Appendix 1 – Outcomes of Individual Opinion Audits 2010-11

Audited Activity	Audit Objectives	Audit Opinion	Risks and Main Issues	Management Actions Proposed
Council Tax	• Adequate controls ensure that the valuation system complies with statutory requirements and all chargeable dwellings have been identified, assessed and recorded. Also that charges determined by the tax setting body are applied to the system for billing. • All persons liable for Council Tax and all discounts, exemptions, benefits and other allowances are correctly established and recorded. • Amounts due for each chargeable property are correctly calculated and promptly demanded from liable persons. • All collections are secure and efficient and posted promptly to the correct accounts and reconciled to the council's bank accounts, and all refunds due are valid, authorised and paid promptly. • All arrears are identified promptly and pursued effectively. Write-offs are valid and authorised appropriately. • The project to procure and implement a single application system across the county is underway and on target for completion according to plan by October 2011.	Substantial Assurance 3 Medium Risks	• Failure to monitor, review and confirm single occupancy or entitlement to student exemption risks loss of Council Tax receipts. • Failure to monitor voids and contact owners liable for Council Tax promptly risks loss of revenue to the Council. • Absence of a clear write-off policy allowing relatively minor and routine losses to be dealt with by responsible senior managers is inefficient and bureaucratic.	• Out of the LEAN review we plan to harmonise the method we use to review discounts. Currently discounts are being reviewed on a rolling, albeit, ad-hoc basis. This will be formalised when both the LEAN methodology is rolled in and the structure is in place. • Resources are being diverted to those areas where inspections may not be as regular as the other hubs. The new structure will address this risk, by way of allocating specific resource to carrying out void inspections. • The write off policy is Draft; we have asked that delegation of write offs is built into the scheme. We currently operate on the basis of Section 151 officer - over £5K, Head of service – between £1k-£5k, and Revenue manager - up to £1k. This does and has worked well; it provides a level of efficiency and puts checks in place. We will ask for this to continue. Extra resource to target legacy debt is being put in place.

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Audited Activity	Audit Objectives	Audit Opinion	Risks and Main Issues	Management Actions Proposed
Risk Management	• Foreseeable risks are identified and prioritised. • The risk register reporting process operates as documented. • The Risk Management Strategy contributes to the achievement of Council goals. • The governance framework for managing and reporting risk is operating in line with agreed policy and procedures.	Substantial Assurance (Limited Assurance on departmental risk registers) 3 Medium Risks	• Within some departments the lack of training and capacity for dealing with risk management processes could lead to risks not being identified and prioritised. • The Partnership Protocol and Register may not be completed in the timescale identified and the full extent of partnership risks may not be known. It is recognised that this risk is outside the remit of the Performance Team. • As some service risk registers are not being maintained as living documents there is a risk that significant risks are not communicated, managed and monitored which could have an adverse effect on service delivery and the reputation of the Council.	• Currently reviewing risk management awareness / training and developing a programme to include 1 to 1s: risk overview; risk workshops; Management Program. Also help and advice available when requested on an on-going ad hoc basis. • Work on risks already being undertaken with departments on managing their risks in known partnerships. Partnership Protocol will provide a useful register of partnerships that will help inform our work. Protocol to be put in place by Procurement Team. • Risk is being managed within departments that suits their business needs; each department has a designated risk champion and risk lead who report back on risks with their areas communicating them through the appropriate channels. Risk Champions are required to confirm they are taking appropriate steps to ensure risks are managed accordingly. All departments have been contacted asking

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				them which areas they consider Risk Management requires further attention. Consequently the Performance Team is working with teams and individuals on managing and reporting their risks.
DCE Procurement	- Review the policy and strategy for procurement in DCE. - Assess the effectiveness of contract management and performance measurement. - Assess the effectiveness of partnerships & collaboration. - Review supplier and contract monitoring processes.	Substantial Assurance 5 Medium Risks	- Red rated services (likely to cause budget overspend or service reduction) may not be adequately monitored by the DCE Departmental Leadership Team and progress is not regularly reported to the Corporate Procurement & Commissioning Board. - Sufficient action may not be taken by DCE Procurement in order to improve the certainty of annual savings targets being achieved	- The Children in Care Commissioning Group has oversight of the placements budget and the measures being taken to address cost pressures that risk overspend or service reduction. - The procurement savings plan for 2011-12 is supported by a more detailed cost assumptions document. The Savings plan is a living document and will be updated as commissioning and procurement plans are developed in the context of the new Procurement and Commissioning Programme (PCP), which will prioritise the procurement work of the Council going forward. To progress this work Category Opportunity Assessments are

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				now being carried out. As more commissioning resource is established within DCE the more radical commissioning work will be undertaken to re-shape services in collaboration with our partners in the Children's Trust
			• Savings targets may not be fully itemised or realistically achievable within contract terms, progress is not adequately monitored or savings fully realised. Contract performance monitoring may not be undertaken with due diligence.	• The DCE Commissioning and Procurement Savings plan identifies itemised savings and is supported by a more detailed cost assumptions document. The Savings plan is a living document and will be updated as commissioning and procurement plans are developed. Commissioning and Procurement savings are already recorded on a savings register summarising the savings achieved and this will also capture the savings achieved by the Children's Services Buyers when they take up their posts in October 2010.
Purchasing Cards	• Cardholders have signed up to theTerms and Conditions of the Council's scheme. • Purchasing Cards are used in appropriate circumstances within the	Limited Assurance 1 High Risk 11 Medium Risks	• High value credit limits and transaction limits may increase the financial loss for the Council if cards are mis-used (High).	• Partly addressed through the comprehensive guidance notes. However a review has been carried out on credit limits with a revision to a number of 'high' limits and the

Audited Activity	Audit Objectives	Audit Opinion	Risks and Main Issues	Management Actions Proposed
	limits set for the scheme. • All purchases made using Purchasing Cards are supported by appropriate documentation. • Monthly Purchasing Card statements are reconciled on a timely basis.		 • There is a risk that Purchasing Card holders will use their cards to bypass the Council's established procurement process, either in inappropriate circumstances, or without keeping a record that justifies their actions. • There is evidence that the limit on individual transactions may not be operating correctly which may increase the financial loss for the Council if cards are mis-used.	removal of cards not in use. Transfer of the strategic overview to CPU will strengthen the appropriate procurement route. • Revised user guidance and procedural notes have been drawn up which cover the main elements on what and how a purchasing card should be used. The transfer to CPU of the administration and responsibility for strategic & policy should enforce the adherence to procurement processes. • The evidence highlighted through the audit has been raised with the bank as it is outside the Council's controls.
Corporate Assets Management	• There are clear policies and procedures in place for the acquisition, management and disposal of assets. • Up to date inventories are properly maintained and monitored by Corporate Directors and Service Managers.	Limited Assurance 1 High Risk 3 Medium Risks	• The audit confirmed that in the main, inventories are not kept. Without inventories, the Council will not be able to confirm existence of, or the full value of, its assets and will not comply with Financial Regulations. If not recorded, assets could be misappropriated. Although individual items are not material,	• Although part of Financial Regulations, inventories have not historically been kept. Work is ongoing to refine the assets held in SAP in order to review whether duplicate Departmental inventories will be required to be kept in the future.

Audited Activity	Audit Objectives	Audit Opinion	Risks and Main Issues	Management Actions Proposed
	• Assets are properly serviced and maintained to preserve their value. • Assets are accurately recorded in the Council's financial records using the SAP system.		the sum total for the Council could be considerable (High). • With no procedures in place for the acquisition, management and disposal of assets, officers will be unaware of the current treatment of assets. This may result in ad-hoc action and decision making or an incorrect accounting treatment may be applied	• Accounting procedures and training will be rolled out. A thorough review of assets held on SAP has been undertaken focussing on property assets initially as discussed with KPMG. With regard to working procedures, the Fleet Management software, Tranman, is due to be rolled out in 2010-11, and will include these.
Service Charges on Council Properties	• Procedures for the administration of service charges are operated in accordance with statutory requirements and the Council's agreed written policy. • Service Charges are regularly reviewed and correctly assessed. • Charges are appropriately set, applied accurately to accounts and raised promptly.	Substantial Assurance 4 Medium Risks	• Failure to formally finalise and adopt policies and procedures risks challenge to their enforceability, inconsistencies in implementation and non-compliance with legislation. • Due to restrictions placed on the council by Housing legislation, and previous inadequate increases in charges to tenants, the council will be unable to levy charges and recover adequate income to meet all reasonable service costs associated with the fulfilment of its responsibilities.	• The draft policy and procedures will be updated and put before Cabinet by December 2010. • We will continue with our policy of reducing the deficit annually.

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			• Not allocating all costs and income to schemes undermines the provision of effective financial management information. • Inadequate and incomplete financial information on the performance of schemes precludes proper review, because transactions are not correctly identified and allocated in the ledger.	• We will work with our colleagues in Finance to improve the information they make available to us. • We will work with our colleagues in Finance to improve the information they make available to us.
Gas Servicing	• All Wiltshire Council tenants' properties with gas appliances have been correctly identified and are recorded on the gas servicing database. • The service has adopted a policy for dealing with gas safety and this is communicated to officers and tenants effectively. • Appropriate steps have been taken to ensure, as far as possible, the safety of Wiltshire Council tenants who are neighbours of Right to Buy property leaseholders. • Servicing is carefully monitored to ensure it is carried out in a regular and timely manner by the contractor.	Substantial Assurance 3 Medium Risks	• Failure to formally finalise policies risks challenge to their enforceability. • Failure to explicitly state an enforceable requirement for an annual gas safety check by a Gas Safe engineer in the leaseholder agreement risks ineffective arrangements to ensure the safety of tenants in neighbouring properties. • Failure to establish a timelier programme of servicing will result in-delays in annual servicing and non compliance with Gas Safety Regulations.	• Policy has been written and passed to Democratic Services for approval by Cabinet. • Request sent to Legal to investigate possibilities of inserting clause in leasehold contracts requiring annual gas safety checks to be carried out and certificates supplied to council. Also to see if this can be done retrospectively. • Move cycle of servicing to 10 month programme.

Audited Activity	Audit Objectives	Audit Opinion	Risks and Main Issues	Management Actions Proposed
	• The gas servicing database system is secure, and data therein complete, accurate and timely.			
CRB Records for Schools and Children's Centres	• All persons with access to sites have received CRB clearance according to current legislation. • Accurate, secure records are maintained. • CRB certificates are retained only according to legislation. • Visitors not CRB checked are escorted on site. • CRB re-checks are carried out according to legislation.	Limited Assurance 7 High Risks 3 Medium Risks	• If staff, including volunteers and parent helpers, are not CRB cleared, there is a risk to the children and a reputational risk to the Council that due diligence has not been applied. • If risk assessments are not carried out, there will be no evidence that people have been cleared as suitable to be in the School or Centre, whether supervised or not. • The retention of CRB Certificates for more than 6 months or holding copies of Certificates is in contravention to the Code of Practice. • There is a risk that regular visitors are assumed to be CRB cleared. • A lack of control over access to personnel records contravenes Data Protection and could result in appropriate access.	• All visitors to be challenged and the status will be recorded in the Visitors Book. • Status of all visitors to be checked so that those who do not qualify for CRB checks are escorted whilst on the school or centre premises. • ISA/CRB Team to issue an instruction not to keep employee's certificates or make copies of certificates. • No assumptions will be made. Follow up initial discussions with PCT to ensure letters of reassurance are carried by NHS staff. • Where poor practice is identified this will be rectified immediately.

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Core Financial Systems – IT Controls	• Documented policies and procedures exist to control user access to systems and data, and these policies and procedures are being followed. • Data in the systems is entered correctly in accordance with procedures. • Changes to programs, systems and applications are carried out in a suitably controlled environment. • Underlying computer operations are appropriately managed to support the key financial systems.	Limited Assurance 5 High Risk 11 Medium Risks	• The absence of some system-imposed segregation of duties functionality. • Loose and informal process for user account management at both the network and application level, potentially leading to users having higher than necessary permissions. • Over-reliance on small numbers of critical system-administration staff, which could lead to service disruption if there were unexpected or long-term absences. • Lack of system information on users and their associated permissions, limiting managers' ability to review their teams' permissions. • Lack of reviews of network privileged users (network administrators). • Lack of familiarity by operational managers with backup arrangements and frequencies, leading to over-reliance on the availability of backups in the event of system failures.	A series of separate reports have been agreed for individual systems and/or service areas. These included a range of management actions which should address many of the risks identified. We are still awaiting a detailed management response from the Corporate ICT Unit, to the range of risks identified for which the Unit has management responsibility.

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Direct Payments – IT Controls	• The Active Directory permissions for Direct Payments data ensure access to the data is restricted. • Only staff who work within the Direct Payments Team are members of the Direct Payments groups on Active Directory.	Substantial Assurance 3 Medium Risks	• If regular reviews of user access are not undertaken, then users could have access to more information than is necessary for them to fulfil their roles representing a risk of potential loss or compromising of data. • If staff who have access to Direct Payments data, but who do not work in the Direct Payments team, are used as 'same as' clones on new user set up forms, then the problem of more people having access to Direct Payments information than need it is amplified. • Direct Payment data could be compromised if users do not have access removed after they have left their role in the Direct Payments Team.	• Immediate review of user access to DP information to address issues raised in audit report. 6 monthly review of user access to DP information going forward. • Only use 'same as' clones if clone access has been checked first to ensure requirement is identical. Period review in 1 above will be further check. Request IT to remove access to DP data from all except the specified individuals. • Request IT to remove access to DP data from all except the specified Individuals. Period review in 1 above will be further check to ensure this has not happened.
Adult Placements – IT Controls	• The Active Directory groups for the AdultCare Placements staff are appropriate for their role. • Only staff who work within the AdultCare Placements Team are members of the AdultCare Placements groups on Active	Limited Assurance 1 High Risk 3 Medium Risks	• Spreadsheets containing confidential information not being password-protected when sent as e-mail attachments, in contravention of Council policy.	• Password attachments on e-mails going outside Wiltshire.gov.uk addresses and do not use whole names of clients in the body of these e-mails. Look at relationship the Council has with people to whom placements team need

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	Directory. • The data held by the AdultCare Placements team is secure.		• Staff who have left the section not having their access to network folders removed. • Inadequate isolation of team folders and files (from those of related but distinct teams), resulting in staff outside the team having access to confidential files. • Lack of regular managerial reviews of network group membership and access permissions to folders and files.	to send e-mails in order to comply with the Council's Data Protection advice and rules. • Inform Steria when someone leaves the team and request removal of access rights. • Make sure "read and write" access to "PLACEMENTS" folder is in existence for all Placements Team. • Look at access for all other Wiltshire Council employees who need to look at these files with a view to them possibly being given "READ ONLY" access (check list of these for past employees, etc periodically) – but other managers to take ownership of this with their own teams looking at this new way of teams taking ownership of their own data within electronic file structures.