

Thurrock Council

Internal Audit Progress Report

[Audit Committee meeting 5th March 2014]

Introduction

The internal audit plan for 2013/14 was approved by the Standards & Audit Committee on 26th June 2013. This report provides an update on progress against that plan and summarises the results of our work since the previous progress report which was presented to the Standards & Audit Committee at its meeting on 6th February 2014.

Summary of Progress against the Internal Audit Plan

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Aveley Primary School	Final	Amber/Green	0	2	5
Social Care Income and Debtors	Final	Green	0	1	0
Chadwell St Mary Primary School	Final	Green	0	1	3
Arthur Bugler Infant School	Final	Green	0	0	1
Environmental Health (Food)	Final	Green	0	0	1
St Mary's RC Primary School	Final	Green	0	0	1
Giffard Primary School	Final	Green	0	0	0
Treetops School	Final	Amber/Green	0	3	1
Core Assurance					
Housing Rents	Final	Green	0	1	1
Accounts Receivable (Debtors)	Final	Green	0	0	1

Other Matters

Planning and Liaison

Fieldwork is currently being undertaken on the following reviews:

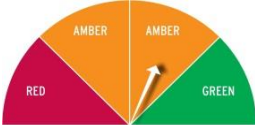

- Reablement Service
- Electrical Testing and Inspections
- Gas Testing and Inspections
- Public Health
- Council Tax
- Building Control
- Cash Receipting

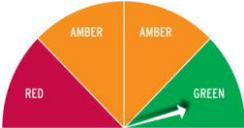
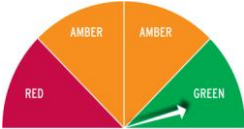
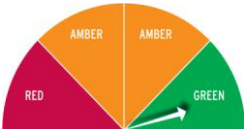
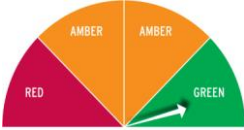
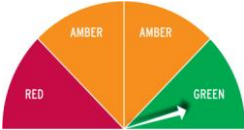
The following reports are at draft stage and will be reported as part of the next progress report:


- Housing Allocations
- Adult Social Care Expenditure
- General Ledger
- Accounts Payable
- Bridge Maintenance
- Equality Standards
- Register of Gifts, Interests & Hospitality


Internal Audit's planning process for 2014/15 has commenced and meetings have been held with 1 Director, 6 Heads of Service, 4 Strategic Leaders and the Information Manager. Further meetings have been scheduled in for February. A first draft report will be presented to the Standards & Audit Committee meeting on the 5th March 2014 and will be updated with the final plan being presented to the first meeting in the next municipal cycle.

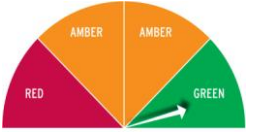
Key Findings from Internal Audit Work

Assignment: Aveley Primary School	Opinion: Amber/Green	
<p>Headline Findings: Financial management arrangements within the school were adequate. There were 2 medium and 5 low recommendations. The 6 previous recommendations from the last review had all been implemented.</p>		
Action and Response	Responsible Officer	Date
<p>Action - The school must update their bank mandate as soon as possible and cease allowing the pre-signing of cheques. Failure to do so could increase the risk of financial loss to the school, although it is accepted that two signatures are required. Response - A new Bank Mandate is being drawn up, to include a Governor who will be available at all times to sign cheques from the school fund account.</p>	<p>Headteacher</p>	<p>Immediate</p>
<p>Action - The school should check the information they have on their system against the latest list from Thurrock Council to ensure only those children entitled to free school meals are receiving them. If there is any difference between these records, the Council should be informed so they can investigate and correct, or notify the parents that they will be required to start paying for their meals. Response - A thorough check will be made between the information held by the school and Thurrock Council.</p>	<p>Admin Assistant</p>	<p>Immediate</p>
Assignment: Social Care Income and Debtors	Opinion: Green	
<p>Headline Findings: Arrangements for assessing and collecting income due from clients for care provided were good. Outstanding debts were actively pursued. There was only 1 medium recommendation. The 4 previous recommendations from the last review had all been implemented.</p>		
Action and Response	Responsible Officer	Date
<p>Action - The one case which was identified as being incorrectly assessed needs to be reviewed as soon as possible to ensure the correct contribution is being charged. Failure to do so will result in income being lost and this will increase as the charge cannot be backdated. Response - This case is being reviewed and the historic issues addressed and the relevant amendments are in the process of being done.</p>	<p>Customer Finance Team Manager</p>	<p>Nov 2013</p>

<p>Assignment: Chadwell St Mary Primary School</p>	<p>Opinion: Green</p>	
<p>Headline Findings: Financial management arrangements within the school were good. There was 1 medium and 3 low recommendations. The 7 previous recommendations from the last review had all been implemented.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - The financial regulations need to be updated to reflect that the Assistant Headteacher signs all orders. All purchase orders should then be signed in accordance with the Financial Regulations, and all signed copies should be filed with the invoices. Response - This will be updated and taken to the next Governor's meeting in December. A member of the SLT will be added to the signatories list as contingency when the Assistant Headteacher is away.</p>	<p>Clerk Headteacher</p>	<p>Dec 2013</p>
<p>Assignment: Arthur Bugler Infant School</p>	<p>Opinion: Green</p>	
<p>Headline Findings: Financial management arrangements within the school were very good. There was only 1 low recommendation. The 1 previous recommendation from the last review had been implemented.</p>		
<p>Assignment: Environmental Health (Food)</p>	<p>Opinion: Green</p>	
<p>Headline Findings: Overall, the service is effective and complies with relevant legislative requirements. The Inspection Programme is prioritised on a risk basis. Appropriate and timely enforcement action is taken to secure business compliance. There was only 1 low recommendation. There were no previous recommendations to follow up.</p>		
<p>Assignment: St Mary's RC Primary School</p>	<p>Opinion: Green</p>	
<p>Headline Findings: Financial management arrangements within the school were very good. There was only 1 low recommendation. 6 of the 7 previous recommendations from the last review had been implemented. The outstanding recommendation related to the need to update the inventory and was repeated in this review.</p>		
<p>Assignment: Giffards Primary School</p>	<p>Opinion: Green</p>	
<p>Headline Findings: Financial management arrangements within the school were very good. No recommendations were made. The 3 previous recommendations from the last review had all been implemented.</p>		

<p>Assignment: Treetops School</p>	<p>Opinion: Amber/Green</p>	
<p>Headline Findings: Financial management arrangements within the school were adequate. There were 3 medium and 1 low recommendation. 4 of the 5 previous recommendations from the last review had been implemented. The outstanding recommendation related to the need to bank dinner money weekly and was repeated in this review.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - Purchase orders should be raised in the first instance to ensure management information reports are up to date and commitments are identified. Response – Agreed.</p>	<p>Business Manager</p>	<p>Immediate</p>
<p>Action - Dinner money should be banked on a weekly basis and should not be counted and left in an unsecure area. This will reduce the likelihood of money being misappropriated. Response - Procedures will be put into place</p>	<p>Headteacher Business Manager</p>	<p>Immediate</p>
<p>Action - The pupil entitlement record must be checked against the school registers to ensure only those children on the list receive free school meals. Failure to do so results in the school paying for the meals of children who are not on the list. Response - A check of the dinner registers against the entitlement list will be carried out.</p>	<p>Business Manager Support Officer</p>	<p>Immediate</p>

<p>Assignment: Housing Rents</p>	<p>Opinion: Green</p>	
<p>Headline Findings: In general, Housing Rents were administered and managed effectively and there were adequate records and documentation to support transactions. There was 1 medium and 1 low recommendation. 2 of the 4 previous recommendations from the last review had been implemented. 1 recommendation had not reached its implementation date and the other 1 was around Saffron access arrangements and was repeated in this review.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - As previously agreed, the number of users with “Administrator” access rights to the Saffron System should be reduced to 4 or 5 and periodically reviewed by the Business Improvement Manager in Housing to ensure they are not allowed to increase to an unacceptable level. This reduces the likelihood of unauthorised access. Response – The number of administrator level users has been reduced from the original list of 20 to essential users only. They are: 3x from the Business Improvement Team for maintenance and development; 2x Serco ICT team to provide network and infrastructure services; 2x Rent Managers to run ad hoc reports and maintenance of the rent module and; 2x Civica (application vendor) to provide system maintenance and recovery. Reducing the list of users further would seriously affect the ability to maintain system functionality.</p>	<p>Business Improvement Manager</p>	<p>Complete</p>

<p>Assignment: Accounts Receivable (Debtors)</p>	<p>Opinion: Green</p>	
<p>Headline Findings: There were no significant issues identified in the design, application and compliance with the control framework. Access to the system was well controlled, transactions were balanced prior to posting to the general ledger and monthly monitoring of debt performance was undertaken. There was only 1 low recommendation. The 2 previous recommendations from the last review had both been implemented.</p>		
<p>The Head of Corporate Finance should review the need to allocate more resources to the bank reconciliation process between April and August to ensure that reconciliations are completed on a timely basis, in line with the Council's Finance Rules.</p>	<p>Head of Corporate Finance</p>	<p>June 2014</p>

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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