

INTERNAL AUDIT REPORT RECOMMENDATIONS
Appendix A

Ref	Review	Date Performed	Issue Noted	Risk Rating	Recommendation Made	Management Response	PWC response	Responsible Manager	Agreed Implementation Date	PWC Follow up AUG	January 2011 update	% complete
IA9	GL	01/10/2009	The Council does not undergo a regular review of cost centres and account codes to ensure they remain valid and in use. It was noted through review of the ledger that 21 account codes have been set up outside of the normal coding structure. In addition it appears that a number of codes have duplicate names and descriptions (e.g. creditors, windows, unidentified corporate savings)	Med	The Authority should seek to review their chart of accounts on an annual basis. All dormant and duplicate codes should be removed.	This process was performed a number of years ago but will be introduced on an annual basis going forward.		Anna Winship/Martin Westmoreland	31 st March 2010		Work has started on analysing and reviewing the chart of accounts, and proposals for a revised capital coding structure are being reviewed. Further discussions will take place regarding how to take forward the structure of the chart of accounts.	20
IA10	GL	01/10/2009	Whilst the Authority produces detailed Management Accounts on a monthly basis, other key management reports are not produced.	Med	The Authority should consider distributing a management information 'pack' on a monthly basis. This could include reports showing: <ul style="list-style-type: none"> • Significant balances on suspense accounts; • Individually significant journal transactions 	The production of reports indicating significant journals and suspense accounts will help to mitigate against a number of risks identified during the General Ledger review. These will be passed to Heads of Finance for review		Anna Winship/Martin Westmoreland	1 st December 2009		Large journals (over £100k) are reviewed on a monthly basis by the Head of Finance, and suspense balances are revised on a monthly basis by the Payments and Reconciliations Manager and Financial Accounting Manager.	100
IA14	GL	01/10/2009	Monthly leavers reports are sent from payroll to Agresso administrators. This ensures that all leavers are removed from the system. There is no process in place for removing temporary agency staff	Med	A process should be put in place to ensure that system administrators are able to remove temporary agency staff access rights when they have left. This may involve a regular listing being sent from the agency contract manager or a periodic review of all users.	A regular report will be requested from Sue Green to detail all temporary agency staff who have left the Authority.		Dave Swann	31 st December 2009		The Champion report does not provide the information required therefore different options will need to be explored	10
IA17	GL	01/10/2009	The Council upgraded their version of Agresso to v5.5 in March 2009. Although key procedure notes have been amended to reflect the new system, this has not been performed for all procedures notes in place	Med	All procedure notes should be reviewed to ensure they reflect Agresso v5.5. Going forward, procedure notes should be reviewed on an annual basis to reflect changes in working practices.	All procedure notes will be reviewed to ensure that they are in line with the current version of Agresso. This will be performed in the order of risk and importance. A review date will be detailed on all documents.		Dave Swann	31st March 2010		There are still a few procedure notes outstanding but further work is being done on this	50
IA23	Treasury Management	01/10/2009	The Council prepares a rolling cash flow forecast which is updated on a daily basis. Whilst this is operating effectively, there is no comparison made against initial budgets.	Med	Actual cash flows should be compared to original budgets on a periodic basis. All variances should be investigated and revised assumptions used for future cash flow setting.	A monthly comparison of budgeted cash flows to actual will be performed and reviewed. This will allow analysis of assumptions for cash flows used in subsequent years.		Anna Winship	31st December 2009		Temporary resource has now started and this is a key piece of work that will be carried out over the next few months	80
IA24	Treasury Management	01/10/2009	The Council does not perform regular monitoring of overdrafts and limits. At the time of audit, 2 of the Council's bank accounts were overdrawn.	Med	Investigations should be undertaken in order to identify in what instances overdrafts are used. Action points should be put in place to avoid unnecessary use of the facility. Overdraft limits should be reviewed on a six monthly basis to ensure that they are reasonable and sufficient.	The cash flow forecast is produced on a net basis and therefore individual overdrafts are not reviewed. Bank balances will be reviewed on a daily basis to ensure that the use of overdrafts is minimised.		Anna Winship	31st December 2009		This is still an issue and has been picked up again in the follow up audit - Officers will be looking at a more robust system to ensure that the accounts do not go overdrawn	25
IA26	Treasury Management	01/10/2009	Financial Director (the Councils online banking facility) and Treasury Management procedure notes have not been updated since September 2007. The Council does not possess a Financial Director manual explaining how to use the system.	Low	Procedure notes should be reviewed and updated to reflect any changes in working practices.	A Manual will be requested from the Co-op and used to review procedure notes for Financial Director and Treasury Management processes.		Anna Winship	31st December 2009		Still outstanding, Financial Director is being updated in the early part of 2011, therefore full procedures will be available for the new release. However temporary procedure notes will be written for the existing version of the system	0
IA29	Procurement	01/11/2009	The Council is required to restate their 2008/09 opening balance sheet by 31st December 09. New standards will require the Council to assess all leases and contracts to check whether they should be on the balance sheet. Procurement is a key stakeholder in the IFRS conversion process.	Med	Finance should liaise with Procurement to ensure that they obtain relevant training in accounting for leases and contracts.	All larger leases and contracts are subject to CEB approval and the need for specific accounting treatment will be picked up as part of the report approval process.		Kelly Dawson	31st Jan 2010		A restated Balance Sheet as at March 2008/09 has been completed and passed to the District Auditors, and a review of all contracts and leases has been undertaken	100
IA30	Procurement	01/11/2009	Since 2007/08 the Council has accounted for those contracts linked to an external source (e.g. RPI) as embedded derivatives. A number of such contracts have been identified. Procurement need training in this area.	Med	Finance should liaise with Procurement to ensure that they obtain relevant training in accounting for leases and contracts. Procurement should devise procedures to ensure leases and contracts are assessed against relevant criteria - Inform Finance if advice required.	Contracts will be reviewed by Finance to establish the correct accounting treatment.		Kelly Dawson	31st Jan 2010		As above.	100
IA33	Procurement	01/11/2009	Detailed testing on 25 purchases and tenders to ensure guidelines are being followed. Exceptions - 2/25 purchases had no supporting documentation to demonstrate procedures were followed.	Med	Officers to be reminded to retain documentation for audit purposes. Officers to explain why procedures not followed.	One incident of information being lost in office move. Other documentation destroyed under Constitution guidelines.		Jane Lubbock	With Immediate Effect		We continue to do quarterly checks of spend leakage against contract. There will always be an ongoing need to train and communicate to officers regarding the procedures for procurement activity	90
IA34	Council Tax	01/10/2009	Council not undertaken review of all single person discount accounts.	Med	Review to be done. All individuals to confirm entitlement to discount. When conformation not provided, relief should be suspended.	Data matching exercise with NFI records has highlighted accounts where discount may no longer be applicable. Ongoing review scheduled for next financial year.		Anne Harvey-Lynch	31st March 2011		Project in place working with neighbouring Authorities to outsource SPD reviews to Capita. Due to end of year timescales all Authorities have agreed hat this cannot be done before 31.03.11.	80
IA35	Council Tax	01/10/2009	The Council does not review credit balances of Council Tax accounts.	Med	Efforts made to investigate all accounts in credit - issue refunds/overpayments if necessary. Reports to be run periodically to identify credit balances.	Process to ensure accounts in credit are followed up on a timely basis. Active communication with account holders.		Anne Harvey-Lynch	31st March 2011		Still outstanding	0
IA36	Council Tax	01/10/2009	Procedures missing from shared drive.	Med	Procedure notes needed for whole Council Tax process. All documents to be held on shared drive.	Responsible officer will be charged with reviewing procedure notes to ensure they are up-to-date.		Anne Harvey-Lynch	31st March 2011		On-going but linked in with Lagan scripts	20
IA41	Council Tax	01/10/2009	Council has BVPI to ensure 99.2% of Business Rates collected on a timely basis. At time of audit, only 98.56% being achieved.	Med	Action plan needed to ensure year end collection target is met. Regular reports to Performance Board.	Collection Fund team has insufficient resources to maintain active recovery of debts. CRM and reorganisation of department to rectify.		Anne Harvey-Lynch	31st March 2010		Collection Fund team has insufficient resources to maintain active recovery of debts. CRM and reorganisation of department to rectify.	0
IA42	Council Tax	01/10/2009	IT reports must now be requested from County Council. Lead time for these reports often up to a week. Regular reports not sent to department.	Med	Timetable indicating all reports required should be drawn up and given to IT.	Timetable will be put in place.		Anne Harvey-Lynch	31st March 2010		Complete although Ad Hoc requests still need to be requested through County. New software scheduled to be input in Dec should delete the need for this.	95
IA43	Council Tax	01/10/2009	All cash received and not identified sent to Collection Fund suspense account. This account not reviewed or cleared in August or September 2009. Procedures not up-to-date.	Med	Suspense accounts should be reviewed on a periodic basis. Up-to-date procedure notes to be drawn up.	All items to be cleared going forward.		Anne Harvey-Lynch	30th November 2009			0
IA55	Payroll	01/02/2010	Payroll balances may be misstated.	Med	Reconciliations between the Payroll and General Ledger systems should be performed on a regular basis.	There is currently a delay in the completion of control account reconciliations due to the completion of trial closedown in finance. All reconciliations will be completed by year end.		Anna Winship	31st March 2010		COMPLETE - Control account balances are being completed, and interfaces are now being reconciled	100
IA64	Leisure	12/10/2009	The Head of Service is required to report to Performance and Transformation Boards on a periodic basis on the leisure contract. The nature and frequency of the information to be provided has not been agreed with key stakeholders within the Boards.	Low	Conversations should be held with key stakeholders within Performance and Transformation Boards to ascertain the detail and frequency of information that is required on the leisure contract. This should then be included as a regular agenda point.	The Council is establishing new management boards. When these are finalised the head of leisure will agree with the director of City Services the most appropriate way to report information from the leisure contract.		Ian Brooke	1st April 2010		DRAFT RESPONSE - a contract management review process has been put in place to monitor the Leisure management contract with Fusion. Fusion produce a monthly performance report which is reviewed by the Leisure Manager each month. This information is in turn presented to the Leisure Delivery Board for scrutiny each month. An annual report is presented to CEB which reviews the performance of the contract against key performance indicators	50

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IA67	Housing Rents	14/12/2009	The Council has no legal contract with tenants if issues were to occur. Unclear audit trail. Audit can have limited assurance over this control where no supporting documentation is available.	Med	The Council should ensure that agreements are in place for all rental accounts. These should be retained.	Tenancy Agreements are not always a legal requirement.		Martyn Mumford (passed to Ann Phillips)	Ongoing		Legal advice received advises us that due to a Notice of variation being served dated 10/10/05 there is no legal requirement to hold the original tenancy.	100
IA82	Debtors		The Council does not run exception reports to display all significant credit notes raised.	Med	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.	Procedure notes will be changed to incorporate this issue.		All debt officers	Jun-10			0
IA84	Debtors		The Agresso system used for raising of corporate debtors and periodic payments does not have a direct debit function.	Low	The authority should investigate the functionality of the corporate debtor system to facilitate the use of direct debits for periodic payments and payment plans.	The Agresso system will run with Direct Debits once implemented.		Dave Swann	Sep-10		A Project PID has been submitted to ICT, and work to progress is being undertaken	20
IA87	Debtors		Inadequate segregation of duties increases the risk of fraud and misappropriation.	High	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.	Agreed - 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	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.	Phil Dunsdon	May-10	The access to Agresso (invoice raising) at City Works has been realigned with the PARIS cash-receiving system to remove these accesses from individuals holding them. Report run by Agresso system showing CW employees with access to raise invoices and credit notes. This was then compared with the PARIS access report and 3/5 employees on the Agresso listing also appeared as a cashier on PARIS. 2/3 have browser card access only, meaning they cannot handle cash and one is a counter cashier, meaning cash handling is possible.	Responsibility for raising sundry and trade Waste excess collection invoices and all credit notes has been transferred to the local finance team. Processes to monitor quarterly Trade Waste invoicing are being developed but it has not proved possible to segregate duties between contract management and raising quarterly charges. A suite of reports from Whitespace is being developed to facilitate monitoring by the local finance team. Further work will be undertaken to review access to systems to ensure segregation of duties is clear.	90
IA89	Debtors		The provision for bad and doubtful debts is only assessed on an annual basis.	Med	During times of economic stability, the Council should consider reviewing their bad debt provision on a periodic basis.	Note that periodic debt in relation to investment property is reviewed frequently by Property, Incomes and Finance staff.		Emma Burson/Martin Westmoreland	Quarterly with immediate effect		Bad Provision is to be reviewed as part of the trail closedown process in December 2010	80
IA90	Debtors		The provision against doubtful debts should be calculated by individual devolved departments.	Med	All responsible officers should meet to discuss individual approaches to calculation of the bad debt provision.	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.		Emma Burson/Martin Westmoreland	Apr-10		Bad Provision is to be reviewed as part of the trail closedown process in December 2010	80
IA97	Health & Safety	01/03/2010	The City Works Quality Manual does not reflect details of substances currently in use	Med	Quality Manual should be updated to reflect all substances currently used at City Works. Procedures should be put in place in each case.	Changes made to operational arrangements following the risk assessment review process are not always replicated in updates to the City Works procedures manual. The Corporate Safety Adviser and the Head of City Works will put a resolution in place by 1st May 2010.		Mark Preston, Phil Dunsdon	End of April 2010, End of June 2010		CSA has mapped Works Instructions to corresponding Safe Work Procedures and Risk Assessments. Work must still be done to update SWPs with significant findings of risk assessment reviews	50
IA98	Health & Safety	01/03/2010	City Works local Health and Safety policies inconsistent with corporate policy. Inconsistencies noted around references to legislation and working practices.	Med	The City Works Health and Safety policy should be reviewed to ensure it is consistent with the corporate document. The necessity for local policies should be considered further.	All local safety policies have been withdrawn however changes to the health and safety policy are not always replicated in updates to the City Works procedures manual. The Corporate Safety Adviser and the Head of City Works will put a resolution in place by 1st May 2010		Mark Preston, Phil Dunsdon	End of April 2010, End of June 2010		Above exercise will address this issue	50
IA100	Health & Safety	01/03/2010	Key Pis are not in place for the Health and Safety function. No management information is reported at present. Both documents have been drafted for consideration.	Med	Pis and management information should be formally agreed and monitored on a regular basis by management. Action plans should be put into place to rectify adverse performance.	Performance Board receives reports twice a year. Pis have been agreed in principle - outlined in Matrix document, more detailed discussion needs to take place with Heads of Service to identify individual service Pis.		Mark Preston	End of June 2010		Awaiting Envex audit report on Corporate Assets completion to compile report for CAMG and CMT	50
IA101	Health & Safety	01/03/2010	Risk assessments should be completed by individual departments for specific Health and Safety Risks. 1/20 assessments tested had not been completed.	Low	Officers should be reminded that risk assessment forms should be completed fully upon submission. Any incomplete forms should be returned to the officer for re-work.	Assess NET system will prompt all risk assessors on completion and will provide CSA and HoS with regular reports identifying incomplete assessments.		Mark Preston	Jul-10		New H&S system Assess NET now populated with Risk Assessments - awaiting Envex data (see above) to add Corporate Assets	50
IA117	City Works		If purchasing procedures are not adhered to there is a risk that the Authority is not achieving value for money and is committing unauthorised and inappropriate expenditure.	High	The Authority should ensure that all staff placing orders through Fleetplan are reminded of purchasing policies.	Agreed - The issues around purchase ordering on Fleetplan have been acknowledged and will be rectified through the review of the system controls as outlined above. Training took place on 18th & 19th March. All relevant staff attended these sessions.	The Authority should ensure that all staff placing orders through the Fleetplan system are reminded of purchasing policies. In particular, the following points should be reiterated: Orders should be raised ahead of a purchase being made; All differences between orders, goods received and invoices should be investigated; Orders and invoices should be authorised as per the ASL; Segregation of duties should be maintained at all stages in the purchasing process	Phil Dunsdon	31/03/2010	Issues noted from follow up testing (population of 5): 2/5 PO's were raised after invoices received; 1/5 orders was printed over 1 day after the order was raised; 1/5 invoices had a price significantly (>5%) different to the PO; 3/5 GRN stamps were different to the dates showing on the system as received.	The follow up audit findings have not previously been drawn to our attention. We will urgently review compliance with the issues noted. A follow up Internal Audit review is scheduled to commence on 22nd November 2010.	50
IA120	Trade Waste		Debts may be irrecoverable. Debtor balances may be misstated if write-offs are not processed on a timely basis.	Med	A formal recovery and write off procedure should be produced in line with corporate regulations and communicated to Trade Waste.	Current process to be reviewed and procedure to be developed/amended if necessary.		Paul Jemetta	31/03/2010		The centralisation of the debtors team is ongoing, and this will bring with it streamlining and improvement of process and procedures.	0
IA121	Trade Waste		Charges may be set inaccurately.	Med	Trade Waste charges should be formally approved ahead of implementation. Documentation should be retained to evidence this decision.	Approval of charges for Trade Waste will be formally documented within Management Team meetings. Trade Waste charges are agreed in the budget along with all other fees and charges.		Phil Dunsdon	30/06/2010		A procedure has been developed but has not yet been fully implemented as this is a process which is undertaken once a year.	50
IA142	BCP		Business Continuity Plans have not been tested. Follow up At the date of follow up, testing was still outstanding in all areas with the exception of City Works. Detailed work has been performed in this areas to review the plans in place.	High	Initial Finding - Business Continuity Plans have not been tested Follow up -> At the date of follow up, testing was still outstanding in all areas with the exception of City Works. Detailed work has been performed in this areas to review the plans in place.	Agreed - Three plans exercised to date with dates fixed for several more.	All BCP components should be tested periodically. This should include: Notification of procedures and lines of communication; Compatibility of IT and alternate workspace facilities; recovery of critical applications systems at alternate sites; Interim and manual processing procedures and recovery of critical business processes. Tests should involve the participation of both information technology and business process owners. Final reports evaluating test results should be distributed and discussed with senior management.	Richard Gosling	Jul-10	Plans are in place to test all service areas though testing has not been completed in all areas to date.	The majority of Service Area plans have now been tested after encouragement from CMT. Just one area service area is outstanding, due to major reorganisation.	95
IA144	Creditors		Budget information may not acknowledge future commitments. Creditor accruals may be inaccurate.	Med	The Authority should consider the use of commitment accounting. This would require purchase orders to be posted to cost centres on Agresso when they are raised.	Agreed Budget information produced throughout the year includes manual commitments accounting. Year end accruals testing showed minimal accruals missed. Officers agree that electronic commitment accounting would be more efficient. Systems across the Council are being reviewed during Summer/Autumn 2010.		Denise Sheppard	Nov-10		The centralisation of the payments team is ongoing, and a review of business processes is already underway and a revision of policies and procedures will be carried out to ensure that the Council is working with a single solution towards making payments, this will be communicated widely across the organisation. Electronic Purchase Ordering and further improvements on Agresso are being considered as part of the Corporate Services Modernisation Programme.	0

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IA145	Creditors		Manual controls around purchases and payments decrease the effectiveness of the controls. Payments may be made fraudulently and in error and management have limited comfort over the completeness and accuracy of invoices paid.	Med	Further consideration should be given to the introduction of an electronic purchase and matching process within the Agresso system. It is acknowledged that a cost will be incurred in the introduction of this workflow; however it will facilitate improved internal control within the Council.	Agreed. Officers agree that electronic commitment accounting would be more efficient. Systems across the Council are being reviewed during Summer/Autumn 2010.		Denise Sheppard	Dec-10		The centralisation of the payments team is ongoing, and a review of business processes is already underway and a revision of policies and procedures will be carried out to ensure that the Council is working with a single solution towards making payments, this will be communicated widely across the organisation. Electronic Purchase Ordering and further improvements on Agresso are being considered as part of the Corporate Services Modernisation Programme.	0
IA149	Creditors		Unusual or unauthorised transactions may not be detected, leading to an increased risk or misstatement and fraud.	Med	The Authority should agree upon a suite of exception reports which should be run and reviewed on a regular basis. These should include: Incomplete orders; Goods received not invoiced; Invoices raised without purchase orders; Unusual payments; and Changes made to supplier standing data. It is acknowledged that a number of these reports cannot be run from Agresso unless an automated purchase order process is enabled (see issue #2). In these cases, the Authority should consider collating this information manually.	Agreed Changes to supplier data are restricted but no report is run. We will run this in future. Collecting the data manually would be too time consuming and not cost effective. See comment above regarding use of an electronic system.		Denise Sheppard Payments & reconciliation manager	Aug-10		Electronic Purchase Ordering and further improvements on Agresso are being considered as part of the Corporate Services Modernisation Programme. In the meantime we are currently looking at ways of producing reports to show changes to supplier data or to pick up any unauthorised or unusual transactions. We will also consider other options for exceptional reports to ensure adequate controls are in place.	0
IA150	Creditors		Overpayments may not be identified on a timely basis.	Med	The Authority should determine a set threshold (both % and £) for when differences between invoices and orders should be followed up. Managers should detail outcomes of investigations on invoices to evidence the action taken. Invoices should not be processed until additional authorisation has been obtained.	Agreed Thresholds to be incorporated into the good practice guide for creditors.		Denise Sheppard	Aug-10		We are currently considering the limits that should be set on this. Once this has been agreed we will advise everyone accordingly and incorporate these limits within our procedures.	50
IA151	Creditors		Segregation of duties is not adequately maintained. This increases the risk of error and fraud.	Med	The Authority should establish clear policies and procedures with regards to segregation of duties. Best practice would indicate that a separate officer should raise and authorise an order, goods receipt and authorise payment. This policy should be detailed in procedure notes and communicated to all departments. Spot checks should be performed on a sample of transactions to ensure adherence to policies.	Agreed Procedures are in place. The constitution clearly states that ordering and authorisation must be separate. There exists a creditors good practice guide and recently "top ten tips" was published on the intranet. Agree that officers should spot check to ensure adherence.		Denise Sheppard	Aug-10		The centralisation of the payments team is ongoing, and a review of business processes is already underway and a revision of policies and procedures will be carried out to ensure that the Council is working with a single solution towards making payments, this will be communicated widely across the organisation. Electronic Purchase Ordering and further improvements on Agresso are being considered as part of the Corporate Services Modernisation Programme. The Good Practice guide and Top Ten Tips has been re-issued to all departments.	0
IA162	Fixed Assets		There are no formal procedures in place for identifying intangible and donated assets held by the Council.	Low	A year end process should be put in place to identify potential intangible and donated assets. This may involve declaration by Heads of Services. Further investigation should be undertaken into those Community Assets which could potentially be reclassified.	Agreed. The Council has policies to recognise intangible assets. These would be purchased through the capital programme and capitalised in the normal way. If intangible assets were purchased through revenue, the year end review spend would identify them.		Kelly Dawson	Sep-10		This is being looked at and will be completed by the time our IFRS policies are approved by the end of Jan 2011.	80
IA163	Fixed Assets		There is no asset security policy in place at the Authority.	Low	An Asset Security policy should be developed for the Authority. This should cover as a minimum: Responsibility for security at each location; Restriction of access to property; Identification of assets (consideration should be given to tagging); Protection against environmental damage.	Agreed. There is no overarching asset security policy however the following exist: IT security including locks on PCs and security marking, Data security policy, Key cards for access to buildings, Policy and responsibility for locking safes and security of stocks and cash.		Anna Winship	Sep-10		Discussions will take place with internal audit as to the best way to take this forward to implement this policy	0
IA168	Fixed Assets		In 3/45 cases, the remaining Useful Economic Life of the asset was greater than the Useful Economic Life detailed on Logotech (E042, E294, E377); 1/45 assets did not have a description attached to the asset (E408); and; A further asset could not be found on the main asset register (H384).	Med	The exceptions noted should be investigated and rectified as appropriate. A review of asset life should be performed ahead of the Council running depreciation charges to ensure that all assets have an accurate Useful Economic Life detailed on Logotech.	Agreed. Officers were aware of the asset life issue and had chosen not to amend them. The 3 assets with greater outstanding lives than their UEL are all non-depreciating assets so the depreciating calculation will not be affected; hence it was not amended in the last house keeping exercise. This will be tidied up when we do the next house keeping exercise. H384 is on the asset register at 0.00 value and is a non depreciating asset. We will investigate E408 and amend		Kelly Dawson	Jun-10		These have mostly been amended. A Logotech expert is coming in December to complete these changes.	95
IA172	ICT		We were informed that no user access reviews have been performed recently, to determine who has access to particular network shared drives and if the access rights granted are appropriate. Similarly no formal reviews have been performed to determine and validate the level of access available to users in the applications such as CRM and Iworld.	Med	The user access rights to network shares should be reviewed, to ensure that only authorised City Council staff can access the specific network shares they are entitled to access. Formal reviews covering user access rights within applications in the system should be performed to identify any remove any excess privileges available to users.	Agreed, reports on access rights have been requested to review and amend access rights and this will be carried out regularly		Simon Park	30-Apr-10		Access rights reports requested from County. Needs follow up.	50
IA173	ICT		Former City Council IT Staff who have transferred across to the County Council are still involved in data manipulation and the handling of sensitive and confidential information.	Med	The City Council should identify all areas where County Council staff are involved in handling sensitive City Council data. Where possible all data manipulation and handling of sensitive data should be performed by City Council staff.	Agreed, City Council has identified the tasks which require County ICT staff to handle sensitive data. As part of the project to consider transfer of appropriate duties to the relevant Service Areas, these tasks will be prioritised and brought back under the control of the City Council where possible.		Simon Park	14th May 2010		On hold pending the transfer of Business Partners into central ICT. Currently no capacity to take on required work.	0
IA174	ICT		There is a joiners and leavers process in place. However the leaver reviews which are performed on a monthly basis, do not cover temporary or contract staff.	Med	Management should ensure that the leaver reviews also cover temporary and contractual staff. Management should perform an audit to identify any old or redundant accounts used by temporary and contract staff that are still present on Council networks and systems.	Agreed, temporary and contract staff will be incorporated into the Leavers procedure. Audit of old or redundant accounts already underway and account activity monitoring and reporting to discussed with County ICT and implemented where practicable.		Simon Park	31-Mar-10		Audit of old and redundant accounts has been completed but is always an on-going task. Starters and leavers process will be reviewed when Business Partners join central ICT.	0
IA180	ICT		The administrative passwords on network equipment managed by the County Council such as Cisco routers and firewalls are not changed on a regular basis.	Low	The administrative accounts for network equipment should be changed on a regular basis.	Agreed, passwords now being changed by County ICT and regular password regime to be agreed with County ICT with regular password changes implemented.		Simon Park	31-Aug-10		Believed to be complete. Confirmation will be sought from County.	95
IA181	ICT		The City Council Wide Area Network does not use Network Access Control (NAC) and unused ports on network switches are not disabled for example the switch at Templar's Square office.	Med	All unused switch ports should be disabled if not used and a process implemented to control port usage and allocation. Consideration should be given to implementing a NAC system in order to control devices accessing the networks.	Agreed, an audit needs to be carried out of all switches within the Council by County ICT, to ensure unused ports are disabled and that no unauthorised devices are attached to the network. NAC will be implemented if practicable.		Simon Park	30-Sep-10		Status needs to be obtained from County ICT.	0
IA183	ICT		Although a process is in place for notification of incidents by text and email to the City Council, there is no formal criteria established describing what level of incidents should be notified to the City Council together with timescales for notification.	Med	The Council should establish formal criteria in terms of what security incidents are reported on by Oxfordshire County Council together with the timescales for reporting.	City Council already in consultation with County ICT to rectify these notification issues. Process being developed and controls being agreed.		Simon Park	30-Apr-10		This is under review. The process is not consistently applied.	0
IA202	Housing Rents	Nov-10	The reconciliation cannot be evidenced as performed and reviewed in a timely fashion.	Low	It is recommended that upon the completion of the quarterly reconciliation a copy of the spreadsheet is saved and locked for editing by a reviewer.	Agreed. This will be implemented.		Janine Graham	31st December 2010 (date of next quarterly reconciliation).		Data is still being input onto the HAM system. This should be completed by 31.03.11. A new field has been entered onto the HAM system which will allow any repayment/payment against a bond or no deposit returned to be linked to the original payment, making it easier to calculate the % of monies returned.	20

Ref	Review	Date Performed	Issue Noted	Risk Rating	Recommendation Made	Management Response	PWC response	Responsible Manager	Agreed Implementation Date	PWC Follow up AUG	January 2011 update	% complete
IA203	Housing Rents	Nov-10	The Council does not have the documentary evidence of the legal agreement entered into by it and its tenant.	Low	It is recommended that management ensures that Tenancy Agreements are completed, signed and filed for at least 6 years (after which the Limitations Act precludes litigation based on the initial agreement as 6 years have passed since its ratification).	Agreed.		Ann Phillips – Tenancy Services	Immediate		A formalised system has been set up to reconcile payments and repayments to agresso. This will be completed in March and then quarterly after that.	100
IA204	Housing Rents	Nov-10	Reconciling items are not identified, investigate and addressed	Medium	It is recommended that efforts are made immediately to clear the items and that responsibility for the performance of the reconciliation is clearly delineated in the future	The daily cash reconciliation is being carried out by the Payments and Reconciliations Team, and checked by the manager. Immediate investigation of outstanding reconciling items is to be completed		Denise Sheppard	Immediate		Daily cash reconciliations are fully up to date and outstanding reconciling items are being investigated	50
IA205	Housing Benefits	Dec-10	Errors and omissions in the overpayments balance may not be identified on a timely basis. Debts may age unnecessarily. Reconciling items are not identified, investigated and addressed, potential for unidentified fraud and misappropriation of funds and lack of management oversight can lead to errors	Low	Contingencies should be put in place to ensure that key control account reconciliations can be performed each month. It is recommended that efforts are made immediately to clear the items and that responsibility for the performance of the reconciliation is clearly delineated in the future	There have been some delays in completing the monthly reconciliation but they are now all up-to date and have all been reviewed. There were no errors on this reconciliation. The daily reconciliation are completed daily and reviewed regularly. This has not previously been evidence, but will be in the future. These reconciliations are sent to Housing Benefits on a regular basis to review the discrepancies.		Denise Sheppard	Immediate		There have been some delays in completing the monthly reconciliation but they are now all up-to date and have all been reviewed. There were no errors on this reconciliation. The daily reconciliations are completed daily and reviewed regularly. This has not previously been evidence, but will be in the future. These reconciliations are sent to Housing Benefits on a regular basis to review the discrepancies.	100
IA206	Housing Benefits	Dec-10	The overpayment debt owed to the Council may not be recoverable and the Council will incur additional costs attempting to recoup funds	Medium	Management should ensure that the backlog of claims continues to be addressed to ensure that overpayments levels and processing of claims can be addressed promptly. In addition, management should ensure that process for the recovery of overpayments is determined promptly to improve the council's chances of recovery of these amounts.	The council has invested in temporary staff and has procured a resilience contract to help deal with peaks in workload which, combined with a number of functional improvements delivered through our service improvement plan, has resulted in significant reductions in the volume of work outstanding (23% lower than same time last year). This investment has also delivered a significant improvement in our processing times (year to date average in June was 20 days, which has fallen to 16 days by the end of Oct - the result for Oct alone was 12 days). Furthermore, we will soon be training our pre-assessment team to identify cases that may lead to an overpayment so that these can be suspended at the scanning stage. This should limit any overpayments that arise once we are notified of the change. Of the £1.82m of overpayment debt referred to, £785,000 is new debt (debt raised Aug/Sept). In August invoices of £408,261 were raised which would move into recovery in October. The remaining balance is secured by CCJs but £900,000 of this has been identified as debts the Bailiff is unable to recover and we are in the process of submitting these for write off on the grounds of 'no means to enforce judgment'.		Peter Joyce	Immediate		The council has invested in temporary staff and has procured a resilience contract to help deal with peaks in workload which, combined with a number of functional improvements delivered through our service improvement plan, has resulted in significant reductions in the volume of work outstanding (23% lower than same time last year). This investment has also delivered a significant improvement in our processing times (year to date average in June was 20 days, which has fallen to 16 days by the end of Oct - the result for Oct alone was 12 days). Furthermore, we will soon be training our pre-assessment team to identify cases that may lead to an overpayment so that these can be suspended at the scanning stage. This should limit any overpayments that arise once we are notified of the change. Of the £1.82m of overpayment debt referred to, £785,000 is new debt (debt raised Aug/Sept). In August invoices of £408,261 were raised which would move into recovery in October. The remaining balance is secured by CCJs but £900,000 of this has been identified as debts the Bailiff is unable to recover and we are in the process of submitting these for write off on the grounds of 'no means to enforce judgment'.	100
IA207	General Ledger		Inadequate management information can result in potential issues not being identified and acted upon in a timely manner.	Low	The authority should consider producing a report of significant balances on suspense over a certain threshold.	Agreed.		Anna Winship	31/01/2011		Agreed - a reconciliations log is now produced and reported on a monthly basis to finance managers, this includes suspense accounts clearance	100
IA208	General Ledger		Codes may be used incorrectly or not identified for management reporting.	Low	A review of cost centre and account codes should be performed to ensure that they remain valid and in use.	Agreed. This will be reviewed as part of the year end process, linking to the new service structures which are being created for 2011/12.		Anna Winship/Martin Westmoreland	31/03/2011		Agreed. This will be reviewed as part of the year end process, linking to the new service structures which are being created for 2011/12.	20
IA209	General Ledger		Performance data is not published for public use on a timely basis. Statutory deadlines may not be met.	Low	Performance statistics should be published in line with the set timetable.	Agreed. This was a temporary glitch whilst we reviewed what we wanted to publish.		Martin Westmoreland	Immediate		Agreed. This was a temporary glitch whilst we reviewed what we wanted to publish, and is now ongoing to publish data on a monthly basis again	80
IA210	General Ledger		Codes and cost centres may be set up inappropriately or in error. Management accounts may not identify all codes for reporting.	Medium	All new codes and cost centre forms should be signed by responsible officers before set up on Agresso.	Agreed. This is being reviewed at the moment.		Anna Winship	Immediate		Agreed. This has been reviewed and all new codes will only be set up if a fully completed and authorised form is received	100
IA211	General Ledger		Access may not be removed on a timely basis leading to increased risk of misappropriation of Council systems.	Medium	A process should be put in place to ensure that system administrators are able to remove temporary agency staff access rights when they have left This may involve a regular listing being sent from the agency contract manager or a periodic review of all users.	Agreed. The Finance department are currently working with Sue Green, Champion Recruitment, to devise a way to do this.		Anna Winship	Immediate		Agreed. The Finance department are currently working with Sue Green, Champion Recruitment, to devise a way to do this.	10
IA212	General Ledger		Periods may not be closed down on a timely basis. Late closure of accounts at year end increases the risk of cut off issues in the financial accounts.	Medium	The ledger should be closed down in line with timetables and should only be reopened in exceptional circumstances and to ensure accuracy of management reporting. Management should look to enhance the audit trail from initial closedown to any late journals.	Agreed. The general ledger was reopened in May for a Paypoint negotiation on 28/06/2010.		Anna Winship	Immediate		Agreed. A log is now in place to monitor when the ledger is reopened and for what reason	100
IA213	General Ledger		Transactions are posted to the ledger without adequate justification or authorisation. Journals are generally accepted to be more susceptible to fraud if they are often based on accounting estimates.	Medium	All journals should be authorised prior to system input to ensure they are mathematically accurate, posted to correct codes and for valid reasons.	Agreed.		Anna Winship	Immediate		Agreed.	100
IA214	Payroll		Overtime is not checked leading to inaccuracies. Audit trail is not maintained.	Low	Overtime reports should be produced on a monthly basis. These should be signed and dated as evidence of review and kept for reference.	Agreed. An overtime checking report is run every month and it is this report that was not being kept regularly on file after payroll had been processed. The report is used to cross check all overtime. Over the last 3 months we have been keeping this and this is now kept as part of our regular reports.		Sean Hoskin	Immediate		Agreed. An overtime checking report is run every month and it is this report that was not being kept regularly on file after payroll had been processed. The report is used to cross check all overtime. Over the last 3 months we have been keeping this and this is now kept as part of our regular reports.	100
IA215	Payroll		Information transferred from the payroll system to the main accounting system is not complete and accurate.	Medium	Recs between the payroll system and general ledger should be performed monthly. These should be reviewed monthly by a senior member of staff.	Agreed. There was some confusion as to who was responsible for performing the reconciliation when the new payroll system was implemented resulting in the delay in performing reconciliations. However, the payroll rec has been performed to June 2010 and Finance is currently in the process of completing the rec to the end of November. Going forward, this will be done monthly.		Anna Winship	Immediate		Agreed. Payroll reconciliations are now upto date	100
IA216	Payroll		Potential reclaims on expense claim expenditure may not be realised.	Medium	The Council should ask that staff submit VAT receipts with all mileage claims. This would allow the Council to reclaim the VAT as part of their year-end return.	Agreed. The process for mileage claims is currently being reviewed. A decision will be made on this by the end of January 2011.		Sean Hoskin	31/01/2011		Agreed. The process for mileage claims is currently being reviewed. A decision will be made on this by the end of January 2011.	10