

ORIGINAL CONTROL WEAKNESS IDENTIFIED	ACTION IDENTIFIED TO CORRECT WEAKNESS, PUBLISHED IN 2005/2006 SIC	PROGRESS MADE AGAINST ACTION	FURTHER ACTION TO BE TAKEN
Reconciliations have not been prepared or reviewed for a number of key systems and the Main Accounting System. Regular bank reconciliations have not been prepared or reviewed in the financial year.	The Finance Team will work with the operators of key feeder systems to ensure they are reconciled on a regular basis. Bank reconciliations will be performed on a monthly basis, in accordance with approved financial regulations.	In progress. Work is being undertaken by the Finance Team to reconcile key systems to the ledger.	Further development of reconciliation procedures, including review and sign off by a senior officer.  <b>RESIDUAL RISK: HIGH</b>
Although a Business Continuity Plan was approved in March 2006, the disaster recovery plan remains outstanding.	Disaster Recovery Plan contract will be let by end of June 2006. Disaster Recovery Plan will be fully tested and operational by end of October 2006.	Contract has been let but due to staffing pressures in the IT Team plus developments at the depot the test has not been carried out. The full test is scheduled to take place in January 2007.	Disaster Recovery to be audited in 2007/2008.  <b>RESIDUAL RISK: HIGH</b>
Limited evidence was identified that orders placed are recorded as committed expenditure on the Main Accounting System or alternative local monitoring system.	The business case for obtaining a purchase ordering system is to be reviewed in the first half of 2006/2007.	None	To be reviewed as part of the capital/revenue bid for a new system. This could take up to 2 years given the development required.  <b>RESIDUAL RISK: HIGH</b>
Poor performance on housing benefits continued through 2005/06.	The 2006/07 budget approved growth to increase staffing in order to both improve the management structure and processing speeds. BFI Improvement plan in place and integrated with Overview & Scrutiny task group recommendations.	As at 30/09/2006 time taken to process new claims had reduced by 9 days and time taken to process changes of circumstance has reduced by 10 days on the same point in 2005.	Continue to monitor performance, working with the BFI Development Team to identify further efficiencies and continue with staff training and development.  <b>RESIDUAL RISK: MODERATE</b>

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Annual Audit & Inspection Letter raised concerns about collection rates for Council Tax and NNDR in 2005/06. In year collection for both was below targets set and District Council Top Quartile figures.	Collection rates in 2005/2006 for NNDR were up on 2004/2005. A Recovery Action Plan has been produced to improve collection rates for both Council Tax and NNDR, and performance indicators will be reported and monitored on a monthly basis.	As at 30/9/06 Council Tax collection stood at 56.23% compared with 55.89% at the same point last year, and NNDR collection stood at 62.19% against a previous year figure of 59.38%.	Collection rates will be continually monitored and reviewed to ensure collection targets are achieved.  <b>RESIDUAL RISK: MODERATE</b>
A need to increase audit coverage to achieve requirements of Accounts and Audit Regulations 2003. Whilst improvements were made in 2005/06 this was still raised as a concern by our external auditors in the Annual Audit and Inspection letter.	Coverage in 2006/07 is planned to increase by 100%. Closer working arrangements with external audit are in place and a joint working agreement will be agreed by the end of May 2006.	Prior to the outsourcing of the Internal Audit department, when the section consisted of 3 members of staff, the average annual output of audits was 10. During the period the service was outsourced to KPMG an average of 9 audits a year were completed. In 2005/2006 15 audits were completed by a variety of Internal Audit providers. As at 30/09/2006 10 audits had been completed against the agreed plan.	Continue to undertake audits against the agreed plan. Experience of 2005/2006 audits will be combined with risks identified through the SIC, risk registers and discussions with Chief Executive and Strategic Managers to ensure plans for 2006/2007 and 2007/2008 capture all relevant risks.  <b>RESIDUAL RISK: MODERATE</b>
There is a lack of clear, documented procedures for dealing with VAT and the preparation of VAT returns.	The Finance Team will produce clear and comprehensive guidance notes, to be circulated to all appropriate officers of the Council.	In progress.	This work will be completed by end of December 2006.  <b>RESIDUAL RISK: MODERATE</b>

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A review of Main Accounting System user access rights identified a significant number of users who had either multiple access rights, inappropriate super-user access or they belonged to staff no longer employed by the Council.	All system user access rights are to be reviewed to ensure they are adequate and appropriate.	None	Due to staffing changes the role of Systems Administrator has passed to one of the Finance Officers. Super-user access will be addressed as a priority, with a full review access rights to be undertaken as soon as possible.  <b>RESIDUAL RISK: MODERATE</b>
No formal Human Resources Strategy in place.	Draft Human Resources Strategy produced for officer consultation in March 2006. Will go forward to Committee for approval in July 2006.	The HR strategy was approved by PLA on 03/07/2006.	To be included with wider Council policies and strategies.  <b>RESIDUAL RISK: LOW</b>