

Thurrock Council

Internal Audit Annual Report – Year ended 31 March
2014

Presented at the Standards & Audit Committee
meeting of: 10th July 2014

Chris Harris

Baker Tilly Risk Advisory Services LLP



1 Internal Audit Opinion



1.1 Context

As the provider of the internal audit service to Thurrock Council we are required to provide the Section 151 Officer and the Standards & Audit Committee with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

As your internal audit provider, the audit opinions that Baker Tilly Risk Advisory Services LLP (Baker Tilly) provides the organisation during the year are part of the framework of assurances that assist the Council prepare an informed annual governance statement.

1.2 Internal Audit Opinion 2013/2014

<p>We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of Thurrock Council's arrangements. However, it should be noted that following the decision that risk management become a shared service with the London Borough of Barking & Dagenham, and the consequent service review and revision of the Risk & Opportunity Management policy, strategy and framework, we have been unable to provide an overall opinion for risk management.</p> <p>For the 12 months ended 31 March 2014, based on the work we have undertaken, our opinion regarding the adequacy and effectiveness of Thurrock Council's arrangements for governance and control is as follows:</p>		
	Red Amber Green	Direction of travel
<p>Governance</p> <p>During 2013/14 we conducted a review of the Register of Gifts, Interests and Hospitality for senior officers and members and provided a substantial assurance (Green) opinion. We have also looked at the governance arrangements in specific areas of the Council's operations and where we have identified issues, the Council has reacted swiftly to address them. These decisions were made with the full involvement of both officers and members. This shows that governance continues to be robust. Therefore, our overall opinion on Governance remains as Green.</p>		
<p>Risk Management</p> <p>We did not undertake a review of risk management during 2013/14 as the Risk and Opportunity Management (ROM) Framework and Strategic/Corporate Risk and Opportunity Register were reviewed due to the decision to have a shared services arrangement for risk management with the London Borough of Barking and Dagenham from August 2013. The Council carried out an annual self-assessment against the CIPFA/SOLACE Risk Management Benchmarking Model where they identified that there had been improvements from the previous year. This was reported to the Standards & Audit Committee on 28th November 2013. A new revised ROM policy, strategy and framework were presented to the Standards & Audit Committee in February 2014. Whilst we appreciate a fundamental review was required following the move to shared service arrangements, and nothing has been brought to our attention to suggest the Council needs to be concerned around the risk management environment, the circumstances mean we are unable to provide an overall opinion. It has been agreed with the Head of Insurance & Risk Management that a full review will be undertaken in 2014/15.</p>	<p>No opinion provided</p>	

<p>Control</p> <p>Positive assurance opinions were provided in 41 of the 42 assurance reports issued in 2013/14 (excluding the advisory review). This represents an improvement on 2012/13 where 38 of the 42 reports issued were given a positive opinion. Therefore, the direction of travel is upward and as a result, our overall opinion on Control moves from Amber to Green.</p>		
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Note: The direction of travel arrow indicates whether the change in our opinion related to the previous year is upward (improving), downward (adverse) or static.

1.3 The Basis of the Opinion

1.3.1 Governance

During 2013/14 we conducted a review of the Register of Gifts, Interests and Hospitality for senior officers and members and provided a substantial assurance (Green) opinion. We have also looked at the governance arrangements in specific areas of the Council's operations and where we have identified issues, the Council has reacted swiftly to address them e.g. the report issued on Capital Programme (Kitchens and Bathrooms) which received a no assurance (Red) opinion assisted in a decision being made to remove the contractor, bring the team back in house and strengthen the governance arrangements. The Council has continued to face challenges to meet the savings it is required to make. It has looked at options to improve services and reduce costs through partnership working with other local authorities and through contractual arrangements with its strategic partner (Serco) and other partners. These decisions were made with the full involvement of both officers and members and showed that governance continues to be robust.

1.3.2 Control

During the year, we issued a total of 42 assurance reports as final. We have also issued 2 reports in draft on Housing Benefits and Payroll which commenced late in the year at the clients request. We have provided positive opinions for these 2 reports which will not impact on our overall opinion. These will be reported as part of our Internal Audit Annual Report for the year ended 31st March 2015. In addition, we issued an advisory report on key performance indicators.

The chart at 1.3.4 shows that there was an increase in the percentage of final reports issued with a positive assurance opinion. It also highlights that there was an increase in the percentage of reports issued with a green or amber/green assurance opinion. One final report was issued with a red assurance opinion, compared to four in 2012/13. This was the Housing Capital Programme (Kitchens and Bathrooms) which was presented to the Standards & Audit Committee on 28th November 2013 by the Head of Housing, Investment and Development.

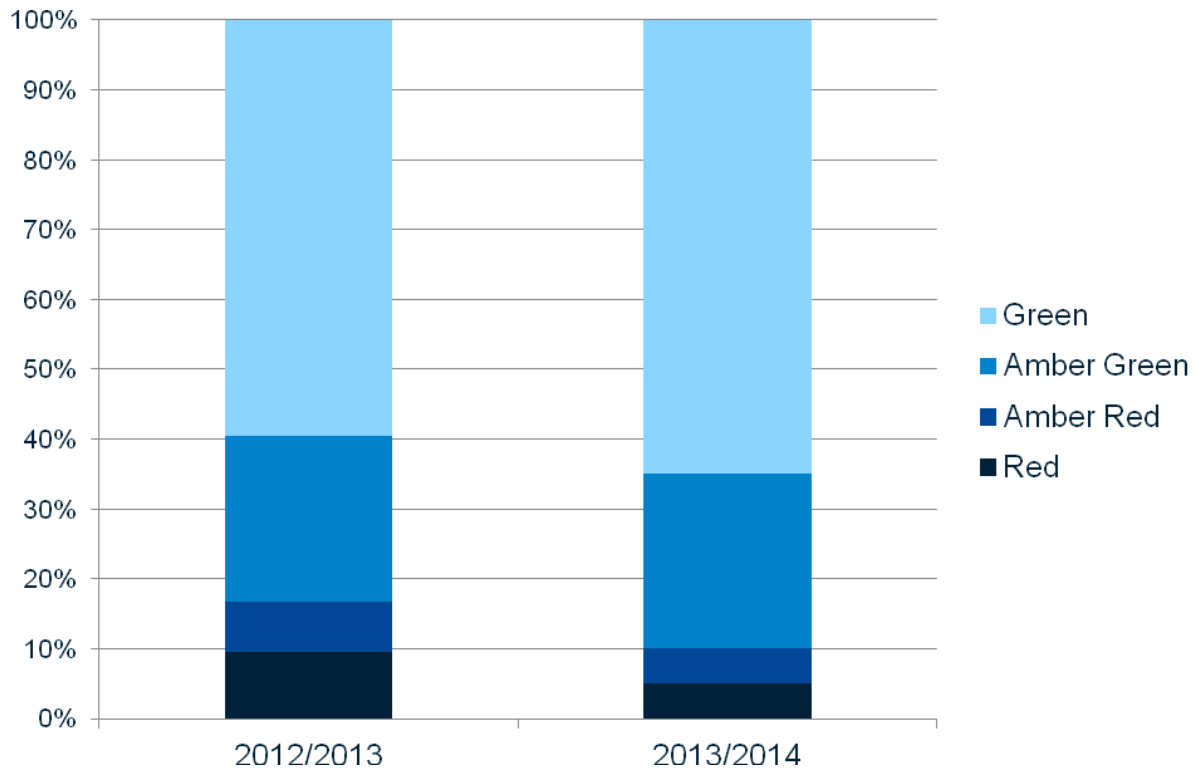
The chart at 1.3.5 shows that the percentage of high recommendations has reduced, with a slight increase in the percentage of medium level recommendations issued. The percentage of low recommendations was virtually unchanged.

The chart at 1.3.6 shows that the implementation of high and medium recommendations was 83%. It was noted that the majority of the low recommendations that had not been implemented related to schools (11 of the 13) and these will be picked up as part of the next cyclical visit to the school.

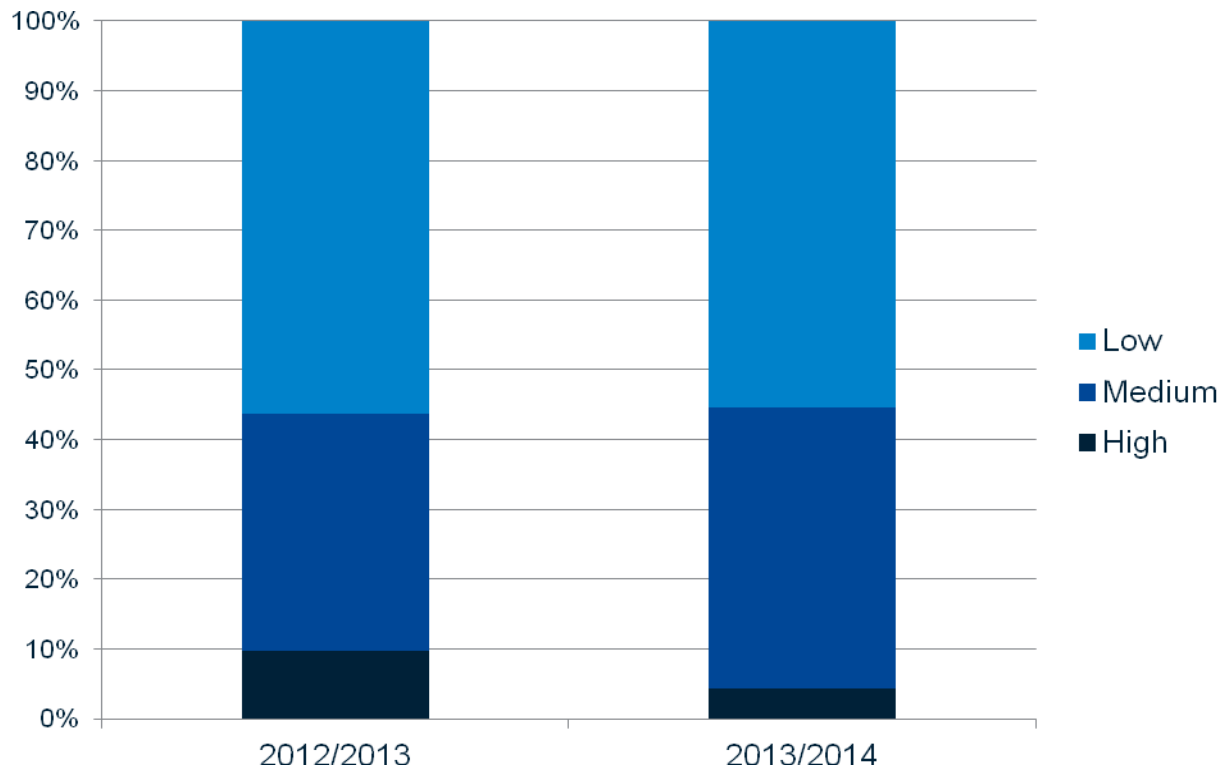
1.3.3 Acceptance of Recommendations

All of the recommendations made during the year were accepted by management.

1.3.4 Comparison of Internal Audit Opinions (Assurance assignments) in 2013/2014 compared with 2012/2013



1.3.5 Comparison of Internal Audit recommendations made 2013/2014 compared with 2012/2013



1.3.6 Progress made with previous internal audit recommendations

Our follow up of the recommendations, including those that were outstanding from previous years, showed that the organisation has made adequate progress in implementing the agreed recommendations, as summarised below:

Recommendation Priority	Number checked in the period	Of which:	
		Addressed	Not implemented or still in progress
High	11	11	0
Medium	31	24	7
Low	69	56	13
Totals	111	91	20

1.3.7 Reliance Placed Upon Work of Other Assurance Providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

2 Our Performance

2.1 Wider value-adding delivery

As part of our client service commitment, during 2013 we issued 12 local government client updates and 3 general briefings. In addition, Baker Tilly provided Thurrock Council with assistance in reviewing its case management around a specific fraud investigation, carried out advisory work around the National Fraud Initiative and provided advice and guidance to the Procurement Systems Design Group.

2.2 Conformance with Internal Audit Standards

Baker Tilly affirms that our internal audit services to Thurrock Council are designed to conform with the Public Sector Internal Audit Standards (PSIAS) which came in to effect from 1 April 2013.

Under the standards, internal audit services are required to have an external quality assessment at least once every five years. During 2011 our Risk Advisory service line commissioned an external independent review of our internal audit services to provide assurance whether our approach meets the requirements set out in the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA). The PSIAS are based upon the IPPF, and therefore we are confident that the results of this review apply to our continuing services in the sector.

The external review concluded that *“the design and implementation of systems for the delivery of internal audit provides **substantial assurance** that the standards established by the IIA in the IPPF will be delivered in an adequate and effective manner”*.

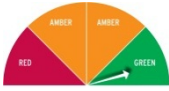

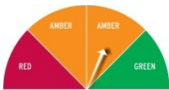



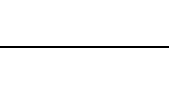

2.3 Performance Indicators



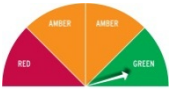

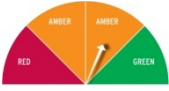

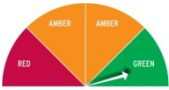
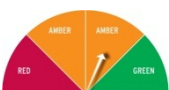

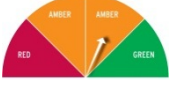

Our performance during 2013/2014 was monitored through the issuing of a Client Satisfaction Questionnaire issued by the Audit Manager with the final report. A total of 42 questionnaires were issued and 23 were completed and returned. None of the schools that had become Academies responded. The questionnaire covers five key areas of the audit process around the audit objectives; report format; report accuracy; usefulness of recommendations; and consultation with the client on the findings during the audit debrief meeting. There was a 100% positive response.








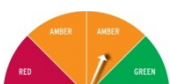

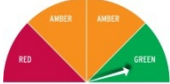
2.4 Conflicts of Interest

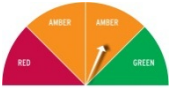

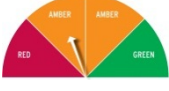
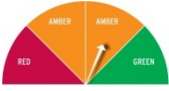
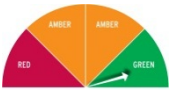




We (Baker Tilly) have not undertaken any work or activity during 2013/2014 that would lead us to declare any conflict of interests.



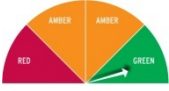
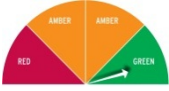
Appendix A: Internal Audit Opinions and Recommendations 2013/2014

Audit	Link to risk or rationale for coverage	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Benyon Primary School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	0	3
Public Health	Failure to manage, monitor and report on new health projects could lead to poor prioritising and use of limited resources.		0	0	1
Treetops School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	3	1
Giffards Primary School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	0	0
St Mary's Catholic Primary School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	0	1
Environmental Health (Food)	Poor environmental health processes could result in contaminated food being sold to the public which may increase the risk of illness and damage to the Council's reputation.		0	0	1
Use of Agency Staff for In-house Provider Services	Failure to properly utilise existing and bank staff could result in reduced service quality, additional costs for agency staff, budget overspends and a lack of value for money.		0	6	0
Arthur Bugler Infant School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	0	1

Housing Capital Programme (Kitchens & Bathrooms)	Procurement of contracts is in compliance with legislation and the Council's Constitution. The awarding of contracts is backed up by appropriate documentation and evidence.		5	3	0
Chadwell St Mary Primary School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	1	3
Business Continuity (non IT)	The Council may not be able to provide key/critical front line services in the event of an emergency or serious disruption.		0	1	3
Social Care Income and Debt Recovery	Increasing levels of debt could result in reduced income and have an impact on budgets and service provision.		0	1	0
Aveley Primary School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	2	5
Econogas	Council properties may not be inspected in accordance with legislation and/or policy.		0	0	4
Register of Gifts, Interests and Hospitality	Non-compliance with the Constitution and Code of Conduct may open the Council up to accusations of impropriety.		0	0	1
Arthur Bugler Junior School	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	1	7
Trading Standards	Non-compliance with statutory requirements in respect of Trading Standards might result in dissatisfaction amongst local residents.		0	2	2
Education Transport – Contract Review	Procurement of contracts is in compliance with legislation and the Council's Constitution. The awarding of contracts is backed up by appropriate documentation and evidence.		0	2	3
Thurrock Community Adult College Crèche	The Crèche may not have an appropriate business plan in place to identify opportunities		0	2	1

		to increase revenue which could result in decisions needing to be made about its long term viability.				
Key Performance Indicators		The rate of improvement may be below the national average.	Advisory			
Neptune Nursery School		Failure to manage the budget and control debt could result in overspends and impact on service provision.		0	3	0
Waste Management (Charges)		Failure to manage the waste management contract could result in the Council paying at the incorrect rate or for waste it should not be paying for.		0	0	0
Little Pirates Nursery School		Failure to manage the budget and control debt could result in overspends and impact on service provision.		0	2	0
Health and Safety		Inadequate health and safety policies and procedures could result in an increase in incidents and accidents.		0	1	0
Horndon-on-the-Hill Primary School		The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	2	4
Tudor Court Primary School		The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	1	2
Orsett C of E Primary School		The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	2	3
Stanford-le-Hope Primary School		The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	3	3
LiquidLogic System	Adult	Lack of control in business area could result in data being accessed by unauthorised persons.		0	3	3
Deneholm School	Primary	The operational and financial management arrangements in Secondary and Primary		0	1	3

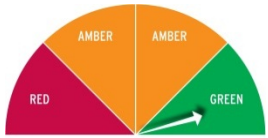
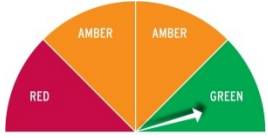
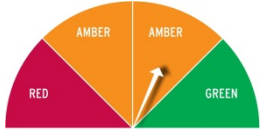
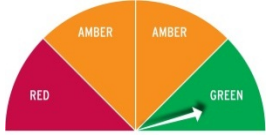
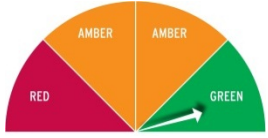
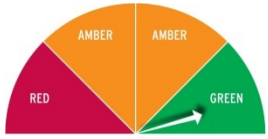
	Schools may be inadequate increasing the risk of impropriety.					
Corringham School	Primary	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	2	4
Bonnygate School	Primary	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		0	0	3
Quarry Hill School	Primary	The operational and financial management arrangements in Secondary and Primary Schools may be inadequate increasing the risk of impropriety.		1	3	4
Core Assurance						
Cash Receipting		Cash collection procedures, banking, access arrangements and security of cash received may not be adequately controlled.		0	3	1
General Ledger		The Council's financial system may not be appropriately managed to so financial transactions may not be accurately recorded.		0	0	1
Accounts Payable		Purchase Orders may not be raised. Invoices may not be paid correctly and promptly. Insufficient checks and reconciliations may be carried out. Access to the Accounts Payable system may not be restricted.		0	1	3
Accounts Receivable		Poor controls around the administration and management of debt could result in lost income to the Council.		0	0	1
Housing Rents		There may not be adequate systems and procedures in place relating to the administration and management of the rents process.		0	1	1
NNDR		The Council's NNDR systems and processes in respect of property valuations may not comply with all statutory requirements resulting in		0	2	0

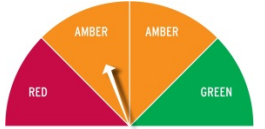
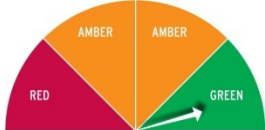
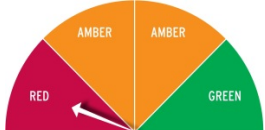
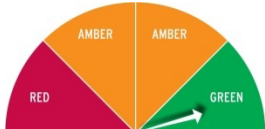
	inaccurate billing, failure to recover overdue debts and insufficient documentary evidence to support all payment transactions.				
Treasury Management	If controls around the payment and reconciliation processes are not robust, the Council may not achieve the best return on its investments.		0	0	2
Bank Reconciliation	If regular reconciliations are not carried out, errors may not be picked up in a timely manner.		0	1	1
General Ledger Upgrade	General ledger balances may not be brought forward correctly, resulting in unreliable financial reporting. The old chart of accounts may not be adequately linked to the new balance sheet codes, leading to inaccurate reporting.		0	0	1
Payroll Post Implementation Review	The payroll migration from the Delphi System to Oracle may not be successful resulting in staff being incorrectly paid or not paid at all.		0	1	0
		Total	6	56	77

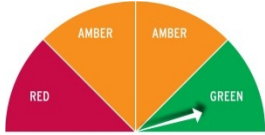
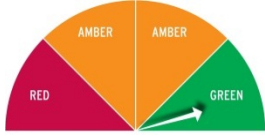
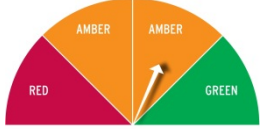
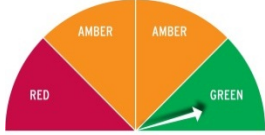
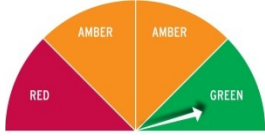
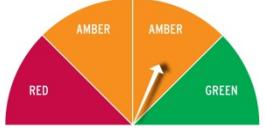
We use the following levels of opinion classification within our internal audit reports:

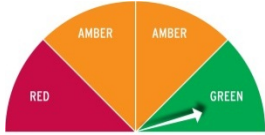
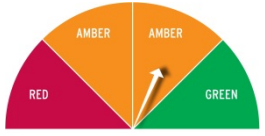
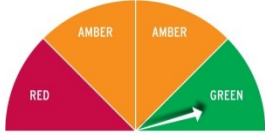
Red	Amber / Red	Amber / Green	Green
<p>Taking account of the issues identified, the Board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Action needs to be taken to ensure this risk is managed.</p>	<p>Taking account of the issues identified, whilst the Board can take some assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.</p>	<p>Taking account of the issues identified, the Board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p> <p>However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.</p>	<p>Taking account of the issues identified, the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.</p>

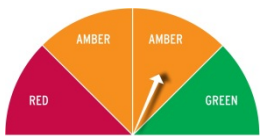
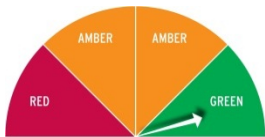
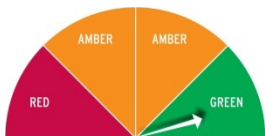
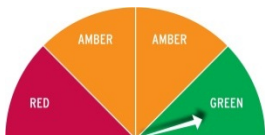
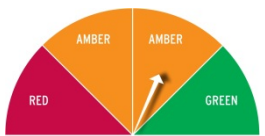
Appendix B: Key Findings from Internal Audit Reviews 2013/2014

<p>Assignment: Benyon Primary School</p>	
<p>Headline Findings: For our review of Benyon Primary School we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Public Health (Community Budgets)</p>	
<p>Headline Findings: For our review of Public Health (Community Budgets) we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Treetops School</p>	
<p>Headline Findings: For our review of Treetops School we have provided an Amber/Green opinion (reasonable assurance). There were 3 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Purchase orders were not always raised before the date of the invoice; • Dinner monies were not being banked frequently enough; and • Entitlement to free school meals was not regularly monitored. 	
<p>Assignment: Giffards Primary School</p>	
<p>Headline Findings: For our review of Giffards Primary School we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: St Mary's Catholic Primary School</p>	
<p>Headline Findings: For our review of St Mary's Catholic Primary School we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Environmental Health (Food)</p>	
<p>Headline Findings: For our review of Environmental Health (Food) we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	

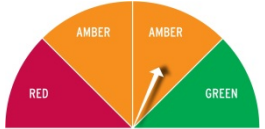
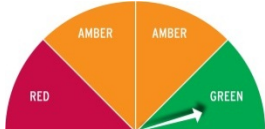
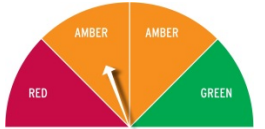
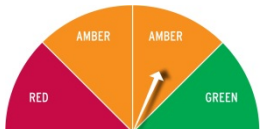
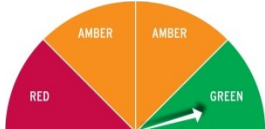
<p>Assignment: Use of Agency Staff for In-house Provider Services</p>	 <p>A semi-circular traffic light chart with three segments: Red (left), Amber (middle), and Green (right). The Amber segment is the largest, and a white arrow points to it from the center, indicating an Amber opinion.</p>
<p>Headline Findings: For our review of Use of Agency Staff for In-house Provider Services we have provided an Amber/Red opinion (some assurance). There were 6 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Agency workers were not always used appropriately i.e. to cover in the short term; • No risk assessment had been carried out to ascertain whether escorts were always required when picking up clients; • Staffing levels at Day Centres were not being monitored; • Some staffing budgets were overspent; • There was no Officer Register of Interests; and • Agency timesheets were being automatically approved in some instances. 	
<p>Assignment: Arthur Bugler Infant School</p>	 <p>A semi-circular traffic light chart with three segments: Red (left), Amber (middle), and Green (right). The Green segment is the largest, and a white arrow points to it from the center, indicating a Green opinion.</p>
<p>Headline Findings: For our review of Arthur Bugler Infant School we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Housing Capital Programme (Kitchens & Bathrooms)</p>	 <p>A semi-circular traffic light chart with three segments: Red (left), Amber (middle), and Green (right). The Red segment is the largest, and a white arrow points to it from the center, indicating a Red opinion.</p>
<p>Headline Findings: For our review of Capital Programme (Kitchens & Bathrooms) we have provided a Red opinion (no assurance). There were 5 high and 3 medium recommendations. The high recommendations related to:</p> <ul style="list-style-type: none"> • The performance reporting framework for financial and project progress was not fully in place; • Key Performance Indicators were not supported by up to date project information; • Contract management was not sufficiently developed to report costs, emerging issues, risks, design requirements or additional works that may impact on budgets; • Overall lack of management information around the entire contract; and • Works being commenced without a properly approved works order. <p>The medium recommendations related to:</p> <ul style="list-style-type: none"> • A lack of provision of costing information by Surveyors to programme managers and finance; • No formal minutes were taken of the meetings between the Council and the contractor; and • Not all of the documentation to support the evaluation of tenders was available for inspection. 	
<p>Assignment: Chadwell St Mary Primary School</p>	 <p>A semi-circular traffic light chart with three segments: Red (left), Amber (middle), and Green (right). The Green segment is the largest, and a white arrow points to it from the center, indicating a Green opinion.</p>
<p>Headline Findings: For our review of Chadwell St Mary Primary School we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to the need to update the school's financial regulations to reflect the delegated decision that the Assistant Headteacher signs and approves the orders.</p>	

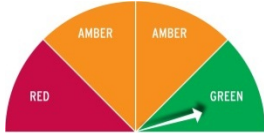
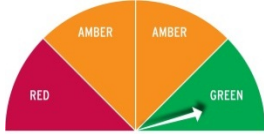
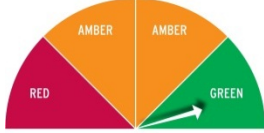
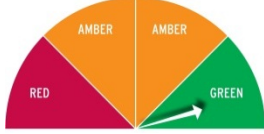
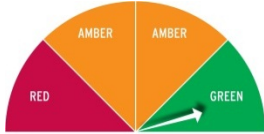
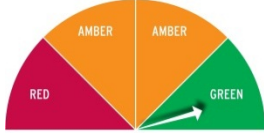
<p>Assignment: Business Continuity (non IT)</p>	
<p>Headline Findings: For our review of Business Continuity (non IT) we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to the need to bring the Business Impact Assessment and risk analysis up to date.</p>	
<p>Assignment: Social Care Income and Debt Recovery</p>	
<p>Headline Findings: For our review of Social Care Income and Debt Recovery we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to the incorrect assessment of a client who had been allocated a couple's personal allowance rather than that of a single person.</p>	
<p>Assignment: Aveley Primary School</p>	
<p>Headline Findings: For our review of Aveley Primary School we have provided an Amber/Green opinion (reasonable assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • The bank mandate was out of date and did not reflect the current signatories; and • The Council were not informed when siblings started at the school so did not know that the school were providing them with free school meals for which they were not receiving funding. 	
<p>Assignment: Econogas</p>	
<p>Headline Findings: For our review of Econogas we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Register of Gifts, Interests and Hospitality</p>	
<p>Headline Findings: For our review of Register of Gifts, Interests and Hospitality we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Arthur Bugler Junior School</p>	
<p>Headline Findings: For our review of Arthur Bugler Junior School we have provided an Amber/Green opinion (reasonable assurance). There was 1 medium recommendation which related to the need to regularly reconcile the free school meals list sent out by the Council to the pupils receiving them. Whilst there was only 1 medium recommendation, the level was assessed as amber/green as there were a further 7 low recommendations made.</p>	

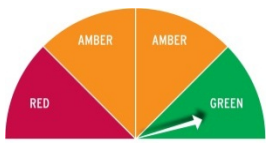
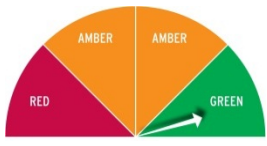
<p>Assignment: Trading Standards</p>	
<p>Headline Findings: For our review of Trading Standards we have provided a Green opinion (substantial assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Risk assessed routine inspections were not always being carried out; and • Sharing of information was not developed enough to help capture and identify new businesses. 	
<p>Assignment: Education Transport – Contract Review</p>	
<p>Headline Findings: For our review of Education Transport – Contract Review we have provided an Amber/Green opinion (reasonable assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Roles and responsibilities were not clearly defined in respect of the accountable person for contract management; and • A small number of variations to route contract prices were not supported. 	
<p>Assignment: Thurrock Adult Community College Crèche</p>	
<p>Headline Findings: For our review of Thurrock Adult Community College Crèche we have provided a Green opinion (substantial assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • The need to develop a business plan to improve take up of the remaining places; and • Purchase orders were not always raised before the date of the invoice. 	
<p>Assignment: Key Performance Indicators</p>	<p>Advisory</p>
<p>Headline Findings: The review of Key Performance Indicators was an advisory review so an assurance opinion was not provided. Recommendations were made and related to:</p> <ul style="list-style-type: none"> • Processes for monitoring visitors to the Boroughs Managed Natural Areas needed to be reviewed; • The definition of apprentice needed to be clarified and relevant departments submit details of apprentice starters and leavers during the period; • Support plans for clients receiving direct payments, or who have a personal budget, needed to be reviewed on an annual basis; • Sample testing of weighbridge tickets be carried out as part of the contract review process; and • Changes to waste data needed to be identified on a monthly basis and a clear audit trail be maintained. 	

<p>Assignment: Neptune Nursery School</p>	 <p>A semi-circular traffic light chart divided into three segments: Red (left), Amber (top), and Green (right). The Amber segment is further divided into two sub-segments. An arrow points from the center towards the Green segment.</p>
<p>Headline Findings: For our review of Neptune Nursery School we have provided an Amber/Green opinion (reasonable assurance). There were 3 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Some invoices were not approved and signed by the Manager before payment; • Overtime sheets were not approved and signed by the Manager before formal on-line approval was given; and • Staff were not always recording the correct time spent in each class, just recording it all against the first class they attended. 	
<p>Assignment: Waste Management (Charges)</p>	 <p>A semi-circular traffic light chart divided into three segments: Red (left), Amber (top), and Green (right). The Amber segment is further divided into two sub-segments. An arrow points from the center towards the Green segment.</p>
<p>Headline Findings: For our review of Waste Management (Charges) we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Little Pirates Nursery School</p>	 <p>A semi-circular traffic light chart divided into three segments: Red (left), Amber (top), and Green (right). The Amber segment is further divided into two sub-segments. An arrow points from the center towards the Green segment.</p>
<p>Headline Findings: For our review of Little Pirates Nursery School we have provided a Green opinion (substantial assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Some invoices were not approved and signed by the Manager before payment; and • Staff were not always recording the correct time spent in each class, just recording it all against the first class they attended. 	
<p>Assignment: Health and Safety</p>	 <p>A semi-circular traffic light chart divided into three segments: Red (left), Amber (top), and Green (right). The Amber segment is further divided into two sub-segments. An arrow points from the center towards the Green segment.</p>
<p>Headline Findings: For our review of Health and Safety we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to providing a comparison with the previous quarter when submitting the monitoring report to Directors Board on areas where risk assessments have not been carried out.</p>	
<p>Assignment: Horndon-on-the-Hill Primary School</p>	 <p>A semi-circular traffic light chart divided into three segments: Red (left), Amber (top), and Green (right). The Amber segment is further divided into two sub-segments. An arrow points from the center towards the Green segment.</p>
<p>Headline Findings: For our review of Horndon-on-the-Hill Primary School we have provided an Amber/Green opinion (reasonable assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • The School Financial and Management Practices document did not specify the limits in respect of ordering, going out to quote and undertaking a full tender process; and • Regular letters to parents for unpaid dinner money were not always sent out in a timely manner. 	

<p>Assignment: Tudor Court Primary School</p>	
<p>Headline Findings: For our review of Tudor Court Primary School we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to purchase orders not always being raised before receipt of the goods or invoice.</p>	
<p>Assignment: Orsett C of E Primary School</p>	
<p>Headline Findings: For our review of Orsett C of E Primary School we have provided an Amber/Green opinion (reasonable assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Purchase orders were not always being raised before receipt of the goods or invoice; and • VAT returns were not submitted to the Council on a monthly basis. 	
<p>Assignment: Stanford-le-Hope Primary School</p>	
<p>Headline Findings: For our review of Stanford-le-Hope Primary School we have provided an Amber/Green opinion (reasonable assurance). There were 3 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Purchase orders were not always being raised before receipt of the goods or invoice; • No copy on file of the CRB clearance form for one member of staff; and • Processes around the chasing of school meal debt were not robust. 	
<p>Assignment: LiquidLogic Adult System</p>	
<p>Headline Findings: For our review of LiquidLogic Adult System we have provided an Amber/Green opinion (reasonable assurance). There was 3 medium recommendations which related to:</p> <ul style="list-style-type: none"> • There was a policy document that governed the use and processes within the system but it was in draft form and had not been distributed to users; • Old or inactive users were not removed from the system promptly; and • Some users had access levels at a higher level than they required. 	
<p>Assignment: Deneholm Primary School</p>	
<p>Headline Findings: For our review of Deneholm Primary School we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to purchase orders not always being raised before receipt of the goods or invoice.</p>	

<p>Assignment: Corringham Primary School</p>	
<p>Headline Findings: For our review of Corringham Primary School we have provided an Amber/Green opinion (reasonable assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Regular letters to parents for unpaid dinner money were not always sent out in a timely manner; and • Entitlement to free school meals was not regularly monitored. 	
<p>Assignment: Bonnygate Primary School</p>	
<p>Headline Findings: For our review of Bonnygate Primary School we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Quarry Hill Primary School</p>	
<p>Headline Findings: For our review of Quarry Hill Primary School we have provided an Amber/Red opinion (some assurance). There was 1 high and 3 medium recommendations. The high recommendation related to quotes and tenders not being sought for purchase orders over £5K and £30K respectively. The 3 medium recommendations related to:</p> <ul style="list-style-type: none"> • Purchase orders were not always being raised before receipt of the goods or invoice; • Dinner monies were not always pursued promptly; and • Budget virements were not signed in accordance with the school's Financial Regulations. 	
<p>Assignment: Cash Receipting</p>	
<p>Headline Findings: For our review of Cash Receipting we have provided an Amber/Green opinion (reasonable assurance). There were 3 medium recommendations which related to:</p> <ul style="list-style-type: none"> • There were no procedure notes for new staff to refer to; • Suspense items were not always cleared in a timely manner; and • There was a generic user account "Paris2.User" which enabled a single amount to be cleared against multiple codes but did not identify the user clearing the suspense. 	
<p>Assignment: General Ledger</p>	
<p>Headline Findings: For our review of General Ledger we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	

<p>Assignment: Accounts Payable</p>	
<p>Headline Findings: For our review of Accounts Payable we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to purchase orders not always being raised before receipt of the goods or invoice.</p>	
<p>Assignment: Accounts Receivable</p>	
<p>Headline Findings: For our review of Accounts Receivable we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Housing Rents</p>	
<p>Headline Findings: For our review of Housing Rents we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to the need to control the number of users with administrator access to the Saffron system.</p>	
<p>Assignment: NNDR</p>	
<p>Headline Findings: For our review of NNDR we have provided a Green opinion (substantial assurance). There were 2 medium recommendations which related to:</p> <ul style="list-style-type: none"> • Reliefs and exemptions were not always reviewed regularly; and • Written off debts over £25K were not always subjected to Cabinet approval. 	
<p>Assignment: Treasury Management</p>	
<p>Headline Findings: For our review of Treasury Management we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
<p>Assignment: Bank Reconciliation</p>	
<p>Headline Findings: For our review of Bank Reconciliation we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to the monthly reconciliations not being completed in a timely manner at the start of the financial year. However, it was acknowledged that this usually happens due to prioritisation of staff to assist with the closure of the previous year's accounts.</p>	

Assignment: General Ledger Upgrade	
<p>Headline Findings: For our review of General Ledger Upgrade we have provided a Green opinion (substantial assurance). There were no significant issues raised around the design, application or compliance with the control framework.</p>	
Assignment: Payroll Post Implementation Review	
<p>Headline Findings: For our review of Payroll Post Implementation Review we have provided a Green opinion (substantial assurance). There was 1 medium recommendation which related to the lack of hardcopy evidence to support the status reports which indicated that each module implemented was subjected to three or four cycles of user acceptance testing.</p>	

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from Baker Tilly Risk Advisory Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, Baker Tilly Risk Advisory Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

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We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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