

<b>NAME OF COMMITTEE</b>	<b>Audit Committee</b>
<b>DATE</b>	<b>10<sup>th</sup> June 2014</b>
<b>REPORT TITLE</b>	<b>INTERNAL AUDIT – ANNUAL REPORT and OPINION ON THE ADEQUACY OF INTERNAL CONTROL 2013/14</b>
<b>Report of</b>	<b>Chief Internal Auditor; and Head of Finance and Audit (S.151 Officer)</b>
<b>WARDS AFFECTED</b>	<b>All/Corporate</b>

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**Summary of report:**

The purpose of this report is to summarise and inform members of the principal activities of the Internal Audit team for West Devon Borough Council during 2013/14, by:

- Showing the progress made by the section against the 2013/14 audit plan reviewed by members in April 2013;
- Providing an 'Opinion' on the adequacy of the Council's control environment;
- Outlining any significant findings and the action taken by managers to address the recommendations; and
- Providing a summary of the main issues raised by individual audits.

The report links with the separate report to this Committee on the Effectiveness of the System of Internal Audit, the Annual Governance Statement; and the three previous quarterly reports for 2013/14 on progress against the audit plan.

**Financial implications:**

The internal audit costs for the year are as budgeted.

**RECOMMENDATION:**

It is recommended that the Audit Committee note this report and the Chief Internal Auditor's Opinion on the Adequacy of Internal Control.

**Officer contact:****For further information concerning this report, please contact:**

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Lisa Buckle, Head of Finance and Audit and S.151 Officer

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## 1. BACKGROUND

- 1.1 The Terms of Reference (Charter) for Internal Audit were presented to the Audit Committee in April 2013 (Minute reference \*AC 34 refers) and cover:

Purpose, Authority and Responsibility;  
Independence;  
Audit Management;  
Scope of Internal Audit's Work;  
Audit Reporting; and  
Audit Committee.

- 1.2 The Audit Strategy was updated for 2013/14 and was approved by the Audit Committee in April 2013 (Minute reference \*AC 34 refers) and covers:

Objectives and Outcomes;  
Opinion on Internal Control;  
Local and National Risk Issues;  
Provision of Internal Audit; and  
Resources and Skills.

### *Public Sector Internal Audit Standards*

- 1.3 At the September 2013 Audit Committee members accepted the view that the above documents remained fit for purpose and will be brought strictly into line with the new Public Sector Internal Audit Standards for 2014/15 (Agenda Item 6: Minute reference \*AC 18 refers).

### *Annual Governance Statement (AGS)*

- 1.3 As part of the system required to allow the AGS to be signed by the most senior member and officer of the Council, reviewed by the Audit Committee (separate report to the Audit Committee of 22<sup>nd</sup> July 2014) and approved by the Council, the head of internal audit must include an opinion of the adequacy and effectiveness of the control environment.
- 1.4 Details of any weaknesses that qualify this opinion and issues relevant to the preparation of the AGS must also be disclosed.
- 1.5 An annual Review of the Effectiveness of the System of Internal Audit must also support this Opinion. The Effectiveness of the System of Internal Audit has been reviewed and reported to this Committee under separate cover. The satisfactory result provides assurance for the Chief Internal Auditor's Opinion.

### ***Chief Internal Auditor's Opinion on the Adequacy of Internal Control***

***The Chief Internal Auditor has concluded that the Council's overall control environment is adequate and effective for the purposes of the 2013/14 Annual Governance Statement.***

***This opinion is based on the work done and opinions as set out in Appendix A, further details of which are included in Appendices B of this report.***

Appendix A shows that of 24 reports issued and the 25 Opinions given, which were graded: **1 Excellent, 20 Good, 4 Fair and 0 Poor.**

This excludes the reports to Audit Committee on the Council's counter fraud arrangements 'Protecting the Public Purse' and the Review of the Code of Corporate Governance, which also contribute.

## **2. PROVISION OF INTERNAL AUDIT AND PROGRESS – 2013/14**

### Audit Plan 2013/14

2.1 The 2013/14 audit plan (Appendix A) was presented and accepted by the Audit Committee at their meeting of April 2013 (minute reference AC 35 refers).

### Local and National Risk Based Amendments to the Plan

2.2 The audit plan is continuously reviewed and updated to reflect emerging risks, and these are incorporated into the audit plan either through the contingency days or by change to the plan, depending on the significance.

2.3 There has been one amendment to the 2013/14 plan; Homelessness and Housing Enabling have been split into separate audits to reflect the different management responsibilities.

2.4 As reflected in the report to this Committee on the Effectiveness of the System of Internal Audit, 100% of the audit plan (100% of South Hams equivalent) has been completed.

### Progress Against the Plan

2.5 The 2013/14 Internal Audit Plan is attached at **Appendix A**. This has been extended to show the final position for each audit, and replicates a part of the monitoring report presented to the S.151 Officer on a monthly basis.

2.6 **Appendix B** provides a summary of the main issues raised for all of the audits where a final audit report has been issued. In addition, the Appendix shows the results of our follow up of previous audit work and tasks that have not produced an audit report.

### Non Compliance with Contract or Financial Procedure Rules

2.7 There are no significant issues to bring to the attention of the Committee for 2013/14.

### Fraud, Corruption or Bribery and Whistle blowing

2.8 No actual, suspected or allegations of fraud, corruption or bribery have been identified during 2013/14, outside of benefit fraud.

2.9 We are unaware of any whistle blowing reports in 2013/14.

2.10 The Council's arrangements for countering fraud were reported to members at the April 2014 Audit Committee using the Audit Commission's checklist 'Protecting the Public Purse'.

2.11 The Council also informed the Audit Commission in their annual fraud survey that for 2013/14 there were 12 cases of sanctioned benefit fraud, with a total value of £51,932. Five of these cases were prosecuted and the offender sentenced. To put this in context the Council has 4,387 live housing benefit claims with a total value paid in 2013/14 of £17.2 million.

2.12 The investigative work by service teams on the data matches highlighted by the Audit Commission's *National Fraud Initiative* (NFI) should now be completed. We will review the work done and the actions taken as part of our counter fraud work in the coming weeks and report the results to the September Audit Committee.

**3. ISSUES from APRIL 2014 AUDIT COMMITTEE**

3.1 The Committee requested further information on several topics, namely:

**3.2 Future of Local Audit (Agenda Item 6)**

The Chief Internal Auditor promised to update members on the guidelines, but at the time of writing this report the guidelines were not yet available. If possible members will be given an oral update with a written report to a future Audit Committee meeting.

**4. LEGAL IMPLICATIONS**

4.1 Statutory Powers: **Accounts and Audit Regulations 2011**

**5. FINANCIAL IMPLICATIONS**

5.1 None, within existing budgets.

**6. RISK MANAGEMENT**

6.1 The risk management implications follow this table :

<b>Corporate priorities engaged:</b>	All/Corporate
<b>Statutory powers:</b>	Accounts and Audit Regulations 2011
<b>Considerations of equality and human rights:</b>	There are no specific equality and human rights issues arising from this report.

<b>Biodiversity considerations:</b>	There are no specific biodiversity issues arising from this report.
<b>Sustainability considerations:</b>	There are no specific sustainability issues arising from this report.
<b>Crime and disorder implications:</b>	There are no specific crime and disorder issues arising from this report.
<b>Background papers:</b>	CIPFA Code of Practice for Internal Audit in Local Government 2006; WDBC 5-year Audit Plan 2010/11 to 2014/15; SHDC 5-year Audit Plan 2010/11 to 2014/15.
<b>Appendices attached:</b>	<b>Appendix A:</b> Audit Plan 2013/14 <b>Appendix B:</b> Planned Audit 2013/14 – Final Reports: Summary of Results

### STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Opportunity to Make the Best Use of Scarce Audit Resource	Audit work completed in line with the audit plan and to the required quality standards will ensure that the external auditor gains assurance from the work of internal audit. This will result in no additional charges being requested to carry out the audits required to allow him/her to issue the certificate and opinion on the Council's accounts, including for the Annual Governance Statement.	-	-	-	↔	A risk based audit plan directs scarce audit resources towards areas of high risk to the Council.	Chief Internal Auditor
2	Inappropriate Use of Scarce Audit Resource	The directing of scarce audit resources away from areas of high risk may undermine the opinion provided to the Council by the Chief Internal Auditor on the System of Internal Control.	2	2	4	↔	Risk based audit plan, reviewed by senior managers and members, and updated as appropriate through the year.	Chief Internal Auditor

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
3	Links with External Audit	The external auditor may gain no assurance from the work of internal audit, potentially resulting in requests for additional charges to carry out the audits required to allow him/her to issue the certificate and opinion on the Council's accounts, including for the Annual Governance Statement.	2	2	4	↔	Regular liaison with the external auditor.  Risk based audit plan, reviewed by senior managers and members, and updated as appropriate through the year.  Regular monitoring of progress by the S.151 Officer and the Audit Committee.	Chief Internal Auditor
4	Assurance for the Annual Governance Statement	The Council's Annual Governance Statement cannot be signed if Internal Audit fails to complete the work set out in the approved risk based audit plan due to unforeseen circumstances.	2	2	4	↔	Regular monitoring of performance by the S.151 Officer and the Audit Committee.  Audit approach adheres to the appropriate professional standards.  Closer links with our neighbouring Council's audit team will provide reasonable assurance that higher risk audits are covered each year without fail, should significant resource issue arise.	Chief Internal Auditor

Direction of travel symbols ↓ ↑ ↔

Progress Against the 2013/14 Internal Audit Plan

APPENDIX A

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Issued in draft	Management comments received	Finalised	Opinion (finalised reports only)				Comments
						Excell'nt	Good	Fair	Poor	
MAS & Budgetary Control	2	■	■	■	■		■			Summary to Audit Committee - June 2014
Creditor Payments	4	■	■	■	■		■			Summary to Audit Committee - June 2014
Payroll	4	■	■	■	■		■			Summary to Audit Committee - April 2014
Council Tax	6	■	■	■	■		■			Summary to Audit Committee - April 2014
Business Rates (NDR)	6	■	■	■	■		■			Summary to Audit Committee - April 2014
Benefits	7	■	■	■	■			■		Summary to Audit Committee - June 2014
Migration of Data to Northgate	3	■	■	■	■		■			Summary to Audit Committee - September 2013
Debtors	2	■	■	■	■		■			Summary to Audit Committee - June 2014
Treasury Management	2	■	■	■	■	■				Summary to Audit Committee - April 2014
<b>Main Financial Systems</b>	<b>36</b>									
Contracts	4	■	■	■	■		■			Summary to Audit Committee - April 2014
<i>Homelessness</i>	4	■						■		Summary to Audit Committee - June 2014
<i>Housing Enabling</i>	-	■					■			Summary to Audit Committee - June 2014
Private Sector Housing Renewal	4	■	■	■	■		■			Summary to Audit Committee - December 2013
Customer Services/Cash Collection	2	■					■			Summary to Audit Committee - June 2014
Use of Internet and Email	3	■	■	■	■		■			Summary to Audit Committee - December 2013
ICT / Computer Audit	3						■			Summary to Audit Committee - June 2014
<b>Other Systems &amp; Audit Work</b>	<b>20</b>									
Data Quality incl. PIs	5	■	■	■	■		■			Summary to Audit Committee - April 2014

**Progress Against the 2013/14 Internal Audit Plan**

**APPENDIX A**

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Issued in draft	Management comments received	Finalised	Opinion (finalised reports only)				Comments
<b>Other Systems &amp; Audit Work (continued)</b>	<b>20</b>									
Corporate Governance System of Internal Control (SIC) & Annual Governance Statement (AGS)	5	■	■	■	■	-	-	-	-	Review of the Code of Corporate Governance presented to June 2013 Audit Committee under separate cover. Report to the July 2013 Audit Committee for recommendation to Council of the Annual Governance Statement.
Risk Management	2	■	■	■	■		■			Summary to Audit Committee - June 2014
Safeguarding Children Shared Services	3	■	■	■	■		■			Summary to Audit Committee - April 2014
Shared Services	5	■	■	■	■		■			Summary to Audit Committee - September 2013
Use of Agency Staff	3	■	■	■	■			■		Summary to Audit Committee - December 2013
<b>Non Financial</b>	<b>23</b>									
Specific Counter Fraud Work	3	■	■	■	■		■			Summary to Audit Committee - April 2014
<b>Counter Fraud</b>	<b>3</b>									
Follow Up of Previous Year's Audits	5	2.4 days used	-	-	-	-	-	-	-	



Progress Against the 2013/14 Internal Audit Plan

APPENDIX A

Projects agreed in the Audit Plan	Planned Number of Days	Fieldwork started	Issued in draft	Management comments received	Finalised	Opinion (finalised reports only)				Comments
<b>Follow Up &amp; Contingency (continued)</b>										
Contingency (Unplanned)	5	5.8 days used	-	-	-	-	-	-	-	Minor control and governance issues, advice on financial controls and procurement procedures given to service officers at all levels and contribution to various draft policies & strategies. <ul style="list-style-type: none"> <li>• Review and process of 11 Exemption applications from Contract Procedure Rules;</li> <li>• Additional individual internet and e-mail monitoring as requested my managers;</li> <li>• Audit Commission fraud survey;</li> <li>• Contribution to update of report writing guidance;</li> <li>• Car parking – fee setting governance;</li> <li>• Finance shared service – related work and advice. Share of T18 initially charged in full to SH, to be adjusted at year end;</li> <li>• Letter to member of the public re Planning post, printing and stationery;</li> <li>• Contractors published accounts;</li> <li>• Use of DWP CIS system – advice;</li> <li>• Discretionary Housing Payments;</li> <li>• Audit Commission: Protecting the Public Purse 2013 checklist.</li> </ul>
<b>Follow Up &amp; Contingency</b>	<b>10</b>									
Management & Supervision	13	11.5 days used	-	-	-	-	-	-	-	Planning; Monitoring; Supervision; File Review; Preparing Reports for, and attending, the Audit Committee; Preparing and co-ordinating the Audit Committee workshop; Meetings with the Section 151 Officer; Meetings with the Section 151 and Monitoring Officers; Liaison with the external auditor; etc
<b>Management &amp; Supervision</b>	<b>13</b>									
<b>Overall Total</b>	<b>105</b>									

## Planned Audit 2013/14 – Final Reports

The following tables provide a summary of the audit opinion and main issues raised in the reports issued to managers. In all cases (unless stated) an action plan has been agreed to address these issues.

### Opinion Definitions

#### **Excellent**

The areas reviewed were found to be well controlled; internal controls are in place and operating effectively. Risks against the achievement of objectives are well managed.

#### **Good**

The majority of the areas reviewed were found to be adequately controlled. Generally risks are well managed but a few areas for improvement have been identified.

#### **Fair**

There is a control framework in place, but some of the areas reviewed were not found to be adequately controlled. In these areas risks are not well managed and require controls to be strengthened to ensure the achievement of system objectives.

#### **Poor**

Controls are seriously lacking or ineffective in their operation. No assurance can be given that the system's objectives will be achieved.

### September 2013 Audit Committee

**Migration of Data to Northgate** 24<sup>th</sup> May 2013 **Good**

**Building Control (Follow Up of 2012/13)** Issued 16<sup>th</sup> July 2013 **Unchanged at Good.**

**Shared Service Recharges** Issued 17<sup>th</sup> July 2013 **Good**

### December 2013 Audit Committee

**Use of Agency Staff** Issued 16.08.2013 **Fair**

**Use of Internet and Email** Issued 06.09.2013 **Good**

**Data Protection &**

**Freedom of Information (Follow Up of 2010/11 Audit)** Issued 23.10.2013 **Data Protection – Fair; Freedom of Information - Good**

**Private Sector Housing Renewal** Issued 29.10.2013 **Good**

## Planned Audit 2013/14 – Final Reports (continued)

### April 2014 Audit Committee

**Contracts** Issued 19.11.2013 **Good**

**Payroll** Issued 27.11.2013 **Good**

**Safeguarding (Children)** Issued 25.11.2013 **Good**

**Data Quality and Performance Indicators** Issued 17.12.2013 **Good**

**Treasury Management** Issued 18.12.2013 **Excellent**

**Counter Fraud Work** Issued 06.01.2014 **Good**

**Council Tax** Issued 12.02.2014 **Good**

**NDR (Business Rates)** Issued 26.02.2014 **Good**

### June 2014 Audit Committee

Subject	Audit Findings	Management Response
<p><b>Risk Management</b> Issued 03.04.2014</p>	<p><b>Good</b></p> <p>Management of strategic risks over the two Councils has never been stronger, with the Director (AR) leading and supported by the Senior Management Team. These officers have identified, assessed, recorded, and are regularly monitoring the Councils' key strategic risks which are also reported to the Audit Committee.</p> <p>The formal recording of operational risks has deteriorated. Indeed the formal Operational Risk Register within Covalent has been rendered inactive because it was not being used, with reliance on Blueprint risk registers in some areas.</p>	<p>The Risk and Health &amp; Safety Advisor has requested and received the Councils' suspended operational risk registers from Covalent.</p> <p>It is proposed to align the operational risk registers and confirm their status with the responsible officers and update Covalent.</p>

## Planned Audit 2013/14 – Final Reports (continued)

Subject	Audit Findings	Management Response
<p><b>Benefits</b> Issued 02.04.2014</p>	<p><b>Fair</b> The benefits system ensures that the right people are paid the right amount of benefit at the right time. However, there remain some outstanding issues that will further strengthen the controls over the management of Benefits, the most significant of which are:</p> <ul style="list-style-type: none"> <li>• Users access to the system needs to be reviewed, particularly in light of a number of staffing restructures that mean leavers and officers changing services still have access;</li> <li>• We have identified issues in the area of assessment of benefit claims relating to verification and review;</li> <li>• Due to the issues identified with regard to the recovery of overpayments we have recommended that a full review should be undertaken of claims with overpayments to confirm that recovery is appropriately actioned;</li> <li>• We have strengthened our recommendations that the Benefits Team Manager should review a sample of fraud cases and that a clear policy on the issuing of sanctions is introduced and that fraud is publicised more widely.</li> </ul>	<p>We have now reviewed user's access and suspended inappropriate users on the system, however there is an issue that they cannot be fully removed and this is being investigated by the software supplier.</p> <p>We will be undertaking more targeted reviews based on the new Risk Based Verification rating.</p> <p>Risk Based Verification (RBV) assigns a risk rating to each Housing Benefit/Council Tax Benefit claim which determines the level of verification required. It allows more intense verification activity to be targeted at those claims which are deemed to be at highest risk of involving fraud and/or error.</p> <p>The Benefit Team Leaders have been requested to review the audited claims and report back to the Benefits Team Manager with action taken. We are also planning to review all claims with overpayments to ensure that they are being effectively managed.</p> <p>We will review a sample of cases completed in 2014/15, although it should be noted that the Government proposes the creation of a single integrated fraud investigation service (SIFIS) which will combine resources across the Department for Work and Pensions, HM Revenue &amp; Customs and local councils, including officers.</p>

## Planned Audit 2013/14 – Final Reports (continued)

Subject	Audit Findings	Management Response
<p><b>Main Accounting and Budgetary Control</b> Issued 14.04.2014</p>	<p><b>Good</b></p> <p>We can confirm that controls over the main accounting system and budgetary control appear to be working satisfactorily based upon the work carried out.</p> <p>The main issues where action can be taken to further strengthen controls include:</p> <ul style="list-style-type: none"> <li>• The daily 'GL Online Reconciliation' for the bank reconciliation has been completed and confirmed as reconciled daily. It feeds a daily and cumulative bank reconciliation spreadsheet additional check to the ledger. However, due to other high priority work demands (new Financial software project), this part of the reconciliation is falling behind and there has been no time to investigate variations; and</li> <li>• A programme to align as many processes and procedures as possible with South Hams District Council finance team has commenced with the introduction of a single shared Financial Information System (FIS) across SHDC and WDBC, due to be live before the end of the current financial year 2013/14.</li> </ul>	<p>The Chief Revenue Accountant will introduce a check at the end of each month to ensure that the additional part of the Bank Reconciliation is balanced with the ledger and overseen regularly. Update: a full reconciliation of the bank to the general ledger has been completed to 31<sup>st</sup> March 2014.</p> <p>The Chief Revenue Accountant will continue to consult with the Audit team as process changes are made across both Councils.</p>
<p><b>Creditors</b> Issued 28.04.2014</p>	<p><b>Good</b></p> <p>Our conclusion is that the creditors system is fulfilling the purpose for which it is intended, namely paying the right people the right amount at the right time, with these transactions appropriately accounted for.</p> <p>Work continues on the alignment of process with South Hams Finance team</p> <p>We noted that the Council's website is not currently holding any information for payments exceeding £500 since June 2013, a similar finding was identified in our previous audit report.</p>	<p>Due to the loss of an officer in the service this was delayed at the time and the information is now up to date and promptly published.</p>

## Planned Audit 2013/14 – Final Reports (continued)

Subject	Audit Findings	Management Response
<p><b>Debtors</b> Issued 28.04.2014</p>	<p><b>Good</b></p> <p>It should be noted that the opinion is provided based on the limited testing undertaken, a walkthrough test. For this reason, and the issue raised below, the opinion cannot be upgraded to an Excellent, but this may occur at the next full audit.</p> <p>Further progress on improving the system has been made during 2013/14, including aligning of processes and procedures with South Hams District Council.</p> <p>Our recommendations from this audit cover:</p> <ul style="list-style-type: none"> <li>• Continuing the progress being made by both authorities to improve sharing of processes, improving recovery and enforcement and bailiff services and contracts; and</li> <li>• Providing clear debt policies and recovery procedures for customers on the Council website.</li> </ul>	<p>Agreed, a shared approach is in place with South Hams and this will include a joint debtor recovery policy, although the changes expected with T18 will further focus the effort in the coming months.</p>
<p><b>Cash Collection</b> Issued 07.05.2014</p>	<p><b>Good</b></p> <p>The above audit opinion is given based on the work we have carried out at Kilworthy Park and Okehampton and the main issue identified related to levels of insurance.</p>	<p>We have contacted the insurers and are awaiting their reply. We will undertake the relevant action based on their response.</p>

## Planned Audit 2013/14 – Final Reports Issued (continued)

Subject	Audit Findings	Management Response
<p><b>Computer Audit – Installation and Healthcheck</b> Issued 07.05.2014</p>	<p><b>Good</b></p> <p>There are some areas where further improvements could be implemented which will add to the progress completed to date, the most significant of which are:</p> <p>A number of key policies and strategies need to be formally approved, or reviewed and updates issued to all staff, these include:</p> <p>A joint ICT Security Policy;</p> <ul style="list-style-type: none"> <li>• Joint Acceptable Use Agreements;</li> <li>• User agreement for portable media;</li> <li>• Internal use of Social Media for ‘monitoring’;</li> <li>• Use of the internet for live television and radio; and</li> <li>• The shared ICT Business Continuity Plan.</li> </ul> <p>That the transfer of electronic data is sufficiently controlled into and out of the Council by restricted use and review of data transmitted; and</p> <p>The ICT asset register on Supportworks should be updated to accurately reflect the equipment held across the two authorities, including for insurance purposes.</p>	<p>Agreed, we are involved in a joint working group with Devon wide authorities to produce a standard collection of ICT policies. These are expected later in the year and will include individual modules that will link to an overarching policy. Due to T18 and other changes it is not clear when these will be released.</p> <p>The Council intranet includes information regarding data protection and is supported by a new Records Management Policy. We are constantly reviewing users’ ability to access data on hardware issued by the Council. This will mean in the future controlling the use of data surrounding cameras and other remote devices.</p> <p>Revised policies will be provided to staff.</p> <p>Agreed, but due to resourcing issues the current list is not up to date. We are planning to update the register during the year especially as services change during T18.</p>
<p><b>Housing Strategy and Enabling</b> Issued 05.2014</p>	<p><b>Good</b></p> <p>The Council has set aside £350,000 from its capital budget but no expenditure was made in 2013/14 due to a lack of suitable sites. For 2014/15 to 2017/18 a further £200,000 is to be added, to help develop suitable sites in the future. The report raised minor issues relating to revenue spend and plans for income generation.</p>	<p>Action plan agreed.</p>

## Planned Audit 2013/14 – Final Reports (continued)

Subject	Audit Findings	Management Response
<p><b>Homelessness</b> Issued 23.05.2014</p>	<p><b>Fair</b></p> <p>We have concluded that the Housing Advice team do their best to ensure that the Homelessness legislation is adhered to, both for the Council and for the homeless applicants. This is based on our review of a sample of applications but did not include asking the clients for their view of the service.</p> <p>Relatively minor documentation issues have been reported but the most significant finding is the non compliance with the aging recharging policies for clients to contribute to the costs of temporary accommodation.</p> <p>Clients benefits are correctly credited to the costs of homelessness but the element of accommodation costs not covered by benefits and clients not in receipt of benefits are not invoiced for their contribution.</p> <p>The reason cited for this is insufficient resources to administer and particularly chase payment from those least able to afford to pay. We have recommended that either the Policy is adhered to or the consent of the Head of ICT and Customer Services and the S.151 Officer is obtained to amend the Policy.</p>	<p>The Housing Advice Team Leader is currently collating examples of best practice around temporary accommodation charging policies to inform our updated Policy.</p> <p>The Housing Team Manager will seek the approval of the Head of ICT &amp; Customer and S.151 Officer prior to implementation.</p>



## Planned Audit 2013/14 – Work Complete (No Audit Report)

Subject	Comments
<b>Compliance Review of the Code of Corporate</b>	Member report setting out the work done to review the Council's compliance with its Code of Corporate Governance, in line with the CIPFA/SOLACE guidance, presented to the June 2013 Audit Committee. Issues raised are included in the Annual Governance Statement which was presented to the Audit Committee at the meeting of July 2013.
<b>System of Internal Control (SIC), and Annual Governance Statement (AGS)</b>	A report setting out the work done to enable the AGS to be completed in line with the CIPFA/SOLACE guidance was presented to the July 2013 Audit Committee. The Committee recommended approval of the AGS to the Council. The AGS was published in September 2013, following an update to the Statement at the September 2013 Audit Committee agenda.
<b>Exemptions to Financial Procedure Rules</b>	See table at Appendix A.

## Planned Audit 2013/14 – Follow Up with 2013/14 Audits

### September 2013 Audit Committee

Shared Services Recharges 2012/13 - Mainly implemented.

### December 2013 Audit Committee

Use of Internet and Email 2012/13 - Mainly implemented  
 Data Protection & Freedom of Information 2010/11 - Some implementation  
 Private Sector Housing Renewal 2012/13 – Mainly implemented.

### April 2014 Audit Committee

Treasury Management - 2012/13 Cleared – no recommendations made.  
 Business Rates (NDR) - 2012/13 Mainly implemented  
 Council Tax - 2012/13 Mainly implemented.  
 Data Quality and Performance Indicators - 2012/13 Mainly implemented.  
 Payroll - 2012/13 Mainly implemented.

### June 2014 Audit Committee

Subject	Comments
Computer Audit – 2012/13	Some implementation. 6/11 recommendations repeated mainly relating policies being worked on with Devon County and other Councils.
Debtors – 2012/13	Some implementation. 2/3 recommendations repeated covering aligning of debt collection policy.

**June 2014 Audit Committee (continued)**

<b>Subject</b>	<b>Comments</b>
Creditors – 2012/13	Implemented.
Main Accounting and Budgetary Control – 2012/13	Mainly implemented. 1/3 recommendations reported again relating to timely completion of the bank reconciliation.
Benefits – 2012/13	Some implementation. 9/13 recommendations repeated covering action on some individual claims and a variety of other issues.
Risk Management – 2011/12	Mainly implemented. 5/12 recommendations reported again but relating to operational risk registers and publicising risk management.

**Planned Audit 2013/14 – Follow Up of Other 2012/13 Audits**

<b>Subject</b>	<b>Comments</b>
Partnership Management	Implemented.
Asset Management	Meeting to be arranged.
Procurement	Revised implementation dates agreed. Cleared
Academy to Northgate Migration	Followed up with 2013/14 Council Tax, NDR and Benefits audits.
Inventories	Mainly implemented. Computer inventory followed up in 2013/14 computer audit.
Commercial Rents	Memo sent, no reply received. Meeting to be arranged.
Building Control	Follow up with Teignbridge Internal Audit. New report issued with 3 revised implementation dates.
Contract Management (Follow Up of 2011/12 audit)	Some points cleared remainder followed up with 2013/14 audit.
Environment Management	Memo sent. Two revised implementation dates agreed.