Fareham Borough Council

Audit & Governance Committee

Quarterly Audit Progress Report

November 2013

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This report has been prepared on the basis of the limitations set out on page 13.
INTRODUCTION AND BACKGROUND

1.1 This report has been prepared for the Members of the Audit & Governance Committee at Fareham Borough Council. This report highlights the progress made to date for delivery of the 2013/14 Internal Audit Plan and the progress made in finalising the 2012/13 Plan.

PROMOTING INTERNAL CONTROL

2.1 To promote internal control within the Authority, Internal Audit will report to Committee in the following format:

- An update on progress against delivery of the plan, including an update on any Significant Control Weaknesses and on any proposed amendments to the Internal Audit Plan;

- Report back on the specific audits finalised since the last meeting of the Audit & Governance Committee, including scope, weaknesses identified and confirmation that management actions have been agreed to address the weakness. Audit opinions are Strong, Reasonable, Limited, or Minimal. Recommendations and actions in the report are categorised using a 3 point scale used on the Council’s action management system. Both rating systems are detailed within Annex Four of this report; and

- Update Members on the current situation regarding limited assurance areas previously reported to Committee. This will inform Members of the action taken by Officers to resolve internal audit issues.

2012/13 & 2013/14 PROGRESS

3.1 The current status of the agreed 2012/13 remaining Internal Audit Plan to be delivered is detailed in Annex One along with the number of days delivered. The corresponding information relating to the 2013/14 Internal Audit Plan is detailed within Annex Two. Audits have been completed in accordance with the timings agreed with the Head of Audit & Assurance, and as approved by the Audit & Governance Committee.

3.2 As at the 31st October 2013, progress against the 2012/13 plan is as follows:

<table>
<thead>
<tr>
<th>2012/13 Plan</th>
<th>Last Committee</th>
<th>This Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of audits in plan</td>
<td>30*</td>
<td>30*</td>
</tr>
<tr>
<td>Number of audits finalised</td>
<td>29 (97%)</td>
<td>29 (97%)</td>
</tr>
<tr>
<td>Number of reports issued at draft</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>Number of audits commenced</td>
<td>30* (100%)</td>
<td>30* (100%)</td>
</tr>
<tr>
<td>Number of planned audit days delivered</td>
<td>229/230 (99%)</td>
<td>229/230 (99%)</td>
</tr>
</tbody>
</table>

* Statistics have been calculated on 30 audits as Misc. Democratic Services has been deferred following management request.
3.3 At the time of this report, 99% of the 2012/13 Internal Audit Plan has been completed. Detailed progress is covered within Annex One. The one remaining internal audit of 2012/13, Legal Services Contract, is currently under management review, details of which will be reported in full to the next Audit & Governance Committee.

3.4 As at the 31st October 2013, progress against the 2013/14 plan is as follows:

<table>
<thead>
<tr>
<th>2013/14 Plan</th>
<th>Last Committee</th>
<th>This Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of audits in plan</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>Number of audits finalised</td>
<td>3 (10%)</td>
<td>7 (23%)</td>
</tr>
<tr>
<td>Number of reports issued at draft</td>
<td>2 (7%)</td>
<td>2 (7%)</td>
</tr>
<tr>
<td>Number of audits commenced</td>
<td>9 (29%)</td>
<td>12 (39%)</td>
</tr>
<tr>
<td>Number of planned audit days delivered</td>
<td>60.5/230 (26%)</td>
<td>95/230 (41%)</td>
</tr>
</tbody>
</table>

3.5 At the time of this report, 41% of the 2013/14 Internal Audit Plan has been completed. Detailed progress is covered within Annex Two.

CHANGES TO THE PLAN

4.1 There are no further changes to report in respect of the 2013/14 Internal Audit Plan since last advised to the Committee.

DETAILED PROGRESS SINCE THE LAST AUDIT AND GOVERNANCE COMMITTEE

5.1 Since the previous Audit & Governance Committee, two reports have been issued at draft stage from the 2013/14 plan; these relate to Licensing of Taxis & Alcohol and Ferneham Hall. The Committee should note that as a result of the significant improvements and progress made in implementing previous recommendations, the Ferneham Hall assurance opinion will be moving up from Limited Assurance. The actual assurance levels will be confirmed to the next Audit and Governance Committee upon finalisation.

5.2 Four reports have been issued in final version as listed below with the opinions given and level of recommendations made:

<table>
<thead>
<tr>
<th>Audit</th>
<th>Assurance</th>
<th>Recommendations Made</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013/14 Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management of Tradesmen</td>
<td>Reasonable</td>
<td>New Essential  -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Important  1</td>
</tr>
<tr>
<td>Public Conveniences</td>
<td>Reasonable</td>
<td>New Essential  -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Important  1</td>
</tr>
<tr>
<td>Website Management Content</td>
<td>Reasonable</td>
<td>New Essential  -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Important  1</td>
</tr>
<tr>
<td>Insurance</td>
<td>Reasonable</td>
<td>New Essential  -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>New Important  1</td>
</tr>
</tbody>
</table>
The above presents the key highlights. However, to enable Management and Members to focus on the areas of concern, we have provided a summary of all finalised reports since the last Committee, as detailed within Annex Three.
### Remaining 2012/13 Internal Audit Plan as at 31<sup>st</sup> October 2013

<table>
<thead>
<tr>
<th>No.</th>
<th>Audit Title</th>
<th>Days in Plan</th>
<th>Days Delivered</th>
<th>Status</th>
<th>Assurance Opinion</th>
<th>New Recommendations</th>
<th>Previous Recs. (E and I only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td>24</td>
<td>Miscellaneous Democratic</td>
<td>-</td>
<td>-</td>
<td>Note 1</td>
<td>TBC</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>25</td>
<td>Legal Services Contract</td>
<td>8</td>
<td>7.5</td>
<td>Under review</td>
<td>TBC</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note 1: The audit has been postponed until Quarter 4 of the 2013/14 financial year as requested by the Manager and previously reported to the Audit & Governance Committee.
## 2013/14 Internal Audit Plan as at 31st October 2013

### Annex Two

<table>
<thead>
<tr>
<th>No.</th>
<th>Audit Title</th>
<th>Days in Plan</th>
<th>Days Delivered</th>
<th>Status</th>
<th>Assurance Opinion</th>
<th>New Recommendations</th>
<th>Previous Recs. (E and I only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td>1</td>
<td>Management of Tradesmen</td>
<td>7</td>
<td>7</td>
<td>Final</td>
<td>Reasonable</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Town Centre Management</td>
<td>7</td>
<td>7</td>
<td>Final</td>
<td>Strong</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Coastal Protection &amp; Land Drainage</td>
<td>6</td>
<td>6</td>
<td>Final</td>
<td>Strong</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Leisure Centre Trust</td>
<td>6</td>
<td>6</td>
<td>Final</td>
<td>Strong</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td>5</td>
<td>Treasury Management</td>
<td>6</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>Insurance</td>
<td>5</td>
<td>5</td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Planning Contributions</td>
<td>8</td>
<td>7.75</td>
<td>Started</td>
<td>Reasonable</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Training &amp; Development</td>
<td>8</td>
<td>7.75</td>
<td>Started</td>
<td>Reasonable</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Licensing of Taxis &amp; Alcohol</td>
<td>8</td>
<td>7.75</td>
<td>Draft</td>
<td>TBC</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>Public Conveniences</td>
<td>6</td>
<td>6</td>
<td>Final</td>
<td>Reasonable</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Essential</td>
<td>Important</td>
</tr>
<tr>
<td>11</td>
<td>Ordering &amp; Payment of Invoices</td>
<td>7</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>12</td>
<td>Invoicing &amp; Collection of Income</td>
<td>9</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
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<td>Reasonable</td>
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<td>2</td>
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<td>14</td>
<td>Fixed Assets</td>
<td>6</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>15</td>
<td>Revenues</td>
<td>12</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>16</td>
<td>Performance Management</td>
<td>0.25</td>
<td></td>
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<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>17</td>
<td>Clean Borough Enforcement &amp; Abandoned Vehicles</td>
<td>7</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>18</td>
<td>Cash Collection &amp; Banking</td>
<td>9</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>19</td>
<td>Housing Rents</td>
<td>6</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>20</td>
<td>Ferneham Hall</td>
<td>9</td>
<td>8</td>
<td>Draft</td>
<td>TBC</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>21</td>
<td>Risk Management</td>
<td>6</td>
<td></td>
<td>Final</td>
<td>Reasonable</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

**Quarter 1**
- **Management of Tradesmen**: 7 days planned, 7 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Town Centre Management**: 7 days planned, 7 days delivered. Final status, Strong opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Coastal Protection & Land Drainage**: 6 days planned, 6 days delivered. Final status, Strong opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Leisure Centre Trust**: 6 days planned, 6 days delivered. Final status, Strong opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.

**Quarter 2**
- **Treasury Management**: 6 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 2 Essential, 2 Important, 2 Advisory. Previous Recs.: 3 Implemented, 1 Cancelled, Non Implemented: 1.
- **Insurance**: 5 days planned, 5 days delivered. Final status, Reasonable opinion. New Recommendations: 2 Essential, 2 Important, 2 Advisory. Previous Recs.: 3 Implemented, 1 Cancelled, Non Implemented: 1.
- **Planning Contributions**: 8 days planned, 7.75 days delivered. Started status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Training & Development**: 8 days planned, 7.75 days delivered. Started status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Licensing of Taxis & Alcohol**: 8 days planned, 7.75 days delivered. Draft status, TBC opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.

**Quarter 3**
- **Ordering & Payment of Invoices**: 7 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Invoicing & Collection of Income**: 9 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Payroll**: 7 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Fixed Assets**: 6 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Revenues**: 12 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Performance Management**: 0.25 days delivered. Note 2 status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Clean Borough Enforcement & Abandoned Vehicles**: 7 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
- **Cash Collection & Banking**: 9 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.

**Quarter 4**
- **Risk Management**: 6 days planned, 0.25 days delivered. Final status, Reasonable opinion. New Recommendations: 1 Essential, 1 Important, 1 Advisory. Previous Recs.: 1 Implemented, 1 Cancelled, Non Implemented: 0.
<table>
<thead>
<tr>
<th>No.</th>
<th>Audit Title</th>
<th>Days in Plan</th>
<th>Days Delivered</th>
<th>Status</th>
<th>Assurance Opinion</th>
<th>New Recommendations</th>
<th>Previous Recs. (E and I only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Main Accounting</td>
<td>10</td>
<td>0.25</td>
<td>Q4 audit</td>
<td></td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>23</td>
<td>Financial Regulations Limited Compliance Testing</td>
<td>2</td>
<td></td>
<td>Q4 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Housing Benefits &amp; Council Tax Benefits</td>
<td>10</td>
<td>5</td>
<td>Started</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Planning Applications</td>
<td>6</td>
<td>0.25</td>
<td>Q4 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Parking Strategic Management &amp; Policy Services- Off Street Parking</td>
<td>6</td>
<td>0.25</td>
<td>Q4 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Homelessness</td>
<td>6</td>
<td>0.25</td>
<td>Q4 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Data Protection Follow Up</td>
<td>4</td>
<td></td>
<td>Q4 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Computer Audit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Remote Access</td>
<td>8</td>
<td>0.25</td>
<td>Q2 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Main Accounting System (E-Financials) Application Review</td>
<td>7</td>
<td>0.25</td>
<td>Q3 audit</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Website Content Management</td>
<td>10</td>
<td>9.5</td>
<td>Final</td>
<td>Reasonable</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>Other</strong></td>
<td></td>
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<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Audit Management</td>
<td>12</td>
<td>6</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>230</td>
<td>95 (41%)</td>
<td></td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Note 2: The audit will be postponed until the 2014/15 financial year to allow the new management system to embed.
## 2013/14 Management of Tradesmen

### Audit Opinion and Direction of Travel

<table>
<thead>
<tr>
<th>Area of Scope</th>
<th>New Recommendations Raised</th>
<th>Previous Essential and Important Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Essential (♂)</td>
<td>Important (▲)</td>
</tr>
<tr>
<td>Policies and Procedures</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Training and Job Descriptions</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Tradesmen Job Allocation, Job Ticket Monitoring and Timesheet Monitoring</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Communication and Supervision</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Work Inspections</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Performance Measures and Reviews</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Weaknesses identified during audit

<table>
<thead>
<tr>
<th>Priority</th>
<th>Weakness</th>
<th>Action Agreed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important (New)</td>
<td>There is no record or document maintained of the training received by each tradesman.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
## Audit Opinion and Direction of Travel

### Reasonable

![Smiley face]

### Direction of Travel:

<table>
<thead>
<tr>
<th>Area of Scope</th>
<th>New Recommendations Raised</th>
<th>Previous Essential and Important Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Essential (◆)</td>
<td>Important (▲)</td>
</tr>
<tr>
<td>Contract management arrangements including variations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compliance with legislation</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Maintenance undertaken by Building Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Control and distribution of Radar keys</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Complaints</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Internal recharges</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Management information</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legionella tests</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Weaknesses identified during audit

<table>
<thead>
<tr>
<th>Priority</th>
<th>Weakness</th>
<th>Action Agreed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important (New)</td>
<td>Where relevant, the last asbestos checks were carried out on 5th March 2012, which means that the annual checks were overdue at the time of audit. However, it is not a legislative requirement that these are carried out annually. We subsequently found that checks had been carried out since in July 2013.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2013/14 Website Content Management

Audit Opinion and Direction of Travel

<table>
<thead>
<tr>
<th>Reasonable</th>
</tr>
</thead>
<tbody>
<tr>
<td>😊</td>
</tr>
</tbody>
</table>

Direction of Travel: ▴2007/08

<table>
<thead>
<tr>
<th>Area of Scope</th>
<th>New Recommendations Raised</th>
<th>Previous Essential and Important Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Essential (♀)</td>
<td>Important (▲)</td>
</tr>
<tr>
<td>Web site strategy, governance, management and control</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Stakeholder engagement in defining requirements for the council’s internet \ intranet</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Security and support arrangements for CMS environment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compliance with relevant legislation and guidelines</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Training and support for web editors\contributors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Use and efficiency of the CMS</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change control management of content</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Customer take up of internet site</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Weaknesses identified during audit

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<thead>
<tr>
<th>Priority</th>
<th>Weakness</th>
<th>Action Agreed?</th>
</tr>
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<tbody>
<tr>
<td>Important (New)</td>
<td>There are webserver logs reporting visits to the Council’s website which can be analysed via the Webtrend software. The reports show graphs and statistics representing the visits to the site and an overview of the website activities. However, there is no regular monitoring of these reports.</td>
<td>Yes</td>
</tr>
<tr>
<td>Important (Previous)</td>
<td>The web publishing standards, continuity plans and webmaster guidance notes these need to be updated to take into account the changes to the new site.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
### 2013/14 Insurance

#### Audit Opinion and Direction of Travel

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<th>Area of Scope</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Policies, procedures and strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance policies detail coverage required and are reviewed annually</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims recording, approval and liability estimations</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Payment of premiums</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Contract management and management information</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

#### Weaknesses identified during audit

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<tr>
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<th>Action Agreed?</th>
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</thead>
<tbody>
<tr>
<td>Important (New)</td>
<td>The restrictions over internal access to the claims data held on the council’s server needed to be reinstated as were not effective at the time of audit.</td>
<td>Yes</td>
</tr>
<tr>
<td>Important (New)</td>
<td>Sample testing of six long term contracts found that in two cases no evidence could be found to confirm that the contractor had up to date and adequate insurance coverage in place. A further contractor’s insurance had expired prior to the audit.</td>
<td>Yes</td>
</tr>
<tr>
<td>Important (Previous)</td>
<td>The situation concerning insurance cover where keys are locked away on the premises needs to be clarified with the Council’s insurers and appropriate guidance issued.</td>
<td>Yes</td>
</tr>
</tbody>
</table>
## Summary of Assurance Opinions Used

**Assurance Level** | **Symbol** | **Description**
--- | --- | ---
**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. |

Recommendations and actions in the report are categorised using the following 3 point scale in use on the Council’s action management system:

**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 Audit Committee and implementation of proposed actions are monitored. |
**Important** | ▲ | A significant control weaknesses where the risk is not imminent or only of a moderate nature. This needs addressing but is not urgent. Reported to the Audit 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. We will not track actions taken to address these recommendations unless at the manager’s request.
Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. The assurance level awarded in our internal audit report is not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

Deloitte & Touche Public Sector Internal Audit Limited

November 2013

In this document references to Deloitte are references to Deloitte & Touche Public Sector Internal Audit Limited.

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