proposed that the additional apprentice resources will be used to refresh the testing and fill in the gaps to allow the report to be finalised by the November Committee.
2017/18			
Commercial Estates (Opinion audit)	8	15	Audit Targeted for Completion – March 2021 The draft audit report in 2017/18 generally gave reasonable assurance in relation to the management of these risks, although there were a few minor areas of testing that needed finalising and feeding into the report, and some inaccuracies needed correcting. In the meantime, some of the issues have been addressed by the Finance Service. It is therefore proposed that a revised draft report is still produced and discussed with the new manager of the service to allow the report to be finalised by the March Committee.
Risk Inspections of Public Areas (Wider piece of work)	4	-	Audit Targeted for Completion - November This is a large collaborative piece of work involving the insurance and audit teams which will culminate in a presentation to senior managers. A considerable amount of work has been carried out this year, including in recent months, to bring this work to conclusion and the resulting report and presentation are nearly completed. The team is now just refreshing the analysis to bring it up to date and then will be reporting back on their findings. We are targeting the report to be finalised by the November Committee
2018/19			
Write Offs History Analysis & Interest charges (Wider piece of work)	5	-	Audit Targeted for Completion - March 2021 A considerable amount of work has been carried out on this audit which was fed into the changes proposed to Financial Regulations at the September Committee. There are some parts of the analysis that need completing and all the findings discussed at a manager's workshop before this work can be finalised.
Housing Options Debtors (Wider piece of work)	8	-	Audit Targeted for Completion - November This second draft of this report has now been produced and is just waiting review and discussion with the service to allow the final report to be produced.
Review of all other outstanding audit recommendations (Wider piece of work)	1	-	Audit Targeted for Completion – September 2021 Little progress has been made on this large piece of work that has been outstanding for a number of years, although in the meantime some targeted follow up work has commenced and more has been built into the 2020/21 plan. Given the impact on the resources from the pandemic we are now proposed to suspend this work until 2021/22.

* A KEY TO THE INFORMATION IN THIS COLUMN IS GIVEN IN APPENDIX FIVE

Audit Title	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel	Errors Found? Y/N	New Recommendations			Previous Recs. (E and I only)			
						Essential	Important	Advisory	Implemented	Cancelled	In Progress	Not Implemented
FOLLOW UP												
Dog Control (NEW)	10	8	Reasonable	↑	N	-	1	-	4	1	1	1
Recommendation Follow Up (PCC) EXTRA (NEW)	10	15	N/A	N/A	-	-	-	-	20	-	7	4
WIDER WORK												
Annual Testing of Procurement decisions (NEW)	10	10	N/A	N/A	-	-	11	-	-	-	-	-
Contract Management	Postponed	-	-	-	-	-	-	-	-	-	-	-
Disabled Facilities Grants – Grant Certification 2018/19 (NEW)	10	-	N/A	N/A	-	2	1	-	-	-	-	2
Deceased Persons List – Follow up (NEW)	10	-	N/A	N/A	-	-	5	-	-	-	-	-
Assurance on Partnership Governance (NEW)	10	15	N/A	N/A	-	-	3	-	-	-	-	-
Anti-Bribery Policy	Postponed	-	-	-	-	-	-	-	-	-	-	-
Totals						9	44	12	48	6	12	13

APPENDIX THREE

Audits in the 2020/21 Plan

Audit Title	Stage reached of 10*	Days in Plan	Assurance Opinion	Direction of Travel	Errors Found? Y/N	New Recommendations			Previous Recs. (E and I only)			
						Essential	Important	Advisory	Implemented	Cancelled	In Progress	Not Implemented
FUNDAMENTAL SYSTEM AUDITS												
Benefits	Not Started	15										
Income Management	1	15										
Accounts Receivable	Not Started	15										
SERVICES & SYSTEMS – HIGH RISK												
Democratic Representation and Management (including members allowances and expenses)	1	12										
Household waste collection	4	10										
Recycling	4	8										
Parking Enforcement	Not Started	10										
Daedalus Operating Contracts	4	15										
SERVICES & SYSTEMS – Other												
Service charges and recharges - council tenants	4	15										
CORPORATE, SPECIALIST GOVERNANCE & RISK (OPINION)												
Construction Industry Tax Scheme (CIS)	1	5										
COMPUTER AUDITS												
Benefits and local tax computer systems	Not Started	15										
Internet and Email access	Not started	12										
FOLLOW UP												

Findings from the Latest Completed Audits

Audit Title	Treasury Management Audit	Overview of Subject: Treasury Management is the management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. Each year a Treasury Management strategy, compliant with the Chartered Institute of Public Finance and Accountancy's Code of Practice, is produced, which outlines the Authority's approach to Treasury Management. In addition, mid-year and end of year reports are produced for Councillors. Cash flow monitoring is maintained to forecast cash in and outflows. This helps the Treasury Management service make informed investment and borrowing decisions.
Report Number	1173	
Year of Audit	2019/20	
Type of Work	Fundamental System	
Assurance Opinion Given	Strong	
Direction of Travel	↔2016/17	
Errors Found	No	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴*)	Important (🟡▲)	Advisory (🟢Ⓜ)	Implemented	Cancelled	Not Implemented
Policy & Strategy			-	-	-	1	-	-
Compliance with Strategy			-	-	-	-	-	-
Authorisations			-	-	-	-	-	1
Interest Reconciliation			-	-	-	-	-	-
Monitoring & Reporting			-	-	-	-	-	-
Cash Flow Monitoring			-	-	-	-	-	-
System Access			-	-	-	-	-	-
Treasury Reconciliations			-	-	-	-	-	-
Advisor's Contract			-	-	-	1	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Previous	Counterparty Decision Documents for Borrowing - Testing in the audit last highlighted that where new borrowing was undertaken by the Authority there was no record detailing the decision making and authorisation process. This has not been implemented at the time of the audit

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	but is now in place.

Audit Title	Planning Advice	<p>Overview of Subject: The Planning Advice service was introduced in 2009 and provides residents and organisations with pre-application services; it is a discretionary service that can be provided by Local Authorities, and it is not a legislative requirement. Advice given is a mixture of free and chargeable services depending upon the request; a drop-in service is also available where residents can get informal advice on possible applications. This assists the customer, as well as the Authority, in providing guidance prior to a planning application being submitted as it can provide an indication of whether an application will be rejected or approved.</p> <p>The planning service reviewed and revised the charging schedule for planning advice with new charges implemented from April 2020. The reason for the new charges was to increase the recovery of costs for the Authority providing this service and ensure they can continue to provide it for the residents of the Borough and developers looking to construct in the area.</p>
Report Number	1183	
Year of Audit	2019/20	
Type of Work	Services and Systems- Other	
Assurance Opinion Given	Strong	
Direction of Travel	↔2011/12	
Errors Found	No	

Areas of Scope	Adequacy & Effectiveness of Controls		New Recommendations raised			Previous Rec Implementation (E & I only)			
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	In Progress	Not Implemented
Fees and Charges			-	-	-	-	-	-	-
Calculation of new charges			-	-	-	-	-	-	-
Decision Timescales			-	-	1	-	-	-	-

Audit Title	Parks and Open Spaces	<p>Overview of Subject: The Council is responsible for the management and maintenance of parks and open spaces within the Borough.</p> <p>The area covered extends from Warsash/Park Gate in the West to Portchester in the East, and Portsdown in the North to Hill Head in the South. Within this area there are 47 play areas that are inspected on a weekly basis, and other open spaces across the Borough ranging from community gardens to countryside parks.</p>
Report Number	1175	
Year of Audit	2019/20	
Type of Work	Services and Systems- High Risk	
Assurance Opinion Given	Strong	
Direction of Travel	↔	
Errors Found	No	

Areas of Scope	Adequacy & Effectiveness of Controls		New Recommendations raised			Previous Rec Implementation (E & I only)			
			Essential (★)	Important (▲)	Advisory (℞)	Implemented	Cancelled	In Progress	Not Implemented
Processes and Procedures			-	-	-	-	-	-	-
Play areas			-	-	-	-	-	-	-
Slips and Trips			-	1	-	-	-	-	-
Undergrowth			-	1	-	-	-	-	-
Budgeted Income			-	-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	Slip and Trips - It was established that there were some weaknesses in the inspection regime for slip and trip hazards relating to open spaces. However, the Parks and Open Spaces Team are in the process of identifying and mapping all the paths within the Borough and strengthening the inspection schedules.
Important	Undergrowth - There are no set schedules for the inspection of areas where FBC undergrowth is likely to encroach on private property. It was agreed that such areas would be identified, where possible, and an inspection schedule would be drawn up.

Audit Title	Street Cleansing	<p>Overview of Subject: Local authorities have a statutory duty under the Environmental Protection Act (EPA)1990 to ensure public spaces and highways are kept free from litter and refuse as far as is reasonably practicable as detailed in the Code of Practice on Litter & Refuse 2013 – (updated 2019).</p> <p>The Street Cleansing Service maintains the cleanliness of all areas of the Borough, including dealing with litter, dog waste, graffiti, abandoned vehicles, and bulky waste. Where any issues are reported by staff or residents relating to the clearance of waste by the regular rounds, the details are reviewed and if necessary, a more frequent visit is scheduled.</p>
Report Number	1176	
Year of Audit	2019/20	
Type of Work	Services and Systems – High Risk	
Assurance Opinion Given	Reasonable	
Direction of Travel	↔2007/08	
Errors Found	No	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	Not Implemented
Review of Street Cleansing Service Compliance			-	-	1	-	-	-
Review of processes for specific operations.			-	-	-	-	-	-
Review of regular tasks - litter and dog waste			-	-	-	-	-	-
Comments and Complaints			-	-	-	-	-	-
Budgets			-	-	-	-	-	-
Recharging of costs			-	1	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	<p>Recharging of Costs to other Departments – Requests are received by the Street Cleansing Service from other Departments within the Council on a regular basis for the clearance of waste. There are also regular street cleansing rounds of Council properties. However, no evidence of recharging costs was found for the services provided. A new system has been devised for the recharges which needs to be actioned at the end of the financial year.</p>
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Audit Title	Banking	<p>Overview of Subject: The Council has two main accounts - the BP account (income) and the No 1 account (expenditure) and three other accounts.</p> <p>The Council utilises an online banking system which requires at least two authorised officers to make changes to user rights. Users use a smartcard, Card reader and passwords to log onto online banking.</p>
Report Number	1172	
Year of Audit	2019/20	
Type of Work	OPINION- Fundamental System	
Assurance Opinion Given	Reasonable	
Direction of Travel	↔ 2016/17	
Errors Found	No	

Areas of Scope	Adequacy and Effectiveness of controls		New Recommendations raised			Previous Rec Implementation (E & I only)			
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	In Progress	Not Implemented
Reconciliations			-	-	-	-	-	-	1
Bank Mandates			-	1	-	-	-	-	-
Service Level Agreements			-	-	-	1	-	-	-
Payment Authorisation			-	-	-	-	-	-	-
Due Diligence Checks			-	-	-	-	-	-	-
Online Banking Access Controls			-	-	-	-	-	-	-
Recurring Transactions			-	1	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	Bank Mandates - Two ex-employees were detailed as authorised signatories on the bank mandate. The mandate will be updated and notified to the bank.
Important	Recurring Transactions - Testing found that that were aged transactions in the No1 account reconciliations, they were small in value however they still represented erroneous transactions meaning the account could not be fully reconciled. A monthly management process will be implemented to identify and resolve aged transactions.
Previous Important	Reconciliations - It was previously recommended that reconciliations should be reviewed and signed off by an independent officer. This had not been implemented due to an oversight.

Audit Title	Dog Control Follow Up	<p>Overview of Subject: The Environmental Health Partnership provides the Dog Control Service for both Fareham Borough Council and Gosport Borough Council. Weaknesses were found with the controls in the processes used by the service and this audit followed up progress in implementing the agreed action plan.</p> <p>5/7 of the original important recommendations have now been signed off as implemented or no longer needed. In particular improvements were found in relation to:</p> <ul style="list-style-type: none"> • The fee structure has been changed to make collection easier and to reflect the costs being incurred. • Records were found to be created on the day that the report of a stray dog was received with the exception of reports made during an out of hours period; these had been recorded on the next working day. • Invoices had been raised to recover costs from dog owners relating to statutory fees and kennelling costs where applicable. • Fees, including method of payment and receipt numbers, were clearly recorded in the management system for all transactions checked. • Invoices received from kennels were being checked and cross referenced to dogs recorded on the system.
Report Number	1185	
Year of Audit	2019/20	
Type of Work	Limited Opinion Follow Up	
Assurance Opinion Given	Reasonable	
Direction of Travel	↑2018/19	
Errors Found	No	

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Previous Important	Procedure Notes – The Dog Control procedure notes had been partially updated since the previous audit, however, further work is required to document the Out of Hours procedures and amend the section relating to kennelling fees.
Previous Important	Reconciliation of fees – It was previously recommended that a monthly report for payments received and invoice numbers issued should be sent to the Environmental Health Partnership to enable them to carry out a full reconciliation of Kennelling fees. However, it has been agreed that the reconciliation will now be carried out by the Finance Department.
Important	Account Query – A local establishment used by the authority for the Kennelling of Stray dogs has not regularly invoiced the Authority regarding a number of strays. Further information is to be obtained to confirm the accuracy of the outstanding transactions before payment is made. Work is currently in progress to bring this to a satisfactory conclusion.

Audit Title	BACS Processing	<p>Overview of Subject: The Councils makes the majority of its outwards payments (payroll, accounts payable and housing benefits) via BACS transfer, and also uses the same platform to collect direct debit payments due to the council. In average there are 47,000 of these types of transaction a month. The IT platform that we use for these transfers has been redefined in the last 3 years which has allowed the services to take a greater role in managing the transfer process. This audit was therefore reviewing the controls in place for the new arrangements.</p>
Report Number	1180	
Year of Audit	2019/20	
Type of Work	Computer audit	
Assurance Opinion Given	Reasonable	
Direction of Travel	No previous audit	
Errors Found	No	

Areas of Scope	Adequacy & Effectiveness of controls		New Recommendations raised			Previous Rec Implementation (E & I only)			
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	In Progress	Not Implemented
BACS Transfer Procedures			-	-	-	-	-	-	-
Separation of Duties			-	1	-	-	-	-	-
ICT Platform Controls			-	-	-	-	-	-	-
BACS Data storage/deletion			-	1	-	-	-	-	-
Transaction numbers			-	-	-	-	-	-	-
Comparison of actual costs			-	1	-	-	-	-	-
Agreement			-	-	-	-	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	BACS File Deletion – A process to allow timely deletion of the original data files created for the BACS transfer needs to be developed.
Important	Access to BACS Limits Tables – Current accesses allow a single member of the systems team to make a change to the BACS transfer limit. Dual person changes are available but this would affect all the BACS transfer functions and would not be practical in the small team. Compensating controls are therefore being used to manage the risk associated with this weakness.
Important	Budget provision for the IT service costs - Budget provision needs to be built in each year for additional costs arising from annual rate increases allowable under the agreement with the IT service provider.

Audit Title	Tenancy Management	<p>Overview of Subject: Local Authorities have a statutory obligation under the Housing Act 2004 to provide housing to those in need, giving priority to the homeless and other vulnerable parties. The Authority currently manage over 2,000 tenancies. New applicants go through a needs assessment to be allocated a priority of which there are 4: low, medium, high and urgent.</p>
Report Number	1174	
Year of Audit	2019/20	
Type of Work	Services and Systems – High Risk	
Assurance Opinion Given	Limited	
Direction of Travel	↘2014/15	
Errors Found	No	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)			
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	In Progress	Not Implemented
New Tenants			-	1	-	-	-	-	-
Tenancy Terminations			-	-	-	-	-	-	-
Monitoring of Tenancies			-	1	-	-	-	-	-
Maintenance of Housing List			-	-	-	-	-	-	-
Joint Tenancy			-	-	-	-	-	-	-
Tenancy Complaints			-	-	-	-	-	-	-
Transfer of Tenants			-	1	-	-	-	-	-
Debt Monitoring			-	-	-	1	-	-	-
Write Offs			-	-	-	1	-	-	-
Photo Identification			-	-	-	-	-	2	-
Void Properties			-	-	-	-	1	-	-
Mutual Exchanges			-	-	-	1	-	-	-
Tenancy Changes			-	1	-	-	-	-	-
Transfer Incentive			-	-	-	-	-	-	1
General Debtor Checks			-	-	-	1	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Important	Allocation Decisions - During testing of new tenants it was highlighted that, although there was evidence to support the reason for
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Weaknesses identified during the audit and the proposed action (Essential and Important only)	
	allocating an applicant a property, there was a lack of evidence to support the consideration of all eligible applicants. Subsequently, if placed under scrutiny, the decisions may be difficult to justify. This issue was risk accepted by management on the basis that they are very rarely challenged on the housing allocation decisions they make and feel they could justify their decision if questioned.
Important	Monitoring of Tenancies - New tenants should be visited periodically in the first year of their tenancies. The observations made on these visits will help determine whether the tenant should become a secure tenant at the end of their first year. Testing found inconsistencies with the recording of visitations to introductory tenancies. A decision will be made to determine how visits to tenants are recorded, ensuring the process of monitoring tenancies is consistent and that there is evidence to support these visits.
Important x 2	Tenancy Transfers and Changes - When a transfer of tenancy takes place a transfer form should be signed by a manager. Testing found that a process was in place, but the management transfer form was not evident in some of the sample tested. When a joint tenancy becomes a single secure tenancy there should be a tenancy changes sheet stored in the tenant's file. Testing found limited evidence that a tenancy change sheet had been signed by a Manager to indicate a separation of duties. It will be reiterated that signed management transfer forms and tenancy change sheets are required to be stored on the tenants' files.
Previous Important	Transfer Incentive - The Authority operate a cash incentive to tenants who offer to downsize their property in order to make larger properties available to families in need. In the previous audit, it was recommended that information regarding this be published on the Authority's website to raise awareness. At the time of testing this had not been done but is due to be completed as part of a project, due to start in 2020.
Previous Important x 2	Photo Identification - The previous audit recommended that a copy of tenant's photo identification is scanned and stored on the file to confirm the tenant's identity and reduce the risk of tenancy fraud. Discussions found that the process had been implemented and that forms of ID are requested, as standard practice, during the sign-up process. This is subsequently scanned onto the electronic file. However, testing found that 3/10 introductory tenancies had no evidence of a Photo ID stored on the file. Further guidance will be communicated to ensure the process is followed fully going forward.

Audit Title	Housing Rents	<p>Overview of Subject: The Housing Rents is a large source of income for the Housing Revenue Account which receives payments for rent directly from tenants who reside in the Authority's properties. Payment is also received from Housing Benefit on behalf of those tenants that are eligible to receive it. Housing has had two restructures since the previous audit and works are currently underway to source a replacement IT system to manage tenancies.</p>
Report Number	1171	
Year of Audit	2019/20	
Type of Work	Fundamental System	
Assurance Opinion Given	Limited	
Direction of Travel	↓2016/17	
Errors Found	Yes	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)			
			Essential (🔴)	Important (🟡)	Advisory (🟢)	Implemented	Cancelled	In Progress	Not Implemented
Calculation of Rent			-	-	-	-	-	-	-
Current Rent Arrears			-	-	-	-	-	-	-
Billing			-	-	-	-	-	-	-
Record Management			-	-	1	-	-	-	-
Refunds			-	-	-	1	-	-	-
Write Offs			1	-	-	1	-	-	-
Former Tenant Arrears			1	-	-	-	-	-	-
Credit Balances			-	-	-	-	-	-	1
Debt Monitoring			-	-	-	-	-	-	1
Separation of Duties			-	-	-	1	-	-	-
Transfers to Sundry Debt			-	-	-	1	-	-	-
Recommended Action Override			-	-	-	-	-	1	-
Balance Transfer between Tenancies			-	-	-	-	-	1	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Essential	Write Offs - Testing highlighted that some write offs processed on the Housing Rents computer system were not recorded on the corporate authorisation write off document. It was determined that these errors occurred as a result of work completed by

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
	temporary staff in 2018, which had been inadvertently duplicated. These errors have now been resolved. A reconciliation process will be introduced, with immediate effect, to regularly compare the Write Off report from the computer system with the Corporate process, currently in place, to ensure all write offs are following the authorisation procedures.
Essential	Former Tenant Arrears - Discussions with officers and analysis of former tenant arrears data found that there was a misunderstanding between teams as to who should be leading on pursuing these debts since July 2018. Discussions have now taken place to establish responsibility and a process for pursuing debts to ensure that they are regularly reviewed. Work has also been carried out to review all the older debts and start the appropriate recovery action.
Previous Important	Credit Balances – Credit balances were tested to ascertain what action had been taken and whether these credit balances were subject to regular review. It was found that these credit balances were only reviewed when there was capacity to do so. Testing found that some of the balances had been stagnant since the tenancies terminated. The reasons for the credits were a mixture of the tenant overpaying their rent and prematurely ending their tenancy; or failure to cancel their direct debit once their tenancy had ended. Consideration will be given to expanding what type of accounts are reviewed along with the appropriate frequency of review. The service completed a review of the full list of accounts with credit balances at the time of the audit.
Previous Important	Debt Monitoring - No process had been made to redesign the debt monitoring process to better track the level of debts at each stage of the process. This is now scheduled for 2020 when the new Housing system is implemented.
Previous Important	Recommended Action Override – The Housing system recommends actions to carry out when a tenant falls into arrears. If this action is ignored by the Housing Officer a note should be made on the account explaining why. Testing found that 4/10 had been overridden by an officer without providing clarity on why the recommendation was ignored.
Previous Important	Balance Transfer between Tenancies - Where a tenant moves properties, any outstanding rent or associated debts should be transferred with the tenant and included in the new tenancy agreement. Testing found that 3/5 new tenancies selected did not include details of previous arrears.

Audit Title	Property Maintenance – Council Housing Voids	Overview of Subject: A new contract was awarded in May 2019 for the Voids Property Repairs and Refurbishment works. This covers works required for any of the Council's housing stock, plus some non-Housing Revenue Account housing stock, when they become empty. Fareham Housing are responsible for the monitoring of the contract.
Report Number	1177	
Year of Audit	2019/20	
Type of Work	Services and Systems- High Risk/Contract Audit	
Assurance Opinion Given	Limited	
Direction of Travel	↓	
Errors Found	No	

Areas of Scope	Adequacy & Effectiveness of Controls		New Recommendations raised			Previous Rec Implementation (E & I only)			
			Essential (⚡)	Important (▲)	Advisory (Ⓜ)	Implemented	Cancelled	In Progress	Not Implemented
Procurement of new contractor			-	-	-	-	-	-	-
Monitoring of compliance of contract			1	-	-	-	-	-	-
Quality of contractor work			-	-	-	-	-	-	-
Turnaround of properties			-	1	-	-	-	-	-
Pre void inspections			-	1	-	-	-	-	-
Personal effects found in Voids			-	2	-	-	-	-	-
Gas and Electric safety checks			1	1	-	-	-	-	-
Tenants welfare			1	-	-	-	-	-	-
Security of Void properties			-	-	-	-	-	-	-
Recharge of void repairs			-	-	-	1	-	-	-
Debtor monitoring			-	-	-	1	-	-	-
Write offs			-	-	-	-	1	-	-
Void inspector job description			-	-	-	1	-	-	-

Weaknesses identified during the audit and the proposed action (Essential and Important only)

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Essential	Compliance with the Contract - There have been a number of queries raised on the quality and timing of the contractor invoices which has led to a delay in payment and an increase in officer time being spent resolving the discrepancies. It has been agreed that the Contract Manager will check the job valuations against the scope of works on a weekly basis to ensure the Schedule of Rates has been correctly applied. Other improvements to the invoice process include the timely notification of job completion and written confirmation of any variations to the scope of works.
Essential	Tenants Welfare – Testing highlighted two properties where access had been obstructed by the tenant over a period of time thus preventing remedial works and important safety checks from being carried out. It was agreed that when access cannot be gained to a property it will be escalated to the Department Head for appropriate action.
Important	Turn-around of Void Properties – Void statistics are not regularly maintained. Therefore, the number of voids and the length of time they have remained void cannot easily be quantified. It was agreed that Void properties will now be monitored more closely, and a database will be maintained to provide accurate status of the Council’s housing properties.
Important	Personal effects found in Voids – From time to time when a void property is cleared personal effects remain in the property. Officers are aware that these need to be reported so that an attempt can be made to return the item(s) to the outgoing tenant. However, there is no documented procedure of what should happen when an item of value is found at a void property clearance. A procedure note has been drawn up regarding the emptying of void properties and the treatment of valuable items left in the property will be made available to the officers involved.
Important	Storage of Items in a Void Garage – A small number of void garages are used to store unwanted items of furniture that can be passed on to tenants in need. On inspection of one of the garages, during the course of the audit, it was noted that a number of partially used pots of paint and decorating sundries were being stored temporarily in the garage by the Contractor. Concerns were raised that this could present a fire risk and it was agreed that a check of the contents would be made to remove any items that were perceived to be a potential fire risk.
Important	Pre-Void Inspections – Ideally it is considered that all pre-void inspections should be carried out by two officers for safety and protection purposes. However, at certain times, due to demand on resources only one officer is able to attend the inspection. It was agreed that periodic toolbox talks will be given to officers about using their professional judgement as to whether a property is safe to enter or not.

Other weaknesses identified as a result of tests carried out during the audit and the proposed action (Essential and Important only)	
Essential	Gas Safety Checks – There is a legislative requirement that gas checks are carried out annually. During the audit it came to

Other weaknesses identified as a result of tests carried out during the audit and the proposed action (Essential and Important only)	
	light that when the gas supplies were discontinued some properties had an isolation valve fitted and these should also be checked annually. It was agreed that an audit of the housing stock would be undertaken to ascertain which properties have an isolation valve and to add these properties to the Southern Gas Network database for annual gas checks.
Important	Electric checks - Electric checks are carried out within the guideline timescale of one to five years. A check of the electrical safety inspection database found that a small percentage of checks were outside of the recommended timescale. It was agreed that the accuracy of the database would be reviewed and the confirmed outstanding electric checks would be carried out as a matter of urgency.

Audit Title	Assurance on Partnership Governance	Overview of Subject: In 2018/19 a review was carried out of how well the council was complying with the latest CIPFA Guidance on the Effectiveness of the Audit Committee. One important recommendation was made which was to strengthen how the committee receives assurances on partnership governance as this was new requirement under the guidance.
Year of Audit	2019/20	
Type of Work	Corporate Assurance work	

This review was therefore added to address this recommendation. The purpose of the work was to review the current assurance flows on partnership governance and design a proposal of how assurance could be provided to the Audit and Governance Committee.

Understanding the current arrangements and information flows

The review of current arrangements identified the following processes were in place at the Council to provide assurance on the governance arrangements of partnerships. The following 3 main processes were identified:

- Partnership Specific Arrangements including member oversight for most significant partnership by a partnership board or via direct reporting to Council Committees.
- Annual Partnership Report to the Chief Executive's Management Team
- External Assurances on partnerships collated for the Annual Governance Statement

Proposing a form of information flow/report to the Audit and Governance Committee to meet the CIPFA requirements

As the current processes do not flow automatically to the Audit and Governance Committee, 3 important actions have therefore been agreed to provide a similar annual partnership report to the Committee. Information from the audit was used to produce a base report for the committee which will then be supplemented with annual updates. This report is scheduled to be presented to the committee in November 2020.

Audit Title	CCTV Control Centre	Overview of Subject: A review of CCTV operations which fall within the remit of Gosport Borough Council (GBC) has been carried out as part of the GBC 2019/20 Audit Plan. As the CCTV Control Centre (Public Open Spaces Network) is delivered in partnership with Fareham Borough Council (FBC), the conclusions from the audit provide some assurances for FBC too.
Report Number	1186	
Year of Audit	2019/20	
Type of Work	Systems review by partner's audit service	
Assurance Opinion Given	None Given	
Direction of Travel	Not applicable	
Errors Found	No	

Areas of Scope	Adequacy and Effectiveness of Controls		New Recommendations Raised			Previous Rec Implementation (E and I only)		
			Essential (🚨)	Important (▲)	Advisory (ℹ️)	Implemented	Cancelled	Not Implemented
Public Open Spaces Fixed Network partnership arrangements			-	-	-	-	-	-
Inspection by Investigatory Powers Commissioner			-	-	-	-	-	-
CCTV signage for control room cameras			-	-	-	-	-	-
Roles, responsibilities and processes (including that privacy will be respected and appropriate access control arrangements)			-	-	-	-	-	-
Control room staff training and Security Industry Authority (SIA) Licensing			-	-	-	-	-	-
Data Protection Impact Assessment for Control Room			-	-	-	-	-	-
Police use of CCTV Images			-	-	-	-	-	-
Retention period for CCTV images			-	-	-	-	-	-
Secure Storage of CCTV Images			-	-	-	-	-	-

Audit Title	Procurement Decisions	<p>Overview of Subject: The Authority has introduced new Procurement and Contract Procedure Rules with effect from October 2019. This audit was carried out in accordance with the Rules which require that the Internal Audit team test a sample of suppliers above and below the prescribed significant value threshold on an annual basis. The findings were then reviewed in a wider context, along with the Procurement Team, examining the roll out and impact of the new rules. A presentation on the full review will be provided at the committee meeting.</p>
Report Number	1187	
Year of Audit	2019/20	
Type of Work	Corporate Assurance Work (Wider Work)	
Assurance Opinion Given	N/A	
Errors Found	No	

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	Financial tool - A new financial application tool has been introduced in order that all services can view the spend with their suppliers more easily. The training is being undertaken throughout the Authority. A small number of services had not received full training at the time of this audit. The training is programmed to be completed in the near future.
Important	Budget Monitoring - Budgets are monitored during the year by the Finance Department and Budget Holders should have regular meeting to discuss budget levels and provisions. Some Managers did not meet regularly with their Finance Business Partner. Where a Manager has the responsibility for an area of spend meetings will be held regularly based on the frequency and level of the spend.
Important	Cost Centre Responsibility – The responsibility for specific areas of spend are allocated to Directors, Heads of Service, and Managers. Some Officers have queried some of the budgets allocated to them. A review of these exceptions will be carried out.
Important	Authorisation of Spend – As part of the audit a number of Officers who authorise spend were asked to verify that they were supplied with the appropriate information to justify the spend. Two instances were highlighted where inadequate information had been supplied. Authorisers will be reminded that they should obtain adequate documentation to support the spend before they authorise any requests.
Important	Market Testing – Where a supplier has been used for a number of years a degree of market testing should be carried out to ensure that the Authority is still obtaining value for money. Also, the Procurement Rules detail that local suppliers should be considered where possible. There were some instances where a supplier had been used for a period of time as the Department was receiving a

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
	service that they perceived to be good value for money and appropriate for their needs. Services should test the market on a regular basis to verify whether an alternative supplier has appeared on the market that could be used resulting in further financial savings for the Authority.
Important	Local SME classification - A decision will be taken as to whether new supplier set up should be capturing the Head Office or a local satellite of the company when assessing whether it is a local small or medium enterprise (SME). It has since been agreed that it will be the local satellite of the company.
Important	Procurement Log – The database of procurement purchases should be expanded to capture whether a local SME was invited to tender as well as if the winning supplier was a local SME.
Important	Supplier Categorisation – A review of the supplier categories currently used on the finance system will be undertaken to allow easier analysis of the type of suppliers which are relevant to the local SME review. These categories will then be made available in the financial analysis tool.
Important	Capturing New supplier information – A review of the new supplier form process will be carried out to make sure that information is always being captured accurately, including when a supplier moves from temporary to permanent supplier status. This will be carried out as part of the implementation of the new finance system.
Important	Value for Money versus Risk and budget constraints – Further guidance is to be produced on how value for money of a purchase should be balanced against the budget available and the risk associated with that type of supply.
Important	Training – The next stage of training should be rolled out and focus on contract management and negotiation skills.

Audit Title	Deceased Persons List Follow Up	<p>Overview of Subject: The Council is informed of deceased residents via various sources, including the Department of Work and Pensions 'Tell Us Once' service; Hampshire County Council; members of the public; relatives; and solicitors. In a review carried out in 2015 it was found that the different departments, within the council, dealing with deceased notifications were following a manually intensive system, which on occasion resulted in duplicated efforts, and some notifications that were not shared with other departments.</p> <p>This audit looked at ways of streamlining the processes and reducing the risk that Council correspondence is sent out in the name of a deceased person. Although only 1 of the original proposals were found to have been implemented, the review identified a revised approach that would still address the issues.</p>
Report Number	1190	
Year of Audit	2019/20	
Type of Work	Thematic Review	
Assurance Opinion Given	None Given	
Direction of Travel	N/A	
Errors Found	N/A	

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important x 2	Internal Database and Notifications – The on-line notification database will be amended to capture all changes that have been notified to the council and used as the source to notify other departments of the deceased person. The requested amendments will be made to the notification form and a summary of the revised process will be published on the staff intranet, along with a link to the new form. Any team that receives a notification of death from any method, other than the automatically generated notification, will now complete the online form in order to notify all other departments and to record the death on the database.
Important	Sources of Information - There are other sources of information coming into the Council which do not get fed into the database listing that is sent to other departments, including the Hampshire County Council list of Fareham notifications, which is considered a more robust list. Therefore, the Hampshire County Council list of Fareham notifications will now be added to the online form that will be auto emailed to each of the required departments, as per the list of generic emails currently stored for every necessary department. The lead service nominated to carry out this task has been agreed such that other services no longer need to duplicate the task.
Important	Training - Managers will train their relevant teams on the new notification process if they are considered to be a main recipient of the notifications of a deceased person.
Important	Change in Circumstances Form – A similar process to the notification of deaths will be implemented for the change in circumstances, using a second online form, that covers any other change in detail for a customer, for example a change of address or name.

Audit Title	Disabled Facilities Grants- Grant certification 18/19	<p>Overview of Subject: Funding for Disability Facility Grants is paid by the Ministry of Housing, Communities and Local Government (MHCLG) to Hampshire County Council under the Better Care Fund. Hampshire County Council pass this over to the district councils as an annual grant allocation. The Government also allocated additional Disabled Facility Grant funding directly to District Councils. The total amount awarded during 18/19 was approximately £780,000. The purpose of the grant is to enable vulnerable individuals to stay living independently within their own home, preventing homelessness or moving unnecessarily.</p> <p>The Fareham BC Disability Facilities Grant Service is now part of the Environmental Health Partnership with Gosport Borough Council and is administered by Portsmouth City Council. Portsmouth receive approve and complete all applications on behalf of Fareham and invoice quarterly for the cost of Grants paid out plus an administration fee.</p> <p>This audit involved carrying out the necessary checks to allow the grant allocation certificate to be returned to the MHCLG and following up any recommendations made in the 2018/19 systems review.</p>
Report Number	1189	
Year of Audit	2019/20	
Type of Work	Certification (wider work)	
Assurance Opinion Given	None Given	
Direction of Travel	N/A	
Errors Found	N/A	

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Essential	Transfer and Retention of Files – Grant files are transported from Portsmouth City Council to Gosport Borough Council for scanning. There is a no checklist provided to ensure that all the files sent are received and scanned. A checklist is going to be introduced as a matter of priority to enhance the security of the transfer of data from one Authority to the other.
Essential	Budgetary Control and Monitoring - At the time of the audit the figures supplied by Portsmouth City Council did not agree to the reconciliation figures supplied to Fareham Borough Council. Further enquiries found that prepayments and accruals had not been included in the Portsmouth figures. A new approach has now been agreed to include the regular reconciliation and monitoring of the Disabled Facility Grant.

Weaknesses identified during the audit and the proposed action (Essential and Important only)	
Important	Repayments – The audit reviewed the Fareham Borough Council Policy to not place a charge on any property subject to a Disabled Facility Grant; this means that if the property was sold within a ten year period following the issue of the grant the council would not be able to claim back any of the monies. This policy has now been changed and a system has been put in place and as from 01/01/2020 Disabled Facility Grants will be logged on the Land Charges Register.
Previous Essential	Disabled Facility Grant Agreement – The previous audit noted that there was no formal contract between Fareham and Portsmouth City Council; this remains outstanding. This is being followed up by the Environmental Health Partnership.
Previous Important	Scanning and storage of Documentation – It was previously recommended that all Disabled Facility Grant files should be scanned and stored at the earliest opportunity. Two files out of a sample of 10 were not found to have been scanned to the appropriate location on the Authority’s computer system. One file was subsequently found awaiting to be scanned, and had been so for several months. New procedures are to be introduced to ensure that files are recorded and scanned promptly.

Audit Title	Recommendation Follow up	<p>Overview of Subject: This audit covers the follow up of a sample of selected recommendations made in previous years which have not yet been signed off by the audit service. As at 21st February 2020 there were 528 (out of 3,398) on the audit recommendation database (RAM), which were awaiting sign off by internal audit. An audit was therefore added to the 2019/20 audit plan to obtain an updated status for a proportion of these.</p> <p>38 (26 essential and 12 important) were selected for the audit based on the following reasons:</p> <ul style="list-style-type: none"> a) Related to essential recommendations where an updated opinion was needed (and other recommendations within the same report) b) Related to topics which lend themselves to other components of the annual head of audits opinion (e.g. IT, information security, ethics) c) There was limited knowledge from other work, as to the status of these recommendations d) Recommendations for services/processes which have had / will have limited other coverage this year <p>This represented 7% of the recommendations that need reviewing. However, we did not fully follow up 7 of these due to the pressures being experienced by services during the COVID-19 pandemic.</p>
Year of Audit	2019/20	
Type of Work	Follow Up	

The recommendations that were reviewed covered the following services and systems:

<i>Audit</i>	<i>Year of Audit</i>	<i>Report No.</i>	<i>Number of Actions Followed Up</i>
ICT Cost analysis	2017/18	1129	14
Database Administration	2014/15	1040	1
Data Protection (Council Tax)	2017/18	1107	6
Property Maintenance and Inspections – Council Building (Non Housing)	2017/18	1013	4
Leisure Centre Contracts	2017/18	1121	4
Express Computer System	2015/16	1055	1
Payroll	2015/16	1066	1
			31

Implementation of Previous Recommendations

The table below summarises the level of implementation found. 20/31 of the original recommendations are fully completed, and a further 3 are nearly complete.

Summary of Implementation of Previous Recommendations				
Status	Essential (🔴)	Important (🟡)	Unspecified	TOTAL
Fully Complete	15	5	-	20
No Longer Needed	-	-	-	-
Nearly Complete	3	-	-	3
In Progress	3	1	-	4
Not Started	3	1	-	4
TOTAL	24	7	0	31

Weaknesses identified during the audit and the proposed action (Essential and Important only)
Fire Risk Assessment (FRA) for Bowls Club - There are 4 bowls clubs currently occupying council owned buildings and not all have submitted an up to date FRA. The remaining bowling clubs have now been chased.
Fire Risk Assessment (FRA) for Sports Pavilions – A process needs to be put in place to give FBC assurance that the tenants are meeting their contractual obligations in relation to undertaking Fire Risk Assessments.
Management information on ICT costs incurred directly by services – A report has yet to be introduced which informs the ICT managers of ICT expenditure being created by other departments.
Apportionment of ICT systems costs – There are a number of services using one ICT system. The proportion of costs charged to each of the services needs to be updated.
ICT Coding Reference Sheet – There are a still a high number of ICT cost miscodings that the Finance Business partner is needing to correct. It has now been agreed that two codes will be merged and the full coding sheet will be posted on the internet and services outside of the ICT team will be briefed on which codes to use when.
Allowances paid through the Payroll System - A formalised process for the regular review of allowances is needed to identify instances where allowances are no longer required and should be removed where necessary.
Council Tax – Data Protection: A cost benefit analysis is currently being undertaken comparing the current disposal methods of confidential waste bins

Weaknesses identified during the audit and the proposed action (Essential and Important only)
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against purchasing robust office shredders.

Reference Tables

1. Scale of Assurance Opinions

Strong	There is a strong system of control designed and operating effectively. Any weaknesses found were low impact and do not significantly affect key controls or the achievement of the objectives of the system.
Reasonable	There is basically a sound system of internal control, but weaknesses were found in system design or compliance, which result in some risk to the achievement of the system objectives.
Limited	There are some weaknesses in the system of control designed or the level of compliance which result in significant risk to the achievement of the system objectives.
Minimal	Fundamental weaknesses have been identified such that many key controls are absent or not operating effectively which may put at risk the achievement of the corporate control objectives.

2. Scale of Recommendation Priorities

Essential	A fundamental weakness in the control system which presents immediate risk to the service or system of a significant nature. Requires urgent attention by management. Reported to the A&G Committee and implementation of proposed actions are monitored.
Important	A significant control weakness where the risk is not imminent or only of a moderate nature. This needs addressing but is not urgent. Reported to the A&G Committee and implementation of proposed actions are monitored.
Advisory	A weakness or opportunity for improvement where the risk poses no great threat and is relatively minor. Consideration should be given to addressing the weakness if there is the appetite and/or capacity to implement the improvements. Actions are not tracked.

3. Stages of An Audit Assignment

Stage 1	The Audit teams have started drawing up the scope of coverage for the assignment.
Stage 2	A scoping meeting has been held with the Sponsor in the client service.
Stage 3	The Terms of Reference for the Assignment have been issued.
Stage 4	The Auditor has started to deliver the agreed scope of work.
Stage 5	A first draft of the report has been received by the Support Officer to be reviewed.
Stage 6	Any additional testing identified has been completed.
Stage 7	An exit meeting has been held with the Sponsor giving the preliminary feedback from the work.
Stage 8	The draft report has been received by the in-house audit team.
Stage 9	The draft report has been issued to the Service Sponsor and is awaiting their response.
Stage 10	The final report has been issued.