

Appendix 2 – Outcomes of Follow-up of Individual Audits

Audited Activity	Audit Opinion	Main Risks	Management Actions Proposed	Follow Up Audit Review: Management Actions Taken / Completed
Safeguarding Clauses in Contracts	Limited Assurance 1 High Risk	<ul style="list-style-type: none"> Where the recommended clauses are not included in a contract there is a risk that the Council could be seen as responsible if a safeguarding or welfare issue were to occur on one of the contracts. 	<ul style="list-style-type: none"> Will ensure that all existing contracts are updated to include the safeguarding clause in all contracts. Henceforth all new contracts must include the safeguarding clause. Compliance to be monitored annually. 	<ul style="list-style-type: none"> Action being taken or completed. <p>Children (DCE Contracts): Further advice has been sought from Legal and HR. An amended clause has been drawn up for approval by the Corporate Procurement and Commissioning Board. Timescale for implementation to existing contracts (through variations) and new contracts – October 2010.</p> <p>Vulnerable Adults (DCS Contracts): Existing contracts have been updated by a variation and the clause included in new contracts.</p> <p>Other Contracts: We also reviewed a sample of Passenger Transport contracts and found the new clause to be covered within the General Terms and Conditions.</p>
Reconciliations – Cash, investments and borrowings	Good 2 Medium Risks	<ul style="list-style-type: none"> The absence of regular reconciliations throughout the year increases the risk of inaccuracies in the Council's financial records. 	<ul style="list-style-type: none"> There were no defined processes in place for a bank reconciliation at the time of Go Live. Significant progress has been made in the last 5 months, and procedures are being 	<ul style="list-style-type: none"> Although bank reconciliations are considerably improved the presence of a significant number of unresolved items in all four bank accounts continues to

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		<ul style="list-style-type: none"> There is no independent verification of the bank reconciliations to ensure they are accurate, that all discrepancies have been properly explained and that appropriate action has been taken to resolve them. 	<p>established and finalised, with regular reconciliations now in place.</p> <ul style="list-style-type: none"> A dedicated team have been working on all bank reconciliations and regular reconciliations are now being undertaken. A monthly independent check by a senior finance officer will be introduced with effect from 31 March 2010. 	<p>present risks to the accuracy of Council's financial records. There is no documentary evidence as to who has completed each reconciliation.</p> <ul style="list-style-type: none"> Independent checks of bank reconciliations are not formally documented.
<p>Housing Rents</p>	<p>Limited Assurance</p> <p>3 High Risks 2 Medium Risks</p>	<ul style="list-style-type: none"> Failure to formulate appropriate business continuity arrangements in the event of the absence of the Housing Systems Administrator could lead to operational shut down and service failure of Simdell and supporting housing rents administrative systems, and thus potential loss and reputational damage. Failure to ensure arrears are cleared before offering new tenancies is a breach of the tenancy agreement and risks creating additional arrears which become unmanageable for repayment by the tenant. 	<ul style="list-style-type: none"> Previous investigations have failed to find a satisfactory solution to this issue. However, we will try again to identify an officer with the necessary skills to familiarise themselves with the procedures the System Administrator undertakes that cannot be covered by Aareon support or the Accounts Office. Neighbourhood Managers to do everything possible to ensure rent accounts are clear before offering new tenancy and on those occasions where this is not possible to seek authorisation of the Area Manager to start the tenancy. 	<ul style="list-style-type: none"> Database information has now been shared and further meetings have been held with Corporate IT. Cover for critical tasks has been discussed and further meetings to ensure this is achieved are being set up. Arrears are being checked prior to offers.

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		<ul style="list-style-type: none"> Failure to pursue current tenant arrears consistently and effectively in accordance with current policy risks financial loss to the council. 	<ul style="list-style-type: none"> Area Managers to hold regular one to one meetings with Neighbourhood Managers to ensure policy is applied consistently although it should be recognised that the policy does allow a degree of discretion and Neighbourhood Managers to receive refresher training on the policy. 	<ul style="list-style-type: none"> One to ones are taking place weekly. Consistent reduction in arrears across all patches has been achieved to date this financial year
Housing and Council Tax Benefits	Limited Assurance 2 High Risks 2 Medium Risks	<ul style="list-style-type: none"> Delay in implementing a single application solution to support Benefits functions, puts at risk early achievement of efficiencies, financial savings and effective outcomes from Lean reviews that meet council and external bodies' expectations. Until a single software application solution for Benefits is implemented, appropriate training and development of staff cannot be undertaken most effectively. 	<ul style="list-style-type: none"> Funding secured, procurement in progress, project lead to be appointed and project plan to be prepared (covers both risks) 	<ul style="list-style-type: none"> Funding has been secured. Project manager has been appointed. Evaluations of tenders July 2010. Project plan will be prepared when supplier known. Since the initial Follow Up, evaluations have been undertaken and a decision on the proposed supplier is imminent.
Car Parking	Limited Assurance 5 High Risks 12 Medium	<ul style="list-style-type: none"> There is a risk that income could be lost because the monitoring of income of each car park machine is not carried out and inconsistencies may go unnoticed. 	<ul style="list-style-type: none"> This reconciliation will be carried out by the Car Park Team. 	<ul style="list-style-type: none"> Actioned. A reconciliation process has been implemented. The process reconciles car park audit tickets to the amount of cash collected as reported by the cash

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	<p>Risks</p> <p>(NB. Follow up work previously reported to June Audit Committee – 2 High Risks remained outstanding)</p>	<ul style="list-style-type: none"> • There are no controls in place to investigate discrepancies between expected and actual cash. 	<ul style="list-style-type: none"> • The car park income procedure currently being carried out in Salisbury will be used in the other hubs. This procedure involves posting the amounts collected as per the collection companies. This will then be compared to actual cash when the bank reconciliation is done. 	<p>collection companies.</p> <ul style="list-style-type: none"> • Using the information from the above reconciliation, the Car Park Team will take up significant variances (probably over £5 but not yet set) directly with the cash collection company.
Highways Maintenance	<p>Limited Assurance</p> <p>4 High Risks 9 Medium Risks</p>	<ul style="list-style-type: none"> • Customer details not always recorded – the customer will not be kept informed of progress. • In the event of system failure, manually logged calls may not be updated on the system, so defects will not be addressed. • Inconsistent or incorrect priority ratings – high priority work may not be given immediate attention. 	<ul style="list-style-type: none"> • Clarence to record. If customer wishes to withhold details, this will be recorded. Issue to be taken forward to Highways monthly meetings with Customer Care Unit (CCU). • Training of CCU staff. Proforma for manual reporting to be updated. • Where priority rating differs from the Inspection Manual, 'Special Instructions' field on EXOR to be completed explaining basis of decision. New protocol to be written. Training of area staff to be included in protocol. 	<ul style="list-style-type: none"> • Actioned. CCU has been advised to record the fact that the caller has requested anonymity. The name is not left blank. CCU confirms team is aware of this requirement. • Actioned. A new form has been created for the manual recording of Clarence reports. Checks for compliance have been introduced. • Due to ongoing changes within DNP, timescale for action agreed for November 2010. Will be re-tested after this time.

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		<ul style="list-style-type: none"> Inconsistent process for the maintenance of Inspection Logs – may not be possible to ensure defects have been actioned or completed. 	<ul style="list-style-type: none"> Manual Inspection Logs are being updated with electronic logs. Inspection Manual to be changed. 	<ul style="list-style-type: none"> Due to transition to electronic logs, timescale for action agreed for November 2010. Will be re-tested after this time.
<p>RFQ Pro Contract System</p>	<p>Good 1 High Risk 4 Medium Risks</p>	<ul style="list-style-type: none"> Failure to achieve an extensive market place could lead to failure to achieve Best Value at potential loss to the Authority 	<ul style="list-style-type: none"> This is a generic risk and is not entirely the fault of the system. This is a high risk but not in relation to the functioning of the project but rather the current situation. Proposed actions: To ensure that operators have market awareness and procurement training including awareness of the contract regulations; to ensure that suppliers are encouraged to register to ensure that we have access to suppliers; we have delayed the project to ensure that we have access to the wider Southwest Portal which will widen the available market place through the tool; and we will be able to invite suppliers to the portal from a market assessment. 	<ul style="list-style-type: none"> We have planned supplier days for this part of the implementation with taxi suppliers. <p>Procurement essentials training is currently being undertaken.</p> <p>We are now part of the SW portal. Wider discussion with other authorities in the portal demonstrate increased registration by suppliers</p>