

**2009/10 Audit Reports receiving a Substantial or High Level of Assurance at the time of reporting (October 2009 – March 2010)**

<b>Audit Title:</b>	<b>Data Quality</b>
<b>Service Section:</b>	Overview & Scrutiny & Policy Manager
<b>Issued Date:</b>	October 2009
<b>Audit Scope:</b>	The audit review set out to establish whether performance data is produced in accordance with the Councils Data Quality Policy and to evaluate whether data is produced on a timely fashion, is accurate and is fit for its intended purpose.
<b>Findings:</b>	The report concludes that controls over the arrangements are generally strong. However, several areas were identified where improvements can be made, for example there is a need to ensure that there are processes in place to check and validate data provided by outside organisations; that guidance is prepared and issued to officers who have responsibility for submitting performance indicator data and that sample checks are made on performance data to confirm accuracy and evidence of supporting data.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:** All of the recommendations made have been accepted and the actions are planned to be implemented by April 2010.

**Adequacy of Response:** Adequate

**Key Actions Agreed:** To:

- Request details of Data Quality policies/procedures from LSP partners
- Ensure guidance is received for formulating all 2009/10 performance indicators
- Undertake checks to validate the correctness of performance indicator data submitted.

**Follow Up date:** May 2010

**Follow Up Assurance Assessment:** Not yet completed

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<b>Audit Title:</b>	<b>Treasury Management</b>
<b>Service Section:</b>	Financial Services
<b>Issued Date :</b>	November 2009
<b>Audit Scope:</b>	The audit set out to: <ul style="list-style-type: none"><li>• Establish that key management controls are in place to ensure that the borrowing and investment of Council funds are</li></ul>

safeguarded, and made in accordance with the Treasury Management Strategy.

- Findings:** The main issues arising from the audit were:
- The need to ensure that paperwork is issued to the Counterparty when deals are rolled over.
  - The need for Brokers to provide written confirmation of deals arranged on behalf of the Council.

**Assurance Assessment at the time of the audit: Substantial**

**Management Response:** Two of the four audit recommendations have been accepted and implemented immediately. Two recommendations have not been accepted as they are not administratively viable. Alternative controls are in place for 1 of the recommendations rejected.

**Adequacy of Response:** Adequate

**Key Actions Agreed:** To:

- Ensure that documentation is issued to Counterparties when deals are rolled over.
- Chase documentation from Brokers confirming the details of deals arranged on behalf of the Council.

**Follow Up date:** scheduled – July 2010.

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**Audit Title:** CCTV

**Service Section:** Assist. Dir. of Customer Services & Partnerships

**Issued Date:** November 2009

**Audit Scope:**

- To review the 'Profile Security' contract monitoring arrangements;
- To assess compliance with the CCTV code of practice guidelines and statutory requirements;
- To establish and evaluate the arrangements in place for the purchasing/leasing and maintenance of CCTV equipment;
- To review the controls over associated income;

**Findings:** The main recommendations relate to the formalisation of procedures for key operations within the CCTV control room. Additional recommendations have been made in relation to inconsistent charges for CCTV monitoring services and internal recharges. Finally; recommendations have been made to obtain a number of key documents that were not available during the audit, specifically; the maintenance agreement and camera inventory.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:** All of the recommendations have been accepted and the actions are planned to be implemented by May 2010.

**Adequacy of Response:** Adequate

**Key Actions Agreed:**

- To review and update the CCTV Code of Practice and the Procedures Manual;
- To reinforce procedures for operations within the CCTV control room;
- To review the process and levels of recharges for CCTV monitoring services;

**Follow Up date:** Scheduled June 2010

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**Audit Title:** Residents Parking

**Service Section:** Environmental Services

**Issued Date:** January 2010

**Audit Scope:** The review focused on the key controls that are in place to ensure that residents' permits are correctly issued in accordance with the criteria in place; and that the income generated has been correctly received and accounted for.

**Findings:** Key issues arising from the audit were:

- A need to compile procedure notes covering the application and renewal process for resident parking permits
- Potential weakness regarding the issuing of temporary permits. It was advocated that consideration is given to providing the Gateway staff with access to the new car parking system so that appropriate checks can be made before temporary permits are issued.
- Generally sound income accounting procedures were in place; however there was a need to strengthen the reconciliation process between the car parking system and the general ledger.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:** All of the recommendations have been accepted and the actions are planned to be implemented by June 2010.

**Adequacy of Response:** Adequate.

**Key Actions Agreed:**

- Compile procedure notes to reflect all procedures relating to resident parking permit applications and renewals.
- Provide secure cabinets to increase security to all vulnerable permit stationery
- Review the arrangements for the issuing of temporary permits between the Car Parking Team and Gateway via web permit

processes and through further information and monitoring on the number of temporary permits issued

- Retain the report from the parking system (Imperial) to substantiate the monthly reconciliation to the general ledger
- Amend the application form to include a suitably worded disclaimer which sets out how the applicant's information will be processed and used.

**Follow Up date:** Scheduled for July 2010

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**Audit Title:** **Museum**

**Service Section:** Maidstone Museum

**Issued Date:** January 2010

**Audit Scope:** The audit review set out to examine and evaluate the controls in place for the management of the Museum East Wing Development. In particular, the audit considered whether the project was being managed in accordance with the Council's project management procedures and if the security arrangements over the storage of artefacts during the redevelopment period are well controlled. Security and health & safety arrangements at the Museum for the duration of the development were also considered

**Findings:** The report concluded that controls over the arrangements are generally strong. Several areas were identified where improvements could be made, for example there was a need to ensure that security arrangements at the leased storage unit are fully operational; that the programme setting out the timetable for the movement of artefacts was updated to reflect the action taken and a process was implemented to reconcile donations received to the Agresso accounting system. The report also raised concerns over the limited £value of donations that had been received at the time of the audit through fund raising. It was considered that there was a need for the Museum & Heritage Manager to provide Management Team with monthly progress reports detailing the value of donations received and whether fundraising milestones are achieved.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:** All of the recommendations made have been accepted and have been implemented.

**Adequacy of Response:** Adequate

**Key Actions Agreed:**

- Security arrangements at the lease unit are now fully operational.

- The programme, setting out a timetable for movement and storage of artefacts, has been updated.
- A process has been implemented to reconcile donations received.
- A report of donations/pledges made will be provided to the Director of Change & Environmental Services in advance of each project board meeting.

**Follow Up date:** May 2010

**Follow Up Assurance Assessment:** Awaited

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**Audit Title:** Council Tax – Valuation, Liability & Billing

**Service Section:** Assistant Director of Customer Services

**Issued Date:** February 2010

**Audit Scope:** The audit set out to:

- Establish if all property valuations (new and amendments) are correctly updated on the Council Tax system
- Establish if the correct Council Tax Debit has been calculated on all Council Tax accounts
- Evaluate the arrangements for the billing of Council Tax for 2009/10

**Findings:** The main issues arising from the audit were:

- The inspection of void properties is still being recorded using a manual paper based system. This means that the details of each inspection are not currently being recorded on Academy.
- There is no central record of all of the properties under inspection. This means that the total number of properties under inspection is not known and it is not possible to establish if the inspection target of two to three inspections, per property, per year is being achieved.
- There is currently no document retention policy in place setting out how long key Council Tax documentation should be retained and whether the documentation can be stored electronically.
- The Business Continuity Plan for the Revenues and Benefits service needs to be updated following the office move to King Street.
- Director approval is needed to agree that the contract for the provision of the Revenues system (Academy) is extended after 31 March 2010.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:**

Eleven of the fifteen recommendations have been fully accepted and are due to be implemented by 31 October 2010. Alternative solutions have been agreed with the Auditor for two of the recommendations relating to void properties inspections.

Two of the recommendations relating to the 'Tell Them Once' system and suppressed accounts are already in place.

**Adequacy of Response:** Adequate

**Key Actions Agreed:** To:

- Review the void property module on Academy to establish if the module provides a suitable, electronic solution to the recording all of the void properties within the borough and details of all inspections completed.
- Introduce an electronic void property solution by the end of October 2010
- Review the frequency of the inspections completed on void properties according to the individual circumstances for each property.
- Document the inspection of void properties in a procedure note; incorporating the newly agreed inspection frequencies and targets
- Monitor the performance of the Enquiry Officer to ensure that agreed inspection targets are being achieved
- Prepare a document retention policy setting out all key documentation currently held, how long documents should be retained for and if the documents should be stored electronically or in paper format
- Update the Revenues and Benefits Business Continuity Plan to incorporate the new offices at King Street and the Disaster Recovery solution provided by Capita Services
- Seek retrospective approval from the Director of Resources and Partnerships to extend the existing contract with Capita Services for the provision of Academy

**Follow Up date:** Scheduled for November 2010

**Follow Up Assurance Assessment:** Not applicable

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**Audit Title:** VAT Management

**Service Section:** Corporate Finance

**Issued Date:** February 2010

**Audit Scope:** The review examined documentation used in the preparation and calculation of the monthly VAT return; and whether VAT claims are accurately submitted on a timely basis to HMRC, and whether reclaimed VAT is correctly received.

**Findings:** The audit concludes that the procedures provide good controls over the preparation of the monthly VAT claim. However, there is a need to improve procedures over the authorisation and electronic submission of the claim. In addition the audit recommends that training be provided to enable the VAT claim to be prepared and submitted in the absence of the Accountant.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:**

All of the recommendations have been accepted, the majority of which have already been implemented.

**Adequacy of Response:** Adequate

**Key Actions Agreed:**

- Improved procedures have been introduced over the authorisation and electronic submission of the monthly VAT claim.
- Training will be provided to another member of Corporate Finance to enable the Councils VAT claim to be completed and submitted in the absence of the responsible accountant.
- A monthly target date will be set for the VAT claim to be completed and submitted by.

**Follow Up date:** September 2010

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**Audit Title:** Benefits Administration & Assessment

**Service Section:** Revenues & Benefits

**Issued Date:** March 2010

**Audit Scope:**

The audit set out:

- To verify that adequate controls and procedures are in place to ensure compliance with the legislative framework;
- To ensure that suitable documentation is retained on file to confirm the identities of claimants and all financial entries relating to benefit applications;
- To ensure that adequate controls and procedures are in place so that all benefit claims, amendments and cancellations are processed promptly;
- To verify that adequate controls and procedures are in place to ensure that benefit assessments are correctly calculated and that periodic checks of assessments are independently verified

**Findings:**

The audit confirmed that the controls operating over the administration and assessment of Benefits are satisfactory. Only two recommendations were made in the report, relating to updating staff declaration of interests and reinforcing procedures for checking the accuracy of benefit correspondence.

**Assurance Assessment at the time of the audit:** Substantial

**Management Response:**

The recommendations have been accepted and the actions are planned to be implemented by June 2010

**Adequacy of Response:** Adequate

**Key Actions Agreed:**

- New staff declarations have already been circulated and reviewed – due to be completed by May 2010;
- Letter templates are to be reviewed and checks conducted to ensure the quality of letters being issued.

**Follow Up date:** July 2010

**Follow Up Assurance Assessment:** To be completed in July

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