

Appendix 1 – Outcomes of Individual Opinion Audits 2010-11

Audited Activity	Audit Objectives	Audit Opinion	Risks and Main Issues	Management Actions Proposed
<p>Youth Development – IT Controls</p>	<ul style="list-style-type: none"> The Active Directory permissions for the Youth Development Team data ensure access to the data is restricted. Only staff who work within the Youth Development Team are members of Youth Development groups on Active Directory. 	<p>Substantial Assurance</p> <p>1 High Risk 4 Medium Risks</p>	<ul style="list-style-type: none"> There is a risk that if server admin rights are allocated to users not working within the IT department, that server changes could be made which are i) unauthorised ii) potentially damaging to the server and iii) untraceable and therefore time consuming to resolve. 	<ul style="list-style-type: none"> There is no reason for any member of the Development Service for Young People to have server access rights. Work with Steria and ICT Security to remove these rights from any set up with immediate effect.
<p>Vulnerable Adults – IT Controls</p>	<ul style="list-style-type: none"> The Active Directory permissions for the Vulnerable Adults Team data ensure access to the data is restricted Active Directory groups assigned to Vulnerable Adults staff are appropriate for their role All Vulnerable Adults team data is stored within Vulnerable Adults folders 	<p>Substantial Assurance</p> <p>2 High Risks 3 Medium Risks</p>	<ul style="list-style-type: none"> Unless the groups assigned to the folders above are split into groups dealing with Court of Protection and (for instance) groups working within the FAB team, then there is a risk that all the information in all folders is viewable by all users who have access to \\sansrv04\DacsFin Admin. There is a risk that unless documents are filed within folders pertaining to a specific work area, eg Court of Protection, then these documents can be viewed/changed/deleted by users who are not members of the team to which the document relates. 	<ul style="list-style-type: none"> We have discussed and agreed with departmental management the risks arising, and are now awaiting detailed management proposals for actions to manage these risks.

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<p>DCE Capital Projects</p>	<ul style="list-style-type: none"> • Review the policy and strategy for contracts / procurement in DCE. • Assess the effectiveness of contract management and performance measurement. • Review supplier and contract monitoring processes. 	<p>Substantial Assurance</p> <p>3 High Risks 2 Medium Risks</p>	<ul style="list-style-type: none"> • Project expenditure may not be accurately reported if coding errors are being made. • The lack of sufficiently comprehensive data being provided to DCE may have an adverse impact on the quality of management information that is provided for project monitoring processes. • Management of the DCE capital projects programme may be compromised by the lack of sufficiently effective monitoring and reporting tools. 	<ul style="list-style-type: none"> • DCE will ensure that DoR (Corporate Property) put effective systems in place to reconcile commitments to SAP. • DCE will agree with DoR (Corporate Property and Central Finance) managers to ensure that there is effective budget loading / reconciliation and reporting systems to DCE. • DCE will agree with DoR (Corporate Property and Central Finance) managers to ensure that there is effective project / programme management information reporting systems to DCE.

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<p>Direct Payments/ Individual Budgets</p>	<ul style="list-style-type: none"> • To review internal financial controls within the operational teams. • To review control and reconciliation of customer accounts. • The efficiency of the process including the customer experience. 	<p>Substantial Assurance</p> <p>2 High Risks 6 Medium Risks</p>	<ul style="list-style-type: none"> • Insufficient information available to the Public regarding the introduction of Personal Budgets. Staff have not been informed of the new procedure. There is a risk that the introduction of personal budgets will fail and clients will lose out on the opportunity to participate. • There is a risk that if care reviews of direct payment clients are not carried out on an annual basis, the level of support may not be appropriate and problems may not be identified. 	<ul style="list-style-type: none"> • We have discussed and agreed with departmental management the risks arising, and are now awaiting detailed management proposals for actions to manage these risks.
<p>Financial Assessment and Benefits (FAB) Team</p>	<ul style="list-style-type: none"> • The financial assessment is properly documented and complies with the FAB Team working policies and the Council's financial framework. • Referrals for financial assessments are accurately completed and in a timely manner. • The outcome of, and information from, the financial assessment is progressed accurately and timely. • Spot checking arrangements are in place to ensure assessments are in order. • Reviews are completed annually and reassessments documented. 	<p>Limited Assurance</p> <p>5 High Risks 9 Medium Risks</p>	<ul style="list-style-type: none"> • Financial assessments are all in hard copy and are not uploaded to Care First. If lost or misplaced, there is no written evidence and the assessment has to be re-done. Delays may impact on the quality of the service. • Referrals for financial assessments are not always completed fully. Copies were not always on Care First and hard copies were sometimes missing from the client file held by SST. It is not possible to verify the time taken to notify the FAB Team or to measure performance. 	<ul style="list-style-type: none"> • We have discussed and agreed with departmental management the risks arising, and are now awaiting detailed management proposals for actions to manage these risks.

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			<ul style="list-style-type: none"> • Costs for individual clients cannot be identified on SAP or Care First. Information is being duplicated on both systems. • Management review is carried out jointly by the FAB Team Manager and the Principal Finance Officer. The Principal Finance Officer has been with the Council for many years and his knowledge base has not been documented. • If FAB assessors are diverted from mainstream work to carry out annual re-assessments, there is a risk that new financial assessments are delayed. 	
<p>Accounts Payable</p>	<ul style="list-style-type: none"> • There are documented policies and procedures for the operation of the Accounts Payable system. • Control is exercised over the creation and management of supplier records. • Control is exercised over the receipt of goods and the payment of invoices within appropriate timescales. • There are controls over the printing of cheques and the creation of BACS payment. 	<p>Substantial Assurance</p> <p>5 Medium Risks</p>	<ul style="list-style-type: none"> • Inadequate segregation of duties between the maintenance of the creditor catalogue and the processing of invoices increases the Council's exposure to fraudulent transactions. • There is a risk that some invoices are being paid without the approval of an authorised signatory. 	<ul style="list-style-type: none"> • Work has previously been completed to identify user roles. These will be doubled checked with the individual's role within the team. We will then seek to implement these with Corporate Finance and the Shared Services. • All MIRO Invoices have to be authorised before AP can process them. No FB60 will be processed without an authorised signature. The signature and signatory's authorised limit are checked at the point of entry. For uploads

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			<ul style="list-style-type: none"> • Inadequate segregation of duties between the processing of invoices and the issuing of payments increases the Council's exposure to fraudulent transactions. • There is a risk that the high value signing limit given to some staff may lead to inappropriate or excessive expenditure. • There are risks to the Council arising from the use of non standard Purchase Order Forms generated outside the SAP SRM system. 	<p>from feeder systems we have to accept that these have been duly authorised. However, we will check that these are being authorised by an appropriate signatory.</p> <ul style="list-style-type: none"> • This will be resolved when we complete the user role exercise. • These limits have been requested by Departments and authorised by their Heads of Finance. Need to undertake an exercise with HoF's to re-examine the level of some of these limits. • We are not aware of non standard forms. However, if we do become aware of these we will let procurement know.
<p>Remote Offices – Cash and Bank accounts</p>	<ul style="list-style-type: none"> • Appropriate arrangements are in place to maintain the safety and security of assets held on the premises and staff have received appropriate training and guidance. • Petty Cash and/or local Bank Accounts are appropriately controlled and managed. 	<p>Limited Assurance</p> <p>3 High Risks 3 Medium Risks</p>	<ul style="list-style-type: none"> • Inadequate security arrangements at any Council building will place the on-site staff at risk and could allow the theft of cash, financial records or other items of Council property. • The absence of reconciliations and management checks means that mis-use of and errors or 	<ul style="list-style-type: none"> • It is acknowledged that this risk falls outside the remit of the recipients of this report and the risk will be highlighted to Strategic Property Services for attention. • Reconciliations should be undertaken by imprest holders on a regular basis. However

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	<ul style="list-style-type: none"> • Regular reconciliations of Petty Cash and/or Bank Accounts are carried out. • An Inventory of physical assets held at the site is maintained and monitored. 		<p>omissions in Imprest systems may go undetected for long periods of time leading to a loss for the Council.</p> <ul style="list-style-type: none"> • The pre-signing of cheques increases the risk of loss or theft of monies held in bank accounts. 	<p>with the lack of visible procedure notes and/or guidance this is a potential weakness. The annual reconciliation for the closure of accounts is the final all encompassing reconciliation for central finance purposes. A comprehensive review will be undertaken which is likely to reduce the number of accounts i.e. target those accounts which are not used and also concentrate guidance/training where records indicate use not in line with accepted guidelines.</p> <ul style="list-style-type: none"> • Agreed. This procedure is totally unacceptable and will be made clear within the revised guidance notes.
<p>Land Charges</p>	<ul style="list-style-type: none"> • The Land Charges Register is complete, accurate and up to date and supported by authorised documentary evidence. • Applications are processed completely, accurately and are supported by the correct fee and documentation. • Arrangements for the collection and banking of land charges income are adequate, secure and complete. 	<p>Limited Assurance</p> <p>4 High Risks 7 Medium Risks</p>	<ul style="list-style-type: none"> • Failure to stabilise IT service for the South Hub will result in inefficiency of service and reputational and legal risk. • Failure to implement staff restructuring as soon as possible reduces the savings achievable. 	<ul style="list-style-type: none"> • ICT are currently very aware of this situation and are currently working on a solution. This problem is not isolated to Local Land Charges. This situation will need to be closely monitored when the team are collocated to Trowbridge. • Proposals are currently on hold pending the corporate management structure review

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	<ul style="list-style-type: none"> • All search requests are undertaken on a timely basis, ensuring accuracy and achievement of the performance indicator. • Appropriate arrangements are in place for lean systems review and implementation of a county wide IT support system for local land charges. 		<ul style="list-style-type: none"> • Failure to fully capture land charges data at the earliest opportunity will delay implementation of a single support system, and the efficiencies and consequent savings these will realise. • Failure to further reduce land charges fees could result in future loss of revenues through lack of competitive advantage. 	<ul style="list-style-type: none"> • Project plan and business case is currently being produced. The findings in the audit report will be included in the business case. • This needs to be countered with the possibility that new business received wont balance against the income currently being achieved by customers who are willing to pay the higher fee. Reducing the fee has its own risks with the pressure that the service is under to meet the income figures which are widely recognised to be unachievable. Further research to be undertaken on this. Fees to be reviewed in November following 6 months trading at the revised fee.
<p>Waiting List Management</p>	<ul style="list-style-type: none"> • There is a clear and comprehensive written policy for waiting list management that is easily available, accessible and understandable by Housing staff and all current and prospective tenants. • The policy and processes comply with central government guidance and legal requirements. 	<p>Substantial Assurance 3 Medium Risks</p>	<ul style="list-style-type: none"> • Failure to clarify eligibility criteria in advertisements risks fruitless applications being submitted, wasted time in processing and disappointment for applicants. 	<ul style="list-style-type: none"> • This risk relies heavily on involvement from our partner landlords and is a direct result of their advertising criteria. Homes 4 Wiltshire will bring this matter to the next Homes 4 Wiltshire partnership meeting. A common approach to lettings will eliminate these risks, however a lack of co-operation may reduce our

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	<ul style="list-style-type: none"> • Applicant ranking and prioritisation systems are seen to be fair and objective, and tenancies are allocated promptly and consistently. Unsuccessful bidders are given appropriate feedback and reasons for not being allocated tenancies. • Performance management and benchmarking is carried out and comparisons made with high performing authorities. Customer feedback and surveys are used to monitor levels of satisfaction and achieve continuous improvement and reflect best practice. 		<ul style="list-style-type: none"> • Failure to manage the perception of lack of opportunity for transfers by existing tenants and clarify the rules that allow a percentage of properties to be labelled for Transfer applicants only, could result in reputational damage to the Council. • Failure to benchmark performance effectively against comparable systems in other Councils misses opportunities for setting more challenging targets and improving performance. 	<p>ability to improve the risks highlighted.</p> <ul style="list-style-type: none"> • Head of H4W has produced a management transfer procedure to provide WC Housing Management with a tool for applying this section of the policy. Other landlords are making use of this policy change and regularly advertising properties for their own tenants. Head of H4W will raise at the next H4W partnership meeting the possibility of advertising for transfers only not specifying their own tenants. • Head of H4W has made contact with Mendip, Swindon, Hampshire and BANES requesting stats and housing structures for comparison. To date very little response and very difficult to compare systems which operate very differently. Will strive to obtain some comparable data.
<p>CPU – Procurement Policies, Guidance and Training</p>	<ul style="list-style-type: none"> • Procurement and contract policy and procedural information is readily available and accessed by staff; • Timely and applicable procurement training has been provided and appropriate staff have attended; 	<p>Limited Assurance</p> <p>1 High Risk 5 Medium Risks</p>	<ul style="list-style-type: none"> • Failure to ensure that all staff involved in procuring goods and services understand the process, are knowledgeable of financial thresholds, and are compliant in ordering goods and services via the prescribed routes, risks: 	<ul style="list-style-type: none"> • The sample covered by this report was small and CPU and SAP support have been very proactive in training people over the past year and we believe the training has been very good.

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	<ul style="list-style-type: none"> • User knowledge of procurement and contract procedures enable the effective implementation of procurement in practice. 		<ul style="list-style-type: none"> • Non-compliance with legislation • Inaccurate, incomplete and untimely ordering • Bypassing of systems altogether • Potential financial loss • Adverse supplier reactions • Reputational damage 	<ul style="list-style-type: none"> • We acknowledge there are still weaknesses in getting staff engaged and want to focus future efforts in a more targeted way to groups of staff such as buyers and requisitioner. The wider issue is engagement and we will work with HR to see if elements can become mandatory. This will need to link to the overall L&D approach across the Council. • Workstream 4 of the procurement programme will also consider the roles of people in procurement and should reduce the number of people involved to a core of specialist buyers, in turn this will reduce the number of people needing training and the associated risk identified here. • In addition, Workstream 3 of the Procurement Programme will set clear parameters in which officers operate for each category of spend reviewed. Monitoring of compliance against these will be easier and consequences of non compliance can be implemented. Practical steps will include: locking down
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				vendors, loading contracts onto SAP, changing one-time vendors process, increasing the use of catalogues and e-procurement.
Pewsey Sports Centre	<ul style="list-style-type: none"> • Effective management arrangements are in place and Service costs, including budgeting and budgetary control are monitored. • Financial controls and processes, such as those for income and expenditure are operating effectively. • Systems and procedures are in place for non-financial risk areas such as health and safety and leisure centre checks. • Management actions proposed in the previous audit have been implemented. 	<p>Limited Assurance</p> <p>1 High Risk 4 Medium Risks</p>	<ul style="list-style-type: none"> • Not all staff working in direct contact with children and vulnerable adults are suitably CRB checked. Ex Districts staff may be working with only standard level of CRB check. 	<ul style="list-style-type: none"> • Obtain advice from HR for CRB requirements of standard or enhanced checks for all leisure centre staff. Status of checks to be identified across the Leisure Services and Risk Assessments to be completed for each job to assess who should be CRB checked. Risk Assessments to be carried out for each of the new Leisure Centre Posts.
Footways and Pavements	<ul style="list-style-type: none"> • To review the process for dealing with customer reported defects, from logging of calls and priority level, to the completion of work. • Frequency of inspections and repair of defects are in line with Wiltshire Highways Inspection Manual. • The service is sufficiently funded to achieve the expected service level. • Insurance claims against the Council are not excessive and are comparable with other authorities. 	<p>Full Assurance</p> <p>No High or Medium risks identified.</p>	<ul style="list-style-type: none"> • Low risks only. 	