

APPENDIX 1

Assurance level	Significance	Directorate	Audit title
LIMITED	Extensive	Resources	Creditors - Systems Audit
	Moderate	Children, Schools and Families	Harry Roberts Nursery School – Probity Audit
FULL	Extensive	Corporate	Management and Control of staff Hospitalities and Gifts
	Moderate	Communities, Localities and Culture	Case Management of Prosecution Cases - Follow Up audit
SUBSTANTIAL	Extensive	Corporate	Management of Complaints – Systems Audit
	Extensive	Corporate	Asset Management and Disposal Follow Up audit
	Extensive	Resources	HR Payroll – Systems Audit
	Extensive	Resources	Cashiers Systems Audit
	Extensive	Resources	Council Tax Systems Audit
	Extensive	Resources	Tele-Communications – Systems Audit
	Extensive	Development and Renewal	Lettings and Nominations Systems Audit
	Extensive	Communities, Localities and Culture	Control and Monitoring of Penalty Charge Notice Income Systems Audit
	Extensive	Children, Schools and Families	Swanlea Secondary School – Probity Audit

Assurance level	Significance	Directorate	Audit title
	Extensive	Tower Hamlets Homes	Housing Repairs Follow Up Audit
	Moderate	Children, Schools and Families	Seven Mills Primary School – Probity Audit
	Moderate	Children, Schools and Families	Virginia Primary School – Probity Audit
	Moderate	Children, Schools and Families	Marner Primary School – Probity Audit
	Moderate	Children, Schools and Families	Our Lady Catholic Primary School – Probity Audit
	Moderate	Development and Renewal	Land Charges – Systems Audit
	Moderate	Communities, Localities and Culture	Fees and Charges Including Management for the Delivery of Skills Funding Agency contract - Follow Up Audit
	Moderate	Communities, Localities and Culture	Environmental Protection and Pollution Control - Follow Up Audit
	Moderate	Adults, Health and Wellbeing	Occupational Health Stores – Systems Audit

Summary of Audits Undertaken

APPENDIX 2

Limited Assurance

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Creditors - Systems Audit	Jan 2013	<p>The main objectives of the audit were to provide assurance to management as to whether the systems of control within the Requisition to Pay (R2P) system are sound, secure and adequate and also to evaluate the potential consequences which could arise from any weaknesses in internal control procedures.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • Catering Services have been given special dispensation by Accounts Payable to automatically receipt goods received on the R2P system, as it was felt impractical to acknowledge receipt for all low value high volume items. However, no compensating measures have been put in place to substantiate that all goods ordered have been received. • Two instances were identified where the approval process for invoices was circumvented through the purchase order being automatically mapped with its respective invoice. • Controls around access to the R2P system could be improved. • Staff have expressed concerns over the adequacy of R2P system training available. • Procedure notes are not up to date. • We were unable to evidence that adequate checks were carried out prior to the amendment of suppliers' bank details on the system. • Controls need to be strengthened to prevent duplicate payments being made. <p>All findings and recommendations were agreed with the Payments Manager and reported to the Interim Service Head – Procurement and Programme Management and the Service Head, Corporate Finance.</p>	Extensive	Limited

Management Comments

The creditors system audit is conducted annually in order to support the work by the External Auditors for the closure of accounts to support the Council's Corporate Government Statement.

The creditors system audit for 2011/2012 focussed on the Council's requisition to pay system (R2P) and maintenance of the JD Edwards One World address book which holds all supplier details including those relating to their bank account. The audit did not therefore include all creditor payments as a high volume of these come through by way of an interface, i.e. Framework-I, Team Sigma and SX3.

A small number of recommendations are for consideration for the longer term, for example the development of a duplicate payment tool and these will be developed and where necessary procured post the implementation of Agresso. The other recommendations have now been implemented by the necessary departments. A number were able to be resolved centrally by the R2P Systems team and Central Payments, however a number of recommendations were also the responsibility of individual departments within Directorates, for example Contractor Services in Education, Social Care and Wellbeing.

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Harry Roberts Nursery School	Dec. 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school had an established Governing Body and a Finance, Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; budget monitoring; collecting and recording of income; payroll management; free school meals; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • The Scheme of Delegation and Financial Procedures had not been reviewed since 2010. • The terms of reference for the Finance Committee and Personnel Committee had not been reviewed by the Governing Body within the last 12 months. • Financial implications for each of the objectives are not documented within the School Development Plan. The Plan had not been formally approved by the Governing Body within the last 12 months. • Testing of a sample of 10 purchase orders identified purchases where an official order had not been raised. In one other case the order was authorised after the order was placed. • Statutory policies including the Charging Policy, Pay Policy, Whistle Blowing Policy, and Health and Safety Policy had not been reviewed, updated and approved since 2010. • Transfer of school dinner monies is not being signed for by both parties. • Agency timesheets are now always certified by an authorised signatory. • Results of the inventory check had not been presented to the Governing Body during the previous 12 months. <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Limited

Management Comments

The Children, Schools and Families (CSF) Directorate have put the following systems and processes in place:-

- Internal audit reports on schools are now a regular item on the DMT agenda for discussion.
- Internal audit reports are used by CSF schools Finance team to feed into systems to determine schools requiring priority support.
- Internal Audit assurance rating is used to target specific support to schools.

In addition, necessary intervention is put in place by CSF Finance to assist and support schools in improving governance, financial management and control in specific areas of business activities.

Comments:

The school have acted immediately and agreed to complete all actions with a defined timeframe.

The school and the governing body are fully commit to the recommendations made in the Audit report by:

- by tracking all actions within the timeframe provided in the report, including evidence of actions taken where appropriate
- confirming additional steps that the school are planning to take in light of the audit findings
- to take immediate action in mitigating exposure to risks arising from weaknesses in the control environment

Schools Finance manager has contacted the school to add any support and review the school in its recommendations.

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Management and Control of staff Hospitalities and Gifts</p> <p>Follow Up Audit</p>	<p>Jan. 2013</p>	<p>This follow up audit assessed the progress made in implementing the recommendations agreed with each of the Corporate Director.</p> <p>Our review showed that out of three priority 1 recommendations and four priority 2 recommendations, all had been progressed and implemented. The Council's hospitality procedures had been updated and placed on the staff intranet. The procedures contained reference to the Bribery Act. A senior officer at Service Head level had been nominated within each Directorate to take the responsibility for reporting and monitoring compliance with the Council's hospitality and anti-bribery procedures. Six-monthly reports were submitted to the each DMT along with the Hospitality Registers which provided details of instances of hospitality and gifts recorded, accepted and declined by officers in the period. Regular reminders about the required procedure were being sent to all staff via e-mail cascading from the DMTs and SMTs, as well as being included within the Managers briefing to ensure that staff members are aware of the procedures to be followed. In all instances, the Hospitality Books were hard backed and bound. Entries made within the Hospitality book had been cross-referenced to the supporting Staff Hospitality Register forms which had been decided upon and approved by Service Heads and Corporate Directors, as appropriate.</p>	<p>Extensive</p>	<p>Full</p>

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Case Management of prosecution Cases</p> <p>Follow Up audit</p>	<p>Dec. 2012</p>	<p>The key objective of this audit was to evaluate the actions taken since the original audit review and to ensure that the recommendations had been implemented as agreed.</p> <p>Our review found that out of the four priority 2 recommendations arising from the finalised audit report, all had been progressed and implemented.</p> <p>Our testing showed that a new structure had been developed for the Licensing Section to address the weaknesses identified in the original report. Additional funding had been obtained from proceeds of crime award to fund out of hours payments to enforcement officers to increase the number of Licensing visits to ensure premises are operating according to the regulations. A legal agreement template had been drafted for use on all prosecution cases. This template outlines the protocols and targets that Legal Services will be following when representing the Council in prosecuting cases. The template is currently going through the legal internal process prior to formal sign off. All sections are now required to use the prosecution template on the flare system and Service Indicators including discontinued cases have been developed from September 2012 and are reported to the DMT. An enforcement report is also produced by Legal Services to take to the CLC DMT. Our review showed that a number of monthly and yearly performance statistics are produced by the service as well as the Key Indicators being included in the CLC Dash Board which is presented to the DMT by the performance strategy group. All prosecutions now have a draft press release that is prepared and issued to the communications team to be advertised within Eastend Life.</p> <p>The report was agreed with the Service Head, Public Safety and final report was issued to the Corporate Director - Communities, Locality and Culture.</p>	<p>Moderate</p>	<p>Full</p>

Substantial Assurance

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Management of Complaints</p> <p>Systems Audit</p>	<p>Jan. 2013</p>	<p>This audit sought to provide assurance over the systems for management of complaints at Corporate level. The Council's view is that aims to provide excellent levels of customer care in all services at all times. However, the Council recognises that things can go wrong sometimes and welcomes complaints as important feedback from service users. The purpose of the system is to deal with complaints, however raised.</p> <p>Our review found that access to information on how to make a complaint has been made available to the public from a number of sources. Target dates had been assigned for all of the complaint stages, which leads to better monitoring of responses to complaints to ensure that complaints are processed within target time framework. Complaints could be tracked in a number of ways from start to conclusion. Good quality and up to date management and performance information was being provided to the Corporate Management Team on a quarterly basis. Each Directorate was found to have a designated Complaints Officer.</p> <p>However, our testing showed that not all complaint acknowledgements had been attached to the complaint held within the Siebel System. Procedures in respect of complaints required to be updated to reflect staffing changes and organisational changes. Any control issues arising from complaints upheld at Directorate and Corporate level, needed to be followed up and checked to provide assurance that controls have improved to prevent / manage further occurrence.</p> <p>All findings and recommendations were agreed with the Service Head, Legal Services (Community) and final report was issued to the Assistance Chief Executive, Legal Services.</p>	<p>Extensive</p>	<p>Substantial</p>

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Asset Management and Disposal</p> <p>Follow Up audit</p>	<p>Feb 2013</p>	<p>The objective of this audit was to evaluate the actions taken since the original audit review and to ensure that the recommendations had been implemented as agreed.</p> <p>Our testing showed that out of two priority 1 recommendations, one was progressed and one was fully implemented. The one priority 2 recommendation was work in progress. Procedure notes for asset disposal and lettings had been revised, however, some of the key procedures recommended by audit such as marking and numbering of the sealed envelopes and storage of the bids needed to be included. At the time of this review no disposals had been marketed since February 2012, so we have been unable to test the embedding of the above recommendation. Management have stated that in pursuit of achieving best consideration, all offers including late bids would be considered in the future, provided the bids already received have not been opened. The establishment of appropriate benchmarks is work in progress. It was proposed that Asset Management would liaise with other authorities to see what is being measured, and the performance to date. Hackney, Newham, Waltham Forest, and Haringey have been contacted but information has not been forthcoming.</p> <p>All findings and recommendations have been agreed with the Service Head, Asset Management and final copy was issued to the Corporate Director – Development and Renewal.</p>	<p>Extensive</p>	<p>Substantial</p>

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
HR Payroll Systems Audit	Feb. 2013	<p>The main objective was to provide assurance as to whether the systems of control within the HR Payroll system were sound and secure.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • New starter forms were not always signed by two authorised signatories; • ResourceLink does not detect the use of duplicate bank details when new starters are added. • Authorised payroll signatory forms were not on file for all relevant officers. • New starters are not always added to the payroll system promptly. • Some leaver forms have been certified by an officer who does not have the appropriate authorisation rights. • Overpayments of salary have occurred due to the late completion of leaver forms. We found one example where a leaver who received an overpayment of salary had subsequently re-joined the payroll, but at the time of the audit this overpayment was if being recovered. • Reconciliations between the payroll system and the general ledger are not always signed and dated by the reviewer to evidence the reconciliation being prepared and independently reviewed. • Performance indicators were not found to be in place for the Payroll function. <p>All findings and recommendations were agreed with the Payroll Manager and reported to the Service Head – Human Resources and Workforce Development and the Service Head, Corporate Finance.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Cashiers Systems Audit	Jan 2013	<p>The audit was designed to provide assurance to management as to whether the systems of control around the Cashiers system are sound, secure and adequate and to evaluate the potential consequences which could arise from any weaknesses in internal control procedures.</p> <p>The areas covered were;</p> <ul style="list-style-type: none"> • Policies and Procedures; • Reliability and Integrity of Transactions and Records; • Receipting and Transaction Processing; • Imprest Accounts; • End of Day Cash Balancing; • Banking and Unpaid Cheques; • Systems Reconciliation; and • IT Systems and Security. <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • There was a lack of evidence to confirm that the Cashier Section Procedure Notes had been updated on a regular basis. • From a sample of 20 controlled stationery items issued, testing found five cases where no requisition form had been completed to document the request. • Review of the book used to record discrepancies between monies received and banked, and those included on the cash receipting system established that no reason is recorded as to the reason for the discrepancies. • It was confirmed that the amount of cash retained in the Cashiers Office safe is currently £20,000 which is split between five floats of £100 each for the workstations, one of which is a spare float, and £19,500 in case of emergency need. <p>All findings and recommendations were agreed with the Chief Cashier and reported to the Head of Revenue Service and the Corporate Director – Resources.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Council Tax Systems Audit	Jan 2013	<p>The main objectives of the audit were to provide assurance to management on whether the systems of control are sound, secure and adequate and also to evaluate the potential consequences which could arise from any weaknesses in internal control procedures, including value for money issues.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • Expired student exemptions have not been identified leading to untaxed properties. • Significant administration error has led to recovery cases being put on hold and not processed through to write off. • Cases of unsigned reconciliations were identified. <p>All findings and recommendations were agreed with the Principal Revenues Officer – Council Tax and Income and reported to the Service Head, Revenues Services and the Service Head, Corporate Finance. The final report was issued to the Corporate Director – Resources.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Tele-communications Systems Audit	Jan. 2013	<p>The main objective of the audit was to provide assurance to management as to whether the systems of control within the Telecommunications system are sound, secure and adequate and also to evaluate the potential consequences which could arise from any weaknesses in internal control procedures.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • There is no formal approval process in place for changes to the Class of Restriction for users. One user had been allocated excessive permissions for their job role which allowed them to dial international numbers. • The Information Management Strategy, dated June 2011, does not include the current and future requirements for telephony. In addition, since being written, the Council has entered into a new partnership with Agilisys. • User access to the online (command line) service for the telephony system is shared by the telephony administration team. Furthermore, a user's account is locked out after repeated incorrect password attempts or after a break of about 20 minutes. We were unable to identify if user access was logged and if reporting was available to support management in identifying unauthorised access. • Users are not forced to change their initial PIN on the telephone extension which is usually assigned as the same as the extension number. Some extensions had not had the default PIN changed. • There is currently no Telephone Acceptable Usage Policy in place at the Council. • The mobile telephone service was obtained through an OGC framework agreement. However, there is no formal signed contract in place with the service provider, T-Mobile. • Mobile users are responsible for reimbursing the Council for non-business related calls. Invoice managers within each Directorate are responsible for reviewing mobile phone bills. We were unable to obtain evidence of this process being followed. <p>All findings and recommendations were agreed with the Business Solutions Architect reported to the Service Head – Telecommunications and the Section 151 Officer, Resources Directorate.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Lettings and Nominations Systems Audit	Jan 2013	<p>The main objectives of the audit was to provide assurance to management that systems and controls have been put into place to effectively manage Lettings to Council dwellings and to properties offered by registered social landlords (RSLs), that systems and controls have been put into place to effectively manage the Council's Nomination Rights to social housing. In addition, the audit was also designed to alert management to any deficiencies in the control procedures.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • Sample testing found that the current Common Housing Register (CHR) agreement has not been formally signed by seven out of the 10 partner landlords in our sample. • The homeseekers website allows up to six pictures to be uploaded for each property advert, but we found that only one external picture of the property is usually uploaded, with no internal pictures to show potential bidders what the property looks like inside. In addition, sample testing found that four out of the 20 adverts in our sample did not contain any picture of the properties on offer. • The CHR agreement stipulates that the Council should at least once every 24 months send a review notice to each approved applicant who has not made contact with them in the intervening period reminding them that they have been registered from their last known address and reminding the applicant to update details held on-line about them. However, we found that the Council has not sent a review notice to all applicants on the housing list within the last 24 months. <p>All findings and recommendations were agreed with the Lettings Services Manager and reported to the Service Head, Housing Options and the Corporate Director – Development and Renewal.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Control and Monitoring of Penalty Charge Notice Income Systems Audit	Dec. 2012	<p>This audit examined the systems and procedures currently in operation for issuing and processing Penalty Charge Notices (PCNs) and for controlling and monitoring of PCN income.</p> <p>Our testing showed that PCNs issued had been uploaded to Chipside IT system promptly. The system for regular accounting and monitoring of the PCN income received via various payment channels was adequate. However, we have raised the following issues which required management action:-</p> <ul style="list-style-type: none"> • Policies and procedures needed to be updated following the migration to Chipside, the new parking system. • The control served by the completion of the Daily Monitoring sheets completed by Parking Enforcement Admin Staff needed to be reviewed. • An approach needed to be considered for a formal review of cases which have not progressed further into the appeals and/or recovery process for a pre-determined length of time. • Clear performance indicators and targets needed to be specified within the Bailiff contract for PCN debt recovery and then performance monitored against the agreed targets. • Debtors and bad debt provisions needed to be raised on quarterly basis. <p>All findings and recommendations were agreed with the Service Head, Public Realm and final report was issued to the Corporate Director – Communities, Localities and Culture.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Housing Repairs Follow Up Audit	Jan 2013	<p>This audit followed up the agreed recommendations at the conclusion of the original audit. From our review, we could provide assurance that of the two Priority 1, and seven priority 2 recommendations, all had been progressed well.</p> <p>Our review of benchmarking information showed that THH were in the upper quartile for cost per repairs when compared with 17 other ALMO's. Officers had undertaken reconciliation between the costs for the fixed price per property under the 2011/12 agreement and the original schedule of rates (SOR's) and confirmed that there was a cost advantage to continue under the fixed price agreement. All signed copies of variation to contract and all contract variations were recorded on a Variation to Contract Register. This information was held electronically by the Contract Relationship Manager.</p> <p>A new Service Critical Indicator had been introduced for 2012/13 which reports on overdue orders. This is operationally monitored and managed by the contractor at the Neighbourhood Performance Monthly meetings. A new post-inspection process has been introduced which can assist in identifying and targeting any areas of poor performance for improvement to act upon the information in a timely manner. There were examples of a more planned approach by THH to repairs and maintenance as opposed to having repairs carried out on a responsive basis.</p> <p>However, our testing showed that there was a need to investigate further works orders with an overdue target date of three months or more.</p> <p>All findings and recommendations were agreed with the Acting Director of Neighbourhood Services and final report was issued to the Chief Executive, THH.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Swanlea Secondary School	Oct. 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and a Finance Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; procurement of goods and services; personnel and payroll management; managing eligibility for free school meals; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • The Scheme of Delegation and Finance Policy was inconsistent with the bank mandate. Whilst the Finance Policy states that the school has four authorised signatories, six are included on the bank mandate. The Finance Policy does not actually state who the signatories should be. • The bank mandate included the previous Head Teacher whilst one of the Deputy Head Teachers was not included despite being confirmed as a cheque signatory at the December 2011, Governing Body meeting. • The Pay Policy had not been reviewed, updated and approved since 2009 as there is a pay freeze in place. <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Extensive	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Seven Mills Primary School	Feb. 2013	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and a Finance Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; procurement of goods and services; collecting and recording of income; personnel and payroll management; managing eligibility for free school meals; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • The Scheme of Delegation had not been reviewed since September 2010. • The Administration Assistant was included as an authorised signatory on the bank mandate, but not listed on the Scheme of Delegation. In addition, supply staff timesheets were being authorised by the Administration Assistant. • The Finance and Premises Committees Terms of References do not provide details on the composition of the Committees, frequency of meetings or the quorum requirements • Meeting minutes were not always signed off as an accurate record of the discussions held. In addition, an opportunity to declare any business interests was not provided for during the June 2011 meetings. • A number of statutory policies had not been reviewed, updated and approved since 2009. The new Head Teacher and Bursar are working to address this. • Records to show how the school journeys had been costed were not retained and presented to the Finance Committee. • The results of the annual inventory check had not been provided to the Governing. <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Virginia Primary School	Dec. 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and a Finance, Premises for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; budget monitoring; collecting and recording of income; personnel and payroll management; managing eligibility for free school meals; recording of assets; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • The Pay Policy and also that a number of personnel policies have not been reviewed / updated within agreed timescales. In addition, the approval of the Charging Policy has not been updated formally minuted. • Up to date declarations of business had not completed for all members. Furthermore the register had not been extended to include all staff with financial responsibilities. • Official orders / requisitions are not always obtained for all orders where it was possible to raise one. • The school inventory check was undertaken by Levett Consultancy in August 2011. However the results of the check have not been presented to the Governing Body. <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Marner Primary School	Oct. 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Governing Body and Finance Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; budget monitoring; collecting and recording of income; personnel and payroll management; recording of assets; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • Two of the previous 12 months' Monthly Reconciliation Statements had not been signed off by the Head Teacher to confirm that the information was accurate. The copies held centrally by the Council had not been signed either. • The Financial Management Code of Practice requires that three written quotations should be obtained for expenditure above £1,500. Testing of a sample of five purchases above £1,500 identified two cases (totalling approximately £5,100) where the school did not obtain the necessary three written quotations. • Evidence to support the costing figures of the annual school journey is not retained and there was no evidence of agreement by the School Management Team and/or the Finance & Resources Committee. • Testing of a sample of 10 pupils receiving free school meals identified six cases where the school did not have records of the child's eligibility to free school meals. In four of these cases, we were able to confirm with the Council the child's eligibility. • Sample testing of 15 items recorded on the asset register or located around the school, identified six items that had not been security marked. • The value of cash held within the safe at the time of the audit amounted to £968.47. Cash held in the safe is insured up to £500. <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Our Lady Catholic Primary School	Nov. 2012	<p>The audit was designed to ensure that there were adequate and effective controls over the administration and financial management of the school. Our review confirmed that the school has an established Federated Governing Body with Holy Family Primary School and an Our Lady's Committee which encapsulates the Resources and Standards Committee responsible for financial planning and control. Controls were adequate in monitoring of school bank accounts; accounting for income and expenditure; requisition of goods and services; personnel and payroll management; free school meals; disaster recovery; risk management and insurance.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • Examination of the School Development Plan revealed that whilst the plan is comprehensive, the financial implications for each of the objectives are not documented. • Records to show how the school journeys had been costed were not retained and presented to the Our Lady's Committee prior to the journey. • Although the inventory was most recently checked in April 2012, it had not been provided to the Governing Body. The school was unaware of this requirement. <p>All findings and recommendations were agreed with the Head Teacher and reported to the Chair of Governors and the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Land Charges Systems Audit	Dec 2012	<p>The audit was designed to provide assurance to management that systems and controls are in place for the administration and management of the service and that adequate systems are in place to enable the provision of accurate, valid and complete information to the public upon receipt of the appropriate fee.</p> <p>The main weaknesses were as follows:-</p> <ul style="list-style-type: none"> • Clear policies or procedures needed to be developed to document the ways in which applications for the chargeable elements of the Land Charges function should be conducted. • Checks needed to be undertaken on the accuracy of additions or amendments to the Land Charges Register. • The target timeframe for turning around chargeable requests to the Land Charges Register has been changed during the year from 10 working days to 30 working days. This change should be approved by an appropriate level of management. • Of the three complaints which had been received and responded to in full during this financial year none had been responded to within the 10 day timeframe targeted. <p>With one exception, all findings and recommendations were agreed with the Team Leader Application Support and reported to the Head of Planning and Building Control and the Corporate Director – Development and Renewal. The recommendation that further consideration should be given to the target for timeliness of responses, including member consultation was rejected as management stated that the increased response times were as a result of a staff restructure and were a temporary phenomenon. It was also stated that response times are now significantly reduced and a strategy is to be developed to further reduce response times to comply with the 10 day target.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Fees and Charges Including Management for the Delivery of Skills Funding Agency contract</p> <p>Follow Up Audit</p>		<p>The objective of this follow up audit was to provide assurance to management that the agreed recommendations at the conclusion of the original Audit had been implemented as agreed.</p> <p>Our review found that out of three priority 2 recommendations, all had been progressed and implemented. As required by the Skills Funding Council's Inspection report, the Workforce and Development Manager had completed the self-assessment and quality improvement plan. The Head of Finance issued guidance and instructions to all Collecting Officers to ensure that valid receipt numbers are recorded on Cash & Deposit returns to improve the tracking and monitoring of income. In connection with the recommendation on fees and charges, the proposed revised fees and charges were presented to Cabinet on 11 January 2012. The report mentioned that the current fees for adult and community courses (not leading to qualifications) are around 50% below that charged for comparable programmes in neighbouring boroughs. It was also noted that if the income level were to be increased through higher fees then the service would be able to increase the number and breadth of courses offered. However it was not considered appropriate to increase the charges at that time, and the proposal to freeze these for 2012/13 was agreed on 11 January 2012.</p> <p>The report was agreed with the Service Head, Culture and final report was issued to the Corporate Director - Communities, Locality and Culture.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Environmental Protection and Pollution Control Follow Up Audit	Nov. 2012	<p>This audit assessed the actions taken since the original audit review to ensure that the agreed recommendations had been implemented.</p> <p>From our review, we could provide assurance that of the four priority 2 recommendations, three had been progressed well. Our testing showed that proactive work was undertaken throughout the year to identify polluting activities. Electronic signatures were now available to approve electronic documents on the IT application. The LBTH website had been updated with details of how a member of the public can access the Public Register. However, in connection with the adoption of DEFRA guidance, clear documentation of the adoption needed to be presented to the DMT to ensure that the revised Air Quality Action Plan, makes explicit reference to the adoption of DEFRA guidance.</p> <p>All findings and recommendations were agreed with the Service Head, Community Safety and final report was issued to the Corporate Director - Communities, Locality and Culture.</p>	Moderate	Substantial

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Occupational Health Stores Follow Up Audit	Dec. 2012	<p>This follow up audit assessed the progress of recommendations made at the conclusion of the original audit.</p> <p>Our review showed that out of four priority 1 recommendations, three were implemented and out of eight priority 2 recommendations, six were implemented. Policies and procedures, including those for authorising or orders and for condemning used equipment and store items had been updated and there was a system in place for keeping them current, led by the Community Equipment Store Management Board. Stock Control procedures were in place, with weekly stock counts being recorded. The use of condemning certificates had been taken on, with proper authorisation. An inventory for non-stock items was in place and should reduce risks in terms of adequate insurance cover. However, the following issues were raised:-</p> <ul style="list-style-type: none"> • Market testing for higher value purchases needed to be improved. • Delivery Notes needed to be signed by the person taking custody of the goods/services and not the person raising the order. • A full reconciliation required to be carried out of all Items listed on the condemning forms with items recorded as withdrawn from the inventory system <p>All findings and recommendations were agreed with the Service Head, Adult Social Care and final report was issued to the Corporate Director - Children, Schools and Families.</p>	Moderate	Substantial

Follow Up Audits – List of Priority 1 Recommendation still to be Implemented

APPENDIX 3

Audit Subject	Recommendation	Service Head	Officer Name
Occupational Health Stores	It should be ensured that items listed on the condemnation form and authorised by an approved officer, reconcile with items recorded as scrapped on the inventory records. Held on the IT system.	John Rutherford	Bhagat Singh

Follow Up Audits – List of Priority 2 Recommendation still to be Implemented

APPENDIX 3

Audit Subject	Recommendation	Service Head	Officer Name
Environmental Protection and Pollution Control	Ensure that the revised Air Quality Action Plan, to be presented to DMT in October 2012, makes explicit reference to the adoption of DEFRA guidance.	Andy Bamber	Deshni Nadar
Asset Management and Disposal	Appropriate benchmarks and performance targets should continue to be established and used to measure Asset Management performance in order to ensure the Councils corporate objectives, in respect of property management are being achieved. Results of benchmarking should be monitored and reported to DMT.	Ann Sutcliffe	Howard Bramwell
Occupational Health Stores	It should be ensured that delivery notes are signed by the person taking custody of the goods/services and this should differ from the person who raised the official order, to ensure adequate separation of duties exist.	John Rutherford	Bhagat Singh
Occupational Health Stores	Market testing transparency for higher value purchases requires improvement to ensure that evidence of quotes and prices obtained is attached to the official order on the system.	John Rutherford	Bhagat Singh

