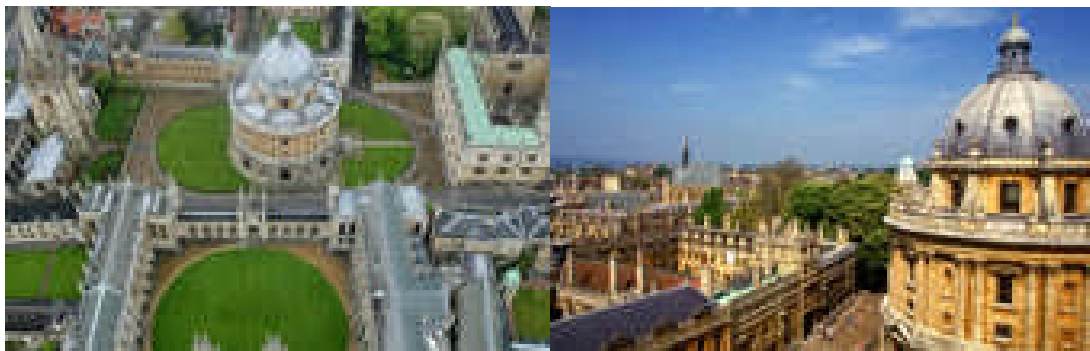


# Oxford City Council

## Debtors

### Internal Audit Final Report 09/10 1.2



<b>Assurance rating this review</b>	Limited Assurance
-------------------------------------	-------------------

<b>Distribution List</b>
Peter Sloman - Chief Executive
Penny Gardner / Sarah Fogden - Heads of Finance
Anne Harvey-Lynch – Revenues Manager
Nigel Pursey – Interim Executive Finance Director
Graham Bourton – Head of Oxford City Homes
Phil Dunston – Head of Oxford City Works
Mel Barrett - Executive Director City Regeneration
Tim Sadler - Executive Director City Services



# Contents

<b>Background and Scope.....</b>	<b>3</b>
<b>Our Opinion &amp; Assurance Statement.....</b>	<b>5</b>
<b>Executive Summary.....</b>	<b>6</b>
<b>Limitations and Responsibilities.....</b>	<b>8</b>
<b>Findings and Recommendations.....</b>	<b>9</b>
<b>Follow up of Prior Year Recommendations.....</b>	<b>19</b>
<b>Appendix 1. Terms of Reference.....</b>	<b>20</b>
<b>Appendix 2. Assurance Ratings.....</b>	<b>23</b>

# Background and scope

## Introduction

This review was undertaken as part of the 2009/10 Internal Audit Plan agreed by the Audit and Governance Committee.

This report has been prepared solely for Oxford City Council in accordance with the terms and conditions set out in our letter of engagement. We do not accept or assume any liability or duty of care for any other purpose or to any other party. This report should not be disclosed to any third party, quoted or referred to without our prior written consent.

## Background

The Authority raises debt for payment of goods and services. The functionality of debt raising and recovery is devolved to delegated departments as follows:

- Corporate and Sundry Debtors
- Collection Fund
- Oxford City Homes
- Oxford City Works
- Housing Benefits Overpayments

The balance of debtors in the 2008/09 accounts was 22.4m, offset by a provision of £7.3m.

Our review identified the following areas of best practice:

- Good sequential controls to ensure completeness of invoice raising:
- Control account reconciliations performed regularly and without error
- Regular review of pricing to ensure value for money and maximise revenues

## Approach and scope

### Approach

Our work is designed to comply with Government Internal Audit Standards [GIAS] and the CIPFA Code.

### Scope of our work

In accordance with our Terms of Reference (Appendix 1), agreed with the Heads of Finance we undertook a limited scope audit of Debtors.



This limited scope audit involved a review of the design of the key controls together with detailed testing to determine whether the controls are operating in practice. This review covered debt raised in the following areas:

- Corporate debt
- Oxford City Homes(with the exception of Housing Rents)
- Oxford City Works

All other areas of debt collection will be covered as part of dedicated reviews within our 2009/10 audit plan.

**Limitations of scope**





The scope of our work was limited to those areas identified in the terms of reference and noted above.

# Our opinion and assurance statement

## Introduction

This report summarises the findings of our review of Debtors

Each of the issues identified has been categorised according to risk as follows:

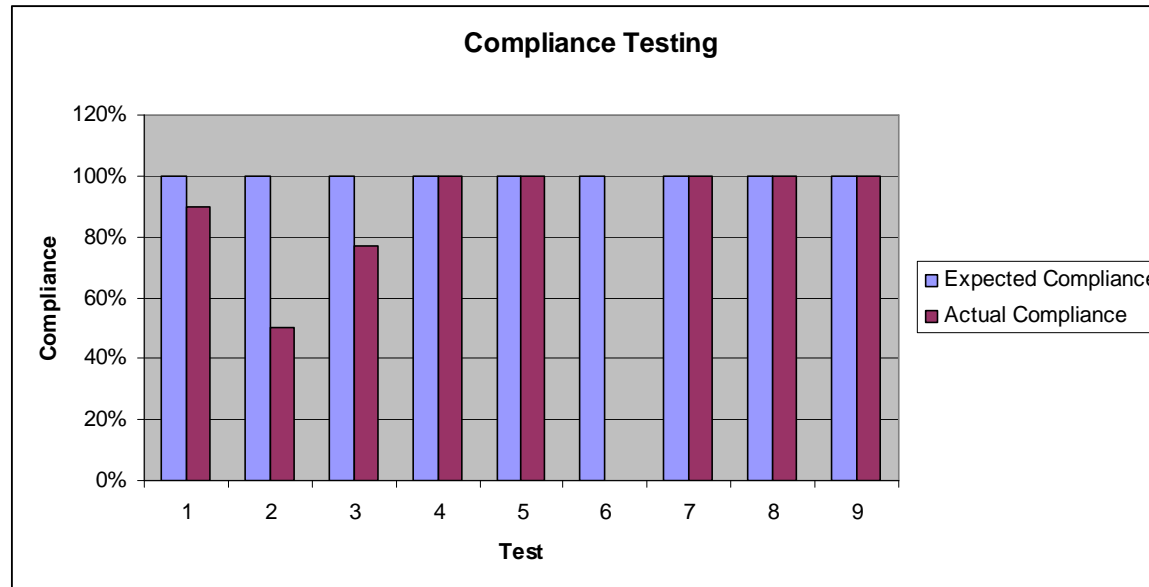
Risk rating	Assessment rationale
 Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the <b>authority's objectives</b> in relation to: <ul style="list-style-type: none"> <li>• the efficient and effective use of resources;</li> <li>• the safeguarding of assets;</li> <li>• the preparation of reliable financial and operational information; and</li> <li>• compliance with laws and regulations.</li> </ul>
 High	Control weakness that has or is likely to have a significant impact upon the achievement of key <b>system, function or process</b> objectives.  This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall authority objectives.
 Medium	Control weakness that: <ul style="list-style-type: none"> <li>• has a low impact on the achievement of the key system, function or process objectives; and</li> <li>• has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.</li> </ul>
 Low	Control weakness that does not impact upon the achievement of key <b>system, function or process</b> objectives; however implementation of the recommendation would improve overall control.

# Executive Summary

<p><b>Department:</b> Finance</p> <p><b>Audit Owner:</b> Sarah Fogden</p> <p><b>Date of last review:</b> -</p>	<p><b>Overall Opinion:</b> <b>Limited Assurance</b></p> <p>There are some weaknesses in the design and operation of controls, most notably in City Works, which could have a significant impact on the achievement of the Debtors systems but should not have a significant impact on the achievement of organisational objectives.</p>	<p><b>Direction of Travel</b></p> <p>No previous review has been conducted by PwC. Follow up on previous auditors recommendations has been detailed below.</p>	<p><b>Number of Control Design issues identified</b></p> <p><b>0</b> Critical <b>1</b> High <b>6</b> Medium <b>2</b> Low</p>	<p><b>Number of Controls Operating in Practice issues identified</b></p> <p><b>0</b> Critical <b>1</b> High <b>3</b> Medium <b>2</b> Low</p>
--	---	--	--	--

<p><b>Follow up from prior year recommendations</b></p> <table border="1"> <thead> <tr> <th>Rating</th> <th>Implemented or no longer relevant</th> <th>Outstanding or Partially implemented</th> </tr> </thead> <tbody> <tr> <td>Critical</td> <td>0</td> <td>0</td> </tr> <tr> <td>High</td> <td>0</td> <td>0</td> </tr> <tr> <td>Medium</td> <td>0</td> <td>0</td> </tr> <tr> <td>Low</td> <td>0</td> <td>1</td> </tr> </tbody> </table>	Rating	Implemented or no longer relevant	Outstanding or Partially implemented	Critical	0	0	High	0	0	Medium	0	0	Low	0	1	<p><b>Other Considerations</b></p> <table border="1"> <tr> <td data-bbox="808 874 1160 1082"> <p><b>Use of Resources-related</b></p> <p>Issues around internal control of debtors in City Works may directly affect use of Resources scores.</p> </td> <td data-bbox="1169 874 1471 1082"> <p><b>Corporate Plan-related</b></p> <p>None noted</p> </td> </tr> <tr> <td data-bbox="808 1088 1160 1313"> <p><b>VFM-related</b></p> <p>None noted</p> </td> <td data-bbox="1169 1088 1471 1313"> <p><b>Financial Reporting related</b></p> <p>Debtor balances may be overstated if provisions are not made against doubtful debts.</p> </td> </tr> </table>	<p><b>Use of Resources-related</b></p> <p>Issues around internal control of debtors in City Works may directly affect use of Resources scores.</p>	<p><b>Corporate Plan-related</b></p> <p>None noted</p>	<p><b>VFM-related</b></p> <p>None noted</p>	<p><b>Financial Reporting related</b></p> <p>Debtor balances may be overstated if provisions are not made against doubtful debts.</p>	<p><b>Scope of the Review</b></p> <p>To ensure that invoices are raised in a timely manner, cash received is correctly allocated, outstanding debts are recovered and the ledger is updated to reflect the debtors system</p>
Rating	Implemented or no longer relevant	Outstanding or Partially implemented																			
Critical	0	0																			
High	0	0																			
Medium	0	0																			
Low	0	1																			
<p><b>Use of Resources-related</b></p> <p>Issues around internal control of debtors in City Works may directly affect use of Resources scores.</p>	<p><b>Corporate Plan-related</b></p> <p>None noted</p>																				
<p><b>VFM-related</b></p> <p>None noted</p>	<p><b>Financial Reporting related</b></p> <p>Debtor balances may be overstated if provisions are not made against doubtful debts.</p>																				

# Compliance Summary



## Tests Performed:

1. Corporate invoices raised without exception (e.g. on a timely manner and following appropriate authorisation and collection of information)
2. Oxford City Works invoices raised without exception (e.g. on a timely manner and following appropriate authorisation and collection of information)
3. Oxford City Homes invoices raised without exception (e.g. on a timely manner and following appropriate authorisation and collection of information)
4. Invoices raised sequentially
5. Corporate Credit Notes raised following authorisation
6. Oxford City Works Credit Notes raised following authorisation
7. Oxford City Homes Credit Notes raised following authorisation
8. Debtor control account reconciliations performed without exception
9. Write Offs authorised

# Limitations and responsibilities

## Limitations inherent to the internal auditor's work

We have undertaken a review of Debtors, subject to the following limitations.

### Internal control

Internal control, no matter how well designed and operated, can provide only **reasonable** and not absolute assurance regarding achievement of an organisation's objectives. The likelihood of achievement is affected by limitations inherent in all internal control systems. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

### Future periods

The assessment of controls relating to Debtors is that historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

## Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We shall endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.



# Findings and recommendations

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
<b>Control Design</b>						
1	Credit notes may be raised inappropriately or in error.  Revenue may not be optimised.	<b>All Revenue Streams</b>  The Council does not run exception reports to display all significant credit notes raised.	●  Medium	Exception reports disclosing all credit notes should be run on a periodic basis. All significant credit notes should be reviewed by management to ensure they are valid and appropriate.	<b>Agreed.</b>  Procedure notes will be changed to incorporate this issue.  Functionality exists on Agresso to facilitate this recommendation. This and is available for all Accounts Receivable staff.	<b>All debt officers.</b>  <b>June 2010</b>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
2	Large amounts may be held in suspense leading to misstatement of debtor balances.	<p><b>Oxford City Works</b></p> <p>An Agresso error suspense account is in place for those invoices that are raised with incomplete or inaccurate references. Debts should be cleared by responsible team leaders on a regular basis. It was noted during review that £6k of aged items on the account contain corrupt data and therefore cannot be examined.</p> <p>Furthermore it was identified that responsible officers at Oxford City Works do not have access to this account and therefore are unable to review their aged debt.</p>	<p>●</p> <p>Medium</p>	Investigations should be undertaken into the origin of all items on this suspense account. Access should be granted to responsible officers within City Works to allow these debts to be investigated. All aged items should be reviewed and written off if appropriate. Communications should be held with Agresso to identify how to access corrupt items.	<p><b>Agreed</b></p> <p>All officers at City Works with access to Accounts Receivable (AR) enquires can review the items in the AR suspense account. However for segregation of duties, it is preferable for the Team Leader to clear suspense.</p> <p>Suitable procedures and training will be put in place.</p>	<p><b>Dave Swann (for training)</b></p> <p><b>May 2010</b></p> <p><b>Phil Dunsdon (for staff)</b></p> <p><b>April 2010</b></p>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
3	Debtors are more likely to default on payments if automated direct debits are not set up.	<p><b>Corporate Debtors and Periodic Payments</b></p> <p>The Agresso system used for raising of corporate debtors and periodic payments does not have a direct debit function.</p>	<p>● Low</p>	The Authority should investigate the functionality of the corporate debtor system to facilitate the use of Direct Debits for periodic payments and payment plans. If the system does not support this function then further enquiries should be made into utilising the Councils new cash collection system for this facility.	<p><b>Agreed</b></p> <p>The Agresso system will run with Direct Debits once implemented.</p> <p>Agresso have been reluctant to provide the information requested by officers to begin implementation. Staff will continue to press Agresso with a view for implementation by September 2010.</p>	<p><b>Dave Swann</b></p> <p><b>September 2010</b></p>
4	Raising debts below a de minimis level is not cost efficient.	<p><b>All Revenue Streams</b></p> <p>No formal de minimis value exists in relation to the raising of invoices</p>	<p>● Low</p>	<p>The Authority should consider the introduction of a de minimis level for raising debts and provide guidance on how this should be implemented. The Council might consider grouping together minor debts and invoicing these amounts when they reach a sufficient level.</p> <p>It is acknowledged that it is appropriate to have certain exemptions from this rule (e.g. court charges), but these should be formally documented.</p>	<p><b>Agreed</b></p> <p>In Corporate Debtors the de minimus level for raising a debt is £25.</p> <p>This will be reviewed with the update of the Debt Collection Policy</p>	<p><b>Sarah Fogden</b></p> <p><b>Autumn 2010</b></p>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
5	Changes to standing data may be made inappropriately.	<p><b>Corporate Debtors and Oxford City Works</b></p> <p>The current version of Agresso does not log changes made to customer standing data. It is therefore not possible to run an exception report of changes made during a specific period.</p>	<p>● Medium</p>	The functionality of Agresso should be reviewed to identify how management can gain comfort over any changes made to debtors standing data. If this is not feasible, consideration should be given to ensuring that authorisation is obtained for any changes made.	<p>Agreed in part</p> <p>The AG58 records amendments to customer records from the date that it was set up as part of the Agresso 5.5 upgrade in Spring 2009.</p> <p>This report will be publicised and used more widely.</p>	<p><b>Dave Swann</b></p> <p><b>April 2010</b></p>
6	Inadequate segregation of duties increases the risk of fraud and misappropriation.	<p><b>Oxford City Works</b></p> <p>Limited segregation of duties is in place around debt raising and cash receipting at City Works. The same officer is able to raise invoices, collect cash and raise a credit note against a debt.</p>	<p>● High</p>	Procedures should be put in place to restrict officer access to discrete elements of the debt raising process. This should be performed as a matter of urgency.	<p><b>Agreed.</b></p> <p>Immediate steps have been taken to create segregation of duties between staff in this area. Formal restructuring of local finance processes will ensure that this is built into service design.</p>	<p><b>Phil Dunsdon</b></p> <p><b>May 2010</b></p>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
7	Increased risk of duplication or omission of responsibilities.	<p><b>All Revenue Streams</b></p> <p>Due to the devolved nature of a number of debtor raising departments, responsibilities of individual departments are not always clearly defined. This has been noted in the areas of suspense accounts and bad debt provision in particular.</p>	<p>●</p> <p>Medium</p>	Formal SLAs should be drawn up for each debt raising department. These should clearly outline the roles and responsibilities of respective areas.	<p><b>Agreed</b></p> <p>This an issue for City Works. See response above.</p>	<p><b>Phil Dunsdon</b></p> <p><b>May 2010</b></p>
8	Debt balances may be misstated if uncollectable debts are not sufficiently provided against.	<p><b>Corporate Debts</b></p> <p>The provision for bad and doubtful debts is only assessed on an annual basis. In the current economic climate this is not deemed sufficient.</p>	<p>●</p> <p>Medium</p>	During times of economic instability, the Council should consider reviewing their bad debt provision on a periodic basis. This should be included in management accounts to ensure that financial position is reported accurately.	<p><b>Agreed</b></p> <p>But note that periodic debt in relation to investment property is reviewed frequently by Property, Incomes &amp; Finance staff. Expected adjustments to income are reflected within the monthly monitoring figures.</p>	<p><b>Emma Burson</b></p> <p><b>Quarterly with Immediate Effect</b></p>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
9	Inconsistency in working practices. Debts may not be provided for accurately and therefore balances misstated.	<p><b>All Revenue Streams</b></p> <p>The provision against doubtful debts should be calculated by individual devolved departments. It was noted during review that the methodology for this provision differs across the Authority. No formal procedure notes are in place.</p>	<p>●</p> <p>Medium</p>	All responsible officers should meet to discuss individual approaches to calculation of the bad debt provision. Clear procedure notes should be drawn up to outline key assumptions and rules for the provision. This should be used consistently.	<p><b>Agreed</b></p> <p>Whilst documentation is produced on working papers to detail the approach for calculation of the provisions, procedure notes should be drawn as part of the year end close down.</p>	<p><b>Emma Burson</b></p> <p><b>April 2010</b></p>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
<b>Operating Effectiveness</b>						
10	Credit notes may be raised inappropriately or in error.  Revenue may not be optimised.	<b>Oxford City Works</b>  All credit notes should be approved by an authorised signatory prior to raising. This did not occur in 5/5 credit notes tested by audit. The total value of credit notes tested was £75,000.	●  Medium	All credit notes should be independently authorised before being raised. This should be performed on standardised stationary.	<b>Agreed</b>  All credit notes to be approved in accordance with the Authorised Signatory list.  In addition, a monthly report of credit notes will be run and reviewed by the Finance Business Partner.	<b>Paul Jermetta</b>  <b>April 2010</b>
11	Invoices may be raised inappropriately or in error.	<b>Corporate Debtors</b>  The central authorised signatories list was noted as incomplete. In 1 invoice from 30 tested, authorisation was granted by an individual who was not included on the list.	●  Low	The authorised signatories list should be reviewed on a regular basis and updated for all new members of staff.	<b>Agreed</b>  All Service Heads have been requested to update Authorised Signatory lists and these are held on the Intranet.	<b>Service Heads</b>  <b>Recommendation Implemented</b>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
12	<p>Invoices are duplicated leading to inaccurate revenue reporting.</p> <p>Revenue recognition is deemed a significant risk by external auditors and therefore this may have an adverse effect on their opinion if deemed material.</p>	<p><b>Oxford City Homes</b></p> <p>Once invoices are raised to tenants for recharges, the recharge book (a shared spreadsheet) should be updated with the details of the invoice to demonstrate that the job has now been invoiced. It was noted that during the year there have been instances where the recharge book has not been updated by temporary members of staff. This has resulted in duplicate invoicing.</p>	<p>●</p> <p>Medium</p>	<p>A review of tenant recharges in the year should be performed to identify any further instances where duplicate invoices have occurred. Going forward, a periodic comparison of information should be performed to identify potential duplicates.</p>	<p><b>Agreed</b></p> <p>All historically recharge invoices to-date have been reviewed and we have corrected the duplicate invoices that had been generated. The "cancelling and amending" form has been completed for each transaction.</p> <p>Additional weekly and monthly checks built into procedures.</p>	<p><b>Suzan Smart</b></p> <p><b>March 2010</b></p>



Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
13	<p>Procedures are not being adhered to.</p> <p>Invoices may be raised inappropriately or in error.</p>	<p><b>Oxford City Works</b></p> <p>Policy dictates that invoices should be accompanied with a standardised invoice request form. No such form had been completed in 15/15 invoices tested at City Works.</p>	<p>●</p> <p>Medium</p>	<p>Officers should be reminded of the policy in place for raising invoices. If this process is deemed inefficient, procedure notes should be updated to reflect the process in place.</p>	<p><b>Agreed</b></p> <p>Staff have been reminded to always attach relevant paperwork to invoices.</p> <p>In addition procedures will be reviewed and notes updated as necessary to ensure that the process for invoice raising is both secure and efficient.</p>	<p><b>Phil Dunsdon</b></p> <p><b>1<sup>st</sup> May 2010</b></p>
14	<p>Invoices cannot be traced to the relevant job. Debt may not be identifiable and therefore harder to recover.</p>	<p><b>Oxford City Works</b></p> <p>A job reference card should be provided for all JMS interfaced invoices. This was not present in 1/30 invoices tested.</p>	<p>●</p> <p>Low</p>	<p>Job reference codes should be provided without exception.</p>	<p><b>Agreed</b></p> <p>Staff have been reminded to always provide a job reference card</p>	<p><b>Phil Dunsdon</b></p> <p><b>Recommendation Implemented</b></p>

Ref	Specific risk	Control weakness found	Risk rating	Recommendations	Management response	Officer responsible & implementation date
15	Invoices are not being raised on a timely basis leading to an increased risk around recoverability.	<p><b>Oxford City Works</b></p> <p>The City Homes system interfaces with the General Ledger on a periodic basis to ensure that all invoices are raised on the General Ledger. It was brought to audits attention that this process had failed during the year and was left unnoticed for a period of 5 months which resulted in a delay invoicing in this period. This affected 7/30 invoices tested.</p>	<p>●</p> <p>High</p>	Reconciliations should be performed on a monthly basis to ensure that the transfer of data from JMS to Agresso has occurred accurately and completely.	<p><b>Agreed</b></p> <p>Invoices are now being raised regularly and monthly reconciliations carried out.</p> <p>In addition the Finance team are ensuring that data for the whole of 2009-10 has been reconciled.</p>	<p><b>Phil Dunsdon</b></p> <p><b>Recommendation Implemented</b></p> <p><b>Suzan Smart</b></p> <p><b>April 2010</b></p>

# Follow up of prior year recommendations

Recommendation		Risk Rating	Response to recommendation	Follow up 2008/09
1	The Authority should consider the need for a corporate approach to debt recovery which involves ensuring that those chasing debts are fully aware of all debts due to the Authority so that these are taken into account when finding an affordable solution.	● Low	Agreed Chief Technical Accountant July 2009	<b>Outstanding</b> <b>Raised in issue #7 above</b>

# Appendix 1 - Terms of Reference

## Objectives and deliverables

### Objectives

To ensure that invoices are raised in a timely manner, cash received is correctly allocated, outstanding debts are recovered and the ledger is updated to reflect the debtors system

### Deliverables

Our deliverable will be a report detailing our findings with regard to our assessment of the design and effectiveness of controls in place over the Debtors Function

Listed below is the information that may be required at the commencement of the audit:

- Copies of procedure notes,
- Debtors listing identifying all invoices raised in year (to include evidence of authorisation).
- Recovery procedures.
- Listing of all debts outstanding to date.
- Listing of all credit notes raised in year.
- Access to exception reports and management information produced on the debtors function.
- Copies of reconciliations between the debtors system and the ledger/cashiers system.
- Listing of all debts written off to date.
- Listing of all new users and leavers in year. Evidence that they have been authorised to be added/removed to access lists.

The list is not intended to be exhaustive. Evidence should be available to support all operating controls. Other information arising from our review of the above documentation may be requested on an ad hoc basis.

## Scope and approach

Our work will focus on identifying the guidance, procedures and controls in place to mitigate key risks through:

- Documenting the underlying guidance, policy and processes in place and identifying key controls;
- Considering whether the policies and procedures in place are fit for purpose; and
- Testing key controls.

The key points that we will focus on are:

- All sources of income are identified and that, where applicable, invoices are raised in a timely, complete and accurate fashion.
- All payments are receipted completely, accurately and in a timely fashion.
- Debt collection, recovery and write-off procedures are sufficient to ensure that delay in receiving payments and loss of credit income is minimised.
- The system is protected against unauthorised access/ processing and is secure against loss or damage of data.

We will discuss our findings with the responsible officers to develop recommendations and action plans. A draft report will be issued to the Heads of Finance and any other relevant officers for review and to document management responses.

### Limitation of Scope

The scope of our work will be limited to those areas identified above.

### Stakeholders and responsibilities

Role	Contacts	Responsibilities
Anne Harvey Lynch Graham Bourton Phil Dunston	Revenues Manager Head of Oxford City Homes Head of Oxford City Works	<ul style="list-style-type: none"> <li>▪ Review draft terms of reference</li> <li>▪ Review and meet to discuss issues arising and develop management responses and action plan</li> <li>▪ Review draft report.</li> <li>▪ Implement agreed recommendations and ensure ongoing compliance.</li> </ul>
Heads of Finance	Penny Gardner Sarah Fogden	<ul style="list-style-type: none"> <li>▪ Receive agreed terms of reference</li> <li>▪ Receive draft and final reports.</li> </ul>
Interim Executive Finance Director Chief Executive	Nigel Pursey Peter Sloman	<ul style="list-style-type: none"> <li>▪ Receive final report</li> </ul>

### Our Team and Timetables

#### Our team

Chief Internal Auditor	Chris Dickens
Audit Manager	Katherine Bennett
Auditor	Eleanor Shirtliff



**Budget**

Our budget for this assignment is 10 days. If the number of days required to perform this review increases above the number of days budgeted, we will bring this to management attention.

**Terms of Reference Approval**

These Terms of Reference have been reviewed and approved:

.....

Penny Gardner/Sarah Fogden  
Signature (Heads of Finance)

.....

Chris Dickens  
Signature (Chief Internal Auditor)

# Appendix 2 - Assurance ratings

Level of assurance	Description
<b>High</b>	<p>No control weaknesses were identified; or</p> <p>Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.</p>
<b>Moderate</b>	<p>There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than significant or they are unlikely to occur.</p>
<b>Limited</b>	<p>There are some weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives. However, there are discrete elements of the key system, function or process where we have not identified any significant weaknesses in the design and / or operation of controls which could impair the achievement of the objectives of the system, function or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function or process.</p>
<b>No</b>	<p>There are weaknesses in the design and/or operation of controls which [in aggregate] could have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.</p>



*In the event that, pursuant to a request which Oxford City Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PricewaterhouseCoopers (PwC) promptly and consult with PwC prior to disclosing such report. Oxford City Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and Oxford City Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, Oxford City Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.*

*©2010 PricewaterhouseCoopers LLP. All rights reserved. 'PricewaterhouseCoopers' refers to PricewaterhouseCoopers LLP (a limited liability partnership in the United Kingdom) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.*