

NAME OF COMMITTEE	Audit Committee
DATE	11 April 2013
REPORT TITLE	PROGRESS AGAINST THE 2012/13 INTERNAL AUDIT PLAN
Report of	Chief Internal Auditor
WARDS AFFECTED	All/Corporate

Summary of report:

The purpose of this report is to inform members of the principal activities and findings of the Council's Internal Audit team for 2012/13 to the 28th February 2013, by:

- Providing a summary of the main issues raised by completed individual audits; and
- Showing the progress made by the section against the 2012/13 annual audit plan, reviewed by this Committee in April 2012.

Financial implications:

None, within existing budgets.

RECOMMENDATIONS:

That the Audit Committee considers the progress made against the 2012/13 Internal Audit Plan and comments on the summary of issues arising.

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1. BACKGROUND

- 1.1 The Terms of Reference for Internal Audit were presented to the Audit Committee in April 2012 (Minute reference A.36/11) 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 2012/13 and was approved by the Audit Committee in April 2012 (Minute reference A.36/11 refers) and covers:

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

2. PROVISION OF INTERNAL AUDIT AND PROGRESS – 2012/13

Audit Plan 2012/13

- 2.1 The 2012/13 audit plan (Appendix A) was presented and accepted by the Audit Committee at their meeting of April 2012 (A.37/11 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 The Committee has been informed of the following amendment to the 2012/13 plan at previous meetings:

Audit	Plan Days 2012/13	Plan Days Update	Reason for Change
Dartmouth Town Council	5	0	Arrangement terminated by Dartmouth Town Council on cost grounds, after the SHDC plan had been presented to the April Audit Committee.
West Devon District Council	95	100	To cover the Code of Corporate Governance and Annual Governance Statement previously undertaken by the Finance team.

- 2.4 Overspends on the estimated time for individual audits occur as the time in the audit plan is an estimate based on risk and generally not the amount of time needed to do the work required. All efforts are made to 'cut our cloth according to our means', but in some circumstances where control issues are identified, a risk based assessment is carried out. This constitutes consideration, depending on the significance, of whether

additional time should be spent and if so where the work is to be charged, either contingency or by change to the audit plan.

2.5 The following table sets out the significant overspends on time budgets (3.5 days or more) on individual audits as totalled in Appendix A, and the reasons for the overrun:

Audit	Planned Days	Days Used	Reason for Overspend
-	-	-	None over 3.5 days
-	-	2	As para 2.4 - Culmination of overspends below 3.5 days for finalised audits
Total	-	2	Overspends to date – 2 days

Resources and Skills

2.6 Sickness to the 28th February 2013 is 13 days (2011/12 equivalent 9 days).

2.7 In 2012/13 to date, training has been or is being provided to the audit team as follows:

Chief Internal Auditor

- Assessing Corporate Governance Effectiveness (IIA Bristol);
- Achieving Success in Challenging Times (IIA Exeter);
- Middle Manager Development Programme (internal) – modules on Corporate Services (Constitution etc); Managing Attendance and Managing Change; and, Customer Focus;
- Localisation of Council Tax (LG Futures, Totnes).

Senior Auditor:

- Achieving Success in Challenging Times (IIA Exeter);
- Excel 2007 Advanced (E Academy); and
- RIPA Policy and Procedures (internal).

Auditor:

- Microsoft Outlook (E Academy); and
- Localisation of Council Tax (LG Futures, Totnes).

Progress Against the Plan

2.8 The 2012/13 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.

2.9 **Appendix B** is an ongoing part of the report to advise the Audit Committee in detail of significant findings since the last meeting and confirm that the agreed action has been implemented or what progress has been made.

- 2.10 **Appendix C** 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.
- 2.11 **Appendix D** provides a summary of unplanned work carried out by the team. This work is by definition unexpected work, which ranges from advice to managers on control issues, to the investigation of potential irregularities. Tasks are budgeted from the 'Contingency' line of the audit plan.

Non Compliance with Financial Procedure Rules

- 2.12 There are no significant issues to bring to the attention of the Committee so far this year.

Fraud, Corruption or Bribery

- 2.13 No actual, suspected or allegations of fraud, corruption or bribery have been identified so far this year.

Performance Indicators

- 2.14 Internal Audit's performance indicators are mainly collected annually and will be reported to the Audit Committee in full in the year-end report. The full list of those recorded is set out in the Audit Strategy 2012/13.
- 2.15 At this stage in the year, the key indicator 'Completion of 2012/13 Audit Plan' is as follows:

Indicator	Target %	Actual %	Comments
Audits completed from 2011/12 combined audit plan.	90	96	As reported to the Audit Committee June 2012.
Audits at the 30th November 2012 at various stages of completion from 2012/13 audit plan and their 2011/12 equivalents.			
SHDC	-	81%	(74% at February 2012).
WDBC	-	81%	(84% at February 2012).
Combined plan	90	85%	(78% at February 2012). Target to 28 th February 2013: 81%

Internal Audit – Shared Services

- 2.16 The following has been achieved so far this financial year:

Shared service with West Devon since last Committee:

- The Joint Finance Procedure Rules have been completed and approved by both Councils, with the document aligned as closely as it can be.

- Progress on the 2012/13 audit plan reported to the West Devon Audit Committee. A growing number of audits are being completed across the two sites at the same time;
- The formal project management of the 2015 Transformation Programme project on Shared Services Financial Arrangements and Governance Project has been closed with the approval of the Programme Board. Officers will continue to develop processes in this respect from the solid base developed so far and the Programme Board were content with this 'business as usual' approach.

Teignbridge

- Exchange of audit programmes, advice, official guidance and best practice;
- Single attendance and feedback to the other partner on professional update courses and seminars;
- Co-operation re the 2012/13 audit of Building Control; and
- Liaison over various corporate documents.

3. LEGAL IMPLICATIONS

3.1 Statutory Powers: Accounts and Audit Regulations 2011

4. FINANCIAL IMPLICATIONS

4.1 None, within existing budgets.

5. RISK MANAGEMENT

5.1 The risk management implications follow this table:

Corporate priorities engaged:	All/Corporate
Statutory powers:	Accounts and Audit Regulations 2011
Considerations of equality and human rights:	No specific equality and human rights issues arising from this report.
Biodiversity considerations:	There are no specific biodiversity issues arising from this report.
Sustainability considerations:	There are no specific sustainability issues arising from this report.
Crime and disorder implications:	No specific crime and disorder issues arising from this report.
Background papers:	CIPFA Code of Practice for Internal Audit in Local Government 2006; SHDC 5-year Audit Plan 2010/11 to 2015/16.
Appendices attached:	Appendix A: Audit Plan 2012/13 – Progress to 30th November 2012 Appendix B: Planned Audit 2012/13 – Final Reports: Detailed Items Appendix C: Planned Audit 2012/13 – Summary of Results Appendix D: Unplanned Audit 2012/13 – 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 of 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 places reliance upon the work of internal audit, resulting in no 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.	-	-	-	↔	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 placing no reliance upon the work of internal audit, resulting in 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.	Chief Internal Auditor

Direction of travel symbols ↓ ↑ ↔

Progress Against the 2012/13 Internal Audit Plan

APPENDIX A

Projects Agreed in the Audit Plan	Planned Number of Days	Fieldwork Commenced	Draft Report	Management Comments Received	Finalised	Opinion (finalised reports only)				Comments
						Excellent	Good	Fair	Poor	
MAS & Budgetary Control	13	■								52% completed.
Creditor Payments	11	■								95% completed.
Payroll	10	■	■							Draft report issued 28.01.2013.
Council Tax	14	■	■	■	■			■		Summary to Audit Committee - April 2013
Business Rates (NDR)	12	■	■	■	■			■		Summary to Audit Committee - April 2013
Benefits	20	■	■							Draft report issued 14.02.2013.
Debtors	10	■								95% completed.
Treasury Management	7	■								48% completed.
Capital Expenditure	8	■	■							Draft report issued 27.02.2013.
Fundamental Systems	105									
Salcombe Harbour	10	■	■	■	■			■		Summary to Audit Committee - April 2013
Dartmouth Lower Ferry	9	■	■	■	■			■		Summary to Audit Committee - January 2013
Street Scene - Car and Boat Parking	9	■								48% completed.
Private Sector Housing Renewal	8	■	■	■	■			■		Summary to Audit Committee - January 2013
Data Quality & Performance Indicators	5	■	■	■	■			■		Summary to Audit Committee - April 2013
Email Monitoring	4	■	■	■	■			■		Summary to Audit Committee - January 2013
Internet Monitoring	4	■	■	■	■			■		Summary to Audit Committee - January 2013
Computer Audit	26	■								15% completed.
Grants - RDPE Rural Community LAGs	50	60 days used	-	-	-	-	-	-	-	120 Project claims audited; plus 49 Management & Admin invoices.

Progress Against the 2012/13 Internal Audit Plan

APPENDIX A

Projects Agreed in the Audit Plan	Planned Number of Days	Fieldwork Commenced	Draft Report	Management Comments Received	Finalised	Opinion (finalised reports only)				Comments
						Excellent	Good	Fair	Poor	
Follow Up of Previous Year's Audits	10	5 days used	-	-	-	-	-	-	-	
Contingency (Unplanned)	55	55 days used	-	-	-	-	-	-	-	
<i>Corporate Governance</i>	8	<i>C/Fwd</i>	-	-	-	-	-	-	-	<i>To be presented to June Audit Committee with time charged to 2013/14 plan.</i>
Exemptions to Contract or Financial Procedure Rules	5	2.3 days used	-	-	-	-	-	-	-	8 Exemption applications received and processed April to November 2012.
System of Internal Control (SIC) & Annual Governance Statement (AGS)	5	■	■	■	■		■			AGS recommended to the Council for approval following report to the Audit Committee - July 2012. AGS published September 2012. Audit report summary to Audit Committee - September 2012
<i>Risk Management / Business Continuity</i>	5	<i>C/Fwd</i>	-	-	-	-	-	-	-	<i>Carried forward to 2013/14 plan, Quarter 1.</i>
West Devon Borough Council	95 + 5	100 days used	-	-	-	-	-	-	-	Separate report to WDBC Audit Committee
<i>Dartmouth Town Council</i>	5 - 5	X	X	X	X	X	X	X	X	<i>Arrangement ended by Town Council.</i>
Other Essential	307									
Community Parks and Open Spaces	9	■	■	■	■		■			Summary to Audit Committee - September 2012
Building Maintenance	9	■	■	■	■		■			Summary to Audit Committee - September 2012
Print Room	9	■	■	■	■		■			Summary to Audit Committee - September 2012
Health and Safety at Work	9	■	■							Draft report issued 22.11.2012
Pannier Markets	9	■	■	■	■			■		Summary to Audit Committee - January 2013
Insurance	9	■	■	■	■			■		Summary to Audit Committee - April 2013
Complaints System	5	■	■	■	■			■		Summary to Audit Committee - September 2012
Building Control	5	■	■	■	■		■			Summary to Audit Committee - January 2013
Capital Receipts & Grants	5	■	■	■	■		■			Summary to Audit Committee - April 2013

Progress Against the 2012/13 Internal Audit Plan

APPENDIX A

Projects Agreed in the Audit Plan	Planned Number of Days	Fieldwork Commenced	Draft Report	Management Comments Received	Finalised	Opinion (finalised reports only)				Comments
						Excellent	Good	Fair	Poor	
Inventories	3	■	■	■	■		■			Summary to Audit Committee - April 2013
Procurement	10	■								5% completed
Schemes with Other Organisations	9	■	■	■	■		■			Summary to Audit Committee - January 2013
Land Charges including Street Naming	9	■	■	■	■		■			Summary to Audit Committee - September 2012
Major Developments (including Sherford)	6	■	■				■			Summary to Audit Committee - January 2013
Advice to Information Compliance/Other Groups	3	2 days used	-	-	-	-	-	-	-	
Asset Management	7	■								24% completed
Corporate Management Cost Centre	6	■	■	■	■	■				Summary to Audit Committee - January 2013
Shared Services	5	■	■	■	■		■			Summary to Audit Committee - January 2013 13.9 days used also includes 2015 Project Management; visit to Vale of White Horse D.C. and drafting Financial Procedure Rules.
Other	127									
Audit Administration	20	15 days used	-	-	-	-	-	-	-	
Audit Management, including Audit Planning	20	15 days used	-	-	-	-	-	-	-	
Audit Monitoring against the Plan, including Reports to Management and Audit Committee	15	11 days used	-	-	-	-	-	-	-	
Training	10	8 days used	-	-	-	-	-	-	-	
Miscellaneous e.g. Financial Procedure Rules	5	2 days used	-	-	-	-	-	-	-	
Other	70									
Overall Total	601									

Progress Against the 2012/13 Internal Audit Plan

APPENDIX A

Included above:											
Installation & Healthcheck	7										
Departmental IT/Cost Effectiveness	7										
Project Management and Systems Development	8										
Other Reviews	4	-	-	-	-	-	-	-	-	-	Planned as advice re 2015 Transformation Programme – used for part of 9 day secondment to new Website Project.
Computer Audit	26										

Planned Audit 2012/13 – Significant Issues Identified

There are no items to report that are significant enough to warrant individual attention.

Planned Audit 2011/12 and 2012/13 – Final Reports Issued

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.

Planned Audit 2011/12 – Final Reports Issued

September 2012 Audit Committee

Print Room Issued 26.07.2012 **Good**

Community Parks and Open Spaces Issued 30.07.2012 **Good**

Building Maintenance Issued 02.08.2012 **Good**

Complaints and Compliments System Issued 09.08.2012 **Fair (0 high priority recommendations)**

Land Charges including Street Naming Issued 13.08.2012 **Good**

Planned Audit 2012/13 – Final Reports Issued (continued)

September 2012 Audit Committee (continued)

System of Internal Control and Annual Governance Statement Issued 13.08.2012 **Good**

January 2013 Audit Committee

Major Developments - Sherford Issued 06.09.2012 **Good**

Schemes with Other Organisations Issued 27.09.2012 **Good**

Shared Services Issued 04.10.2012 **Good**

Use of Internet and Email Issued 09.10.2012 **Good**

Corporate Management Cost Centre Issued 11.10.2012 **Excellent**

Pannier Markets Issued 12.10.2012 **Fair**

Travel and Subsistence (Follow Up) Issued 26.09.2012 **Good**

Building Control Issued 30.10.2012 **Good**

Leisure Client (Follow Up) Issued 08.10.2012 **Fair**

Payroll (Follow Up) Issued 26.09.2012 **Good**

Dartmouth Lower Ferry Issued 30.10.2012 **Good**

Private Sector Housing Renewal Issued 22.10.2012 **Good**

April 2013 Audit Committee

Subject	Audit Findings	Management Response
<p>Salcombe Harbour Issued 12.12.2012</p>	<p>Good The majority of the areas reviewed were found to be adequately controlled. The main issues raised were that:</p> <ul style="list-style-type: none"> • The harbour management software is being updated and there are a number of issues that can be brought to the software supplier's attention that will improve control as well as efficiency; and • The fees and charges for 2012/13 reflected the Harbour Board's wishes, but the minute was written in a way that a different interpretation could be placed on it compared with the requirements of members. 	<p>A copy of the issues raised in the audit report has been copied to the software supplier, for their comments. It is likely that if the requests are not required/relevant to all or the majority of users, the software supplier will make an additional charge for anything over and above the norm. Minutes will be more strenuously proof read in the future.</p>

Planned Audit 2012/13 – Final Reports Issued (continued)

Subject	Audit Findings	Management Response
<p>Insurance Issued 13.12.2012</p>	<p>Fair Our conclusion is that the insurance system is generally working satisfactorily and fulfilling the purpose for which it is intended. The main issues raise are:</p> <ul style="list-style-type: none"> • The aged property valuations for insurance purposes (which are inflated annually) currently being relied upon; • Insurance held by contractors is not always being checked by the responsible service or passed to the Insurance Officer for review; • The increase in the value of Motor Vehicle claims, which has been brought to the attention of the Risk Management Group by the Insurance Officer; and • The aged software being used to record and manage insurance claims made. 	<p>Additional resources have been taken on to carry out property valuations and it will now be possible to carry out a rolling programme of re-valuations for insurance purposes concurrent with this.</p> <p>There is a wider issue of some services needing to consult with Finance over a number of areas such as insurance and VAT whenever they plan to become involved in a partnership or a project. An annual e-mail will be sent to relevant staff to remind them of this requirement.</p> <p>The Operations Manager will review claims on a monthly basis and consider whether training (including external opportunities) or if necessary disciplinary action is required.</p> <p>The purchase of the software upgrade has been approved by the Chief Accountant and the request is to be passed to ICT team.</p>
<p>Data Quality and Performance Indicators Issued 13.12.2012</p>	<p>Fair We have highlighted several issues which will contribute to the controls over data quality and the accuracy of performance indicators, the most significant of which are:</p> <ul style="list-style-type: none"> • The need to review the Data Quality Assurance Strategy; and • Several recommendations to improve the accuracy of the Green House Gas (GHG) Emissions out turn, including the consequences if the Council chose not to collate this data and submit it to the Department of Energy & Climate Change. National returns demonstrate that in Devon, only South Hams, West Devon & Exeter have ever submitted any GHG results and nationally 40% of authorities have never made any returns. 	<p>This will be done after the completion of the Transformation 2015 website project.</p> <p>The Corporate Support Officer will liaise with DECC to establish what penalties, if any, would be imposed on the Council for not submitting a GHG Emissions report.</p> <p>Should it be decided that the best course of action is to continue, action was agreed to improve data in the areas of train journey mileage and passengers, aeroplane mileage, the Outreach vehicle, water consumption, and Salcombe Harbour fuel.</p>

Planned Audit 2012/13 – Final Reports Issued (continued)

Subject	Audit Findings	Management Response
<p>Capital Receipts and Grants Issued 22.01.2013</p>	<p>Good There are sufficient controls in place over capital and grant receipts and they are operating satisfactorily. There were no property sales other than the approved and contracted disposal of Avondale House for which the capital receipt will not be received in 2012/13. The detailed testing of vehicle disposals indicated that they were made in line with Financial Procedure Rules, and expenditure on the vehicles in the two financial years before disposal did not give rise to any suggestion of impropriety.</p>	<p>No recommendations were made.</p>
<p>Inventories Issued 23.01.2013</p>	<p>Fair We were able to confirm that ICT maintain an inventory of all ICT hardware and software on behalf of all services across the Council. However, other than records of items requiring 'all risks' insurance cover maintained by two of the sections visited, we could find no evidence that inventories of lower value equipment at Follaton House are being maintained. Other significant issues raised are:</p> <ul style="list-style-type: none"> • Not all of the lower value equipment is security marked where this might be expected; and • The WDBC and the SHDC Financial Procedure Rules are not aligned. 	<p>The Chief Internal Auditor has been asked to liaise with other Devon Local Authorities to establish how they maintain inventories and what items are recorded. On receipt of this information a process will be confirmed for maintaining inventories and this will be communicated to Heads of Service. This will be done in conjunction with the reminder to be issued as discussed above. The Financial Procedure Rules have been aligned with West Devon in respect of inventories and were presented to Audit Committee for approval in January 2013.</p>

Planned Audit 2012/13 – Final Reports Issued (continued)

Subject	Audit Findings	Management Response
<p>Non Domestic Rates (NDR) Issued 30.01.2013</p>	<p>Fair</p> <p>There is a control framework in place that ensures that bills are issued for the correct amounts and monies collected properly accounted for, but issues were found in some of the areas reviewed, a few of which were identified in previous years' audits.</p> <p>Work has commenced on these issues, but it has not yet been possible to address all of them due to limited staff resource and other work demands.</p> <p>The main issues raised included:</p> <ul style="list-style-type: none"> • Aligning procedures with West Devon Borough Council; • Limited separation of duties; • The potential to use the recovery functions of the revenues software to greater effect; and • The lack of a sample monitoring programme particularly focussing the monitoring of suppressions to billing and recovery which creates a weakness when linked with the limited controls over cash transfers. It is acknowledged that there is a separate programme in place which reviews all actions completed by Customers Services staff and Processors on a sample basis. 	<p>Work to achieve aligned procedures and controls is on-going.</p> <p>A series of compensating checks are in place and under constant development, including the monitoring programme. The software supplier is to be engaged after the West Devon B.C. data transfer has been completed, to advise particularly on the use of recovery functions, including more appropriate use of suppressions for billing and recovery. It is hoped that this advice will allow suppression lists to be much reduced.</p> <p>At this stage procedures for monitoring the actions listed will be reviewed. Reports could be retained as evidence of review.</p> <p>Amending the system so that it does not allow open ended suppressions to be applied will also be discussed.</p>

Planned Audit 2012/13 – Final Reports Issued (continued)

Subject	Audit Findings	Management Response
<p>Council Tax Issued 26.02.2013</p>	<p>Fair We are aware that the main system is operating with adequate controls but parts of the system are let down by the issues raised in the report, some relating to previously reported issues. The main issues include:</p> <ul style="list-style-type: none"> • Alignment of procedures for the two Councils; • Limited separation of duties and system access; • The temporary cessation of the sample monitoring programme including the monitoring of suppressions to billing and recovery which creates a weakness when linked with the limited controls over cash transfers; • Completion of a canvass, requiring claimants to confirm in writing that discounts and exemptions are still appropriate, and other potential solutions for verifying the legitimacy of these claims and discounts; • A clear programme of review of accounts set to complete or not pended; and • Issue of a clearly documented Debt Recovery Policy (to confirm the processes that are in place). 	<p>Agreed, this is something that we will concentrate on following West Devon system migration and annual billing. A series of compensating checks are in place and under constant development, including the monitoring programme. We need to obtain weekly reports from the Council Tax software and include these in our regular monitoring.</p> <p>The canvass has now started under contract with Devon County Council and the software supplier. These contractors complete the canvass and inform us of any change in circumstances.</p> <p>Further reviews are also planned to be completed on other discounted categories by the Revenue Team. This is something that we will target in 2013 and will be included in our 'quality checks'.</p> <p>A draft policy has been completed and is awaiting the Customer Services Manager review. We have revised the information included on the Council website to make it more suitable for Council Tax payers.</p>

Planned Audit 2012/13 – Work Complete (No Audit Report)

Subject	Comments
Exemptions to Financial Procedure Rules	See table at Appendix A.
RDPE Rural Communities – Local Action Groups (LAGs)	See table at Appendix A. Audit of project funding claims on behalf of Council who act as Accountable Body
System of Internal Control (SIC), and Annual Governance Statement (AGS)	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 2012 Audit Committee. The Committee recommended approval of the AGS to the Council. The AGS will be published in September 2012.
Update of Anti Money Laundering Policy	Revised joint Anti Money Laundering Policy presented to the Audit Committee to recommend approval by the Council. Following the Council approval, the document and supporting guidance has been published on the Council's Intranet and targeted training commenced.
Financial Procedure Rules	Update and alignment of a joint draft document completed and with the Monitoring Officer and S.151 Officer for review.

Planned Audit 2012/13 – Follow Up with 2012/13 Audits

September 2012 Audit Committee

Land Charges and Street Naming - 2007/08. Mainly implemented.
 Customer Complaints – 2008/09. Mainly implemented.
 Building Maintenance – 2009/10. Mainly implemented.
 Print Room – 2006/07. Mainly implemented.
 Community Park and Open Spaces – 2008/09. Mainly implemented.

January 2013 Audit Committee

Private Sector Housing Renewal – 2011/12. Implemented.
 Building Control 2009/10 Follow Up – 2010/11. Mainly implemented.
 Pannier Markets – 2005/06. Mainly implemented.
 Email Monitoring – 2011/12. Implemented.
 Internet Monitoring – 2011/12. Implemented.
 Shared Services – 2011/12. Progress being made on all issues raised.
 Partnership Schemes – 2008/09. Mainly implemented.
 Sherford – 2009/10. Implemented.

April 2013 Audit Committee

Subject	Comments
Council Tax – 2011/12	Some implementation. 13/25 recommendations repeated due to other work pressures. Revised action plan agreed.
Non Domestic Rates (NDR) – 2011/12	Some implementation. 14/22 recommendations not actioned due to other work pressures. Revised action plan agreed.

Planned Audit 2012/13 – Follow Up with 2012/13 Audits (continued)

Subject	Comments
Inventories – 2006/07	Mainly implemented. 1/7 recommendations repeated.
Capital Receipts and Grants – 2008/09	Implemented.
Data Quality and Performance Indicators – 2011/12	Some implementation. 6/9 recommendations repeated mainly relating to updating the Data Quality Assurance Strategy and the Greenhouse Gas Emissions indicator.
Insurance - 2007/08	Mainly implemented. 3/24 recommendations repeated.
Salcombe Harbour – 2011/12	Mainly implemented. 8/16 recommendations repeated mainly as a reminder as relate to confines of current software.

Planned Audit 2012/13 – Follow Up of Previous Audits by Written Confirmation

Subject	Comments
ICT Installation and Network Security – 2011/12	Reminder sent 02.01.2013. Follow up with annual audit.
ICT Change Control – 2011/12	Reminder sent 20.12.2012. Follow up with annual audit.
Street Scene/Car Parking – 2011/12	Reminder sent 28.11.2012. Follow up with annual audit.
Housing Benefits – 2011/12	Follow up with annual audit.
Creditors - 2011/12	Memo sent and revised implantation date agreed for one recommendation. Further follow up with annual audit.
Main Accounting System and Budgetary Control – 2011/12	Memo sent as reminder. To annual audit.
Non Domestic Rates – 2010/11	Memo sent as reminder. Cleared with annual audit.
Council Tax – 2010/11	Memo sent as reminder. Cleared with annual audit.
Stores – 2011/12	Followed up with linked Building Maintenance audit 2012/13.
Elections – 2011/12	Memo sent as reminder as not all agreed implantation dates past, further memo sent 30th November 2012.
Private Sector Housing Renewals – 2011/12	Memo sent as reminder. Cleared with annual audit.
Treasury Management – 2011/12	Memo sent and discussed and taken to annual audit.
Payroll – 2011/12	Discussions held with the relevant officers and a follow up report issued view revised action plan. Opinion remains unchanged.
Dartmouth Ferry – 2011/12	Memo sent and discussed and taken to annual audit.
Leisure Client – 2011/12	Discussions held with the relevant officers and a follow up report issued view revised action plan. Opinion remains unchanged.
HR Recruitment – 2011/12	Follow up carried out with Payroll.
Travel and Subsistence – 2011/12	Discussions held with the relevant officers and a follow up report issued view revised action plan. Opinion remains unchanged.

Planned Audit 2012/13 – Follow Up of Previous Audits by Written Confirmation (continued)

Subject	Comments
Data Quality and Performance Indicators – 2011/12	Memo sent 30 th April 2012. No reply by 30 th May 2012 so discussed progress on revised performance monitoring and timing of 2011/12 audit. Cleared with annual audit.
Recycling – 2011/12	Memo sent but part reply only received. Meeting arranged.
Cash Collection – 2011/12	Memo sent but part reply only received. Meeting arranged.
Public Conveniences – 2011/12	Memo sent but part reply only received. Meeting arranged.

Unplanned Audit – 2012/13

General

Description	Main Issues
<p>Minor enquiries and issues investigated, including some planned work, which by its nature does not require a report. Resourced from the contingency line of the audit plan.</p>	<ul style="list-style-type: none"> • General procurement and disposal rules advice; • General ICT issues; • General Finance issues; • Document retention enquiries; • Additional individual internet and e-mail monitoring as requested my managers; • Future of local audit consultation submission to Local Government Futures; • Salcombe Harbour/Creek Boat Park – advice; • Audit Commission fraud survey; • Dartmouth Embankment – advice; • Leisure issues – advice; • Dartmouth regatta – advice; • Room and refreshment booking process; • NFI and Fighting Fraud Locally checklists and report to the Audit Committee; • Additional testing of 2011/12 transactions around year end cut off, on behalf of the Audit Commission; • Assistance to Grant Thornton tax audits – PAYE and VAT; • Assistance re HMRC inspection; • Advice re matters relating to Totnes Pavilions; • Contribution to a review of the future of the aging Housing Rent software; • Secondment to New Website Project (5 of the 9 days needed); • Numerous minor control issues, advice on financial controls and procurement procedures given to service officers at all levels and contribution to various draft policies & strategies.