

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
Accounts payable	<ul style="list-style-type: none"> • The creditors system is periodically reconciled to the general ledger. • Orders are appropriately authorised before payment. • Key accounts payable processes operate as documented. 	<p>Limited</p> <p>3 High Risks 2 Medium Risks</p>	<ul style="list-style-type: none"> • It is possible for inappropriate invoices to be introduced into the system and processed. • Inappropriate or fraudulent payments could be made through the Accounts Payable system using Onetime or other similar vendor names. • The failure to ensure that invoices have been authorised by the budget holder means that inappropriate or fraudulent invoices may be paid. 	<ul style="list-style-type: none"> • Daily checks on one time vendors so see if what has been input is reasonable. • A cleansing of duplicate vendors to be carried out. • Completion of an authorised signatory list. • Careful budget monitoring and work to minimise the number of invoices that are paid on copies.
Accounts receivable	<ul style="list-style-type: none"> • Income / sundry debtors are periodically reconciled to the general ledger. • The debtors system is periodically reconciled to the cash receipting system. • Sundry debtors arrears reports are regularly and independently reviewed to ensure that action is taken in accordance with prescribed procedures. • Key accounts receivable processes operate as documented. 	<p>Limited</p> <p>5 Medium Risks</p>	<ul style="list-style-type: none"> • Without an approved Debt Management Policy, staff throughout the Council will be unclear of the escalation process to be followed for debts which are not paid on time. • In the absence of debt reporting, service departments may continue to provide goods and services to customers even though payment has not been received. • Debts that are not followed up on a timely basis may prove to 	<ul style="list-style-type: none"> • Debt Management Policy is currently being written to include this process. This Policy will be in line with Financial Regs. • Working with Passenger Transport Unit, Building Regs Teams and Waste Management to enable service to be withheld if payments not received. • Dunning from 1st March will take place weekly to ensure

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
			<p>be irrecoverable.</p> <ul style="list-style-type: none"> • Service departments may not be making sufficient provision for bad debts within the revenue accounts. • Debts can be written off without the authorisation of Service Directors. 	<p>that current year debt is recovered in a timely manner. Extra resource to target legacy debt is being put in place.</p> <ul style="list-style-type: none"> • Regular reporting will allow service departments to identify a provision for bad debts. This will start as soon as possible. Inclusion in Financial Regulations and Debt Management Policy. • Write-offs will be approved in accordance with the Financial Procedure Rules pending adoption of the Debt Management Policy referred to above and any consequential amendments to the Constitution.
<p>Payroll</p>	<ul style="list-style-type: none"> • The payroll system is periodically reconciled to the general ledger. • The payroll system is periodically reconciled to personnel records. • Starters and leavers are authorised before input to the payroll system. • Exception reports are produced and independently reviewed. • Key payroll processes operate as documented. 	<p>Good 2 Medium Risks</p>	<ul style="list-style-type: none"> • Unresolved amounts in reconciliations may be the result of larger compensating items which may conceal unidentified but significant issues. • Delays in reconciliation of Payroll system to General Ledger may make it impractical to resolve errors due to difficulties in investigating events which occurred in earlier periods. May adversely affect recovery of overpayments. 	<ul style="list-style-type: none"> • Put in place paper trail to record all investigations into unresolved reconciliations. • Reconciliation to be checked monthly with evidence of appropriate action. As necessary escalate to Payroll manager.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
<p>Financial reporting</p>	<ul style="list-style-type: none"> • Review of revenue income and expenditure against budget is periodically undertaken by management. • Suspense and holding accounts are periodically cleared, with evidenced management review. • Journals are subject to periodic independent review, including review of exception reports. 	<p>Limited 4 Medium Risks</p>	<ul style="list-style-type: none"> • Issues with the implementation of SAP may have affected the robustness of revenue budget monitoring reports earlier in the financial year. • As opening balances are being loaded late in the financial year, this may result in a back log of reconciliation work needed at year end. • Whilst the identified suspense and holding accounts are generally well managed, without a central review of all accounts there is a risk that the balance sheet may be misstated. • Whilst budget managers may query journals, there is a risk that, without authorisation or any independent review, inappropriate journals may be deliberately or accidentally processed resulting in inaccurate financial accounts. The SAP authorisation list requires review to justify those who should have the facility to process journals. 	<ul style="list-style-type: none"> • Ongoing work is being undertaken to improve quality of reports in SAP. • Technical and reporting issues delayed the opening balance loads. A new technical solution that will allow breakdown of balance sheets is expected to be implemented for 1/4/2010. This new solution will allow SAP balance sheet reporting, and mean this problem does not recur in 2010/2011. Spreadsheet currently used to produce required information until new solution is in place. Reconciliation work is now a top priority for finance teams across the Council. • A control account master has been produced and held centrally. This will be reviewed regularly in future. • Processes were not finalised for go-live. They were formalised during the year, and access will need to be reviewed to reflect current processes. A review of authorisation process is being undertaken.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
<p>Cash, investments and borrowings</p>	<ul style="list-style-type: none"> • Bank Reconciliations are periodically carried out. • The cash receipting system is periodically reconciled to the general ledger. • Investment / borrowing records are periodically reconciled to the general ledger. 	<p>Good 2 medium risks</p>	<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. • 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. 	<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 established and finalised, with regular reconciliations now in place. • 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>Council Tax</p>	<ul style="list-style-type: none"> • The valuation system complies with statutory requirements and all chargeable dwellings have been identified, assessed and recorded. Charges determined by the tax setting body are applied to the system of 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 	<p>Limited 3 High Risks, 5 Medium Risks</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<p>promptly demanded from liable persons.</p> <ul style="list-style-type: none"> • All collections are secure and efficient and posted promptly to the correct accounts, and all refunds are valid, authorised and paid promptly. • Progress is being achieved to harmonise processes and procedures under the new unitary council. 		<ul style="list-style-type: none"> • 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. • Without assurance that all monies due have actually been received risks reputational damage and potentially difficulty in dealing with customer account enquiries. 	<ul style="list-style-type: none"> • 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. • 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.
<p>National Non Domestic Rates</p>	<ul style="list-style-type: none"> • The system complies with statutory requirements and all chargeable hereditaments have been identified, assessed and correctly recorded; • Tax levels have been properly set and charged; • All reliefs and discounts have been properly verified and authorised; • Amounts due in respect of each chargeable property or hereditament have been correctly calculated and promptly demanded; 	<p>Limited</p> <p>1 High Risk 4 Medium Risks</p>	<ul style="list-style-type: none"> • North Hub: Failure to adequately document the end of year calculation and ensure that all liable properties are appropriately billed, risks incorrect bills being raised, tax due not being recovered and adverse criticism. 	<ul style="list-style-type: none"> • Recognise issues raised due to late schedules and the prioritising of work from schedules. Process now in place is far tighter and the RV will match billing process.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<ul style="list-style-type: none"> • Secure and efficient arrangements are made for all collections, which are promptly posted to the correct NNDR accounts, and all refunds are valid and authorised; • There is prompt and effective arrears recovery action, and write-offs are valid, authorised and reported; • Progress is being achieved to harmonise processes and procedures. 			
Housing and Council Tax Benefits	<ul style="list-style-type: none"> • Risks arising during the transition to Unitary status and the introduction of SAP are being adequately managed. • The operational and performance management of the Housing and Council Tax Benefits function is adequate and effective. • All applications are promptly and properly processed. • Adequate verification of information ensures that all benefits are correctly calculated and properly due. • Payments reconcile between Application systems, Civica and SAP. • Controls exist to administer, monitor and recover overpayments promptly. 	Limited 2 High Risk 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. • As above.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<ul style="list-style-type: none"> Adequate arrangements exist to detect frauds and other irregularities. 			
Housing Rents	<ul style="list-style-type: none"> All properties are identified and accurately recorded in the rent accounting system. The gross rent and other charges have been correctly calculated in respect of each dwelling and correctly recorded in the tenants rent accounts. All rent collections are correctly and promptly credited to the tenants' rent accounts. All tenancy changes are correctly approved and recorded. Rent and service charges are correctly identified with the HRA and general fund and are subject to reconciliation between Simdell and SAP. Effective procedures are in place to pursue and recover current and former tenant arrears including arrangements with legal services. 	<p>Limited</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. 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"> 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 Officer 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. 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.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
<p>DCE/DCS</p> <p>Safeguarding – Child Protection and Vulnerable Adults</p>	<ul style="list-style-type: none"> To provide assurance that Service Providers have regard to the need to safeguard and promote the welfare of children in accordance with section 11 of the Children Act 2004 (as amended or replaced from time to time). To provide assurance that Service Providers, where appropriate, have regard to the “Policy and Procedures for Safeguarding Vulnerable Adults in Swindon and Wiltshire”. 	<p>Limited</p> <p>2 High Risks</p>	<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. We are unable to provide assurance that other contracts outside of our sample contain the appropriate clauses relating to the safeguarding of children and vulnerable adults. 	<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. This risk refers to existing contracts from the previous District Councils. These will be reviewed to ensure insertion of the safeguarding clause.
<p>DCS</p> <p>Contract Management</p>	<ul style="list-style-type: none"> To review and consolidate the audit work carried out previously and the key issues reported; review the strategy for procurement in DCS; assess the impact of SAP; test systems and processes against current contract regulations. 	<p>Good</p> <p>3 Medium Risks</p>	<ul style="list-style-type: none"> Archiving methods can make it difficult to locate documentation supporting contracts Lack of consistency in the use of standard file documentation can make the audit trail more difficult/incomplete The procedure for authorised signatories can cause delays and lack of ownership and 	<ul style="list-style-type: none"> Management agreed to establish a protocol, demonstrating an intention to undertake electronic storage plus highlighting hard copy storage requirements; also to review existing archiving requirements as a means to identifying a storage solution Will review the use of standard documentation. Will establish a scheme of delegation relating to contract authorised signatories

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
<p>Leisure Centres</p>	<ul style="list-style-type: none"> • Policies and procedures are in place and being used. • Health & Safety checks are carried out. • Procedures for income, expenditure, cash processing and stock control operating effectively. • Staff are trained to the required level and evidenced. • Contracts for contracted out centres are in place, complete and appropriate. • IT Systems used are robust and compliant with standards. 	<p>Limited</p> <p>4 High Risks, 15 Medium Risks</p>	<p>control.</p> <ul style="list-style-type: none"> • Contractors carrying out asbestos checks are not checking locked rooms – the extent and location of asbestos may not be known. Asbestos reports are not always read by managers so may not be aware of implications of deteriorating asbestos. • An insufficient number of employees trained in First Aid – risk to the public in the event of an emergency. • The contract with DC Leisure for the Olympiad contains a deficit guarantee clause which exposes the council to repay any shortfalls. • By using different computer systems, customer focus is not being achieved. A Capital Bid for the replacement and updating of IT has been submitted for the last two years but has not been approved. 	<ul style="list-style-type: none"> • The Leisure Service has clarified with Property Services that they have responsibility for the management and monitoring of the contracts. Key holders on site to be briefed they should allow contractors to all rooms in the building. Leisure Centre staff to ensure contractor signs the asbestos register and is aware of implications. • All key holders to undertake the relevant training and be in possession of relevant qualifications. • Will be linked to Leisure Facilities review and contract negotiations. • Dependent on receiving capital funding.
<p>Car Parking</p>	<ul style="list-style-type: none"> • Policies and procedures including strategic plans are in place. 	<p>Limited</p>	<ul style="list-style-type: none"> • No established corporate policies and procedures to 	<ul style="list-style-type: none"> • The system currently used in Salisbury hub will be used in

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<ul style="list-style-type: none"> • Processes exist for controlling income, including contracts with collection companies. • Blue badge process operating effectively. • Penalty Charge Notices system. • Quality of information used for returns and performance indicators. 	<p>5 High Risks, 12 Medium Risks</p>	<p>control car park income could result in loss of income.</p> <ul style="list-style-type: none"> • No clear direction being given to staff in hubs so may become demoralised and may not work effectively. • No monitoring of each car park machine. Income could be lost and inconsistencies may not be detected. • No procedures in place to investigate discrepancies between expected and actual cash collected. • Park and ride service running at a loss at 50% capacity. 	<p>other hubs.</p> <ul style="list-style-type: none"> • Staff in hubs has been told to carry on processing income as before. All staff now out of redeployment pool. Remaining job descriptions being written. • Reconciliations to be carried out by the Car Parking Team. • See Risk 1. Amount collected by companies will be compared to actual cash when bank reconciliation is done. • A review has been carried out in the Salisbury Park and Ride service.
<p>Highways Maintenance</p>	<ul style="list-style-type: none"> • Highways work is prioritised according to a recognised classification. • Highways problems can be reported easily and are acted upon effectively. • Work is carried out efficiently and timely. • Records of reports and work carried out are maintained. • Regular Inspection work is carried out and records maintained. 	<p>Limited</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 - the system so defects will not be addressed. • Inconsistent or incorrect priority ratings – high priority work may 	<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 meeting with Customer Care Unit (CCU). • Training of CCU staff. Proforma for manual reporting to be updated. • Where priority rating differs from the Inspection Manual,

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
			<p>not be given immediate attention.</p> <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. 	<p>the 'Special Instructions' field on Exor to be completed to explain the basis of the decision. New protocol to be written. Training of area staff to be included in protocol.</p> <ul style="list-style-type: none"> Manual Inspection Logs are being updated with electronic logs. Inspection Manual to be updated.
<p>Highways Maintenance IT System (Exor)</p>	<ul style="list-style-type: none"> Adequate password-based access restrictions are in place Regular evidenced, independent reviews are carried out of user access rights to the system Changes to software applications and to the parameters/ settings of system reports are authorised and documented Logical (password) access controls restrict the ability to change live information systems to individuals authorised in accordance with policy Policies define reporting lines for problems with systems, whether identified by IT staff of system users. Any such problems are documented and followed up , with specified sign 	<p>Limited</p> <p>3 High Risks, 9 Medium Risks</p>	<ul style="list-style-type: none"> Contractor payment approvals and the ability to override budget constraints are not subject to appropriate segregation of duties. Without this, there is a risk that budget overruns could occur and incorrect payment approvals be made. Regular budget monitoring reports could alleviate the risk of major overspends, but incorrect payment approvals could mean that any excess payments are not recoverable. Since there is in effect no password security in place, there is a risk that any user could use another user's credentials to enter fraudulent transactions. This lack of accountability is even more important in the case 	<ul style="list-style-type: none"> Payment approvals and ability to override budget will be segregated. We will discuss with the Finance Team proposals to separate the various functions where appropriate and put resultant agreed outcomes in place. Exor has been asked whether it is possible to incorporate forced automatic password changes within the system. Exor have advised that this function can be invoked outside of Exor using Oracle

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<p>off of resolved incidents and the target timeline resolution</p> <ul style="list-style-type: none"> Financial and Management Controls are adequately separated 		<p>of System Administrator access</p> <ul style="list-style-type: none"> The primary risks to the security of the system are in relation to the sharing of user accounts and the lack of robustness of passwords. When coupled with the non-use of audit tools, the risk that unaccountable changes can be made to the system is high. 	<p>tools. A change request will be made to investigate and implement the password security required. In conjunction with the change request, Exor will be asked to advise on the creation of a second system user ID which can be used within all the batch processes etc and not be included within the password change routines.</p>
Trade Waste	<ul style="list-style-type: none"> Progress to date to make a single entity service. Effective collection and disposal of trade waste. Invoices raised on time and credit control in place to recover outstanding debts. Recording and monitoring of performance and targets. 	<p>Limited</p> <p>2 High Risks, 7 Medium Risks</p>	<ul style="list-style-type: none"> The implementation of a single entity service is reliant on the funding of a single computer software package. Late issue of trade invoices and incorrect details – reputational damage and potential loss of customers. 	<ul style="list-style-type: none"> A business case has been put forward to the Head of Service for approval and funding. Trade waste service working with SST Accounts Receivable to clarify position and chase any unpaid debts.
Waste Management	<ul style="list-style-type: none"> Effective collection, disposal and recycling services are being delivered. How waste is collected and dealt with across the County and what information is being recorded. The quality of information used to record and report figures for external 	<p>Limited</p> <p>1 High Risk, 6 Medium Risks</p>	<ul style="list-style-type: none"> The implementation of a weekly collection service may result in more landfill waste which would exceed the Landfill Allowance Trading Scheme (LATS) target, and reduced recycling will make it difficult to maintain current performance. 	<ul style="list-style-type: none"> The Senior Management Team is currently working with the chief executive, leader of the Council and the corporate director to reconsider consultation options for waste and recycling collections.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<p>submissions and targets.</p> <ul style="list-style-type: none"> Government and Council targets being achieved. 			
Passenger Transport (Post 16s)	<ul style="list-style-type: none"> All Post 16s passes have been issued according to procedures. All income has been matched with the number of Post 16s passes issued. A review of how Civica (cash receipting system)/SAP is used to record transactions. 	<p>Limited</p> <p>5 High Risks, 12 Medium Risks</p>	<ul style="list-style-type: none"> A lack of a direct debit facility for customers for the 2009/10 academic year resulted in a decision to issue passes regardless if payment had been received. Income is not recorded on the Passenger Transport's Routewise system and is not reconciled against customers with travel passes. Credit and debit card payments taken over the phone by the Customer Care Unit (CCU) were difficult to trace due to inconsistent customer identification and referencing. Payments and refunds on Civica (cash receipting system) are not always referenced so can be difficult to trace back to the Routewise system. 	<ul style="list-style-type: none"> A decision has already been taken to offer Standing Orders only for 2010/11. Direct debits are not an option. From Sept 2010 all payments made through Passenger Transport Unit (PTU) will be recorded on Routewise. Reports to be sent to PTU of all payments made through SST so that these can be recorded on Routewise. All payments to be logged. Tighter scripting is being provided for CCU staff and will also be rolled out to hub and central staff. Further training/emphasis on this to be provided for relevant staff.
West Wilts Housing PFI	<ul style="list-style-type: none"> The PFI scheme has been identified as the best option for the project. The PFI scheme will deliver expected 	<p>Limited</p> <p>4 High Risks, 5 Medium Risks</p>	<ul style="list-style-type: none"> Failure to conduct full credit checks or analysis of financial reporting of external parties prior to entering into contracting 	<ul style="list-style-type: none"> Company information has now been received from the Bidder and credit checks are currently being arranged.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<p>Value for Money benefits.</p> <ul style="list-style-type: none"> • The most favourable price and terms will be obtained from the PFI scheme. • A suitable and appropriate contractor will be appointed for the scheme and selection criteria are transparent. • Client and contractor roles, responsibilities and relationships are transparent ensuring that all parties to the contract will be held accountable for their performance in relation to all contractual terms and conditions. • The Authority will be able to deliver key, statutory services effectively and efficiently. 		<p>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"> • Failure to maintain a project risk register could result in mismanagement of project risks. • 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. • Failure to enter a contractual agreement in accordance with the terms stated in the original OJEU Notice could result in potential financial, reputational and challenge risk. 	<ul style="list-style-type: none"> • 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. • 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. • 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 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.
Care Connect	<ul style="list-style-type: none"> • The service achieves best value through economic, efficient and effective operations. 	<p>Good / Limited</p> <p>1 High Risk 7 Medium Risks</p>	<ul style="list-style-type: none"> • Failure to test disaster recovery plans could lead to unnecessary delays in achieving recovery of IT and call centre services, 	<ul style="list-style-type: none"> • The Strategic Housing Manager has arranged for a scheduled shut down and transfer of services over to

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	<ul style="list-style-type: none"> • Alarms Centre staff are appropriately tasked in performing their duties. • All stocks and stores are effectively monitored and fully accounted for. • Income and expenditure is properly controlled and budget allocations are appropriate. • Sound business continuity is in place. 		<p>weaknesses in planning not being identified and addressed, operational shut down and service failure, and potential reputational damage.</p>	<p>Eldercare.</p>
<p>Private Sector Housing Services</p>	<ul style="list-style-type: none"> • Grant funding resources are prioritised to ensure that they are used to greatest effect. • Robust procedures exist to ensure grant funding allocations are appropriately approved. • Statutory regulations and conditions of grants are complied with and enforced. • Contractors are appropriately appointed and effectively managed. 	<p>Limited 4 High Risks, 4 Medium Risks</p>	<ul style="list-style-type: none"> • 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 • 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. • 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 	<ul style="list-style-type: none"> • Discussions held with Shared Services about quality of information available from SAP. Processes and procedures reviewed whereby information held on SAP can be more easily matched to information held by private Sector Housing. Propose to provide a monthly update. • Processes and procedures reviewed whereby information held on SAP can more easily be matched to invoices raised. Propose to provide a monthly update. • Work undertaken with Shared Services to ensure processes are in place so payment requests must include copies of invoice. Previous process required only a payment request to be made and this

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
			<p>work actually undertaken by the contractors and of contractors being paid twice</p> <ul style="list-style-type: none"> 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 	<p>could mean double payments.</p> <ul style="list-style-type: none"> Whilst we propose moving to a SOR for level access showers following 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. The HIA has agreed to revise tender documents so they are less prescriptive. In general checking of tenders by PSH staff provides a check on this as they have knowledge of expected costs
<p>CareFirst (Community Services)</p>	<ul style="list-style-type: none"> To follow-up the action points of the previous audit and also consider risk management and governance arrangements, system performance, training, document management and data quality. 	<p>Limited</p> <p>1 High Risk 5 Medium Risks</p>	<ul style="list-style-type: none"> It is possible that significant risks around the system are not being adequately communicated, managed and monitored. 	<ul style="list-style-type: none"> Individual Adult Care risk registers will be maintained by DCS Operations who will feed CareFirst issues into the DCS Service Risk Register.
<p>CareFirst (Children's Services)</p>	<ul style="list-style-type: none"> To consider risk management and governance arrangements, system performance and support, document management and data quality. 	<p>Limited</p> <p>3 High Risks 3 Medium Risks</p>	<ul style="list-style-type: none"> It is possible that significant risks are not being adequately communicated, managed and monitored. 	<ul style="list-style-type: none"> Will create an ICS / DCE CareFirst risk register which will be reviewed at subsequent DCE CareFirst Board and Change Control Group meetings. Where necessary entries will be carried forward

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
			<ul style="list-style-type: none"> • System users may not be receiving a satisfactory level of CareFirst availability. • The system and support being provided by OLM (Carefirst supplier) is unsatisfactory. 	<p>to the departmental risk register.</p> <ul style="list-style-type: none"> • A planned CareFirst upgrade in May 2010 will result in a more stable and resilient system. A system of automated checks are programmed into the system to check system availability, when a problem is detected a restart of the services or servers is performed. • DCE to engage at Service Director level with representatives of OLM. Will also formally request that Corporate ICT, Business Analyst carry out a market review of the other Social Care Case management systems.
<p>Major Capital Projects (Project Management)</p>	<ul style="list-style-type: none"> • Consultant returns are made in accordance with the contract with sufficient evidence to support claims. • Spot checking of claims is carried out to ensure accuracy. • Payments are authorised and appropriate. • Records are retained to evidence the basis of adjustments. 	<p>Limited</p> <p>6 High Risks, 7 Medium Risks</p>	<ul style="list-style-type: none"> • Payment is made based entirely on the recommendation of the consultant and no independent checking of claims is carried out. • Outsourcing of project management has resulted in a loss of expertise in this area and has created an over-reliance on external consultants. 	<ul style="list-style-type: none"> • A random spot-checking process will be established and is to be applied across building contracts. Scope of checks and ongoing approach to be defined. • Need for greater due diligence identified. To develop a process map describing end to end processes

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
			<ul style="list-style-type: none"> All information for internal reporting is provided by the consultant. Project reports are often difficult to follow. 	<ul style="list-style-type: none"> Actions for improving officer buy-in to external consultant reports to be implemented. A review of project report formats to be carried out to ensure that reports are easily followed.
<p>RFQ Pro Contract System</p>	<ul style="list-style-type: none"> The new e-commerce application will meet the Council's business objectives and complies with the requirements of the new Contract and Procurement regulations. A formal contract exists between the Authority and Due North which details system support and specification, roles and responsibilities including transfer of risks. System processing is secure and with access rights granted appropriate to seniority of officers involved in RFQ process. Only official procurement activities will be operated on behalf of Wiltshire Council via the ProContract system. Adequate document control procedures will be operated to ensure compliance with requirements of CPU. Documents developed for the purpose of the RFQ process meet the requirements of each procurement specialism operated within the 	<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.

Appendix 1 – Outcomes of Individual Opinion Audits 2009-10

Audited Activity	Audit Objectives	Audit Opinion	High Risks and Main Issues	Management Actions Proposed
	Authority.			