

Appendix – Outcomes of Follow-up of Individual Audits

<b>Audited Activity</b>	<b>Audit Opinion</b>	<b>High Risks</b>	<b>Management Actions Proposed</b>	<b>Follow Up Audit Review: Management Actions Taken / Completed</b>
<b>Council Tax</b>	Limited  3 High Risks, 5 Medium Risks	<ul style="list-style-type: none"> <li>• Failure to reconcile Council Tax received in application systems, to Civica, the SAP ledger and the Council's bank accounts does not meet basic financial accounting requirements and provide proper financial control.</li> <li>• Failure to achieve reconciliation between Revenues and Benefits application systems, the income receipting system, the main ledger and bank statements means assurance cannot be given on the integrity of the accountings system and financial data cannot be relied upon.</li> <li>• Without assurance that all monies due have actually been received risks reputational damage and potentially difficulty in dealing with customer account enquiries.</li> </ul>	<ul style="list-style-type: none"> <li>• As the year progresses, the difficulty of reconciliation increases. Every effort has been made to conduct normal reconciliation but efforts have been thwarted due to the delay in posting monies to SAP. Once SAP has provided a consistent daily bank reconciliation, the revenues teams will reinstate the essential task of accounting for income due, to the penny on a monthly basis.</li> <li>• Well documented audit trail of requests made for training and access to SAP, for appropriate staff. Whilst every effort has been made to reconcile the information available to the staff it will require a determined effort by a dedicated team or SST and Revenues Staff to resolve this issue.</li> <li>• Damage to our reputation has been limited purely by the feverish efforts of Revenues staff to track down missing payments and provide explanations and apologies to all affected customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete and actioned.</li> <li>• Complete and actioned.</li> <li>• Complete and actioned.</li> </ul>
<b>National Non</b>	Limited	<ul style="list-style-type: none"> <li>• North Hub: Failure to adequately document the end of year</li> </ul>	<ul style="list-style-type: none"> <li>• Recognise issues raised due to late schedules and the prioritising of work</li> </ul>	<ul style="list-style-type: none"> <li>• Schedules are up to date and balanced.</li> </ul>

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<b>Domestic Rates</b>	1 High Risk 4 Medium Risks	calculation and ensure that all liable properties are appropriately billed, risks incorrect bills being raised, tax due not being recovered and adverse criticism.	from schedules. Process now in place is far tighter and the RV will match billing process.	
<b>Car Parking</b>	Limited  5 High Risks, 12 Medium Risks	<ul style="list-style-type: none"> <li>• There are no established corporate policies and procedures to control car park income. There is a high risk that information will be incorrectly recorded and reported on the financial systems and that loss of income due to fraudulent activity could go unnoticed</li> <li>• Clear direction is not being given to staff particularly within the Hubs. There is a risk that they may become demoralised and will not continue to operate in an effective manner. Some of these staff are in the redeployment pool and as such are also unsure about their future.</li> <li>• 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.</li> <li>• There are no controls in place to investigate discrepancies between expected and actual cash</li> </ul>	<ul style="list-style-type: none"> <li>• There is a system for processing car park income currently being used in Salisbury that will be used in the other hubs once the problem with the bank reconciliation in SAP is fixed. This is due to be fixed as part of the SAP Recovery Plan which is due to end in October 2009.</li> <li>• Staff in the hubs have been given instruction to carry on processing car park income as they did before. Everyone in the hubs is out of the redeployment pool but some have not yet received job descriptions. These are currently being written.</li> <li>• This reconciliation will be carried out by the Car Park Team and will commence within the next month</li> <li>• The car park income procedure currently being carried out in Salisbury will be used in the other hubs. This</li> </ul>	<ul style="list-style-type: none"> <li>• Limited action. A procedure has been implemented in SST but there is still no method in place to identify and rectify differences between the income reported as collected and income banked.</li> <li>• Action complete.</li> <li>• Actions outstanding. Only limited reconciliations in South and North. No process for reconciliations in place in East and West.</li> <li>• No progress. Discrepancies between income sheet and amount banked are not</li> </ul>

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		<p>collected. There is a risk that not all income will be accounted for.</p> <ul style="list-style-type: none"> <li>The park and ride service is currently running at a loss and at only 50% capacity. There is a risk that it will continue to lose money unless more customers are encouraged to use it or income can be increased or cost reduced.</li> </ul>	<p>procedure involves posting the amounts collected as per the collection companies. This will then be compared with to actual cash when the bank reconciliation is done.</p> <ul style="list-style-type: none"> <li>A review has been carried out in the Salisbury Park and Ride service. This identifies 7 areas that need addressing in order to achieve the ambitions which are to move towards becoming self-sustaining whilst maintaining a high level of service and improving the convenience of using the sites. In order to achieve this, the report details the long and short term options being considered.</li> </ul>	<p>investigated. Unmatched amounts are posted as unallocated cash. No matching or reconciliations carried out between Car Parking Services figures and SST figures.</p> <ul style="list-style-type: none"> <li>A strategic review is underway. Not re-tested at this time.</li> </ul>
<b>Care Connect</b>	<p>Good / Limited</p> <p>1 High Risk 7 Medium Risks</p>	<ul style="list-style-type: none"> <li>Failure to test disaster recovery plans could lead to unnecessary delays in achieving recovery of IT and call centre services, weaknesses in planning not being identified and addressed, operational shut down and service failure, and potential reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>The Strategic Housing Manager has arranged for a scheduled shut down and transfer of services over to Eldercare.</li> </ul>	<ul style="list-style-type: none"> <li>Complete and actioned.</li> </ul>
<b>West Wilts Housing PFI</b>	<p>Limited</p>	<ul style="list-style-type: none"> <li>Failure to conduct full credit checks or analysis of financial reporting of</li> </ul>	<ul style="list-style-type: none"> <li>Company information has now been received from the Bidder and credit</li> </ul>	<ul style="list-style-type: none"> <li>Central Finance Section has completed the credit checks.</li> </ul>

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	4 High Risks, 5 Medium Risks	<p>external parties prior to entering into contracting arrangements may result in the council entering into a contractual relationship which results in financial loss and reputational damage.</p> <ul style="list-style-type: none"> <li>• Failure to maintain a project risk register could result in mismanagement of project risks.</li> <li>• Failure to achieve the level of PFI credits originally agreed for the project may lead to failure of the PFI project and financial and reputational loss to the Authority.</li> <li>• Failure to enter a contractual agreement in accordance with the terms stated in the original OJEU Notice could result in potential financial, reputational and</li> </ul>	<p>checks are currently being arranged.</p> <ul style="list-style-type: none"> <li>• The project has been historically under resourced and a risk register has not been developed. However, key risks are considered to be well managed and no further action is proposed at this stage of the project.</li> <li>• A meeting will be held with the HCA with a revised bid to seek agreement of the level of PFI credits that will be available. This final business case will be submitted in parallel with seeking Cabinet approval.</li> <li>• Detailed procurement advice has been received from external legal advisers. Management have recognised the need to finalise the sale of land with Sarsen Housing and</li> </ul>	<p>CFS's judgement is that Persimmon Homes Ltd, Barclays Private Equity Limited, Aster Group Limited and Sarsen Housing Association are fit and healthy companies for us to enter a contract with.</p> <ul style="list-style-type: none"> <li>• Although no project risk register has been established, key project risks are recorded on the corporate risk register, and regularly reviewed when the register is updated.</li> <li>• The Project Agreement between SHL and the council is still being finalised. This needs to be submitted to the HCA for approval. Once submitted, the process will take up to 8 weeks. PFI credits receivable will only be allocated in respect of the 242 homes in Phase 1. Sites for Phase 2 are still being identified</li> <li>• Several land issues have arisen from SHL's due diligence work on the development sites, and therefore the sale of land with SHL has not been finalised.</li> </ul>

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		challenge risk.	for a transparent and fair process in transacting the sale of the Manor Park School site. For this purpose, it has been agreed to arrange an independent revaluation.	Some sites may need to be rolled forward into Phase 2 and this will have cost implications. The sale of the Manor Farm School site has still not been completed.
<b>Private Sector Housing Services</b>	Limited 4 High Risks, 4 Medium Risks	<ul style="list-style-type: none"> <li>• A lack of budget monitoring against the Council's accounting system will elicit criticism from the Audit Commission as non accounting data is being used to monitor costs V budget</li> <li>• The lack of reconciliation across the county between invoices and payments by the all the hubs may lead to inappropriate and excess expenditure re: grant funding.</li> <li>• Copies of contractors' invoices for work authorised need to be associated to payments made by the Council on behalf of the disabled client so as to eliminate the risks of the council paying invoices that do not relate to work actually undertaken by the contractors and of contractors</li> </ul>	<ul style="list-style-type: none"> <li>• Discussions have taken place with shared services about the quality of information that has been available from the SAP system. Processes and procedures have been reviewed whereby the information held on SAP can be more easily matched to the information held by private Sector Housing. It is proposed initially that a monthly update is provided.</li> <li>• Processes and procedures have been reviewed whereby the information held on SAP can more easily be matched to the invoices raised. It is proposed that initially a monthly update is provided</li> <li>• Work has been undertaken with shared services to ensure that processes are in place so that payment requests must include copies of the invoice. The process previously in place required only a payment request to be made and this led, in some cases, to double payments.</li> </ul>	<ul style="list-style-type: none"> <li>• Reports provided by finance now include sufficient information to identify the payment. Processes are in place whereby information is provided by spreadsheet.</li> <li>• The information is now available in a format which allows reconciliation and it is intended to update on a monthly basis. Links with finance are now much clearer.</li> <li>• Complete and actioned.</li> </ul>

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		<p>being paid twice.</p> <ul style="list-style-type: none"> <li>A lack of managerial control within the HIA over the tendering process and the granting of contracts risks expensive quotes being put forward and high fees being paid to the HIA</li> </ul>	<ul style="list-style-type: none"> <li>Whilst it is proposed to move over to a SOR for level access showers following the appointment of a HIA, the interim solution agreed with Anchor Staying Put is to require that the 4 most expensive contractors are only able to compete with two of the 5 more competitive contractors when asked to tender(see appendix A for chart of comparative costs). The HIA has agreed to revise the tender documents so that they are less prescriptive. In general checking of tenders by PSH staff provides a check on this as they have knowledge of expected costs.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing.</li> </ul>

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<b>DCE Children's Centres</b>	Good/Limited 2 High Risks, 5 Medium Risks	<ul style="list-style-type: none"> <li>• The quality of contract monitoring could suffer, too much control is placed in the hands of one person and business continuity is jeopardised should a key member of staff leave or be absent from the post for a long time. The progress of the children's centres may be adversely affected by limited resources in the Children's Centres Team.</li> <li>• Contracts may not be complying with the latest guidance on child protection clauses and providers may not operate a child protection policy that accords with Wiltshire Council procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• This is to be drawn to the attention of the Service Director.</li> <li>• The Children's Centre Contracts Manager (CCCM) has contacted the legal team and expects to be told to issue a variation.</li> </ul>	<ul style="list-style-type: none"> <li>• Action being taken. The team has been re-organised and strengthened. One new part time post has been filled and another new post is due to be filled by September.</li> <li>• Action taken. Following legal advice, this has been covered by issuing a variation to the contracts.</li> </ul>
<b>DCS CareFirst</b>	Limited 3 High Risks, 2 Medium Risks	<ul style="list-style-type: none"> <li>• Poor system response to users has caused delays.</li> <li>• An inadequate number of licenses, causing delays in logging into the system.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings will be held with Corporate IT and relationship issues to be dealt with by DCS and the system suppliers.</li> <li>• Additional licences will be purchased.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited action. Relationship meetings are held. However, these need to be formally minuted and actions identified. In the longer term service level agreements will be established and monitored.</li> <li>• Action taken. Additional licences have been purchased and licence numbers are no longer an issue.</li> </ul>

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		<ul style="list-style-type: none"> <li>Timing and content of team training not 'adding value'.</li> </ul>	<ul style="list-style-type: none"> <li>All CareFirst user procedures have been changed with the introduction of FOCUS and are currently being updated and finalised. Where data quality problems have been identified the DCS training team will visit users and give them training and are also delivering training for new users. A new e-Learning package has been introduced.</li> </ul>	<ul style="list-style-type: none"> <li>Action taken. Modular user training (e-learning package) has recently been introduced and this is proving successful in reducing lead times. The effectiveness of this process will continue to be monitored.</li> </ul>