

## Appendix B

### Summary of Internal Reports - April to September 2011 – Assessed as Substantial or High

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**Service:** Environment and Regulatory Services

**Audit title:** Building Control Fees

**Report Issued:** May 2011

**Audit Objectives:**

- To establish the arrangements for the estimation and charging of fees
- To establish and review the arrangements for the collection, receipting, banking and recording of fees and charges;
- To determine the controls for the adequate reconciliation of income to the Councils Financial Management System (Agresso);
- To establish and review the controls for updating and maintaining the APAS system;

**Key Findings:**

Control improvements

- Better resilience over the calculation of fees;
- Accuracy and completeness of Surveyor timesheets; and
- Review and repair of the Building Control website information;

Potential service improvements:

- Adopting central payment procedures;
- Utilising the DIP system for scanning and storing application files; and
- Upgrade of the APAS System;

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

**Management Response Summary:**

All recommendations have been accepted and realistic timeframes for completion have been set. The management response is considered to be adequate.

**Proposed Date for Follow-up:** November/December 2011

**Follow-up Assessment:** Not available

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**Service:** Democratic Services

**Audit title:** Elections

**Report Issued:** August 2011

**Audit Objectives:**

- To establish compliance with Election regulations and legislation;
- To establish compliance with operational procedures and policies;
- To review and evaluate the Elections process from pre-election to closing;
- To review the financial procedures and accounting arrangements over the Elections;

**Key Findings:**

All procedures were found to be operating efficiently and effectively. Only one recommendation was made within the report, to ensure that all future payments to election staff (employed to assist in the running of the election) are made via the Council's payroll system (iTrent).

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

**Management Response Summary:**

The Head of Democratic Services and the Registration Services Manager will pursue the necessary arrangements with Payroll, as soon as possible. The management response is considered to be adequate.

**Proposed Date for Follow-up:** November 2011

**Follow-up Assessment:** Not available

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**Service:** Finance and Customer Services

**Audit title:** Payments to Suppliers - Transparency

**Report Issued:** July 2011

**Audit Objectives:**

- To ensure compliance with the relevant guidelines and internal procedures for the collation and publication of data;
- To confirm the accuracy of published information and the controls over submission of future data;

**Key Findings:**

Proactive measures were taken by the officers to improve controls and to implement more robust accuracy checks over the publication of data, during the audit. As a result, the recommendations in the report were based on the updated procedures and included:

- Implementation/embedding of robust checks over accuracy & completeness of data;

- Obtaining advice and guidance for redaction of potentially sensitive data;
- Independent management sign-off/authorisation of data reports; and
- Republishing previous spending reports in line with the updated procedures;

**Level of Assurance Issued:** Substantial

**Management Response Summary:**

All recommendations have been accepted and implementation is expected for December 2011 / January 2012. The management response is therefore considered to be adequate.

**Proposed Date for Follow-up:** January 2012

**Follow-up Assessment:** Not available

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**Service:** Finance and Customer Services

**Audit title:** Insurance

**Report Issued:** September 2011

**Audit Objectives:**

- To consider the means by which risks are identified and prevented/mitigated and how insurance requirements are agreed.
- To establish the adequacy of arrangements for the recording and administration of insurance claims and to verify through audit testing that claims are properly administered.
- To establish the adequacy of monitoring and reporting arrangements
- To establish the adequacy of arrangements for the annual review and negotiation of insurance premiums

**Key Findings:**

From the audit testing carried out during the course of the audit it is considered that insurance arrangements are well controlled. The audit identified two areas where improvements can be made and these specifically relate to the Council's property portfolio.

**Level of Assurance at the time of the audit:** High

**Management Response Summary:**

All recommendations have been accepted; therefore the management response is adequate

**Proposed Date for Follow-up:** January 2012

**Follow-up Assessment:** Not available

**Service:** Environment and Regulatory Services

**Audit title:** Use of Consultants (non capital projects)

**Report Issued:** August 2011

**Audit Objectives:**

- To establish whether consultants and additional resources are procured / employed in accordance with relevant regulations, legislation and Council procedures
- To verify whether payments made to consultants and additional staff are authorised, accurate and within budget
- To consider whether the use of consultants and additional resources is adequately recorded, monitored and reported

**Key Findings:**

The report concluded that controls over the arrangements were adequate but that improvements could be made to ensure there is more consistency and transparency. The main issues arising were: there was no standard procedure in place for procuring the services of a consultant; there were limited checks completed on consultants prior to engagement; invoices are not always coded to the correct account code and there was no central monitoring of the use of consultants.

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

**Management Response Summary:**

A response has been received. The response is acceptable subject to a final check with the Property and Procurement Manager.

**Proposed Date for Follow-up:** To be confirmed

**Follow-up Assessment:** Not available

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**Service:** Communications

**Audit title:** Website Management

**Report Issued:** September 2011

**Audit Objectives:**

To establish and evaluate the arrangements for the ongoing accuracy, accessibility, security, interoperability and usability of the Council's website

**Key Findings:**

The audit established that the website provides an effective communication method for customers. Information / documents

available on the website are easy to locate and further work is underway to improve the 'findability' of documents. The format of the website content is in line with the corporate brand. The number of online facilities is increasing in line with customer demand. The website provides a secure and reliable means of transacting with the Council.

A number of areas were identified where improvements could be made, for example the website does not have a clear purpose or vision setting out how the objectives to increase online transactions by 20% by 2015 will be met. The website platform (Immediacy) is prone to intermittent faults and is no longer supported by the software provider and the planned development of the new Sharepoint 2010 platform has been delayed. There is no routine / systematic monitoring of the content published on the website to ensure that the information is accurate, up to date and customer friendly and the high number of the Information Champions with responsibility for amending and publishing information on the Council's website could increase the risk of inconsistencies in the design and format of the content published.

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

**Management Response Summary:**

All of the recommendations have been accepted. Some of the recommendations are due to be implemented by the end of March 2012 and the remaining recommendations will be implemented when the new website platform is in place.

The management response is considered to be adequate

**Proposed Date for Follow-up:** April 2012

**Follow-up Assessment:** Not available

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**Service:** Finance and Customer Services

**Audit title:** General Ledger – Budget Setting Process

**Report Issued:** May 2011

**Audit Objectives:**

- To establish that appropriate budget setting processes are in place.
- To establish that appropriate processes are in place to ensure savings identified within the 2011/12 budget setting process are achieved.

**Key Findings:**

Overall the audit found that effective arrangements are in place to ensure the Council's budget is robust, and ensure significant budgetary savings are achieved. However, several areas were identified where improvements can be made, for example, a reporting framework should be created between Corporate Finance and Performance and Scrutiny Team to ensure budget savings are reported consistently and accurately.

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

**Management Response Summary:**

The recommendations are accepted and will be implemented. The management response is considered to be adequate.

**Proposed Date for Follow-up:** March 2012

**Follow-up Assessment:** Not available

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**Service:** Business Improvement

**Audit title:** Interreg (Mosaic Project) January to July 2011

**Report issued:** Return submitted – 28 July 2011

**Background:** The Council is a participant in the 'Mosaic Project' which will provide a detailed socio-economic map of Kent to assist resource planning and focus on service delivery. The Council receives 50% funding from the European Union. The Council's contribution is primarily 'in kind', being the time of the officers spent developing the project.

**Audit objectives:** Internal Audit act as the 'First Level Controller' and are responsible for auditing all of the claims for European funding. This is to ensure that the claims are correct and comply with strict evidence requirements to support each claim. The FLC, on auditing each claim, is required to agree and sign off the claim prior to payment approval. The claims are made every six months.

**Key findings:** The claim was reviewed and evidence was confirmed to support the claim.

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**Service:** Corporate/Section 151 Officer

**Audit title:** National Fraud Initiative (NFI) – data matching exercise 2010/11

**Report issued:** August 2011

**Background:** The National Fraud Initiative is a biennial data matching exercise carried out on behalf of the Audit Commission. The Council is required to submit a broad range of data which is matched against other data sets that the Commission has obtained from a number of sources. Data sets provided by the Council have included Benefits, Payroll, Creditors, Residents Parking Permits, Licensing, Insurance Claims and Register of Electors.

**Audit objectives:** The audit sought to confirm that data matches were being appropriately and promptly investigated.

**Key findings:** At the time of reporting (8 August 2011), 97% of the data matches had been investigated and closed. The exercise identified 3 frauds and 14 errors totalling £72,193. Of this figure, £49,200 related to just one Housing Benefit case.

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**Service:** Corporate/Section 151 Officer

**Audit title:** Audit Commission Fraud Survey 2010-11

**Background:** The Audit Commission require that the Council undertake an internal fraud survey and to submit the results to them in a prescribed format.

Internal Audit undertake the survey and provide the information to the Commission.

There were no issues arising from the survey.

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**Service:** Legal Services Partnership

**Audit title:** Legal Services – Time recording arrangements (IKEN)

**Background:** The Legal Services Partnership has implemented a case management system called IKEN. The legal services partnership was established under the Mid Kent Improvement Partnership (MKIP). MKIP requested that Internal Audit complete a consultancy review of the use of the time recording system by legal staff.

The outcomes from the review were considered by the MKIP Management Board in September 2011.

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