

**INTERNAL AUDIT- MONITORING REPORT JANUARY – MARCH 2006
AND WORK PLAN APRIL - JUNE 2006**

The Committee is requested to note the following issues arising from the Internal Audit Team's fourth quarter monitoring report for 2005/06:

- (a) The reports issued between January and March 2006 and significant findings (Appendix 1);
- (b) The Audit follow up status report (Appendix 2);
- (c) The System Improvement schedule (Appendix 3);
- (d) The Work plan April - June 2006 (Appendix 4); and
- (e) The 2005/06 Audit Plan status report (Appendix 5)

Introduction

1. This report provides a summary of the work undertaken by the Internal Audit Unit between January and March 2006, and details the overall performance against the Audit Plan for 2005/06. The report also contains the Internal Audit work plan for the first quarter 2006/07 and a status report on previous audit recommendations.

2. Resources Available:	3 months Jan-Mar 06	12 months April 05- Mar 06
Number of days required to meet the audit plan	<u>255</u>¹	<u>1015</u>¹
Number of days available based on staff in post	327	1298
Less statutory and annual leave	(21)	(129)
Sick leave	(9)	(38)
Maternity Leave	-	(176)
Training	(8)	(20)
Planning, supervisory, management and non-chargeable	<u>(34)</u>	<u>(122)</u>
Available Audit days	255 ²	813 ²
Bought in Days	16	156
Total Audit Days	271	969

Note¹ audit days available if full establishment achieved

Note² actual audit days in period

Current Staffing Position

3. The Unit had an establishment of 6 full time equivalent (fte) posts in 2005/06. The establishment for 2006/07 has been reduced to 5.5 fte to reflect a half post reduction in the vacant Audit Assistant post following changes to the Council's methods of service delivery for parts of the Leisure and Highways Services. The residual half post is being held vacant for the time being to provide some budget flexibility to meet the cost of specialist auditors and external contractors, to undertake specific audits within the approved Plan. An Auditor returned from maternity leave in January.

4. Sickness during the fourth quarter amounted to 9 days compared to 9, 10 and 9.5 days in the preceding three quarters. The average level of sickness per member of staff over the last 12 months has been 8.9 days, which is of concern but should be noted as being less than the EFDC average.

Work carried out in the period

5. The audit reports issued in the fourth quarter are listed in paragraph 10 below. The audit opinions and main conclusions flowing from these reports are attached at Appendix 1.
6. The time taken on investigation work during this quarter totalled 8 days (compared to 65 days in the previous quarter), and mainly related to two separate issues concerning email and internet usage, and hospitality. The first issue arose from a request for assistance from service management, the second resulted from direct audit intervention. A small amount of time was also spent concluding various issues arising from the investigations reported in the previous quarter.
7. Members will be aware that a number of follow up audits were carried out during 2005/06. These were phased during the year according to risk and other prioritisation factors, and were being combined with finance systems audits where appropriate.
8. Supervision and management time has included the normal management and review functions undertaken by the Chief Internal Auditor, who has also taken the lead role in all of the investigations, and assisted during the quarter in the preparation and running of two training days for managers on Finance and Financial Regulations.
9. The Audit Commission has been consulted with on the content of this report and the first quarter audit plan for 2006/07.

Reports Issued and Significant Observations

10. The following audit reports were issued in the fourth quarter:

Systems Audits

Works Unit
Capital Finance*
Estates Management
Housing Repairs
Council Tax
Non-Domestic Rates
Managing Sickness Absence
Rechargeable Works follow up
North Weald Airfield follow up (draft report)
Risk Management follow up
Creditors follow up

Investigations

Corporate – Internet usage
Housing – Internet abuse

* denotes audit undertaken by contractor under supervision

11. In addition to the audits listed above, systems audits of the Council's IT procurement system and staffing establishment controls (posts, grades etc), were substantially complete by 31 March, but the reports had not been finalised. These audits are not included in the performance figures in paragraph 19.
12. The main conclusions from the systems audits undertaken in the last quarter indicated that systems were generally operating satisfactorily in those areas, and no fundamental errors or control issues were identified. A number of recommendations for process improvement across Service areas were identified, including controls over IT system access, corporate debt recovery, and staff supervision. These have been taken up with the Service areas concerned.

Some of the key findings from the audits are outlined below:

Works Unit – systems audit

The manner in which job records are completed by the operatives, and then certified as accurate records by the supervisors does not provide sufficient information for a robust management / audit trail. There appears to be insufficient active supervision of the work force while out on site.

Outcome: New procedures have been put in place to improve supervisory controls.

Estates Management – systems audit

Priority should be given to debt recovery, or the write off of any commercial rents debts not likely to be recovered. Estates, Finance and Legal Services should collectively agree a procedure for managing outstanding commercial rents debts.

Outcome: A wider review of sundry debtor processes has commenced. Progress to be reviewed in the 2006/07 Sundry Debtors audit.

Housing Repairs – systems audit

A recent Housing investigation has highlighted that the transfer of post-works inspection to the Works Unit following the demise of CCT had weakened the overall control and supervision of jobs allocated to the Works Unit. Management should review the level of work inspections for adequacy.

Outcome: Management Board had already recently requested a report on the potential for integration of Housing Repairs and Works Unit service provision, and inspection would form a part of any considerations.

Council Tax – systems audit

There are some weaknesses in the Orbis IT system, mainly with the access levels granted to its users. The system is potentially open to abuse and does not allow for adequate separation of duties.

Outcome: Access controls will be considered when the system is replaced. In the meantime management will consider compensating controls, using management reports to amply check that use of the system is compatible with individual officers' job requirements. Random checks will be documented for audit purposes.

Managing Absence – systems audit

Overall the system is operating satisfactorily, however there appears to be a lack of monitoring of sickness levels as evaluation interviews were not always undertaken and/or documented once trigger points were reached.

Outcome: All managers have been reminded of the requirements via a team briefing

North Weald Airfield – follow up audit

There are still areas of concern in records management, and breaches of Financial Regulations with regard to Official Orders. Overtime is still high and at month 11 the Airfield was over budget on salaries by £13,200.

Outcome: Management are reviewing the shift patterns and hours to address the issues at the Airfield, taking into consideration all the operational requirements, with the aim of implementing an improved system of working which is efficient and cost effective. The requirements of contract standing orders have been reiterated.

Creditors - follow up audit

A sample of official orders and invoices were taken for each service, and verified in line with Financial Regulations. The follow up audit indicated system improvement across the Council, with no official orders being authorised by the same individual who certified the invoice (this compares with 11% in the previous sample).

Outcome: This was a positive outcome, further training in finance issues and Financial Regulations is planned to ensure wide awareness of these requirements.

Internet Usage- Investigation

From the analysis undertaken it seems likely that personal use of the internet continues to be undertaken by a significant minority of staff, at a cost to the Council in terms of efficiency and lost time.

Outcome: A review of the Council's internet policy has been conducted, and Heads of Service will receive summary data to enable them to make an initial assessment of internet usage by individual employees.

Other Reporting Issues

13. When following up previous audits it is normally found that the majority of recommendations are being implemented by Service management. However it is sometimes found that not all previously agreed recommendations have been carried out within the agreed timescales. Attached at Appendix 2 is a summary schedule designed to monitor the follow up of audits, as an aid to ensuring timely and adequate follow up both by Internal Audit and Service Management.
14. The majority of the recommended actions for system improvement arising from a previous investigation, have now been implemented, and Members agreed that the action plan schedule should now only be reported on an exception basis. The residual list for the planned improvements is attached at Appendix 3. Four sessions of finance awareness training were provided to 90 managers within the Authority during the second half of the year, and should lead to improved compliance with Financial Regulations. The initial signs are encouraging, as the follow up audit on a sample of Creditors invoices during the final quarter (see above) revealed no breaches of those Regulations.

15. The provision of reports to Members on the status of Section 106 agreements, and the preparation of a staff Code of Conduct are the outstanding issues from the original system improvement action list.

Three-month work plan (Appendix 4)

16. The Audit Commission requires all of the Council's main financial systems to be audited during 2006/07, and the work plan for the first quarter 2006/07 provides for the commencement of this process. It is recognised that audit coverage is also required within Council services other than Finance. For this reason the Audit Plan for the quarter covers a broad range of Service areas.

Audit Plan 2005/06 (Appendix 5)

17. The current status of the planned audits in the 2005/06 Audit Plan, as approved in April 2005, is set out at Appendix 5. There has been a small degree of slippage due to various factors including additional time spent on audits undertaken so far during 2005/06.
18. Whilst the majority of planned audits were completed by 31 March, a small number have slipped to 2006/07 or will not be carried out due to changed circumstances. Where appropriate, prioritisation has been based on a risk assessment. The justification behind these decisions is outlined below:

- Finance (Creditors IT)

The item in the Audit Plan referred to a review of the existing corporate purchase ordering system. In the event the system was found to be in need of replacement before the audit was carried out. The Council decided, towards the end of 2005/06, to change to the Essex Marketplace system, which is being implemented during 2006/07 and will be subject to audit review later in the year.

- Works Unit (Fleet Operations)

The service is presently under review and future audit coverage will be based on the outcome, which may include assistance with an exit strategy.

- Waste Management Contract (follow up)

In view of the issues surrounding the existing contract during the fourth quarter, it was not appropriate to divert Service resources to support the follow up audit at that time.

- Leisure Contract Monitoring (SLM)

Provision was made in the 2005/06 plan to review the contract monitoring arrangements, based on the earlier assumption of an autumn start. In the event the contract commenced on 4 January 2006, and it is now proposed to undertake the review in 2006/07.

- Corporate (External Funding)

There is occasional coverage of external funding issues in Service based audits, but a broader assessment has yet to be carried out. A full review will now be undertaken in 2006/07.

Performance Management

19. The Internal Audit Team had local performance indicator targets to meet in 2005/06. The specific LPs for Audit are set out below:

	Actual 2003/04	Actual 2004/05	Target 2005/06	Actual Apr-Dec 2005/06	Actual Jan- Mar 2005/06	Cumulative Apr – Mar 2005/06
% Planned audits completed	72%	86%	85%	65%	74%	86%*
% chargeable "fee" staff time	65%	64%	65%	63%	79%	67%
Average cost per audit day (inc contractors in 05/06)	£275	£297	£280	£313	£238	£292
% User satisfaction	80%	80%	80%	85%	88%	85%

20. *The percentage of planned audits completed in the fourth quarter includes reports produced by contractors but does not include two substantially completed audits referred to in paragraph 11 of this report. The figure is also adjusted for those audits which did not proceed due to changed circumstances – see paragraph 18. In practice the deleted or postponed items were substituted by unplanned investigations.
21. The improvement in performance in recent years was generally maintained in 2005/06. All of the main Finance areas were covered, and the overall target for planned audits completed met the target.
22. The 'chargeable' staff time percentage had been affected by a member of staff being on maternity leave until January 2006, however the position was recovered in the final quarter and the target was met.
23. The high unit cost figure for the year was also caused by maternity leave in the first three quarters, which affected the recovery of fixed overheads, and prevented the target of £280 per day from being met. The target was bettered in the final quarter when the team was back to full complement, the relatively low number of holiday days being another factor in the low unit cost for this quarter.
24. Contractors were used earlier in the year, within budget, to undertake some planned audits, and the associated costs and days are reflected in the overall cumulative unit cost of £292 per audit day for the full year.

Training

25. During the second and third quarters an Auditor, who is already AAT (Accounting Technician) qualified, undertook a one year Diploma course in Public Sector Audit. She has passed the examination and will now move on to Level 2.

**Summary of Audits completed during Quarter 4
January - March 2006**

Report No.	Title	Service	Audit Opinion	Main Conclusions
363	Works Unit	Works	The Chief Works Officer has previously implemented new or amended procedures to improve controls and management of the Works Unit. Despite these initiatives, system problems reoccur or are displaced. There appears to be insufficient active supervision of the work force while out on site.	<p>The manner in which job records are completed by the operatives, and then certified as accurate records by the supervisors does not provide sufficient information for a robust management / audit trail.</p> <p>A review of the number of jobs carried out in the current year would indicate that productivity and value for money should be reviewed by Management.</p> <p>Certification of official orders and invoices complies with Financial Regulations. The use of sub contractors complies with Contract Standing Order C2.</p>
373	Capital Finance	Finance/ Corporate	Substantial assurance can be provided in the capital finance processes, although some recommendations for system improvement are made.	<p>The Council should consider whether Services should be adopting a more corporate approach to seeking additional resources from central government and other sources, in order to fund existing or new capital schemes.</p> <p>The Corporate Asset Management Plan should be revised periodically in line with the Capital Strategy in order to show clearly the connection between the two documents.</p>
366	Estates Management	Estates/ Corporate	There are some control weaknesses within the Estates management systems, particularly in relation to corporate debt recovery procedures and administrative separation of duties.	Priority should be given to debt recovery, or the write off of any commercial rents debts which are not likely to be recovered. Estates, Finance and Legal Services should collectively agree a procedure for managing outstanding commercial rents debts.

Report No.	Title	Service	Audit Opinion	Main Conclusions
	Estates Management (cont'd)			<p>Management should encourage further use of the GVA computer system to address the weakness in separation of duties within the section.</p> <p>Rents invoices are now sent two weeks in advance of the quarter to which they relate, and the Principal Valuer and Estates Surveyor is receiving regular reports from Finance regarding unpaid commercial rents debts. These developments represent improvements to the system.</p>
372	Housing Repairs	Housing	<p>The level of internal control and management review currently undertaken within Housing Services are adequate and the system for the recording, allocating and raising of jobs is sound. However, a recent Housing investigation has highlighted that the transfer of post-works inspection to the Works Unit following the demise of CCT had weakened the overall control and supervision of jobs allocated to the Works Unit.</p>	<p>The control environment could be improved by considering the types of supervision and inspection carried out by Housing and Works inspectors respectively, and the review should cover the possible integration of these functions, in order to improve control and assist operational efficiency.</p> <p>Whatever the outcome of any review on Service structures, management should review the level of work inspections for adequacy.</p>
369	Council Tax	Finance	<p>The collection of council tax is carried out in a controlled manner and there is documentary evidence to support all payments transactions.</p>	<p>There are some weaknesses in the Orbis system mainly with the access levels granted to its users. The system is potentially open to abuse and does not allow for adequate separation of duties.</p> <p>There are some control issues regarding refunds of council tax and also with the way transfers of council tax balances between accounts are recorded.</p> <p>Credit balances on the IT system need to be reviewed and refunded where appropriate.</p>

Report No.	Title	Service	Audit Opinion	Main Conclusions
368	Non-Domestic Rates	Finance	NDR collection and refund systems are generally operating satisfactorily and controls are effective. An action plan has been agreed with management to address weaknesses identified.	<p>The collection and refunds of non-domestic rates are carried out in accordance with regulations and the Authority's financial regulations.</p> <p>There is documentary evidence to support all payment and refund transactions. All relevant records and accounts are updated to record payment and refund transactions.</p> <p>The volume of incorrect credits on old year accounts, arising from the conversion of data from LOGOS to ORBIS, represents a weakness which management should continue to strive to resolve in liaison with Anite.</p>
375	Managing Absence	HR/ All	Overall the system is operating satisfactorily, however there appears to be a lack of monitoring of sickness levels as evaluation interviews were not always undertaken and/or documented once trigger points were reached.	Alongside the payroll/HR IT system there is the potential for a good absence monitoring system to be in place. However, whilst it is recognised that the system is still relatively new, there is evidence that the system needs to be utilised more effectively within Service areas.
374	Rechargeable Works Orders (follow up)	Environmental/ Finance	Overall the system shows signs of improvement since the previous audit. The backlog of outstanding invoices for drainage has reduced and most of the objectives agreed during the previous audit have been implemented with the exception of one issue being led by Finance.	<p>Service Management has addressed the issue of administrative support within Environmental Services, which has assisted in keeping the backlog of outstanding invoices to a minimum.</p> <p>It is apparent from the significant amount of debts, which have been either cancelled or written off between 2003 and 2005, that debt recovery has not been a high priority.</p> <p>Service Management should regularly monitor the RWO process in order to keep debt recovery under control.</p>

Report No.	Title	Service	Audit Opinion	Main Conclusions
375	North Weald Airfield (follow up)	Leisure	There are still areas of concern in records management, and breaches of Financial Regulations with regard to Official Orders, (some of which were attributable to the previous Airfield Manager).	<p>It appears to have become custom and practice that four operatives are on duty most days although they may be some days when only three would have been required previously. It is not clear what has led to this practice, or whether it is linked to any formal assessment of risk.</p> <p>Overtime is still high and at month 11 the Airfield was over budget on salaries by £13,200.</p> <p>The overall progression towards an improved system of working is only gradual and may have been affected by Management turnover.</p>
371	Risk Management (follow up)	Finance/ All	There has been a steady progression since the previous audit. A new Risk Register is in place, Officers from each Service, and Members have undergone Risk Management training and Services now have a risk strategy and action plan in place for their Service area.	There appears to be a more positive approach to risk and control management within Services and the risk management framework is gradually being embedded in day to day operations. There is still some work to be undertaken to ensure that risk areas are highlighted and controls put in place to manage risks.
365	Creditors (follow up)	Finance/ All	<p>A sample of official orders and invoices were taken for each service, and verified in line with Financial Regulations.</p> <p>The follow up indicated system improvement across the Council, with no official orders being authorised by the same individual who certified the invoice (this compares with 11% in the previous sample).</p>	<p>During the earlier Creditors Systems Audit undertaken in August 2005, some significant breaches of Financial Regulations had been identified, particularly with regard to separation of duties between the authorisation of official orders and the certification of invoices.</p> <p>On this occasion no breaches of Financial Regulations were identified. However, a number of invoices were certified by the originator of the official order, and a limited number of official orders were authorised by the originator. Whilst these practices do not represent breaches of Financial Regulations, they do not accord with good practice.</p>

Report No.	Title	Service	Audit Opinion	Main Conclusions
377	Internet Abuse (Housing)	Housing	There is clear evidence of access to a high number of 'non-business' internet sites during work time, containing mainly sports, news and shopping content. This activity was undertaken at a significant cost to the Council in terms of lost time.	<p>A report into the use of the internet by an employee in Housing Services was requested by the Assistant Head of Housing Services.</p> <p>The extent of personal use of the internet in work time by an individual employee is in contravention of the Council's internet policy and a recent instruction from corporate management, and could be considered a disciplinary matter.</p>
376	Internet Usage	All	From the analysis undertaken it seems likely that personal use of the internet continues to be undertaken by a significant minority of staff, at a cost to the Council in terms of efficiency and lost time.	<p>Whilst the reports suggest there has been a general moderation in employees' behaviour since the note from the Joint Chief Executives to all staff in December, the overall level of internet activity for the 'top 20' employees in the reports (including the 'productivity loss' category) is broadly unchanged. Four of the employees in the latest 'productivity loss' list for February 2006 were also in the December 2005 list.</p> <p>The actual extent of personal use of the internet in work time can only be confirmed by detailed analysis of internet activity for individual employees, but if proven would be in contravention of the Council's internet policy and the recent instruction from corporate management, and could be considered a disciplinary matter.</p>

Internal Audit Report Control Sheet – Follow Up Audits 2005/06

Appendix 2

Ref.	Report Title	Client	Date of original report	Agreed Actions	Follow Up Date 05/06	Agreed Actions In Place	Comments/Outstanding Issues
	Main Audits 04/05						
279	Stocktake at Depot	Works	4/04	2	Qtr 1	2	Random checks required
280	Private Sector Housing	Environmental	6/04	6	-	-	CARE procedures to be updated
282	Recruitment & Selection	HR	5/04	7	Qtr 3	4	Outstanding issues being addressed
283	Sundry Debtors ICT	Finance	9/04	3	06/07	-	Access levels, system reconciliations
286	Warden Service - Residents Funds	Housing	6/04	1	-	1	Separation of roles in place as agreed
294	Service Business Plans	Corporate	9/04	4	06/07	-	Some gaps in business planning, links to performance
284	Estates ICT	Legal/Estates	9/04	6	06/07	-	Access controls require attention
292	Asset Register/Inventories	Corporate	9/04	5	Qtr 2	2	Inventory systems have improved generally, further progress required with asset registration/ ICT inventory
287/ 322	Revenues/Benefis IT Conversion	Finance	3/05	6	-	-	Recommendations to be included in project plan for new system.
325	Benefits (General)	Finance	3/05	19	Qtr 3	12	Internal checking and reconciliations required
327	Council Tax	Finance	4/05	7	Qtr 4	5	Outstanding issues subject to new system
324	NNDR	Finance	4/05	2	Qtr 4	1	Outstanding issue subject to new system
301	Sundry Debtors	Finance/Corp.	5/05	8	06/07	-	Corporate debt recovery procedures to be enhanced (to be included in systems audit 06/07)
296	Performance Indicators	Corporate	10/04	7	Qtr 3	4	Some improvement, still need for checking (see also 300 below)
310	Bank Reconciliation	Finance	2/05	6	Qtr 3	4	Regular review of unpresented cheques required
03/04	Computer Network	ICT	3/04	22	06/07	4	Many issues subject to resources, follow up 06/07

Ref.	Report Title	Client	Date Of original report	Agreed Actions	Follow Up Date 05/06	Agreed Actions In Place	Comments/Main Issues
	Main Audits (cont'd)						
03/04	Section 106 Agreements	Corporate	2/04	7	-	4	Progress being monitored via officer group
321	Payroll	Finance/HR	3/05	10	Qtr 3	8	Regular reconciliation of payroll control account o/s
311	Treasury Management	Finance	2/05	5	Qtr 3	4	Improved systems in place, one system issue o/s
297	Budgetary Control	Finance	12/04	10	Qtr 3	10	Some issues dealt with via Finance training
03/04	North Weald Airfield	Leisure	3/04	13	Qtr 4	9	Some improvements made, follow up 05/06
285	Planning Fees	Planning	11/04	2	06/07	-	Processing controls satisfactory
307	Office Service Contracts	Legal & Admin	12/04	4	9/05	2	Need to update cleaning contract
308	Bed and Breakfast	Housing	12/04	2	Qtr 4	1	Consider application of B&B to the OHMS system
314	Rechargeable Works	Corporate	12/04	8	Qtr 4	6	Backlog of invoices improved, admin charges to be harmonised across services.
319	Commercial Property	Legal, Admin & Estates	3/05	6	Qtr 4	4	Improvement areas include system data checking, debt recovery/write off
312	Cash Floats/Print room	Corporate	12/04	3	Qtr 3	2	Checking of authorised signatories outstanding
316	Supporting people	Housing	2/05	1	Qtr 4	1	Sound processes in place, ECC being chased to reconcile their records with EFDC returns.
317	Creditors	Finance	3/05	5	Qtr 3	3	Access controls within Finance, separation of roles within Services. Finance training has covered the latter.
313	Risk Management	Finance/Corp	12/04	6	Qtr 4	5	Risk models to be included in service business plans
295	Grants to Vol. Orgs.	RDS	11/04	14	Qtr 3	7	Monitoring procedures to be strengthened and procedures applied consistently.
291	Gas maint'nce contract	Housing	7/04	5	-	-	Improvements in verification of invoices required
333	Contract systems	Corporate	3/04	12	Qtr 1	8	Post completion reporting under consideration
-	Business Awards 2002	Corporate	12/03	25	ongoing	22	Improvements now in place, Section 106 issues remain

**FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE
MONITORING OF SYSTEM IMPROVEMENTS
(OUTSTANDING ITEMS AND RECENT UPDATES)**

Appendix 3

Item	Recommendation	Current Status/Agreed action	Target date	Date Achieved	Responsible Officer	Comments
8	<p>Code of Conduct</p> <p>The Officer Code of Conduct should be produced as soon as practicable and issued to all staff. It should make clear reference to the responsibilities on staff to declare all personal interests which might conflict with their duties or employment with the Council. The procedures should form an explicit part of the employee induction process and subsequently a part of the staff development review for all employees.</p>	<p>Code to be produced and issued. Currently awaiting 'model' code from ODPM.</p>	<p>Dec 2004</p> <p>New target date for interim code July 2006</p>		<p>Head of Research and Democratic Services</p>	<p>The Government has yet to issue a model code of conduct for officers. As it is likely that there may be a further period before this happens, an officer group is now considering an interim code for this Council and will bring forward proposals for consideration by the Council and staff. This will take account of the direction in Government thinking as set out in the latest consultation document and supplement the existing protocol on relations between members and officers which is included in the Constitution.</p>

Item	Recommendation	Current Status/Agreed action	Target date	Date Achieved	Responsible Officer	Comments
14	<p>Section 106 Agreements</p> <p>Collection of S.106 agreement monies should be centrally co-ordinated within Finance in liaison with Legal Services.</p>	<p>Dedicated range of codes to be allocated. Quarterly reconciliation of income received. Process to be co-ordinated within Finance</p>	<p>July 2004</p>	<p>Oct 2004 (part)</p>	<p>Head of Finance</p>	<p>Commenced</p> <p>Account codes established Reconciliations yet to be carried out.</p>
17	<p>Section 106 Agreements (cont'd)</p> <p>An annual report should be submitted to Members detailing the current status of all Section 106 agreements.</p>	<p>Annual Report to be prepared</p>	<p>Sept 2004</p>		<p>Head of Planning Services</p>	<p>Management Board has set Terms of Reference for an officer co-ordinating group for S106 issues, and has set a target for the first annual status report on S106 agreements to be submitted to the first District Development Committee in 2006/07.</p>

INTERNAL AUDIT WORKPLAN APRIL – JUNE 2006

Appendix 4

Week	Chief Auditor		Senior Auditor		Auditor		Auditor*		Term time auditors (1xfte)		Audit Assistant (vacant)	
w/c	audit	days	audit	days	audit	days		days	audit	days	audit	days
3.4.06	Monitoring report/ Investigation	4	Depot Stocktake	5	Investigation	5	sick	0	Holiday	0	n/a	0
10.4.06	State. Int. Control/ Review files	4	Housing IT follow up	4	Planning cash receipting	4	sick	0	Holiday	0	n/a	0
17.4.06	Annual Report/ SDRs	4	Housing IT follow up	4	Planning cash receipting	4	sick	0	IT Procurement	5	n/a	0
24.4.06	Annual Report/ SDRs	5	Norway House	5	Local PIs	5	sick	0	Benefit fraud/ IT Procurement	6	n/a	0
1.5.06	Annual Report/ Email policy	4	Norway House	4	Car parking	4	sick	0	Benefit fraud/ Cash receipting	5	n/a	0
8.5.06	Use of Consultants audit report	5	Norway House	5	Car parking	5	sick	0	Benefit fraud/ Cash receipting	6	n/a	0
15.5.06	Use of Consultants audit report	4	Norway House	5	Car parking	5	sick	0	Benefit fraud/ Cash receipting	6	n/a	0
22.5.06	Benchmarking	4	Norway House	5	Car parking	5	Building control follow up	5	Benefit fraud / Cash receipting	6	n/a	0
29.5.06	Benchmarking/ Review files	4	Leisure contract	4	Car parking	4	Building control follow up	4	Holiday	0	n/a	0
5.6.06	Review files	5	Leisure contract	5	Local PIs	5	Sundry Debtors	5	Licensing follow up/ Cash receipting	6	n/a	0
12.6.06	National Fraud Initiative	5	Leisure contract	5	Local PIs	5	Sundry Debtors	5	Licensing follow up/ Bank reconciliation	6	n/a	0
19.6.06	Monitoring report/ Review files	5	Leisure contract	5	Local PIs	5	Sundry Debtors	5	Licensing follow up/ Bank reconciliation	6	n/a	0
26.6.06	Monitoring report	5	Leisure contract	5	Local PIs	5	Sundry Debtors	5	Bank reconciliation (continue qtr 2)	6	n/a	0

Notes:

- Annual leave has been allocated where booked, as has college day release for the Auditor*
- Training, team meetings and other non-chargeable work have not been included in the schedule
- Chief Auditor management, planning, general supervisory time etc not included in schedule
- The Audit Commission has been consulted on the above plan

**Audit Plan 2005/06
Status Report at 31 March 2006**

Appendix 5

Audit area	Audit type	Days allocated	Days spent 1 April-31 March	Status at 31 March 2006	Risk (impact) Indicator l/m/h
FINANCE					
Bank Reconciliation	system/follow up	20	10	completed	h
Sundry Debtors inc IT	system/follow up	30	32	completed	h
Creditors IT	IT/follow up	10	3	defer to 06/07	h
Creditors	system	30	30	completed	h
Creditors follow up	follow up	7*	7	completed	h
Treasury Management	verification/follow up	20	13	completed	h
Payroll	system/follow up	30	31	completed	h
Budgetary Control	follow up	10	8	completed	h
Risk Management and Insurance	system/follow up	20	8	completed	h
Main Accounting and Financial Ledger	system	30	20	completed	h
Asset Register and Inventory control	follow up	10	9	completed	h
Housing Benefits inc IT	system/follow up	35	19	completed	h
Council Tax inc IT	system/follow up	30	34	completed	h
National Non Domestic Rates	system/follow up	15	29	completed	h
Cash Offices	verification	5	8	completed	h
Cash receipting system and Income control	system/follow up	10	22	completed	h
Capital Expenditure and Monitoring	system	25	23	completed	h
TOTAL FINANCE		337	306		
PLANNING SERVICES					
Section 106 Agreements (see Appendix 2)	follow up	5	1	-	h
Building Control	system	20	27	completed	h
Planning Fees budget investigation	investigation	17*	17	completed	h
TOTAL PLANNING		42	45		
ENVIRONMENTAL SERVICES					
Licensing	investigation	20	27	completed	h
Rechargeable Works	follow up	5	8	completed	h
Waste Management contract	c/fwd from 04/05	-	1	completed	h
Trade Refuse	system	15	26	completed	h
Waste Management contract	follow up	5	-	defer to 06/07	h
TOTAL ENVIRONMENTAL		45	62		
Works/DSO					
Fleet Operations (Client)	system	10	-	c/fwd to 06/07	h
Depot - Works Unit	system/follow up	20	28	completed	h
Stores (stock take)	stocktake	2	4	completed	h
Attendance investigation	investigation	-	31	completed	h
TOTAL DSO		32	63		
HOUSING					
Housing Repairs	system	30	38	completed	h
Housing Rent Collection	system	30	33	completed	h
Partnering Arrangements	system	reserve	-	-	h
Rents-Supporting People	follow up	5	4	memo	h
Bed and Breakfast (inc. debt recovery)	follow up	2	1	memo	m
Internet Usage	investigation	-	4	completed	h
TOTAL HOUSING		67	80		

* includes time allocated from contingency

Audit area	Audit type	Days allocated	Days spent 1 April-31 March	Status at 31 March 2006	Risk (impact) Indicator l/m/h
RDS/POLICY					
Grants to Voluntary Organisations	follow up	6	9	completed	h
Committee & Member Services Civic Support	system/follow up	reserve	-	-	m
Electoral Services	system	20	25	completed	h
External Funding	system	30	-	c/fwd to 06/07	h
TOTAL POLICY		56	34		
LEISURE SERVICES					
Contract Monitoring (SLM)	system	20	-	defer to 06/07	h
Grounds Maintenance	system	reserve	-	-	m
North Weald Airfield	follow up	6	8	completed	h
Leisure Centre Investigations	investigation	-	4	completed	h
Internet Usage	investigation	-	9	completed	
TOTAL LEISURE		26	21		
HUMAN RESOURCES					
Managing Absence	system	20	14	completed	h
Establishment list	system	15	16	draft report	h
Recruitment and selection processes	follow up	5	10	completed	h
Payroll/HR System	follow up	4	-	inc in payroll	h
TOTAL HUMAN RESOURCES		44	40		
LEGAL, ADMINISTRATION AND ESTATES					
Estates IT	follow up	4	-	c/fwd to 06/07	h
Estates Management	system/follow up	25	36	completed	h
Repairs and Maintenance (non HRA)	system	reserve	-	-	m
Office Services contracts	follow up	6	5	completed	h
TOTAL LEGAL AND ADMINISTRATION		35	41		
MISCELLANEOUS					
CPA and BEST VALUE					
Local Performance Indicators	system/follow up	30	36	completed	h
Review of Service business/ best value plans	follow up	10	-	c/fwd to 06/07	h
CONTRACTS					
Contract/systems Audits 04/05	follow up	-	3	completed	h
Contract/systems Audits	system	20	-	c/fwd to 06/07	h
CORPORATE					
Review of financial regulations and internal controls, and delivery of training	management review	20	7	completed	h
Members Allowances	system	20	14	completed	m
Use of Consultants	system	30	24	in progress	h
Corporate Procurement	system	30	23	completed	h
Car Leasing	system	20	20	completed	h
Freedom of Information	system	15	11	completed	h
FRAUD AND CORRUPTION					
Fraud Hotline/Fraud Prevention Strategy	follow up	5	2	ongoing	h
National Fraud Initiative (NFI)	biennial review	20	25	completed	h
COMPUTER SERVICES					
I.T.					
Applications Security (Housing and Finance)	IT	10*	7	completed x2	h
IT Procurement	system	20	29	in progress	h
E-mail and Internet usage	investigation	20	11	completed	h
ICT Environmental controls	c/fwd from 04/05	-	1	completed	h
TOTAL DAYS ALLOCATED		954	905		
Contingency/ spot checks/ minor investigations		11	7	ongoing	h
Corporate/Service Advice		50	57	ongoing	n/a
TOTAL		1015	969		