

# AGENDA



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## A MEETING OF THE

# Joint Audit and Governance Committee

WILL BE HELD ON MONDAY 6 JULY 2015 AT 6.30 PM

**MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, MILTON, ABINGDON, OX14 4SB**

### Members of the Committee:

Charles Bailey	Chris Palmer
Kevin Bulmer (Co-Chair)	Henry Spencer
Dudley Hoddinott	Alan Thompson
Simon Howell (Co-Chair)	John Walsh

### Substitutes

<i>Paul Harrison</i>	<i>David Nimmo-Smith</i>	<i>Richard Pullen</i>
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## 1 Chairmanship

At South and Vale Annual Council Meetings it was agreed that the joint committee will be co-chaired (one from each council) and the person presiding at any meeting will alternate between the two councils.

**2 Apologies**

**3 Declarations of disposable pecuniary interest**

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

**4 Minutes of the previous meetings** (Pages 4 - 11)

To adopt and sign as a correct record the minutes of the South Audit and Corporate Governance Committee and the Vale Audit and Governance Committee held on 17 and 19 March 2015 (attached)

**5 Joint Committee Terms of Reference and Appointment of Sub-Committees** (Pages 12 - 16)

Report of head of legal and democratic services (attached).

**6 Internal audit annual report 2014/2015** (Pages 17 - 26)

Report of the audit manager (attached).

**7 Internal audit management report quarter one 2015/2016**  
(Pages 27 - 35)

Report of the audit manager (attached).

**8 Internal audit activity report quarter one 2015/2016** (Pages 36 - 54)

Report of the audit manager (attached).

**9 External auditor's fees** (Pages 55 - 60)

To consider the external auditor's letters (attached).

**10 Joint audit and governance work programme** (Pages 61 - 64)

To review the joint work programme (attached).

### ***Exclusion of public including the press***

To consider whether to exclude members of the press and public from the meeting for the following item of business under Part 1 of Schedule 12A Section 100A(4) of the Local Government Act 1972 and as amended by the Local Government (Access to Information) (Variation) Order 2006 on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in paragraph 3 Part 1 of Schedule 12A of the Act, and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

#### **11 Internal audit report** (Pages 65 - 79)

Report of the audit manager (attached).

MARGARET REED

Head of Legal and Democratic Services

# Minutes

OF A MEETING OF THE



Listening Learning Leading

## **Audit and Corporate Governance Committee**

HELD ON TUESDAY 17 MARCH 2015 AT 6.00 PM

BLACKSTONE ROOM, MANOR HOUSE, HOWBERY PARK, CROWMARSH  
GIFFORD

### **Present:**

Kristina Crabbe (Chairman)

Philip Cross, David Bretherton, John Cotton, Margaret Davies, Neville F Harris and Paul Harrison

### **Officers:**

Sandy Bayley, Steve Bishop, Liz Fay, Mark Gibbons, Sophie Horsley, Fiona Kaluza, Adrianna Partridge and Ron Schrieber

### **Also present:**

Phil Burrell, Capita and Mick West, Audit Manager, Ernst and Young

### **28 Mike Welply**

The committee observed a minute's silence in memory of Mike Welply, a former Chairman of South Oxfordshire District Council and member of this committee.

### **29 Declaration of disclosable pecuniary interest**

None.

### **30 Minutes of the previous meeting**

**RESOLVED:** to approve the minutes of the meetings held on 29 September 2014 and 20 January 2015 as a correct record and to agree that the Chairman sign them as such.

### **31 Internal audit activity report quarter four 2014/15**

The committee considered the audit manager's report on internal audit activity during the fourth quarter of 2014/15. This summarised the outcomes of recent audit activity.

Six audits had been completed during the quarter, together with two follow-up reviews. Appendix 2 to the report summarised all overdue recommendations within each service area.

With regard to the internal audit review of procedures, controls and the management of risk in relation to payroll, officers reported that all the recommendations had been implemented except for recommendation 7 where the overtime form had been amended but not yet rolled out to all departments.

The committee considered the audit manager's report on internal audit activity during the fourth quarter of 2014/15. This summarised the outcomes of recent audit activity.

In response to a member's question, the committee was informed that, given the number of transactions, there were very few errors and that any mistakes were resolved almost immediately.

With regard to the internal audit review of procedures, controls and the management of risk in relation to section 106 planning agreements, commuted sums and the community infrastructure levy 2013/14 – 2014/15, officers reported that five of the eight recommendations had been implemented.

In response to members' questions, the committee was informed that:

- The role of the S106 monitoring officer was currently being undertaken by two temporary officers but that a permanent, full-time appointment had been made.
- A variety of resources were used to train staff including workshops as and when new policy documents were issued.
- S106 monitoring reports were submitted to Scrutiny Committee as well as to Cabinet. In addition, updated information was posted on the council's internet/intranet.

The committee noted the report.

### **32 Internal audit management report quarter four 2014/15**

The committee considered the audit manager's report on management issues within the internal audit service during the fourth quarter of 2014/15.

The report also detailed the priorities for the first quarter of 2015/16 which included undertaking a full review of the business continuity response to the fire at the Crowmarsh Gifford offices.

The committee noted the report.

### **33 Internal audit annual plan 2015/16**

The committee considered the audit manager's report which explained the process for setting the internal audit plan and for calculating the resources available and which set out the proposed internal audit plan for 2015/16.

In response to members' questions, the committee was informed that:

- Whilst no separate internal audit was planned in relation to S106 in 2015/16, the subject would come up as part of the follow up process for current audits. The community infrastructure levy would be audited as and when the changes came into effect.
- Although there were economies of scale in auditing South Oxfordshire and Vale of White Horse District Council's services, the councils were separate legal entities requiring separate audit investigations and reports.
- The audit of an activity could involve a number of services e.g. legal, finance etc. This would be determined when the terms of reference were drawn up.

A member suggested that services being audited should record the amount of officer time allocated to this activity.

**RESOLVED:** that the internal audit plan 2015/16 be approved.

### **34 Certification of claims and returns annual report 2013/14**

The committee considered Ernst & Young's report summarising the results of their work on the council's 2013-14 claims.

One housing benefits subsidy claim had been certified resulting in a reduction of the subsidy reclaimed of £5,948 compared with transactions of approximately £30m. The Strategic Director agreed to inform committee members as to whether the certified claim related to an under or overpayment and whether the amount was recoverable.

The committee noted the report.

### **35 2014/15 Audit Plan**

The committee considered Ernst & Young's audit plan 2014/15 which set out how they intended to carry out their responsibilities as the council's external auditor.

No significant financial statement risks had been identified other than the general risk of management override. In addition, the risk of loss of supporting documentation following the fire at the Crowmarsh Gifford offices had been included. However, the indications were that significant financial data was stored electronically.

The committee noted the audit plan.

The meeting closed at 7.05 pm

Chairman

Date

# Minutes

of a meeting of the

## Audit and Governance Committee



held on Thursday 19 March 2015 at 6.30 pm  
at The Beacon, Portway, Wantage, OX12 9BY

**Open to the public, including the press**

**Present:**

Members: Councillors Simon Howell (Chairman), St John Dickson, Dudley Hoddinott, Pat Lonergan, Sandy Lovatt, Julia Reynolds, Judy Roberts and Andrew Skinner

Officers: Sandy Bayley, Steve Culliford, Phil Ealey, Liz Fay, Sophie Horsley, William Jacobs, Fiona Kaluza, Debbie McLatch, Adrianna Partridge and Marcia Slater

Also present: Vernon Coffrey (Capita) and Mick West (EY)

Number of members of the public: Nil

### **AG.39 Notification of substitutes and apologies for absence**

Councillors Mohinder Kainth and Angela Lawrence had sent apologies for absence.

### **AG.40 Minutes**

**RESOLVED:** to adopt as correct records the minutes of the committee meetings held on 24 September 2014 and 20 January 2015 and agree that the chairman signs them as such.

### **AG.41 Actions arising**

The committee reviewed the actions arising report of the head of finance. The committee agreed to remove actions relating to public consultation on the comprehension of financial documents, and introducing a new process to monitor systemic control weaknesses. The remaining items were retained on the list.

**RESOLVED:** to retain the following items on the actions arising list:

- To call the Building Control manager to a future meeting to answer questions on outstanding actions from a previous audit

- To include the corporate complaints procedure in the councillors' induction programme following the elections in May 2015

**AG.42      Declarations of interest**

None

**AG.43      Urgent business and chairman's announcements**

None

**AG.44      Statements, petitions, and questions from the public relating to matters affecting the Audit and Governance Committee**

None

**AG.45      Internal audit activity report quarter four 2014/15**

The committee considered the audit manager's report on internal audit activity in the fourth quarter of 2014/15, being 1 January to 5 March 2015 when the audit report was sent for publication. During that period, internal audit had completed six audits and two follow-up audits. Three of these had received limited assurance ratings from internal audit and therefore were presented to the committee for consideration.

**Payroll 2014/15**

The payroll audit in 2014/15 had received limited assurance due to some weaknesses in the control system. The auditor had recommended changes to improve the system, most of which had been accepted by the Payroll Team Leader at Capita, the council's payroll contractor, and by the Human Resources Manager. Both officers were called to the meeting to answer the committee's questions.

The committee expressed concern that two former payroll employees had not been removed from the list of authorised payroll system users. However, it was noted that Capita had since changed its procedures to ensure this did not happen again.

The committee noted that only one of the auditor's recommendations had not been implemented: the introduction of a new staff overtime claim form. This would be completely shortly.

Councillors believed that this was an important service to keep under review and noted that internal audit planned a further audit in 2015/16.

**Section 106 planning agreements, commuted sums, and Community Infrastructure Levy 2013/14 and 2014/15**

Internal audit presented an audit report on the council's management of Section 106 planning agreements, commuted sum payments from developers, and the Community Infrastructure Levy for the years 2013/14 and 2014/15. The Planning Policy Manager



and the Planning Policy Officer attended the meeting to answer the committee's questions.

Three of internal audit's recommendations had yet to be implemented. While money received from developers was shown in the register of planning agreements, expenditure on the various schemes relating to each development had not been included. To link the expenditure to the register would require a partial re-write of the system software, which would take time. However, officers planned to do this work.

The auditor had recommended that a regular reconciliation of agreements recorded within the system should be undertaken with general ledger transactions to ensure income was recorded accurately. The planning officers had agreed to introduce an annual reconciliation procedure. There was also a recommendation to introduce consistent record-keeping, which had yet to be implemented.

The committee believed that improvements had been made to the management of Section 106 planning agreements and commuted sum payments, and asked that as part of the follow-up audit, checks were made that money from developments was being correctly applied to the schemes identified in the planning agreements. This would be important also when the Community Infrastructure Levy was introduced. The committee noted that this issue had been taken up by Scrutiny Committee, which received annual monitoring reports.

#### **Temporary accommodation – second follow-up audit**

The committee noted that internal audit had conducted a second follow-up audit on the temporary accommodation service to check whether its recommendations had been implemented. The audit investigations showed that three of the four recommendations had not been completed. The Head of Development and Housing and the Housing Needs Manager attended the meeting to explain why.

The committee noted that the Cabinet member for housing was due to approve the draft homelessness strategy for consultation in March 2015 following Scrutiny Committee's consideration of the draft strategy. There would then be a four-week consultation period and the results would be reported to Cabinet, probably in June.

The officers reported that the recommendation to complete the review of all policies and procedures should be completed by the end of June 2015 and the recommendation to carry out income reconciliation should be completed by the end of March 2015.

#### **Overdue recommendations**

The committee reviewed appendix 2 to the audit manager's report that set out overdue recommendations from previous audits. The online version of this report was no longer available due to changes to the corporate software used since the fire at the Crowmarsh Gifford offices. A revised version of this report would be made available to councillors online in due course but the committee noted that this was not a high corporate priority.

However, the audit manager was continuing to chase heads of service for action on overdue recommendations. All committee members would be supplied with a copy of the updated report before the next committee meeting in July. This would allow the committee to review the overdue recommendations list and summon a head of service to the next committee meeting for questioning.

The audit manager also agreed to amend the format of the summary report of the overdue recommendations by adding the number of audits conducted. The committee welcomed the overdue recommendations report, as it would provide a useful tool to monitor implementation of audit recommendations.

**RESOLVED:** to note the internal audit activity report for the fourth quarter 2014/15.

#### **AG.46 Internal audit management report quarter four 2014/15**

The audit manager presented the internal audit management report for the fourth quarter 2014/15. This summarised progress against the audit plan up to 5 March, and summarised the priorities for the first quarter in 2015/16.

The committee noted that following the fire at the Crowmarsh Gifford offices, the audit manager was requested to be part of the business continuity team to re-establish council services. This took all of the manager's time for several weeks. The remainder of the internal audit team continued with their audit work and made progress against the audit plan on the key financial audits. However, it was noted that not all audits planned for 2014/15 (particularly non-key audits) would be completed by 31 March due to the fire disruption to internal audit and other services. The committee noted that at its next meeting, officers planned to report on internal audit's performance against the audit plan.

**RESOLVED:** to note the internal audit management report for the fourth quarter 2014/15.

#### **AG.47 Internal audit plan 2015/16**

The audit manager presented a draft internal audit plan for 2015/16 and sought committee's approval of it. The plan set out the audits planned for 2015/16, some of which were joint audits with South Oxfordshire District Council. The report also set out the evaluation process used to establish priorities and how the plan was compiled. The committee supported the audit plan.

**RESOLVED:** to approve the internal audit plan 2015/16.

#### **AG.48 Certification of claims and returns annual report 2013/14**

Mick West, the council's external auditor from EY (Ernst & Young), presented the certification of claims and returns annual report for 2013/14. He summarised the key findings. The council had made a housing benefits subsidy claim of £27,921,157. Following the audit, this had been reduced by £8,691, which he believed to be a small fraction of the overall claim. The fee for this work was £15,488.

The committee noted the report.

#### **AG.49 External audit plan 2014/15**

Mick West, the council's external auditor from EY, presented the external audit plan for the council for 2014/15. As part of that audit work, EY would pay attention to the possibility of management override of controls, and consider the effect of the fire at the Crowmarsh Gifford offices on the closure of the 2014/15 accounts, and on how the council responded to the fire. This would include looking at what information was lost in the fire, and what information was used to re-establish services. The audit would also look at the materiality of errors, and look at how the council used its resources to provide value for money. However, no significant risks had been identified by EY at this stage. The audit fee for this work was estimated to be £62,839 plus an estimated fee of £16,650 for the certification of the housing benefits subsidy claim.

The committee noted the report.

#### **AG.50 Audit and governance work programme**

The committee reviewed its work programme that illustrated matters for consideration at committee meetings in 2015/16. The committee noted that internal audit was currently reviewing the effectiveness of the council's business continuity arrangements following the fire at the Crowmarsh Gifford offices, which provided a real-life test of the council's resilience. This report would be presented to the committee at a future meeting.

The meeting closed at 8.00 pm

# Joint Audit and Governance Committee



Report of Head of Legal and Democratic Services

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To: Joint Audit and Governance Committee

DATE: 6 July 2015

## Joint Committee Terms of Reference and Appointment of Sub-Committees

### Recommendation

- (1) to note the joint committee's terms of reference, attached at Appendix A, to this report.
- (2) to appoint audit and governance sub-committees as set out in Appendix A to this report.

### Purpose of Report

1. To implement the decisions of South and Vale Annual Councils to establish a joint Audit and Governance Committee and to appoint sub-committees to deal with matters relating specifically to each council.

### Strategic Objectives

2. To enable both councils to adopt a consistent approach to audit and governance, avoiding duplication of resources and improving joint working.

### Background

3. At their respective Annual Meetings on 20<sup>th</sup> and 21<sup>st</sup> May 2015, Vale and South Councils agreed to establish a joint Audit and Governance Committee to replace the individual committees, with terms of reference drawn from those of the two committees.
4. The joint committee's terms of reference are attached at Appendix A, for information. However these will be kept under regular review as the roles of the joint committee and its sub-committees are likely to evolve over time.

5. Both councils also agreed to establish sub-committees which will meet as required to discuss and agree matters relating to a single council. The joint committee is asked to formally appoint these sub-committees as set out in Appendix A. They will be chaired by the appropriate co-chair of the joint committee and the membership shall be the four members of the joint committee relevant to each council.

### **Financial Implications**

6. One of the purposes of establishing the joint committee was to avoid duplication of resources. There will also be a reduction in the cost of room bookings.

### **Legal Implications**

7. The joint committee's terms of reference will be kept under review to ensure that both councils carry out their statutory duties.

### **Other Implications**

8. It is anticipated that the establishment of the joint committee will reduce the number of reports being written and the number of meetings staff have to attend and would enable external auditors to attend just one meeting.

### **Conclusion**

9. The councils have appointed a joint committee in order to adopt a consistent approach to audit and governance, avoid duplication of resources and improve joint working. The committee is asked to note the terms of reference attached at appendix A and to appoint sub-committees to deal with matters relating specifically to each council.

### **Background Papers**

None

## APPENDIX A

### Role and functions of the joint audit and governance committee

1. The joint audit and governance committee will have the following roles and functions in relation to matters applicable to both South and Vale councils:
  - (a) To consider and determine all aspects of the councils' including the approval of the statement of accounts.
  - (b) To receive the external auditor's annual governance report (or equivalent) and review responses to it.
  - (c) To consider corporate governance matters (including but not limited to comments and complaints, Ombudsman investigations and risk management issues) and review responses to them.
  - (d) To agree a governance framework and a local code of governance for inclusion in the constitution.
  - (e) To approve the annual governance statement.
  - (f) To receive external and internal audit reports and review responses to them.
  - (g) To ensure the effective scrutiny of the treasury management strategy, policies and performance.
  - (h) To agree human resources matters relating to the Local Government Pension Scheme. These include changes to the scheme requiring local decisions; responding to consultations for scheme amendments; applying discretionary termination payments to staff, in cases of early retirement on efficiency grounds; and amending or implementing new Council policies on pensions (e.g. discretionary payments policy).
  - (i) The overview of the councils' whistleblowing policy.
  - (j) Having an overview of the standards of conduct framework for councillors, any co-opted members and parish councillors.
  - (k) To determine any other matters delegated to this committee by both councils.

### Audit and governance sub-committees

2. Sub-committees for South and Vale will have the following roles and functions:
  - (a) The exercise of (a) to (h) above insofar as they relate specifically to either council
  - (b) Dealing with code of conduct complaints about councillors
  - (c) To grant dispensations to councillors under section 33 of the Localism Act 2011

- (d) To agree up to two consecutive three-month periods of non-attendance at meetings by councillors in the absence of agreement by group leaders

The sub-committees will not discuss matters which go to the joint committee.

Each sub-committee will comprise of all the members of the joint committee from the relevant council. That council's substitutes on the joint committee may act as substitutes on the sub-committee.

### **Code of conduct and complaints**

- 3. Each audit and governance sub-committee may appoint a panel of three eligible members of the sub-committee to determine matters in relation to code of conduct complaints referred by the monitoring officer.

### **Complaint panels**

- 4. Each audit and governance sub-committee:
  - (a) has responsibility for appointing its own panels to make decisions on code of conduct complaints except where the chairman (or vice-chairman) of the sub-committee agrees that the whole sub-committee should be convened when a complaint merits consideration by the full sub-committee.
  - (b) authorises the head of legal and democratic services to invite an appropriate panel to consider code of conduct complaints having regard to members' availability and eligibility to take part;
  - (c) will agree its own procedures for it (or its panels) to deal with code of conduct complaints

### **Appointment and membership**

- 5. Each audit and governance sub-committee shall:
  - (a) appoint panels comprising any three members, or their appointed substitutes, of the audit and governance sub-committee;
  - (b) appoint each member or substitute of the audit and governance sub-committee to serve on any panel which is convened so as to include her or him in its membership;
  - (c) wherever possible, a panel comprising the chairman or vice-chairman of the sub-committee plus two other members of the sub-committee will consider complaints, but that this should not affect the principle that any three members or their substitutes of the sub-committee will constitute a properly appointed panel;
  - (d) A fourth member should be on standby for each hearing in case one of the three members cannot take part for any reason;

**Terms of reference**

6. To discharge all functions relating to matters referred to the sub-committee in relation to the code of conduct complaints procedure by the council's monitoring officer.
7. Any panel will be known as a complaints panel.



# Joint Audit and Governance Committee



Report of Audit Manager

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To: Audit and Governance Committee

DATE: 6 July 2015

## Internal audit annual report 2014/2015

### Recommendation(s)

(a) That members note the content of the report

### Purpose of Report

1. The purpose of this report is to report on the work of internal audit in the year ended 31 March 2015, and to advise the committee of the audit manager's opinion on the overall adequacy and effectiveness of the internal control environments at South Oxfordshire and the Vale of White Horse District Councils.
2. The contact officer for this report is Adrianna Partridge, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone 01235 540389.

### Strategic Objectives

3. Managing our business effectively.

## Background

4. Standard 10 of the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 (CIPFA Code) states that the head of internal audit (audit manager) must produce an annual report that:
  - includes his or her opinion on the overall adequacy and effectiveness of the organisation's control environment;
  - discloses any qualifications to that opinion, together with the reason(s) for the qualification;
  - presents a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
  - draws attention to any issues the head of internal audit judges particularly relevant to the preparation of the Annual Governance Statement;
  - compares the work actually undertaken to the work that was planned and summarises the performance of the internal audit function against its performance measures and targets; and
  - comments on compliance with the CIPFA standards and communicates the result of the internal audit quality assurance programme.
  
5. The control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:
  - establishing and monitoring the achievement of the organisation's objectives;
  - ensuring compliance with established policies, procedures, laws and regulations;
  - ensuring risk management is embedded in the activity of the organisation, that leadership is given to the risk management process, and staff are trained or equipped to manage risk in a way appropriate to their authority and duties;
  - ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness;
  - the financial management of the organisation and the reporting of financial management; and
  - the performance management of the organisation and the reporting of performance management.

## Overall Opinion

6. The audit manager is satisfied that sufficient internal audit work has been undertaken to allow a reasonable conclusion to be drawn as to the adequacy and effectiveness of SODC's and VWHDC's risk management, control and governance processes. The audit manager's opinion is based on the risk-based audits carried out during the year at each council and other unplanned work on control systems. No reliance has been placed on the work of other assurance bodies.

7. South Oxfordshire District Council  
It is the audit manager's unqualified opinion that based on the areas reviewed during the year, satisfactory assurance can be placed on the council's risk management, control and governance processes. There is basically a sound system of internal control but there are some weaknesses which may put some system objectives at risk.
8. Seven areas were given full assurance – housing and council tax reduction scheme, car parks, travel and subsistence, contract monitoring, bank contract & arrangements, treasury management and corporate governance. Areas of weakness in the control environment have been identified in the following areas – payroll, anti-fraud and corruption policies and temporary accommodation. Where internal audit identified weaknesses which require remedial action, recommendations have been made and discussed with officers.
9. Vale of White Horse District Council  
It is the audit manager's unqualified opinion that based on the areas reviewed during the year, satisfactory assurance can be placed on the council's risk management, control and governance processes. There is basically a sound system of internal control but there are some weaknesses which may put some system objectives at risk.
10. Eight areas were given full assurance – housing and council tax reduction scheme, car parks, sundry debtors, travel and subsistence, contract monitoring, bank contract and arrangements, treasury management and corporate governance. Areas of weakness in the control environment have been identified in the following areas – payroll, anti-fraud and corruption policies and temporary accommodation. Where internal audit identified weaknesses which require remedial action, recommendations have been made and discussed with officers.
11. Notwithstanding the audit manager's overall opinions, internal audit identified a number of opportunities for improving controls and procedures across the councils which officers have generally responded to positively.
12. A summary of all internal audit opinions across both councils is attached as **Appendix 1**.

### **Summary of Audit Work**

13. For 2014/2015, internal audit completed 428 planned audit work days. 199 days for South Oxfordshire District Council and 229 days for the Vale of White Horse District Council. This includes planned audit work, consultancy work and contingency work (i.e. investigations).
14. A total of 34 planned internal audit reviews have been undertaken. From those 34, 17 relate to SODC and 17 related to VWHDC. From the 34 completed audits, 15 (44%) achieved a full assurance rating. During the year we introduced an additional rating of substantial, and 9 audits (26.5%) achieved this. For four audits (12%) a satisfactory assurance rating was achieved. Limited assurances were appropriate for six (17.5%) audits and no reviews resulted in nil assurance being given. In total 107 recommendations to

improve controls and procedures within the councils were made. Six (5.5%) were classified as high, 31 (29%) as medium and 70 (65.5%) as low. Of the completed audits two recommendations were not agreed by management.

15. Two investigations were completed during 2014/2015 for VWHDC, and these utilised 30 days. One joint consultancy review was completed and this utilised two days. No system development work was requested.
16. A total of 21 follow-up reviews were undertaken during 2014/2015, utilising 10.5 days. From those 21, 10 related to SODC and related to VWHDC. Time has been allocated within the 2015/2016 audit plan for further follow-up work.

### **Issues Relevant to the Annual Governance Statement**

17. Specific audit reviews on corporate governance and the council's anti-fraud and corruption policies were included within the 2014/2015 annual audit plan. The corporate governance review achieved full assurance at both councils and no recommendations were made. The anti-fraud and corruption policies review achieved limited assurance due to a lack of progress in this area, and 12 recommendations were made (SODC 6 / VWHDC 6). Internal audit has undertaken proactive anti-fraud testing within 2014/2015 which raised four recommendations (SODC 1 / VWHDC 3).
18. No suspicions of fraud and corruption by officers, members or partners/contractors were reported to the audit manager during 2014/2015.
19. The council's gifts and hospitality policy states that 'The Local Government Act and other legislation makes it clear that council employees should not accept any fees or reward during the course of their employment other than their standard remuneration from their employer'. The policy goes on to highlight where exceptions to this rule are permissible and outlines the process staff should follow when offers of gifts or hospitality are made. The audit manager has reviewed the nine entries within the register for 2014/15, and it was identified there was one instance where a gift was offered and accepted which did not comply with the council's policy. This was an individual monetary payment to a member of staff from an outgoing chairman. It is the audit manager's professional opinion that the payment was made wholly as a 'thank you' to the member of staff concerned and was in no way offered as a way to seek preferential treatment, however acceptance of the gift did not comply with the policy. A recommendation has been made that the policy is amended so that any offers of gifts and hospitality outside those permissible within the policy need to be approved by the councils' monitoring officer and section 151 officer.

### **Internal Audit's Performance**

20. The internal audit team was below its full complement for 2014/2015 of an audit manager (0.8FTE) and three auditors shared across both sites. The team absorbed an auditor vacancy for 5 months due to a lack of applicant interest, and had a long-term sickness absence from January – March 2015. To address some of the resource issues, a contractor was employed on a part-time basis but the contractor did not deliver on their performance targets which impacted negatively on the team's targets.

21. The performance of internal audit is measured against a number of indicators. The out-turn for 2014/2015 is as follows:

	Year Ending 31/03/14	Target 14/15	Year Ending 31/03/15
<b>Chargeable</b> (identifiable client and/or specific IA deliverable)	74.5%	74%	71.5%
<b>Non-Chargeable</b> (corporate, not IA deliverable)	7%	8%	8.5%
<b>Lost</b> (i.e. leave, study, sickness)	18.5%	18%	20%

Performance Targets	Year Ending 31/03/15
<b>PT1</b> To issue 90% of audit notifications at least 1 month before start of audit fieldwork	100%
<b>PT2</b> To issue 90% of draft audit reports within 5 working days of completion of the exit meeting.	94%
<b>PT3</b> To issue 90% of final audit reports within 5 working days of receipt of the auditees final responses to draft report and recommendations.	100%
<b>PT4</b> To issue 90% of follow-up notifications at least 1 month before start of follow-up work.	55%
<b>PT5</b> To follow up 90% of final reports within 6 months of completion of audit.	67%
<b>PT6</b> To complete the audit fieldwork and issue draft reports on 100% of key financial system audits within the audit plan.	80%
<b>PT7</b> To complete the audit fieldwork and issue draft reports on 80% of all non key financial system audits within the audit plan.	56%

22. In 2014/2015 the team only achieved 3 out of 10 of the annual performance targets set. The team's planned audit work was significantly affected during Q4 (our busiest period) by the Crowmarsh fire due to following reasons:
- the audit manager was fully committed to the business continuity response;
  - the auditors were unable to work on planned audits for a period of two weeks due to a lack of IT equipment, system down-time and access issues as a direct result of the fire;
  - paper evidence relating to the planned audit work in progress at the time of the fire was lost and therefore the auditors had to recapture and collate supporting evidence for fieldwork completed;
  - there were delays recommencing the planned audit work as auditees/service areas focused their resources on service delivery and did not have the capacity to facilitate internal audit work; and
  - an auditor was on long term sick leave.

The 2014/2015 performance targets remain for 2015/2016.

## **Compliance with CIPFA Code**

23. As part of the quality assurance programme and to assist in monitoring and improving the quality and value of service provided, auditees are asked to complete an audit feedback questionnaire on internal audit's performance. All the responses received in 2014/205 were kept in paper copy and were lost during the Crowmarsh fire. We have not received any questionnaires since the fire, but they will now be scanned and held electronically.
24. All feedback received by the audit manager is discussed with the relevant auditor. Where appropriate, the audit manager meets the officer to discuss their comments in more detail and implement any necessary process improvements.

## **Financial Implications**

25. There are no financial implications attached to this report.

## **Legal Implications**

26. None

## **Risk Implications**

27. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE  
AUDIT MANAGER

System Name	Status	Audit Allocation	Total Days Used	Exception Issues	Audit Opinion	No. of Recs	High	No. Agreed	Medium	No. Agreed	Low	No. Agreed	Total Not Agreed
<b>JOINT</b>													
<b>Procurement (24 priority score)</b> SODC VWHDC	Carry forward 15/16	12	0.0 0.0										
<b>Payroll (22)</b> SODC VWHDC	Completed	32	19.5 19.5	First KFS for new auditor.	Limited Limited	8 8	2 1	2 1	4 4	4 4	2 3	2 3	0 0
<b>Housing &amp; Council Tax Reduction Scheme (20)</b> SODC VWHDC	Completed	30	9.0 9.0		Full Full	1 1	0 0	0 0	0 0	0 0	1 1	1 1	0 0
<b>Car Parks (20)</b> SODC VWHDC	Completed	20	9.5 9.5		Full Full	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
<b>Leisure Centres (20)</b> SODC VWHDC	Carry forward 15/16	30	0.0 0.0										
<b>National Non-Domestic Rate (19)</b> SODC VWHDC	Completed	20	17.5 17.5	Had to redo testing due to evidence lost in the Crowmarsh fire.	Substantial Substantial	2 2	0 0	0 0	0 1	0 1	2 1	2 1	0 0
<b>Council Tax (19)</b> SODC VWHDC	Completed	20	11.0 11.0		Substantial Substantial	4 3	0 0	0 0	0 0	0 0	4 3	4 3	0 0
<b>General Ledger (19)</b> SODC VWHDC	In progress	20	9.5 9.5	Contractor performance issues. Escalated to S151 and strategic director.									
<b>Sundry Debtors (19)</b> SODC VWHDC	Completed	20	11.0 11.0		Substantial Full	3 2	0 0	0 0	1 0	1 0	2 2	2 2	0 0
<b>Creditor Payments (18)</b> SODC VWHDC	Completed	20	11.0 11.0		Substantial Substantial	1 1	0 0	0 0	1 1	1 1	0 0	0 0	0 0
<b>Pro-Active Anti-Fraud Review (18)</b> SODC VWHDC	Completed	20	7.0 7.0		Substantial Substantial	1 3	0 0	0 0	1 1	1 1	0 2	0 2	0 0
<b>Travel &amp; Subsistence (18)</b> SODC VWHDC	Completed	20	6.5 6.5		Full Full	2 2	0 0	0 0	0 0	0 0	2 2	2 2	0 0
<b>Anti-Fraud &amp; Corruption Policies (18)</b> SODC VWHDC	Completed	16	10.0 10.0	4 days over due to new auditor.	Limited Limited	6 6	1 1	1 1	3 3	3 3	2 2	2 2	0 0
<b>Capital Management and Accounting (17)</b> SODC VWHDC	In progress	14	8.0 8.0	Contractor performance issues. Escalated to S151 and strategic director.									

<b>Contract Monitoring (17)</b> SODC VWHDC	<b>Completed</b>	20	6.5 6.5		<b>Full</b> <b>Full</b>	<b>3</b> <b>3</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>3</b> <b>3</b>	<b>2</b> <b>2</b>	<b>1</b> <b>1</b>					
<b>Bank Contract &amp; Arrangements (17)</b> SODC VWHDC	<b>Completed</b>	8	3.0 3.0		<b>Full</b> <b>Full</b>	<b>1</b> <b>1</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>1</b> <b>1</b>	<b>1</b> <b>1</b>	<b>0</b> <b>0</b>					
<b>Treasury Management (16)</b> SODC VWHDC	<b>Completed</b>	14	8.5 8.5		<b>Full</b> <b>Full</b>	<b>0</b> <b>1</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>1</b>	<b>0</b> <b>1</b>	<b>0</b> <b>0</b>					
<b>Land Charges (16)</b> SODC VWHDC	<b>Completed</b>	20	10.0 10.0		<b>Satisfactory</b> <b>Satisfactory</b>	<b>6</b> <b>6</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>1</b> <b>1</b>	<b>1</b> <b>1</b>	<b>5</b> <b>5</b>	<b>5</b> <b>5</b>	<b>0</b> <b>0</b>					
<b>Corporate Governance (16)</b> SODC VWHDC	<b>Completed</b>	20	7.5 7.5		<b>Full</b> <b>Full</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>					
<b>Receipt of Income Arrangements (15)</b> SODC VWHDC	<b>Postponed. Carry forward 15/16</b>	18	5.0 4.5	Postponed due to sick leave.														
<b>Partnership Performance Monitoring (15)</b> SODC VWHDC	<b>Carry forward 15/16</b>	20	0.0 0.0															
<b>Waste Management &amp; Recycling (15)</b> SODC VWHDC	<b>Carry forward 15/16</b>	20	0.5 0.5															
<b>Project Management (15)</b> SODC VWHDC	<b>Carry forward 15/16</b>	26	0.0 0.0															
<b>Petty Cash (14)</b> SODC VWHDC	<b>Completed</b>	16	8.5 8.5		<b>Satisfactory</b> <b>Satisfactory</b>	<b>5</b> <b>9</b>	<b>0</b> <b>0</b>	<b>0</b> <b>0</b>	<b>1</b> <b>3</b>	<b>1</b> <b>3</b>	<b>4</b> <b>6</b>	<b>4</b> <b>6</b>	<b>0</b> <b>0</b>					
<b>Temporary Accommodation (14)</b> SODC VWHDC	<b>Completed</b>	24	14.0 14.0	4 days over due to level of sample testing required.	<b>Limited</b> <b>Limited</b>	<b>9</b> <b>7</b>	<b>0</b> <b>1</b>	<b>0</b> <b>1</b>	<b>3</b> <b>2</b>	<b>3</b> <b>2</b>	<b>6</b> <b>4</b>	<b>6</b> <b>4</b>	<b>0</b> <b>0</b>					
<b>Development Management (10)</b> SODC VWHDC	<b>Carry forward 15/16</b>	20	0.0 0.0															
<b>IA PLANNED AUDIT TOTALS</b>	-	520	385.5		<b>Full</b> <b>Substantial</b> <b>Satisfactory</b> <b>Limited</b> <b>Nil</b>	<b>15</b> <b>9</b> <b>4</b> <b>6</b> <b>0</b>					<b>107</b>	<b>6</b>	<b>6</b>	<b>31</b>	<b>31</b>	<b>70</b>	<b>68</b>	<b>2</b>
<b>SODC PLANNED AUDIT TOTALS</b>	-	260	193		<b>Full</b> <b>Substantial</b> <b>Satisfactory</b> <b>Limited</b> <b>Nil</b>	<b>7</b> <b>5</b> <b>2</b> <b>3</b> <b>0</b>					<b>52</b>	<b>3</b>	<b>3</b>	<b>15</b>	<b>15</b>	<b>34</b>	<b>33</b>	<b>1</b>
<b>VWHDC PLANNED AUDIT TOTALS</b>	-	260	192.5		<b>Full</b> <b>Substantial</b> <b>Satisfactory</b> <b>Limited</b> <b>Nil</b>	<b>8</b> <b>4</b> <b>2</b> <b>3</b> <b>0</b>					<b>55</b>	<b>3</b>	<b>3</b>	<b>16</b>	<b>16</b>	<b>36</b>	<b>35</b>	<b>1</b>



**FOLLOW UP AUDITS 2013/2014**

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>SODC</b>							
Brown Bins	0.5	Full	1	1	0	0	0
Environmental Health Food & Safety	0.5	Satisfactory	7	5	0	1	1
Health & Safety	0.5	Satisfactory	4	1	0	0	3
Inter Council Recharges	0.5	Satisfactory	5	4	0	1	0
Post Room	0.5	Satisfactory	8	6	0	0	2
RIPA	0.5	Full	3	1	1	0	1
Stock Control	0.5	Satisfactory	6	5	0	1	0
Disaster Recovery	0.5	Satisfactory	7	3	0	3	1
Cash Office	0.5	Full	1	1	0	0	0
<b>VWHDC</b>							
Brown Bins	0.5	Satisfactory	3	1	2	0	0
Environmental Health Food & Safety	0.5	Limited	7	5	0	0	2
Health & Safety	0.5	Satisfactory	7	1	0	1	5
Inter Council Recharges	0.5	Satisfactory	4	3	0	1	0
Post Room	0.5	Satisfactory	3	1	0	1	1
RIPA	0.5	Satisfactory	5	1	2	0	2
Stock Control	0.5	Satisfactory	4	3	0	1	0
Disaster Recovery	0.5	Satisfactory	6	2	0	3	1
Cash Office	0.5	Satisfactory	5	5	0	0	0
<b>IA FOLLOW UP 13/14 TOTALS</b>	<b>9.0</b>		<b>86</b>	<b>49</b>	<b>5</b>	<b>13</b>	<b>19</b>
<b>SODC FOLLOW UP 13/14 TOTALS</b>	<b>4.5</b>		<b>42</b>	<b>27</b>	<b>1</b>	<b>6</b>	<b>8</b>
<b>VWHDC FOLLOW UP 13/14 TOTALS</b>	<b>4.5</b>		<b>44</b>	<b>22</b>	<b>4</b>	<b>7</b>	<b>11</b>

**FOLLOW UP AUDITS 2014/2015**

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>SODC</b>							
Temporary Accommodation	0.5	Limited	8	6	2	0	0
<b>VWHDC</b>							
Temporary Accommodation	0.5	Limited	7	3	0	1	3
Temporary Accommodation (2nd review)	0.5	Limited	4	1	2	1	0
<b>IA FOLLOW UP 14/15 TOTALS</b>	<b>1.5</b>		<b>19</b>	<b>10</b>	<b>4</b>	<b>2</b>	<b>3</b>
<b>SODC FOLLOW UP 14/15 TOTALS</b>	<b>0.5</b>		<b>8</b>	<b>6</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>VWHDC FOLLOW UP 14/15 TOTALS</b>	<b>1.0</b>		<b>11</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>3</b>

**UNPLANNED WORK 2014/2015**

**CONSULTANCY**

System Name	Status	Audit Day Allocation	Total Days Used	Requested By
<b>JOINT</b>				
Banking Services Tender	Completed	2	2	S151 Officer
<b>SODC</b>				
None	N/A	N/A	N/A	N/A
<b>VWHDC</b>				
None	N/A	N/A	N/A	N/A

**CONTINGENCY**

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None	N/A	N/A	N/A	N/A
<b>SODC</b>				
None	N/A	N/A	N/A	N/A
<b>VWHDC</b>				
Development Management	Draft out	10	13	Chief Executive
Beacon Banking	Completed	10	17	Head of HR, IT and Customer

**SYSTEM DEVELOPMENT**

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None	N/A	N/A	N/A	N/A
<b>SODC</b>				
None	N/A	N/A	N/A	N/A
<b>VWHDC</b>				
None	N/A	N/A	N/A	N/A
<b>IA UNPLANNED WORK TOTALS</b>		<b>22</b>	<b>32</b>	
<b>SODC UNPLANNED WORK TOTALS</b>		<b>1</b>	<b>1</b>	
<b>VWHDC UNPLANNED WORK TOTALS</b>		<b>21</b>	<b>31</b>	

**SODC TOTAL AUDIT WORK 199 days**  
**VWHDC TOTAL AUDIT WORK 229 days**  
**TOTAL PLANNED AUDIT WORK 428 days**

# Joint Audit and Governance Committee



Report of Audit Manager

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To: Audit and Governance Committee

DATE: 6 July 2015

## Internal audit management report quarter one 2015/2016

### Recommendation

That members note the content of the report

### Purpose of report

1. The purpose of this report is:
  - to report on management issues within internal audit;
  - to summarise the progress against the 2015/2016 audit plan up to 23 June 2015; and
  - to summarise the priorities for quarter two 2015/2016.

2. The contact officer for this report is Adrianna Partridge, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone 01235 540389.

### Strategic objectives

3. Managing our business effectively.

### Background

4. The CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 states that the head of internal audit should prepare a risk-based audit plan, which should outline the assignments to be carried out and the broad resources required to deliver the plan.
5. The CIPFA Code also states that the audit committee should approve the annual internal audit plan and monitor progress against the plan. The SODC committee approved the 2015/2016 annual internal audit plan on 17 March 2015 and the VWHDC committee approved the 2015/2016 annual internal audit plan on 19 March 2015.

### Management issues

6. There has been an auditor vacancy throughout quarter one 2015/2016. An interim auditor has now been appointed to assist in the back log of work, and Peter Crabbe commenced on 22 June. We have successfully appointed to the permanent position and we anticipate the new auditor will commence 6 July 2015.
7. Following the Crowmarsh fire, internal audit is now implementing a fully electronic approach to testing, documenting and recording evidence obtained as part of the planned audit fieldwork. The current planned audits which are trialling this electronic approach may result in some additional time being spent whilst auditors embed it into normal working practices.

### Progress against the 2015/2016 audit plan

8. Progress against the approved audit plan has been calculated for the quarter and year to date and is summarised in **appendix 1** attached.
9. Performance figures to date are as follows:

	Target	YTD	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16
<b>Chargeable</b> (identifiable client and/or specific IA deliverable)	74%	60%	60%	N/A	N/A	N/A
<b>Non-Chargeable</b> (corporate, not IA deliverable)	8%	10%	10%	N/A	N/A	N/A
<b>Planned Lost</b> (i.e. leave)	16%	16%	16%	N/A	N/A	N/A
<b>Unplanned Lost</b> (i.e. study, sickness)	2%	14%	14%	N/A	N/A	N/A

10. As at 23 June 2015 the status of audit work against the 2015/2016 audit plan is as follows:

Planned

Strategic, operational and financial assurance work known and approved by the Audit and Governance Committee.

2015/2016	Planned	Complete	Draft	In progress	To commence
<b>PLANNED</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>23</b>
Joint	27	0	0	4	23

Adhoc

Unplanned project work based on agreed terms of reference with the audit manager (i.e. implementation of new systems) and responsive work issued and agreed by the section 151 officer, members or senior management team (i.e. investigations).

2015/2016	Requested	Complete	Draft	In progress	To commence
<b>ADHOC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Joint	0	0	0	0	0
SODC	0	0	0	0	0
VWHDC	0	0	0	0	0

Follow up

Work undertaken to ensure that agreed recommendations have been implemented. The number of follow-up audits is a rolling number, all internal audit reports are followed up after six months unless the area is subject to an annual review.

2015/2016	Requested	Complete	Draft	In progress	To commence
<b>FOLLOW-UP</b>	<b>12</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
SODC	6	3	0	0	3
VWHDC	6	3	0	0	3

**Priorities for 2015/2016 quarter two (July 2015 – September 2015)**

11. The priorities for quarter two are to:
- Complete the transition to a fully electronic planned audit approach.
  - Embed the internal audit recommendations database across all service areas.
  - Finalise the full review of the business continuity response to the Crowmarsh fire, document lessons learnt and draft business continuity plans for the temporary accommodation.
12. Remaining 2015/2016 planned audit work can be reviewed in **appendix 2**.

**Financial implications**

13. There are no financial implications attached to this report.

**Legal implications**

14. None.

**Risk implications**

15. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE  
AUDIT MANAGER

**PLANNED AUDIT 2015/2016**

**APPENDIX 1**

System Name	Status	Audit Allocation	Total Days Used	Exception Issues	Audit Opinion	No. of Recs	High	No. Agreed	Medium	No. Agreed	Low	No. Agreed	Total Not Agreed
<b>JOINT</b>													
<b>Procurement (26 priority score)</b> SODC VWHDC	TOR sent	16	0.0 0.0										
<b>Payroll (24)</b> SODC VWHDC	To commence Q2	36	0.0 0.0										
<b>Housing &amp; Council Tax Reduction Scheme (22)</b> SODC VWHDC	To commence Q3	30	0.0 0.0										
<b>Leisure Centres (22)</b> SODC VWHDC	In progress	30	2.5 2.5										
<b>Elections &amp; Election Payments (22)</b> SODC VWHDC	To commence Q4	30	0.0 0.0										
<b>Council Tax (21)</b> SODC VWHDC	To commence Q3	20	0.0 0.0										
<b>General Ledger (21)</b> SODC VWHDC	To commence Q3	20	0.0 0.0										
<b>National Non-Domestic Rate (21)</b> SODC VWHDC	To commence Q2	20	0.0 0.0										
<b>Sundry Debtors (21)</b> SODC VWHDC	To commence Q3	20	0.0 0.0										
<b>ICT(21)</b> SODC VWHDC	To commence Q4	20	0.0 0.0										
<b>Creditor Payments (20)</b> SODC VWHDC	To commence Q2	20	0.0 0.0										
<b>Pro-Active Anti-Fraud Review (20)</b> SODC VWHDC	To commence Q3	20	0.0 0.0										
<b>Insurance (20)</b> SODC VWHDC	To commence Q4	20	0.0 0.0										





**FOLLOW UP AUDITS 2014/2015**

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>SODC</b>							
Anti-fraud and Corruption Policies	0.5	Limited	6	1	1	4	0
Bank Contract and Arrangements	0.25	Full	1	1	0	0	0
Contract Monitoring	0.25	Full	2	1	0	1	0
Travel and Subsistence	0.25	Full	2	2	0	0	0
<b>VWHDC</b>							
Anti-fraud and Corruption Policies	0.5	Limited	6	1	1	4	0
Bank Contract and Arrangements	0.25	Full	1	1	0	0	0
Contract Monitoring	0.25	Full	2	1	0	1	0
Travel and Subsistence	0.25	Full	2	2	0	0	0

**FOLLOW UP AUDITS 2015/2016**

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
<b>SODC</b>							
None							
<b>VWHDC</b>							
None							

**UNPLANNED WORK 2015/2016**

**CONSULTANCY**

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None				
<b>SODC</b>				
None				
<b>VWHDC</b>				
None				

**CONTINGENCY**

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None				
<b>SODC</b>				
None				
<b>VWHDC</b>				
None				

**SYSTEM DEVELOPMENT**

System Name	Status	Audit Allocation	Total Days Used	Requested By
<b>JOINT</b>				
None				
<b>SODC</b>				
None				
<b>VWHDC</b>				
None				



# Joint Audit and Governance Committee

Report of Audit Manager

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To: Audit and Governance Committee

DATE: 6 July 2015

## Internal audit activity report quarter one 2015/2016

### Recommendations

- (a) That members note the content of the report

### Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity at both councils for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Adrianna Partridge, Audit Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 540389.

### Strategic Objectives

3. Managing our business effectively.

## Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the Council's objectives. It assists the councils by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

**Full assurance:** There is a good system of internal control designed to meet the system objectives and the controls are being consistently applied.

**Substantial assurance:** There is a sound system of internal control designed to meet the system objectives and the controls are being applied.

**Satisfactory assurance:** There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

**Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

**Nil assurance:** Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

**High Risk:** Fundamental control weakness for senior management action

**Medium Risk:** Other control weakness for local management action

**Low Risk:** Recommended best practice to improve overall control

## 2015/2016 Audit Reports

7. Since the last Audit and Governance Committee meeting, the following audits and follow up reviews have been completed:

### Completed Audits

Full Assurance: 5

Substantial Assurance: 9

Satisfactory Assurance: 0

Limited Assurance: 0

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	Agenda Item 8		
						No. Agreed	Low Risk Recs.	No. Agreed
<b>SODC</b>								
Treasury Management 1415	Full	0	0	0	0	0	0	0
Creditor Payments 1415	Substantial	1	0	0	1	1	0	0
Housing Bens and CTRS 1415	Full	1	0	0	0	0	1	1
NNDR 1415	Substantial	2	0	0	0	0	2	2
Sundry Debtors 1415	Substantial	3	0	0	1	1	2	2
Council Tax 1415	Substantial	4	0	0	0	0	4	4
Pro-active Anti-fraud 1415	Substantial	1	0	0	1	1	0	0
<b>VWHDC</b>								
Treasury Management 1415	Full	1	0	0	0	0	1	1
Creditor Payments 1415	Substantial	1	0	0	1	1	0	0
Housing Bens and CTRS 1415	Full	1	0	0	0	0	1	1
NNDR 1415	Substantial	2	0	0	1	1	1	1
Sundry Debtors 1415	Full	2	0	0	0	0	2	2
Council Tax 1415	Substantial	3	0	0	0	0	3	3
Pro-active Anti-fraud 1415	Substantial	3	0	0	1	1	2	2

### Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Anti-fraud and corruption policies 1415	Limited	6	1	1	4	0
Bank contract and arrangements 1415	Full	1	1	0	0	0
Contact monitoring 1415	Full	2	1	0	1	0
Travel and subsistence 1415	Full	2	2	0	0	0
<b>VWHDC</b>						
Anti-fraud and corruption	Limited	6	1	1	4	0

policies 1415					<b>Agenda</b>	<b>Item 8</b>
Bank contract and arrangements 1415	Full	1	1	0	0	0
Contact monitoring 1415	Full	2	1	0	1	0
Travel and subsistence 1415	Full	2	2	0	0	0

8. Members of the committee are asked to seek assurance from the internal audit reports and/or respective managers that the agreed actions have been or will be undertaken where necessary.
9. A copy of each report has been sent to the appropriate service manager, the strategic management board, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the councils' intranet.
10. Internal audit continues to carry out a six month follow up on all non-financial and non-key financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

### **Overdue Recommendations**

11. **Appendix 1** of this report summarises all overdue recommendations within each service area. Whilst attempts have been made by internal audit and officers to review and update all of the recommendations, there have been access issues to the system which has prevented a full update. The report has been circulated to the relevant service manager, heads of service, the strategic management board and the portfolio holder.

### **Financial Implications**

12. There are no financial implications attached to this report.

### **Legal Implications**

13. None.

### **Risks**

14. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE  
AUDIT MANAGER

Executive summary		SODC			VWHDC			Joint		
Service Area	Head of Service	Total Number of Recs	Number of Overdue Recs	% of Overdue Recs	Total Number of Recs	Number of Overdue Recs	% of Overdue Recs	Total Number of Recs	Number of Overdue Recs	% of Overdue Recs
Corporate Strategy	Clare Kingston (Head of Corporate Strategy)	2	1	50%	4	3	75%	6	4	67%
Development and Housing	Vacant Post (Head of Development and Housing)	2	1	50%	2	2	100%	4	3	75%
Economy, Leisure and Property	Chris Tyson (Head of Economy, Leisure And Property)	1	1	100%	0	0	#DIV/0!	1	1	100%
Finance	William Jacobs (Head of Finance)	34	27	79%	27	21	78%	61	48	79%
HR, IT and Technical Services	Andrew Down (Head of HR, IT & Technical Services)	17	14	82%	19	17	89%	36	31	86%
Legal and Democratic	Margaret Reed (Head of Legal and Democratic Services)	16	13	81%	13	10	77%	29	23	79%
Planning	Adrian Duffield (Head of Planning)	3	3	100%	3	3	100%	6	6	100%
<b>Total recommendations Q1 2015/16</b>		75	60		68	56		143	116	



**SODC Summary of overdue recommendations**

Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
1	Payroll	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	1. Capita payroll handbook	The Capita payroll handbook should be updated as soon as possible when agreed changes have been made.	Medium	31/01/2015				
2	Payroll	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	2. User access of payroll system	Capita need to ensure that all user lists for the payroll systems are reviewed on a regular basis.  Capita needs to ensure that the user access list is up to date i.e. leavers are deactivated as soon as possible and unused generic users must be removed.	Low	08/01/2015				
3	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	3. Starters	All starter processes should comply with the council's agreed policies and procedures i.e.  a) Two references must be received for all starters and filed within the personnel records. b) All references received must show sufficient independence from the staff members conducting the interview. c) All new starters who joined via agency employment or contractual work need to have the council's standard documentation requested and filed in their personnel records.	Medium	08/01/2015				
4	Payroll	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	4. Payroll Checks - Overtime	Capita need to ensure that all amendments or new entries made in the payroll system show adequate separation of duties.	Medium	08/01/2015				
5	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	5. Changes in remuneration policies	The head of human resources needs to inform the head of finance of any changes made that affect the remuneration of pay as stated in the council's constitution.	Low	08/01/2015				
6	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	6. Standard Overtime Form	a) Line managers should always adequately check and authorise overtime claims that have been submitted on the appropriate overtime form prior to being sent to Capita for processing, to ensure that claim totals are valid and completed correctly. b) Human resources team should engage with line managers to ensure they understand the correct process of authorising forms and the appropriate overtime form to be used.	Medium	31/01/2015				

7	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	7. Payment for Breaks	<p>The formulas for calculating pay for employees should be reviewed and a consistent approach considered which should be suitably agreed and documented in accordance with European Working Time Regulations. Otherwise the working time directive formula should be used and applied consistently.</p> <p>All council's standard overtime forms and timesheets must allow for employees to record any breaks taken to ensure that they are correctly indicated prior to the authorisation being given to Capita for payment processing.</p>	High	31/01/2015				
8	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	8. Payroll reconciliation - reversal report	<p>A recovery of the planning team overpayment identified must be put in place through the human resources team.</p> <p>A reminder should be sent out to all managers on the importance of sending human resources accurate and timely information in regards to temporary changes in the contracts.</p> <p>Human resources to reinforce the need for more thorough checks within service teams on the monthly establishment lists sent for confirmation of posts to ensure that errors are identified and rectified as soon as possible.</p>	High	31/03/2015				
12	Anti-Fraud and Corruption Arrangements	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Steven Corrigan (Democratic Services Manager)	1. Anti-Fraud and Corruption Response Plan	<p>The anti-fraud and corruption response plan must be updated to clearly reflect all information required regarding:</p> <p>a) Guidance about recovering assets; b) Clear distinctions between internal and external disclosures.</p>	Low	31/03/2015	Internal audit identified that this had not been implemented yet. The democratic services team leader confirmed that this was due to the Crowmarsh building fire and elections work preparations for May 2015. This will be implemented by September 2015.	10/06/2015	Not Implemented	30/09/2015
13	Anti-Fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	2. Money Laundering Policy - Review	<p>S151 officer to ensure that annual reviews are undertaken on a regular basis and other reviews around specific instances such as the issuing of new legislation and updates to the money laundering policy take place as appropriate.</p>	Medium	31/03/2015	The internal audit manager has been fully committed to the business continuity response to the Crowmarsh fire, and has not had enough capacity to address this recommendation. A temporary structure has been put in place within the internal audit team to allow resources to be allocated to this recommendation.	10/06/2015	Not Implemented	31/12/2015
15	Anti-Fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	4. Money Laundering Response Plan	<p>A comprehensive money laundering response plan needs to be implemented by the S151 officer and published to all staff and council members.</p>	Medium	31/03/2015	The internal audit manager has been fully committed to the business continuity response to the Crowmarsh fire, and has not had enough capacity to address this recommendation. A temporary structure has been put in place within the internal audit team to allow resources to be allocated to this recommendation.	09/06/2015	Not Implemented	31/12/2015

16	Anti-Fraud and Corruption Arrangements	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Steven Corrigan (Democratic Services Manager)	5. Awareness of anti-fraud and corruption arrangements and training modules.	a) The council needs to ensure that there is sufficient visibility (i.e. posters/leaflets/bulletins) across all council buildings informing staff of the anti-fraud and corruption culture throughout the workplace.	High	30/11/2014	a) Due to elections preparations, the democratic services team priorities had to be changed. This will be picked up by the democratic services team and implemented by September 2015 incorporating the office move to Milton Park.	10/06/2015	Not Implemented	30/09/2015
17	Anti-Fraud and Corruption Arrangements	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Steven Corrigan (Democratic Services Manager)	5. Awareness of anti-fraud and corruption arrangements and training modules.	a) The council needs to ensure that there is sufficient visibility (i.e. posters/leaflets/bulletins) across all council buildings informing staff of the anti-fraud and corruption culture throughout the workplace.	High	30/11/2014				
20	Anti-fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	6. Standard investigations files	A standard approach for compiling investigation files and collating and documenting evidence should be implemented.	Medium	31/03/2015	Internal audit identified that this recommendation has not been implemented by the responsible officers. A new implementation date has been put in place.  Added by audit after discussions with HR, Legal and democratic and finance	10/06/2015	Not Implemented	31/03/2016
21	Contract Monitoring	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	1. Contract monitoring guidance	The performance review of contractors, guidance should be reviewed & updated.	Low	31/10/2014	Agreed revised date with Phillip Hinton-Smith during audit follow up - update added by Sandy Bayley			31/07/2015
23	Petty Cash	2014/2015	Chris Tyson (Head of Economy, Leisure And Property)	Leslie Miller (Arts Manager (Maternity Cover))	4. Storage of claims/receipts - Cornerstone	Records of individual claims and the supporting receipts should be included with the voucher requesting top up of the float balance so that they are captured as an image within the Agresso system.	Low	08/01/2015				
24	Petty Cash	2014/2015	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	5. Petty Cash Replenishment Process	The request to replenish petty cash should be processed within creditors using a separate control account requiring a single coding and routing to an agreed officer for authorisation. Journal transfers would then be needed to code expenditure to the appropriate departments.	Medium	31/01/2015	To date higher priority work in the service area (budget setting, cse, csp, treasury papers) have meant that there has not been available resources to look at this issue and harmonisation of petty cash processes. As with all harmonisation processes this requires the agreement of all parties involved.  Update 26/3/15 - no petty cash held at SODC as no offices. There is debate as to whether a cash office is required at 135 MP and until management have made a decision on this, there seems little point in reviewing the processes until we know what is required at the new offices.	26/03/2015	N/A	31/07/2015
25	Temporary Accommodation	2014/2015	Debbie Taylor (Head of Development and Housing)	Phil Ealey (Housing Needs Manager)	1. Homelessness strategy	A homelessness strategy should be in place as it is a requirement of the Homelessness Act 2002.	Medium	31/10/2014	The housing needs manager confirmed that the homelessness strategy has now been drafted and approved by the portfolio holder, and is awaiting sign-off to be released for consultation. The draft was reviewed by internal audit.	07/01/2015	Partly Implemented	31/03/2015
27	Disaster Recovery	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Simon Turner (IT Operations Manager)	1. Policies and procedures	Consider developing: a) A disaster recovery policy (including an organisational chart). b) Guidance for the adding of new databases (including backup arrangements).	Low	31/03/2014	This is currently being reviewed.	14/08/2014	Not Implemented	31/12/2014
29	Disaster Recovery	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Simon Turner (IT Operations Manager)	5. Contract terms	Incorporate a section on disaster recovery testing and reporting in the legal template for council contracts with contractors with which the council has an ongoing relationship (i.e. frequent and recurring work).	Medium	31/03/2013	The performance, projects and customer services manager left his post in February 2014 and progress with the review of procurement documents have not been done. This has been flagged up with contract and procurement manager (Oxford City Council) for inclusion in the review of procurement templates.	14/08/2014	Not Implemented	31/03/2015

30	Disaster Recovery	2013/2014	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	6. Contractor testing	Obtain annual assurances from third party contractors with who the council has an ongoing relationship (i.e. frequent and recurring work) on outcomes of disaster recovery testing.	Medium	31/01/2014	The finance & systems manager stated that this will be included as part of Capita's performance review, which is due to go to Scrutiny Committee in September 2014.	14/08/2014	Implemented	30/09/2014
31	S106, Commuted Sums, CIL	2014/2015	Adrian Duffield (Head of Planning)	Sophie Horsley (Planning Policy Manager)	4. Internet and intranet register	When expenditure is recorded within Ocella, this should also be made available within the intranet and internet listings.	Low	31/05/2015				
32	S106, Commuted Sums and CIL	2013/2014	Adrian Duffield (Head of Planning)	Sophie Horsley (Planning Policy Manager)	7. Reconciliations	A regular reconciliation of agreements recorded within Ocella should be undertaken with general ledger transactions to ensure income is accurately recorded.	Medium	30/04/2015				
33	S106, Commuted Sums and CIL	2013/2014	Adrian Duffield (Head of Planning)	Sophie Horsley (Planning Policy Manager)	8. Reporting	A formal reporting mechanism should be agreed and implemented to regularly report on agreements to include income, expenditure and future amounts due. This should be circulated to all interested parties.	Medium	31/01/2015				
34	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	1. Documentation	Update the business continuity plans and strategy to include: (a) owner of the business continuity strategy. (b) update the deputy team leader listing on the business continuity plans. (c) document likely recovery time for each system on business continuity plans.	Low	31/03/2015				
35	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	2. Consistency	Review the crisis management, business continuity and disaster recovery plans to ensure they are consistent.	Low	31/03/2015				
36	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	3. Training	Ensure a training needs assessment is conducted and appropriate training delivered after business continuity tests are conducted.	Medium	31/03/2015				
37	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	4. Plan awareness	Service team discuss their business continuity plans regularly, e.g. annually.	Medium	31/03/2015				
38	Business Continuity	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	5. Contract terms	Incorporate a section on business continuity testing and reporting in the legal template for council contracts with contractors with which there are ongoing relationships (e.g. frequent and/or recurring work).	Medium	30/09/2013				
39	Business Continuity	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	6. Contractor testing	Obtain annual assurances from third party contractors with which there are ongoing relationships (e.g. frequent and/or recurring work) on outcomes of business continuity testing.	Medium	31/03/2014				
40	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	7. Plans are available to necessary staff	Service area plan owners and administrators should ensure that all key staff have up to date copies of the plan held off site.	Medium	31/03/2015				
41	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	8. Service areas should use walkthrough and desktop exercises to promote awareness of the process	Each service area should carry out a regular test of the continuity plan to ensure that staff involved are aware of their role and the plan is adequate. The level of testing would depend on the degree of change within the area. Any resultant action plan is actioned.	Medium	31/03/2015				

42	Health and Safety	2013/2014	Clare Kingston (Head Of Corporate Strategy)	Sally Truman (Policy, Partnership & Engagement Manager)	3. Fire warden training	All fire wardens should be appropriately trained.	High	31/03/2014	Confirmed by the Shared Health and Safety Adviser that this is on hold as the fire evacuation procedure is being reviewed at Abbey House due to the impending occupation of the building by OCC and Citizens Advice Bureau. The fire evacuation procedures will then be reviewed at Crowmarsh offices. The plan is to dispense with roll calls, divide the buildings into zones and train fire wardens to do building sweeps of their zones.	09/04/2014	Not Implemented	31/03/2015
44	Council fees and charges	2013/2014	William Jacobs (Head Of Finance)	Simon Hewings (Accountancy Manager (Revenue))	1. Key information	A standard template should be incorporated within the fee setting process to capture key information in a standard format where it is not already clearly and comprehensively stated.	Low	31/10/2014				
46	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	1. Licensing Enforcement Policy	Review the licensing enforcement policy.	Low	31/12/2013	A new draft policy has been developed by R Draper and Ben Coleman (EH), the policy has been checked by the Equalities Officer and is due for approval by service manager	13/01/2015	Not Implemented	27/02/2015
47	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	5. Performance management	a) Consider establishing a performance management statement or policy for the licensing team.  b) Translate raw data (over the processing of applications by the licensing team) to performance statistics which can be monitored effectively.	Low	01/04/2014	a) and b) to be fully implemented when new software is operational on 1st April 2014.	21/03/2014	Ongoing (Date of implementation not yet passed)	01/04/2014
48	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	9. Lotteries	a) Society lottery permit renewals should be due and reminded two months prior to the anniversary of their issue.  b) Clarify and ensure the administration of lottery licenses is in compliance with the Small Society Lotteries (Registration of Non-Commercial Societies) Regulations (2007).	Medium	01/04/2014	The intention is to have the new system in place and necessary changes by end quarter 1 2014/15.	21/03/2014	Ongoing (Date of implementation not yet passed)	30/06/2014
49	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Robert Draper (Licensing Team Leader)	10. Gambling Act applications	Licenses issued under the Gambling Act 2005 should be recorded on the licensing system and the processing of the licenses should be covered by suitably documented procedures.	Medium	31/03/2014	Due to issues with the software supplier the new system is still not in place. Revised implementation date now 1 April 2015. ALL premises and date to be stored on new system. Data is currently held electronically but not on Ocella system	13/01/2015	Not Implemented	01/04/2015
50	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	11. Online payments	The council IT section should be asked to check if online payments can be allocated to the correct attribute in Agresso otherwise consideration should be given to having an attribute for online payments.	Low	30/04/2014	Codes reviewed and updated for both authority's. List of codes shared with cash office and IT for use on website.	13/01/2015	Implemented	13/01/2015
51	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	12. Reconciliations	a) Income reconciliation to compare licensing records with general ledger codings should be regularly undertaken by the licensing team.	Medium	30/04/2014	a) Ongoing for completion April 2014.	21/03/2014	Ongoing (Date of implementation not yet passed)	30/04/2014
52	Lone Working and Officer Security	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	2. Lone working training	All lone working officers should be offered lone working training.	Medium	30/09/2014	As above, the Shared HR Business Support manager confirmed that a Health & Safety training provider had been contracted to conduct lone working training in early 2014 with all relevant staff having had their training by 31st March 2014.	13/12/2013	Ongoing (Date of implementation not yet passed)	30/09/2014

53	Post Room	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	2. Procedures	c) Comprehensive and up to date procedures should be in place covering the processing of incoming and outgoing post within HR.	Low	30/09/2013	c) Not implemented due to the closure of the Vale office. Comprehensive and up to date procedures should be in place covering the processing of incoming and outgoing post within HR will now be produced.	04/06/2014	N/A	30/06/2014
54	Post Room	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	John Backley (Technical and Facilities Manager)	6. Recharges process	Consideration should be given to coding the credit part of the internal postage recharges to account 4503 rather than 9604 to offset the initial franking costs.	Low	31/03/2014	Still in discussion with finance	04/06/2014	Not Implemented	31/12/2014
55	Inter-council Recharges	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	1. Policies and procedures	(a) Establish policy and procedures on when joint purchases is allowed and what inter-council recharges should then be made. (b) Incorporate good practice guides in recharges guidance (e.g. use of time allocation sheets). (c) Incorporate a section on key issues in recharges guidance (e.g. transferring items, low value purchases).	High	31/03/2014	This is now being reviewed following the move to one office. This will be implemented prior to the 2015/16 budget setting process. This will be completed by 31 October 2014.  Update (8/6/15) Due to staffing issues and the recent fire, the accountancy team have been diverted to other priorities and this remains an aspiration. I would still not regard this as high risk.	08/06/2015	Not Implemented	31/10/2015
56	Stock Control	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	John Backley (Technical and Facilities Manager)	6. Reconciliations	Stock held, purchased, used and recharged is reconciled with original documents and with financial records of purchases and recharges to identify record and resolve any anomalies.	Medium	01/10/2013	Stock only updated once a year	07/07/2014	Not Implemented	31/12/2014
57	RIPA	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	1. RIPA policy and procedure	The RIPA policy and procedure should be updated to reflect current legislation and consideration should be given to including:  a) A requirement for members' review of RIPA activities and approval of the policy as per the revised code of practice. b) Reference to the use of the NAFN. and, c) Making the document available on the council's intranet.	Low	30/04/2014	Revised guidance is due on local authority's use of RIPA so the update of the policy has been delayed in order to incorporate the expected revisions. In the meantime an explanation will be added to the current policy to explain that an update is due and that RIPA can only be used for particular offences and court approval is required.	24/04/2014	Ongoing (Date of implementation not yet passed)	31/12/2014
58	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	1. Guidance	a) Guidelines should be issued to all cardholders which should include details of the purpose of the cards, how transactions are to be recorded, explanations of VAT documentation that is required and contact details in case of any issues. b) Cardholders should sign the guidelines as agreement to the terms of usage.	Low	30/06/2014				
59	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	2. Spending limits	The overall account limit for the credit card expenditure should be reviewed and set at an appropriate level.	Medium	30/04/2014				
60	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	3. Cards for housing needs cover	All housing officers who provide out of hours cover that may involve providing emergency housing should have their own individual credit card.	Medium	30/06/2014				
61	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	4. Register of cards	An electronic register should be maintained of the card numbers issued to officers.	Low	30/04/2014				

62	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	5. VAT	a) VAT should only be coded if or reclaim when suitable VAT invoices/receipts are provided. b) Guidance should be provided to card holders as to what constitutes appropriate VAT documentation.	Low	30/06/2014				
65	Community Loans Scheme	2013/2014	William Jacobs (Head Of Finance)	Simon Hewings (Accountancy Manager (Revenue))	2. Roles and responsibilities	(a) Document the end to end process (including roles and responsibilities) for the administration and approval of loans.  (b) If there is a possibility of the 12 week turnaround time not being met in the processing of applications received, there should be a reassignment of roles and responsibility for: a) monitoring loan repayments b) reconciling general ledger records to loan agreements.	Medium	30/09/2013	Confirmed with the Head of Finance that there has only been one application to date and it was his opinion that at the present there is no need to update the procedure notes. Should applications increase consideration will be given to review the procedure notes.  As at 12 January 2015 no further applications have been received.  As at 10 June 2015 no further applications have been received.	11/06/2015	Not Implemented	31/12/2014
126	Creditor Payments	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	1. Duplicate invoices	Capita should reject duplicate invoices and not register them within the Agresso system. Suppliers should be contacted to establish why the duplicate has been received.	Medium	30/03/2015				
128	Housing Benefit & Council Tax Reduction Scheme	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	1. Reconciliation	A system should be introduced to regularly reconcile all write off transactions.	Low	31/05/2015				
131	Land Charges	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Susan Baker (Business Support Team Leader)	2. Fees	The agreed and published charges should be reviewed to clarify the three queries raised.	Low	01/04/2015				
132	Land Charges	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Susan Baker (Business Support Team Leader)	3. Charges for copy documents	The charges for copy documents should be reviewed to ensure the council is not charging undue amounts for documents which are made freely available.	Low	01/04/2015				
133	Land Charges	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Susan Baker (Business Support Team Leader)	4. Basis for calculating charges	The schedule of land charges fees should include details of the basis on which the charges have been calculated.	Medium	01/04/2015				
142	National Non Domestic Rates	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	1. Arrears - accounts pre-2006	All accounts in arrears should be reviewed and actions taken to ensure they are all progressed to the appropriate debt stages in a timely manner.	Low	31/05/2015				
143	National Non Domestic Rates	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	2. Inspection records - restated	a) Inspection visit details should be recorded within the electronic document management system in a timely manner.  b) Documents with a pending expiry date outside of the current inspection scheduled should be reviewed and appropriate action taken in a timely manner.  c) Properties requiring an initial visit upon first becoming empty should be visited within one month.  d) All relief application forms should be captured into the electronic document management system.	Medium	31/05/2015				
146	Sundry Debtors	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	1. Monitoring of payments - Capita	Capita must ensure that all payment arrangements that have not been adhered to are reported to the council on a regular basis.	Low	10/04/2015				

**VWHD Summary of overdue recommendations**

Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
66	Payroll	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	1. Capita payroll handbook	The Capita payroll handbook should be updated as soon as possible when agreed changes have been made.	Medium	31/01/2015				
67	Payroll	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	2. User access of payroll system	Capita need to ensure that all user lists for the payroll systems are reviewed on a regular basis.  Capita needs to ensure that the user access list is up to date i.e. leavers are deactivated as soon as possible and unused generic users must be removed.	Low	09/01/2015				
68	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	3. Starters	All starter processes should comply with the council's agreed policies and procedures i.e.  a) Evidence of proof of identification being obtained prior to start of employment. b) At least one of the proof of identification produced should be photographic e.g. passport or driving licence. c) Two references must be received for all starters and filed within the personnel records.	Medium	09/01/2015				
69	Payroll	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	4. Payroll Checks - Overtime	Capita need to ensure that all amendments or new entries made in the payroll system show adequate separation of duties.	Medium	09/01/2015				
70	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	5. Changes in remuneration policies	The head of human resources needs to inform the head of finance of any changes made that affect the remuneration of pay as stated in the council's constitution.	Low	09/01/2015				
71	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	6. Standard Overtime Form	a) Line managers should always adequately check and authorise overtime claims that have been submitted on the appropriate overtime form prior to being sent to Capita for processing, to ensure that claim totals are valid and completed correctly. b) Human resources team should engage with line managers to ensure they understand the correct process of authorising forms and the appropriate overtime form to be used	Low	31/01/2015				
72	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	7. Payment for Breaks and Overtime forms	The formulas for calculating pay for employees should be reviewed and a consistent approach considered which should be suitably agreed and documented in accordance with European Working Time Regulations. Otherwise the working time directive formula should be used and applied consistently.  All council's standard overtime forms and timesheets must allow for employees to record any breaks taken to ensure that they are correctly indicated prior to the authorisation being given to Capita for payment processing.	High	31/01/2015				



Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
73	Payroll	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	8. Maternity Pay	Consideration should be given as to whether payment (over/under payments) should be recovered/paid to staff affected by the policy in place at the time of their maternity.  The maternity/paternity pay policy should be reviewed to ensure that the policy is documented clearly to avoid misinterpretations.	Medium	09/01/2015				
76	Anti-fraud and Corruption Arrangements	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Steven Corrigan (Democratic Services Manager)	1. Anti-Fraud and Corruption Response Plan	The anti-fraud and corruption response plan must be updated to clearly reflect all information required regarding:  a) Guidance about recovering assets; b) Clear distinctions between internal and external disclosures.	Low	31/03/2015	Internal audit identified that this had not been implemented yet. The democratic services team leader confirmed that this was due to the Crowmarsh building fire and elections work preparations for May 2015. This will be implemented by September 2015.  Added by internal audit following discussions with Susan Harbour and Ron Schrieber.	10/06/2015	Not Implemented	30/09/2015
77	Anti-fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	2. Money Laundering Policy - Review	S151 officer to ensure that annual reviews are undertaken on a regular basis and other reviews around specific instances such as the issuing of new legislation and updates to the money laundering policy take place as appropriate.	Medium	31/03/2015	The internal audit manager has been fully committed to the business continuity response to the Crowmarsh fire, and has not had enough capacity to address this recommendation. A temporary structure has been put in place within the internal audit team to allow resources to be allocated to this recommendation.	10/06/2015	Not Implemented	31/12/2015
79	Anti-fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	4. Money Laundering Response Plan	A comprehensive money laundering response plan needs to be implemented by the S151 officer and published to all staff and council members.	Medium	31/03/2015	This review has been delayed due to the audit manager having responsibility for the business continuity response to the Crowmarsh fire. A temporary structure has been implemented within internal audit to provide the resources for this recommendation to be addressed.	09/06/2015	Not Implemented	31/12/2015
80	Anti-fraud and Corruption Arrangements	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Steven Corrigan (Democratic Services Manager)	5. Awareness of anti-fraud and corruption arrangements and training modules.	a) The council needs to ensure that there is sufficient visibility (i.e. posters/leaflets/bulletins) across all council buildings informing staff of the anti-fraud and corruption culture throughout the workplace.	High	30/11/2014	a) Due to elections preparations, the democratic services team priorities had to be changed. This will be picked up by the democratic services team and implemented by September 2015 incorporating the office move to Milton Park.	10/06/2015	Not Implemented	30/09/2015

Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
81	Anti-fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	5. Awareness of anti-fraud and corruption arrangements and training modules.	b) An anti-fraud and corruption/money laundering training session should be developed and made available to councillors/officers, with appropriate officers identified for mandatory training.	High	31/03/2015	b) The internal audit manager has been fully committed to the business continuity response to the Crowmarsh fire, and has not had enough capacity to address this recommendation. A temporary structure has been put in place within the internal audit team to allow resources to be allocated to this recommendation. (revised implementation date: 31 Dec 15)  HR has implemented the recommendation by adding this section to the freedom of information and data protection training. (implemented)  Corporate strategy have included anti-fraud and corruption training for councillors (i.e. new and re-elected councillors) in 2015/2016. This training has been included in the councillor development programme. (implemented)	10/06/2015	Partly Implemented	31/12/2015
84	Anti-fraud and Corruption Arrangements	2014/2015	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	6. Standard investigations files	A standard approach for compiling investigation files and collating and documenting evidence should be implemented.	Medium	31/03/2015	Internal audit identified that this recommendation has not been implemented by the responsible officers. A new implementation date has been put in place.  Added by audit after discussions with HR, Legal and democratic and finance	10/06/2015	Not Implemented	31/03/2016
85	Contract Monitoring	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	1. Contract monitoring guidance	The performance review of contractors' guidance should be reviewed & updated.	Low	31/10/2014	Agreed revised date with Phillip Hinton-Smith during audit follow up - update added by Sandy Bayley			31/07/2015
88	Petty Cash	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	3. Abbey House petty cash	The requirement to hold petty cash at the Abbey House office should be reviewed and the amount held agreed by the section 151 officer.	Low	31/03/2015	We had resolved to stop holding petty cash at Abbey House. However, the fire at CArowmarsh and subsequent relocation of staff to Abbey House reopened the requirement. Once the move to Milton PArk is complete we can once again cease handling petty cash at Abbey House.	26/03/2015	Not Implemented	31/07/2015
91	Petty Cash	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	8. Coding of claims - Abbey House	Replenishments of float balances should be recoded to the relevant individual costs centres in a timely manner once the top up cheque is raised.	Low	09/01/2015				
92	Petty Cash	2014/2015	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	9. VAT - Abbey House	Reclaimable VAT is identified as part of the replenishment process and coded within the Agresso financial system to facilitate the council reclaiming amounts paid.	Medium	09/01/2015				
93	Temporary Accommodation	2014/2015	Debbie Taylor (Head of Development and Housing)	Phil Ealey (Housing Needs Manager)	1. Homelessness strategy	A homelessness strategy should be in place as it is a requirement of the Homelessness Act 2002.	Medium	31/10/2014	The housing needs manager confirmed that the homelessness strategy has now been drafted and approved by the portfolio holder, and is awaiting sign-off to be released for consultation. Internal audit reviewed the draft strategy.	07/01/2015	Partly Implemented	31/03/2015
94	Temporary Accommodation	2014/2015	Debbie Taylor (Head of Development and Housing)	Phil Ealey (Housing Needs Manager)	2. Policies & procedures	All policies and procedures should be reviewed, updated and version controlled.	Low	31/12/2014	The Rent Deposit and Rent-In-Advance policy has been reviewed and updated. The Rent Recovery policy and procedures have been reviewed and updated. The remaining procedures mainly concern tenancy management and will be completed by March 2015. All policies and procedures are now version controlled.	07/01/2015	Partly Implemented	31/03/2015

Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
95	Disaster Recovery	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Simon Turner (IT Operations Manager)	1. Policies and procedures	Consider developing: (a) a disaster recovery policy. (b) guidance for the adding of new databases (including back up arrangements).	Low	31/03/2014	This is currently being reviewed.	14/08/2014	Not Implemented	31/12/2014
97	Disaster Recovery	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	5. Contract terms	Incorporate a section on disaster recovery testing and reporting in the legal template for council contracts with contractors with which the council has an ongoing relationship (i.e. frequent and recurring work).	Medium	31/12/2013	The performance, projects and customer services manager left his post in February 2014 and progress with the review of procurement documents have not been done. This has been flagged up with contract and procurement manager (Oxford City Council) for inclusion in the review of procurement templates.	14/08/2014	Not Implemented	31/03/2015
98	S106, CIL and Commuted Sums	2013/2014	Adrian Duffield (Head of Planning)	Sophie Horsley (Planning Policy Manager)	3. Internet and intranet register	When expenditure is recorded within Ocella, this should also be made available within the intranet and internet listings.	Low	31/05/2015				
99	S106, CIL and Commuted Sums	2013/2014	Adrian Duffield (Head of Planning)	Sophie Horsley (Planning Policy Manager)	7. Reconciliation	A regular reconciliation of agreements recorded within Ocella should be undertaken with general ledger transactions to ensure income is accurately recorded.	Medium	30/04/2015				
100	S106, CIL and Commuted Sums	2013/2014	Adrian Duffield (Head of Planning)	Sophie Horsley (Planning Policy Manager)	9. Standard approach to record-keeping	The standard approach to documenting and filing s106 calculations, negotiations and communications in the planning directory and on the planning website should be reinforced and followed.	Medium	31/03/2015				
101	Business Continuity	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Simon Turner (IT Operations Manager)	1. Documentation	Update the business continuity plans and strategy to include: (c) document likely recovery time for each system on business continuity plans.	Low	31/03/2015	Following our actual disaster we will be reviewing the councils' response. New IT infrastructure is due to be implemented over the next three months and the IT disaster recovery plan will certainly take a very different shape following the changes. I consider it best to complete this exercise once the new IT infrastructure is implemented.	26/03/2015	Not Implemented	30/09/2015
102	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	2. Consistency	Review the crisis management, business continuity and disaster recovery plans to ensure they are consistent.	Low	31/03/2015				
103	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	3. Training	Ensure a training needs assessment is conducted and appropriate training delivered.	Medium	31/03/2015				
104	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	4. Plan awareness	Service team discuss their business continuity plans regularly, e.g. annually.	Medium	31/03/2015				
105	Business Continuity	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	5. Contract terms	Incorporate a section on business continuity testing and reporting in the legal template for council contracts with contractors with which there are ongoing relationships (e.g. frequent and/or recurring work).	Medium	30/09/2013				
106	Business Continuity	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	6. Contractor testing	Obtain annual assurances from third party contractors with which there are ongoing relationships (e.g. frequent and/or recurring work) on outcomes of business continuity testing.	Medium	31/03/2014				
107	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	7. Battlebox	An offsite battlebox should be used to store up to date copies of continuity plans.	Medium	31/10/2013				
108	Business Continuity	2013/2014	William Jacobs (Head Of Finance)	Adrianna Partridge (Audit Manager)	8. Testing Plans	An up to date test plan is agreed, implemented and the resultant action plan is actioned.	Medium	31/03/2015				

Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
109	Health and safety	2013/2014	Clare Kingston (Head Of Corporate Strategy)	Sally Truman (Policy, Partnership & Engagement Manager)	All fire wardens should be appropriately trained.	<p>Best Practice All selected fire wardens have been on fire warden training.</p> <p>Findings Internal audit established that there are 16 fire wardens at SODC, of which five have not had fire warden training.</p> <p>Risk If fire wardens are not given appropriate training, there is a risk that the fire wardens are not sure about their responsibilities if a fire occurred.</p>	High	31/03/2014	Confirmed by the Shared Health and Safety Adviser that this is on hold as the fire evacuation procedure is being reviewed at Abbey House due to the impending occupation of the building by OCC and Citizens Advice Bureau. The fire evacuation procedures will then be reviewed at Crowmarsh offices. The plan is to dispense with roll calls, divide the buildings into zones and train fire wardens to do building sweeps of their zones.	09/04/2014	Not Implemented	31/12/2014
110	Council fees and charges	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	1. Key information	A standard template should be incorporated within the fee setting process to capture key information in a standard format where it is not already clearly and comprehensively stated.	Low	31/10/2014	Fees and charges are a service responsibility as per SMB guidance. Accountancy can offer advice and support and this has been done as part of the recent budget setting guidance, but it is down to individual services to set their own fees and charges, in the manner they see as best. It is assumed that all fees and charges are uplifted by inflation each year and if services/politicians do not want to do this, a growth bid for reduction in income must be submitted.	13/01/2015	Implemented	
111	Council Fees and Charges	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Lee Brown (IT Applications Manager)	2. Street naming and numbering	The street naming and numbering policy and charges should make it clearer that the fee relates to the notification element and not the naming and numbering of new properties.	Low	30/11/2014				
112	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	1. Licensing enforcement policy	Review the licensing enforcement policy.	Low	31/12/2013	A joint policy has been developed by R. Draper and Ben Coleman. This has been checked by the equalities officer and is awaiting approval by the service manager.	13/01/2015	Not Implemented	06/02/2015
113	Licensing	2013/2014	Clare Kingston (Head Of Corporate Strategy)	Paul Holland (Environmental Protection Manager)	4. Separation of duties	Ensure there is a separation of duties from those who process and those who authorise the issue of environmental protection licences.	Medium	31/12/2013	Administration now process licensing paperwork and officers approve the issues of the licence.	21/03/2014	Implemented	09/06/2015
114	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Robert Draper (Licensing Team Leader)	6. Performance management	<p>a) Consider establishing a performance management statement or policy for the licensing team.</p> <p>(b) Translate raw data (over the processing of applications by the licensing team) to performance statistics which can be monitored effectively.</p>	Low	01/04/2014	The new Licensing software system has been delayed due to issues with the supplier. Revised implementation target for 1 April 2015. Customer satisfaction levels routinely monitored for interactions with people making licensing applications.	13/01/2015	Partly Implemented	01/04/2015
115	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	11. Lotteries	<p>(a) Society lottery permit renewals should be due and reminded two months prior to the anniversary of their issue.</p> <p>(b) Clarify and ensure the administration of lottery licenses is in compliance with the Small Society Lotteries (Registration of Non-Commercial Societies) Regulations (2007).</p>	Medium	31/03/2014	The new system has been delayed due to issues with the software supplier. It is hoped to have the new system in place for 1 April 2015. There is some debate about the legislative requirement for the renewal to be issued on the anniversary of the application or on a calendar year basis.		Not Implemented	01/04/2015
116	Licensing	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	12. Reconciliations	a) Income reconciliation to compare licensing records with general ledger codings should be regularly undertaken by the licensing team.	Medium	30/04/2014	This work is now undertaken regularly and at quarter end.		Implemented	01/04/2014

Rec ID	Audit Name	Audit Year	Head of Service	Service Manager	Recommendation Name	Recommendation	Risk Rating	Implementation date	Recommendation Update	Date of Officer Update	Recommendation Status	Revised Implementation Date
117	Lone working and Officer Security	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	Mark Gibbons (HR Business Partner)	2. Lone working training	All lone working officers should be offered lone working training.	Medium	30/09/2014	the Shared HR Business Support manager confirmed that a Health & Safety training provider had been contracted to conduct lone working training in early 2014 with all relevant staff having had their training by 31st March 2014.	31/12/2013	Ongoing (Date of implementation not yet passed)	30/09/2014
118	Inter-council Recharges	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	1. Policies and procedures	(a) Establish policy and procedures on when joint purchases is allowed and what inter-council recharges should then be made. (b) Incorporate good practice guides in recharges guidance (e.g. use of time allocation sheets). (c) Incorporate a section on key issues in recharges guidance (e.g. transferring items, low value purchases).	High	31/03/2014	This is now being reviewed following the move to one office. This will be implemented prior to the 2015/16 budget setting process. This will be completed by 31 October 2014.  Not yet had the opportunity to review policy and guidance (although FPR have been updated). Still do not consider this high risk and would appreciate if the rationale for this decision to assess it so could be explained.  As above and due to higher priority issues and limited resources this has yet to be implemented.	08/06/2015	Not Implemented	30/10/2015
119	Stock Control	2013/2014	Andrew Down (Head of HR, IT & Technical Services)	John Backley (Technical and Facilities Manager)	1. Reconciliations	Stock held, purchased, used and recharged is reconciled with original documents and with financial records of purchases and recharges to identify, record and resolve any anomalies.	Medium	01/10/2013	Not updated during the year.	07/07/2014	Not Implemented	31/12/2014
120	RIPA	2013/2014	Margaret Reed (Head Of Legal And Democratic Services)	Liz Hayden (Legal, Licensing And Community Safety Manager)	1. RIPA policy and procedure	The RIPA policy and procedure should be updated to reflect current legislation and consideration should be given to including: - a) A requirement for members' review of RIPA activities and approval of the policy as per the revised code of practice b) Reference to the use of the NAFN and. c) Making the document available on the council's intranet.	Low	30/04/2014	Revised guidance is due on local authority's use of RIPA so the update of the policy has been delayed in order to incorporate the expected revisions. In the meantime an explanation will be added to the current policy to explain that an update is due and that RIPA can only be used for particular offences and court approval is required.	24/04/2014	Ongoing (Date of implementation not yet passed)	31/12/2014
122	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	2. VAT	a) VAT should only be coded for or reclaim when suitable VAT invoices/receipts are provided. b) Guidance should be enhanced to advise card holders as to what constitutes appropriate VAT documentation.	Low	30/06/2014	Guidance still in draft. All card holders advised of the need for proper VAT receipts.	13/01/2015	Partly Implemented	31/03/2015
123	Credit Card Usage	2013/2014	William Jacobs (Head Of Finance)	Bob Watson (Accountancy Manager (Technical))	3. Electronic record	An electronic record of transactions should be maintained to facilitate easier analysis of expenditure, e.g. by user.	Low	30/06/2014	As per the original response, this is mainly a paper based exercise for receipts etc. The card bills are now all electronic.  No further action can be completed.	13/01/2015	Implemented	
125	Environmental Health and Food Safety	2013/2014	Clare Kingston (Head Of Corporate Strategy)	Diane Moore (Food & Safety Manager)	5. Premises registration	a) The two premises without a business registration form should be reviewed and appropriate action taken.	Low	30/04/2014	EH02157 is now registered. A letter has been sent to the other premises to request that a registration form is completed	09/04/2014	Ongoing (Date of implementation not yet passed)	30/06/2014
127	Creditor Payments	2014/2015	William Jacobs (Head Of Finance)	Ben Watson (Finance & Systems Manager)	1. Duplicate invoices	Capita should reject duplicate invoices and not register them within the Agresso system. Suppliers should be contacted to establish why the duplicate has been received.	Medium	30/03/2015				
129	Housing Benefit & Council Tax Reduction Scheme	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	1. Recommendation	A system should be introduced to regularly reconcile all write off transactions.	Low	31/05/2015	Work to implement the recommendation has commenced but due to workloads it has not been completed. We will endeavour to complete the process by 31 July 2015	11/06/2015	Partly Implemented	31/07/2015

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137	Land Charges	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Susan Baker (Business Support Team Leader)	2. Fees	The agreed and published charges should be reviewed to clarify the four queries raised.	Low	01/04/2015				
138	Land Charges	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Susan Baker (Business Support Team Leader)	3. Charges for copy documents	The charges for copy documents should be reviewed to ensure the council is not charging undue amounts for documents which are made freely available.	Low	01/04/2015				
139	Land Charges	2014/2015	Margaret Reed (Head Of Legal And Democratic Services)	Susan Baker (Business Support Team Leader)	4. Basis for calculating charges	The schedule of land charges fees should include details of the basis on which the charges have been calculated.	Medium	01/04/2015				
144	National Non Domestic Rates	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	1. Inspection records	<p>a) Inspection visit details should be recorded within the electronic document management system in a timely manner.</p> <p>b) Documents with a pending expiry date outside of the current inspection scheduled should be reviewed and appropriate action taken in a timely manner.</p> <p>c) Properties requiring an initial visit upon first becoming empty should be visited within one month.</p> <p>d) Completed application forms should be uploaded into the electronic document management system as soon as they are received by the NNDR team.</p>	Medium	31/05/2015				
145	National Non Domestic Rates	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	2. Arrears - accounts pre - 2006	All accounts in arrears should be reviewed and actions taken to ensure they are all progressed to the appropriate debt stages in a timely manner.	Low	31/05/2015				
149	Sundry Debtors	2014/2015	William Jacobs (Head Of Finance)	Paul Howden (Revenues & Benefits Client Manager)	1. Monitoring of payments - Capita	Capita must ensure that all payment arrangements that have not been adhered to are reported to the council on a regular basis.	Low	10/04/2015				

David Buckle  
Chief Executive  
South Oxfordshire District Council  
Abbey House  
Abingdon  
OX10 3JE

2 April 2015

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Your ref:

Direct line: 07881 518875

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Dear David

## **Annual Audit and Certification Fees 2015-16**

We are writing to confirm the audit and certification work that we propose to undertake for the 2015-16 financial year at South Oxfordshire District Council.

Our 2015-16 audit is the first that we will undertake following the closure of the Audit Commission on 31 March 2015. Our contract will now be overseen by Public Sector Audit Appointments Ltd (PSAA), an independent company set up by the Local Government Association, until it ends in 2017 (or 2020 if extended by the Department of Communities and Local Government).

The responsibility for publishing the statutory Code of Audit Practice, under which we will conduct our audit work, has transferred to the National Audit Office.

### **Indicative audit fee**

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies, applying from 2015/16 audits.

The audit fee covers the:

- ▶ Audit of the financial statements
- ▶ Value for money conclusion
- ▶ Whole of Government accounts

For the 2015-16 financial year the Audit Commission has set the scale fee for each audited body prior to its closure. The scale fee is based on the fee initially set in the Audit Commission's 2012 procurement exercise, reduced by 25% following the further tendering of contracts in March 2014. It is not liable to increase during the remainder of our contract without a change in the scope of our audit responsibilities.

The 2015-16 scale fee is based on certain assumptions, including:

- ▶ The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year
- ▶ We are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards
- ▶ The financial statements will be available to us in line with the agreed timetable
- ▶ Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable
- ▶ Prompt responses are provided to our draft reports

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

We have set the Council's planned fee at the scale fee level as the overall level of audit risk is not significantly different from that of the prior year.

As we have not yet completed our audit for 2014-15, our audit planning process for 2015-16 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

### **Certification fee**

The Audit Commission has set an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee is based on the actual 2013-14 benefit certification fee and incorporating a 25 per cent reduction.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2015-16 relates to work on the housing benefit subsidy claim for the year ended 31 March 2016. We have set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2014-15 benefit certification work, and to reflect any further changes in the certification arrangements.

### **Summary of fees**

	<b>Indicative fee 2015-16 £</b>	<b>Planned fee 2014-15 £</b>
Total Code audit fee	48,186	64,248
Certification of housing benefit subsidy claim	10,972	12,830

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.



## Billing

The indicative audit fee will be billed in 4 quarterly instalments of £14,790.

## Audit plan

We aim to issue our 2015-16 audit plan early in 2016. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Finance and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit and Corporate Governance Committee.

## Audit team

The key members of the audit team for the 2015-16 financial year are:

Mick West

**Director**

[Mwest@uk.ey.com](mailto:Mwest@uk.ey.com)

Tel: 07881 518875

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Adam Swain

**Manager**

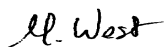
[Aswain@uk.ey.com](mailto:Aswain@uk.ey.com)

Tel: 07867 152511

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We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Mick West

Director

For and on behalf of Ernst & Young LLP

United Kingdom

cc. William Jacobs, Director of Finance  
Kristina Crabbe, Chair of the Audit and Corporate Governance Committee

David Buckle  
Chief Executive  
Vale of White Horse DC  
Abbey House  
Abingdon  
OX10 3JE

02 April 2015

Ref: VOWH 15-16 FL  
Your ref:

Direct line: 07881 518875

Email: mwest@uk.ey.com

Dear David

## **Annual Audit and Certification Fees 2015-16**

We are writing to confirm the audit and certification work that we propose to undertake for the 2015-16 financial year at Vale of White Horse District Council.

Our 2015-16 audit is the first that we will undertake following the closure of the Audit Commission on 31 March 2015. Our contract will now be overseen by Public Sector Audit Appointments Ltd (PSAA), an independent company set up by the Local Government Association, until it ends in 2017 (or 2020 if extended by the Department of Communities and Local Government).

The responsibility for publishing the statutory Code of Audit Practice, under which we will conduct our audit work, has transferred to the National Audit Office.

### **Indicative audit fee**

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies, applying from 2015-16 audits.

The audit fee covers the:

- ▶ Audit of the financial statements
- ▶ Value for money conclusion
- ▶ Whole of Government accounts

For the 2015-16 financial year the Audit Commission has set the scale fee for each audited body prior to its closure. The scale fee is based on the fee initially set in the Audit Commission's 2012 procurement exercise, reduced by 25% following the further tendering of contracts in March 2014. It is not liable to increase during the remainder of our contract without a change in the scope of our audit responsibilities.

The 2015-16 scale fee is based on certain assumptions, including:

- ▶ The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year
- ▶ We are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards
- ▶ The financial statements will be available to us in line with the agreed timetable
- ▶ Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable
- ▶ Prompt responses are provided to our draft reports

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

For Vale of White Horse District Council this fee is set at the scale fee level as the overall level of audit risk is not significantly different from that of the prior year.

As we have not yet completed our audit for 2014-15, our audit planning process for 2015-16 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

**Certification fee**

The Audit Commission has set an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee is based on the actual 2013-14 benefit certification fee and incorporating a 25 per cent reduction.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2015-16 relates to work on the housing benefit subsidy claim for the year ended 31 March 2016. We have set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2014-15 benefit certification work, and to reflect any further changes in the certification arrangements.

**Summary of fees**

	<b>Indicative fee 2015-16 £</b>	<b>Planned fee 2014-15 £</b>
Total Code audit fee	47,129	62,839
Certification of housing benefit subsidy claim	11,616	16,650

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

## Billing

The indicative audit fee will be billed in 4 quarterly instalments of £14,686.

## Audit plan

We aim to issue our 2015-16 audit plan early in 2016. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Finance and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit and Governance Committee.

## Audit team

The key members of the audit team for the 2015-16 financial year are:

Mick West

**Director**

[Mwest@uk.ey.com](mailto:Mwest@uk.ey.com)

Tel: 07881 518875

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Adam Swain

**Manager**


[Aswain@uk.ey.com](mailto:Aswain@uk.ey.com)

Tel: 0118 9281001

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We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Mick West

Director

For and on behalf of Ernst & Young LLP

United Kingdom

cc William Jacobs, Director of Finance  
Simon Howell, Chair of the Audit and Governance Committee

# Audit and governance work programme

containing Audit and Governance Committee work to  
be undertaken

1 SEPTEMBER 2015 - 31 JANUARY 2016



The audit and governance work programme belongs to the councils' Joint Audit and Governance Committee and sets out a schedule of work for the period shown above. It is a rolling plan, subject to change at each Committee meeting; however, the councils may allocate additional work.

You can make representations on any issue below. Please contact the officer shown below by 10am on the day the committee is due to meet.

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
<b>Internal audit activity report– second quarter 2015/16</b>	Joint Audit and Governance Committee 28 September 2015	Adrianna Partridge Email: adrianna.partridge@southandvale.gov.uk	The council audits its services through the internal audit service in line with the approved internal audit plan 2015/16.	To summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and main issues arising, and seek assurance that action has been or will be taken where necessary.	This is a recurring agenda item, and is updated at each meeting.

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
<b>Internal audit management report - second quarter 2015/16</b>	Joint Audit and Governance Committee 28 September 2015	Adrianna Partridge Email: adrianna.partridge@southandvale.gov.uk	The committee monitors the effectiveness of internal audit each quarter against the approved audit plan	To report on management issues, summarise the first quarter progress of the internal audit team against the 2015/16 audit plan, and summarise the priorities and planned audit work for quarter three.	This is a recurring agenda item, and is updated at each meeting.
<b>External auditor's annual governance report 2014/15</b>	Joint Audit and Governance Committee 28 September 2015	William Jacobs, Email: william.jacobs@southandvale.gov.uk	The external auditor publishes an annual governance report on the council's activities.	To consider the external auditor's annual governance report 2014/15	
<b>Statements of accounts 2014/15</b>	Joint Audit and Governance Committee 28 September 2015	Simon Hewings simon.hewings@southandvale.gov.uk	The councils must produce statements of accounts each year.	To approve the statements of accounts 2014/15	
<b>Annual governance statement 2014/15</b>	Joint Audit and Governance Committee 28 September 2015	Ron Schrieber Email: ron.schrieber@southandvale.gov.uk	The council is required to publish an annual governance statement.	To approve the annual governance statement.	
<b>Treasury management outturn 2014/15</b>	Joint Audit and Governance Committee 28 September 2015	Bob Watson Email: bob.watson@southandvale.gov.uk	The committee is responsible for the scrutiny of the council's treasury management activity.	To consider the treasury management outturn for 2014/15.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
<b>Letter(s) of representation to the council's external auditor</b>	Joint Audit and Governance Committee 28 September 2015	William Jacobs, Email: william.jacobs@southandvale.gov.uk	The committee's co-chairmen and the section 151 officer are required to sign a 'letter of representation' to the external auditor, as part of the process in completing the statement of accounts.	To consider and agree the letter(s) of representation.	
<b>Comments and complaints 2014/15</b>	Joint Audit and Governance Committee 28 September 2015	David Buckle Email c/o: jeanette.cox@southandvale.gov.uk	The committee is responsible for monitoring the councils comments and complaints.	To review the comments and complaints received during 2014/15	
<b>Treasury management mid-year monitoring 2015/16</b>	Joint Audit and Governance Committee 25 January 2016	Bob Watson Email: bob.watson@southandvale.gov.uk	The committee is responsible for the scrutiny of the councils' treasury management activity.	To review the councils' treasury management activities for the first six months of the 2015/16 financial year.	
<b>Treasury management strategies 2015/16</b>	Joint Audit and Governance Committee 25 January 2016	Bob Watson Email: bob.watson@southandvale.gov.uk	The committee is responsible for the scrutiny of the councils' treasury management activity and to propose a strategies to Councils, via Cabinets, for the management of this function in the forthcoming year.	To scrutinise the treasury management strategies and policies and if required, make recommendations for amendment to Cabinets	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
<b>External auditor's annual audit letter</b>	Joint Audit and Governance Committee 25 January 2016	William Jacobs, Email: william.jacobs@southandvale.gov.uk	The external auditor, Ernst & Young, is responsible for auditing the councils@ business.	To consider the external auditor's annual audit letter 2014/15.	



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted