



RSM Tenon

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

INTERNAL AUDIT PROGRESS REPORT

JUNE 2010

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The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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1. INTRODUCTION

- 1.1 The periodic internal audit plan for 2009/10 has previously been approved by the Corporate Governance Committee. This report summarises the outcome of work completed to date against that plan, and Appendix A provides cumulative data in support of internal audit performance.

2. FINAL REPORTS ISSUED

- 2.1 We have finalised six reports since the last Committee meeting; these being in the areas of:

- Environmental Health – Scores on the Doors (23.09/10);
- Customer Services (24.09/10);
- Follow Up (26.09/10);
- Planning for Growth (27.09/10);
- Top Up Testing (28.09/10); and
- Corporate Governance – Member Training and Development (25.09/10).

3. KEY FINDINGS FROM INTERNAL AUDIT WORK

- 3.1 The Corporate Governance Committee should note that the assurances given in our audit assignments have been taken into account when forming our overall opinion on the assurance that we provide in our Annual Report at the end of the year. In particular the Corporate Governance Committee should note that any negative assurance opinions that have been noted in the annual report.
- 3.2 No common weaknesses were identified within our reports.

4. WORK IN PROGRESS OR PLANNED

- 4.1 We have issued one draft report for which we are awaiting management responses; this being in the area of:
- Carbon Management (29.09/10).
- 4.2 We have completed all audits for 2009/10.

5. CHANGES TO OUR PLAN

- 5.1 Since the last Corporate Governance Committee, top up testing was requested to be undertaken to support the findings within the Annual Governance Statement, as such this has been completed from the contingency allocations within the 2009/10 Internal Audit Plan.

6. SECTOR GUIDANCE

- 6.1 There have been two further relevant client briefings issued since the last Corporate Governance Committee.

APPENDIX A: OPERATIONAL PLAN PERFORMANCE 2009/10

Detailed below is a summary of the work undertaken in 2009/10 to date, showing the levels of assurance given and the number of recommendations arising. Reports being considered at this Committee are shown in italics. Definitions with regard to the levels of assurance and the classification of recommendations are provided below.

Recommendation Categorisation

Our findings and recommendations are categorised as follows:

Fundamental (F): *action is imperative to ensure that the objectives for the area under review are met*

Significant (S): *requires action to avoid exposure to significant risks in achieving the objectives for the area under review.*

Merits Attention (MA): *action advised to enhance control or improve operational efficiency*

Opinions

Risk Based Internal Audit Assignments

The definitions for the level of assurance that can be given are:

	Level	Control Design	Control Application
(positive opinions)	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Adequate Assurance	Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.	Controls are applied but with some lapses.
(negative opinion)	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

Follow Up Reviews

Our opinions reflect the progress made in implementing previous internal audit recommendations:

(positive opinions)	Good Progress
	Reasonable Progress
(negative opinion)	Little Progress

Auditable Area	Date Planned	Date Completed	Status	Audit approach	Days Planned	Days Actual	Last year actual	Assurance level given	Number of Recommendations Made				
									F	S	MA	In Total	Agreed
Work complete to date													
Housing Responsive Repairs (1)	09/04/09	17/04/09	Final Report Issued	Systematic	8	8	8	Adequate	0	0	11	11	11
Housing Maintenance – Planned & Cyclical (2)	11/05/09	28/05/09	Final Report Issued	Systematic	8	8	8	Adequate	0	2	7	9	9
Absence Management (3)	22/06/09	30/06/09	Final Report Issued	Systematic	8	8	8	Adequate	0	2	5	7	7
Emergency Planning and Business Continuity (Civil Contingency Act) (4)	13/07/09	17/07/09	Final Report Issued	Key Controls	8	8	8	Substantial	0	1	3	4	4
Review of Counter Fraud Arrangements (5)	29/07/09	31/07/09	Final Report Issued	Thematic	10	10	5	Advisory	0	2	6	8	8
Contract Services (6)	20/07/09	23/07/09	Final Report Issued	Systematic	8	8	8	Adequate	0	4	4	8	8
Housing Rents (7)	12/08/09	18/08/09	Final Report Issued	Key Controls	8	8	8	Adequate	0	2	3	5	5
Risk Maturity (8)	Jul-09	14/08/09	Final Report Issued	Advisory	8	8	8.5	Risk Managed	0	2	10	12	12
Housing Allocations and Voids (9)	12/08/09	24/08/09	Final Report Issued	Systematic	8	8	10	Adequate	0	0	6	6	6
ICT Review (10)	7/9/09	15/9/09	Final Report Issued	Key Controls	10	10	15	Limited	0	16	8	24	21 (3 MA not agreed)

Auditable Area	Date Planned	Date Completed	Status	Audit approach	Days Planned	Days Actual	Last year actual	Assurance level given	Number of Recommendations Made				
									F	S	MA	In Total	Agreed
General Ledger (including Budgetary Control) (11)	21/09/09	24/09/09	Final Report Issued	Key Controls	7	7	6	Adequate	0	0	4	4	4
Capital Expenditure and Asset Management (12)	21/09/09	24/09/09	Final Report Issued	Key Controls	7	7	7	Adequate	0	2	4	6	6
Payroll (including Expenses & Pensions) (13)	05/10/09	14/10/09	Final Report Issued	Key Controls	12	12	12	Substantial	0	0	0	0	0
Cash, Banking & Treasury Management (14)	15/10/09	19/10/09	Final Report Issued	Key Controls	7	7	6	Substantial	0	0	1	1	1
Income & Debtors (15)	19/10/09	21/10/09	Final Report Issued	Key Controls	7	7	6	Substantial	0	0	4	4	4
Creditors (16)	26/10/09	30/10/09	Final Report Issued	Key Controls	7	7	6	Substantial	0	0	5	5	5
Procurement (17)	19/10/09	30/10/09	Final Report Issued	Systematic	8	8	8	Adequate	0	3	2	5	5
Insurance (18)	6/11/09	11/11/09	Final Report Issued	Systematic	6	6	-	Adequate	0	3	3	6	6
Council Tax (19)	16/11/09	23/11/09	Final Report Issued	Systematic	7	7	7	Substantial	0	1	5	6	6
NNDR (20)	9/11/09	12/11/09	Final Report Issued	Systematic	7	7	7	Adequate	0	2	2	4	4
Performance Management (21)	11/1/10	11/1/10	Final Report Issued	Systematic	8	8	8	Substantial	0	0	3	3	3
Housing Benefits (22)	4/1/10	4/1/10	Final Report Issued	Systematic	14	14	14	Substantial	0	0	7	7	7
Annual Governance Statement	Feb 10	Mar 10	Report Issued	Advisory	10	12	12	N/A	-	-	-	-	-
Environmental Health (23)	1/2/10	9/2/10	Final Report Issued	Systematic	8	8	7	Adequate	-	1	9	10	10
Customer Services - Complaints (24)	1/3/10	10/3/10	Final Report Issued	Systematic	8	8	-	Adequate	0	3	1	4	4

Auditable Area	Date Planned	Date Completed	Status	Audit approach	Days Planned	Days Actual	Last year actual	Assurance level given	Number of Recommendations Made				
									F	S	MA	In Total	Agreed
Corporate Governance – Member Training and Development (25)	02/03/10	04/03/10	Final Report Issued	Systematic	8	8	8	Adequate	0	2	5	7	7
Follow Up (26)	22/2/10	26/2/10	Final Report Issued	Follow Up	7	7	7	Reasonable Progress	0	1	10	11	11
Planning for Growth(27)	23/3/10	7/4/10	Final Report Issued	Systematic	10	9	-	Adequate	0	0	2	2	2
Contingency - Top Up Testing (28)	23/3/10	26/5/10	Final Report Issued	Key Controls	8	8	-	Substantial	0	1	3	4	4
Management					20	20	20						
Totals to date:					260	261	227.5		0	50	133	183	180

Auditable Area	Date Planned	Date Completed	Draft Issued	Status	Days Planned	Audit approach	Assurance level given	Number of Recommendations Made				
								F	S	MA	In Total	Agreed
Work in progress or yet to start (including reports still in draft)												
Carbon Management (previously Housing Futures) (29)	26/04/10	21/05/10	07/06/10	Draft Report Issued	10							
Total					10							