

REPORT OF DIRECTOR OF STRATEGIC FINANCE

INTERNAL AUDIT HALF-YEAR REPORT 2012/13 – 1ST APRIL - 30TH SEPTEMBER 2012

1 PURPOSE OF THE REPORT

This report outlines the work of the Internal Audit service (IA) for the first half of 2012/13.

2 RECOMMENDATIONS

The Committee:

2.1 Notes and gives its views on the performance of IA during the period.

2.2 Selects one or two audits from **Appendix 1** (including schools) or **Appendix 2** for examination at the February 2013 meeting.

3 REASONS FOR CONSIDERATION

The Audit Committee's terms of reference include responsibility for receiving reports on the work undertaken by IA and for monitoring its performance. This report is one of the regular updates on work undertaken by the service and the Audit Committee is invited to consider and comment on (for example):

- The performance of the IA service against the annual plan in terms of number of days and the balance and mix of the work.
- The nature, scope and quality of the work undertaken.
- The performance indicator results, including whether these indicators are appropriate and the targets sufficiently stretching.

4 OVERVIEW OF WORK UNDERTAKEN

- **Appendix 1** - List of final audit reports issued in the quarter with analysis of recommendations and level of assurance
- **Appendix 2** - Summary of related audit reports completed in the period with high risk recommendations and level of assurance
- **Appendix 3** - Overview of the work completed to date against the updated Audit Plan

4.1 Standards

All IA colleagues are required to adhere to the code of ethics, standards and guidelines of their relevant professional institutes and the relevant professional auditing standards. The service has internal quality procedures in place and is ISO9002 accredited. It has adopted the principles contained in the CIPFA Code of Practice 2006 and has fulfilled the requirements of the Account & Audit Regulations 2011 and associated regulations in respect of the provision of an IA service.

4.2 Local Performance Indicators (PIs)

Performance against all PIs is illustrated in **Table 1**.

Table 1 : Performance v PI Targets as at 30/09/2012					
Indicator		Target	April to Sept	Actual Year	Comments
1	% of all recommendations accepted	95	98	97	On target
2	% of high recommendations accepted	100	97	97	Reasons for rejection are acceptable
3	Average number of working days from draft agreed to the issue of the final report	8	6	6	On target
4	Number of key / high risk systems reviewed	15	0	0	On target for year end
5	% of staff receiving at least three days training per year	100	67	67	On target
6	% of customer feedback indicating good or excellent service	85	88	88	On target

4.3 Activity

Table 2 shows that actual days achieved are in line with planned days set out in the updated Audit Plan and **Appendix 3** shows progress against the individual audits. In summary, after allowance for seasonal work patterns, the plan is on target.

TABLE 2: ACTUAL v PLANNED AUDIT DAYS			
Total Planned Days	Actual to date	Profiled Planned Days	Comments
1683	699	842	Variance due to Easter and Summer holidays. On track for year end.

Table 3 shows that in the year to date, acceptance of recommendations is above the target of 95% for all recommendations and is acceptable for high recommendations (100%).

TABLE 3: RECOMMENDATIONS ACCEPTED 01/04/12 to 30/09/12				
	2012/13		April to September 2012	
	All	High	All	High
Total recommendations made	172	88	172	88
Rejected	4	3	4	3
Total recommendations accepted	176	91	176	91
% accepted	98	97	98	97

Resources

The budget position is summarised in **Table 4**. The predicted service outturn is in accordance with the budget.

TABLE 4: BUDGET ANALYSIS	
	£
External Income	(138,570)
Expenditure	481,164
Net	342,594

5. BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION

None

6. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

CIPFA Code of Practice 2006
Account & Audit Regulations 2011

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APPENDIX 1

Final Audit Reports Issued 1st April to 30th September 2012

(The high priority findings, for the highlighted audits shown in bold, can be found in appendix 2)

Department	Division	Reports	Level of Assurance	Recommendations		
				High	Medium	Low
Children & Families	Family Community Teams	Disabilities Team	Limited Assurance	7	5	2
	Family Community Teams Total			7	5	2
	Quality & Commissioning	Commissioning and Procurement	Limited Assurance	2	3	0
	Quality & Commissioning Total			2	3	0
	Schools & Learning	Bentnck Primary School	Significant Assurance	2	0	1
		Burford Primary	Full Assurance	0	0	2
		Carrington Primary and Nursery	Significant Assurance	5	0	1
		Edale Rise Primary	Significant Assurance	2	2	1
		Firbeck Primary & Nursery School	Significant Assurance	0	2	0
		Forest Fields Primary School	Significant Assurance	1	0	0
		Glapton Primary	Limited Assurance	3	3	0
		Middleton Primary School	Significant Assurance	3	0	0
		Rise Park Primary	Significant Assurance	2	2	3
		Robert Shaw Primary School	Significant Assurance	5	1	0
	Snape Wood Primary School	Significant Assurance	6	0	0	

Department	Division	Reports	Level of Assurance	Recommendations		
				High	Medium	Low
		Springfield Primary	Significant Assurance	4	7	0
		Westbury School	Significant Assurance	5	0	0
		William Booth Primary	Significant Assurance	4	0	1
		Melbury	Full Assurance	0	0	0
Schools & Learning Total				42	17	9
Children & Families Total				51	25	11
Communities	Neighbourhood Services	Car Parks Follow-up	Limited Assurance	10	5	0
		Vehicle Fuelling	Limited Assurance	4	2	0
		Waste Management	Limited Assurance	6	11	0
		Workplace Parking Levy	Limited Assurance	1	0	0
Neighbourhood Services Total				21	18	0
Communities Total				21	18	0
Development	Economic Innovation & Skills	Nottingham Jobs Fund	Significant Assurance	0	3	3
		SR 3 - Impact of the Economic climate	Significant Assurance	0	0	0
Economic Innovation & Skills Total				0	3	3
	City Planning	Growth Point	Full Assurance	0	0	0
City Planning Total				0	0	0

Department	Division	Reports	Level of Assurance	Recommendations		
				High	Medium	Low
Development Total				0	3	3
Resources	HR & Organisational Transformation	Overpayments review	Limited Assurance	6	3	0
	HR & Organisational Transformation Total			6	3	0
	Information Technology	Councillor Allowances	Significant Assurance	0	0	1
Information Technology Total				0	0	1
	Legal & Democratic Services	Councillor Allowances	Significant Assurance	0	3	3
Legal & Democratic Services Total				0	3	3
	Strategic Finance	Deputyship review	Limited Assurance	1	1	4
		Procurement	Limited Assurance	7	1	0
		Sundry income review	Limited Assurance	2	3	1
		Use of Consultants review	Limited Assurance	0	4	0
Strategic Finance Total				10	9	5
Resources Total				16	15	9
Grand Total				88	61	23

This list excludes any reports concerning irregularities

APPENDIX 2

High Priority recommendations issued during quarters one and two (excludes 15 school reports)

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
Car Parks – Follow-up	Our audit work this year has focused on these recommendations and the overall controls in place over income in this area.	Limited	A0783 (4)	There should be proper monitoring in place in respect of the discrepancies in income received. This should be carried out promptly and should involve a full investigation and corrective action in order to reduce the levels. This should be carried out by an officer independent of the car park.	10	5	0
			A0784 (7)	Spot checks should be carried out on the entries on the manual free exit sheets to ensure that they are valid.			
			A0785 (8)	The discrepancies between the free exits on the system and those recorded on the manual sheets should be investigated on the actual day that the discrepancies occur. The results of the investigation should be recorded on the manual free exit sheet.			
			A0787(04)	A comprehensive Procedure Manual should be produced and distributed to all staff. Management should ensure that as part of their monitoring role staff adhere to these procedures.			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0789 (02)	The income reconciliation checks should be carried out on a timely basis with all discrepancies investigated and recorded promptly.			
			A0790 (03)	There should be regular monitoring of free exits, discounted parking and manual barrier openings. This should be in the form of comparing entries on the computer system to manual records and spot checking a few of these exits to check validity.			
			A0791 (05)	There should be a regular reconciliation of expected income to banked income in respect of on-street parking.			
			A0793 (07)	a) Further information needs to be added to the Daily Shift Report to provide an audit trail for the change deliveries.			
			A0794 (07)	b) The pay station tickets produced when change is added, should be attached to the Daily Shift Report.			
			A0795 (08)	The Daily Shift Report should be amended to show further detail so that the true financial picture for each car park is reflected.			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
Sundry income review	<p>The agreed scope for this audit covered:</p> <ul style="list-style-type: none"> Recording of sundry works and services Raising of accurate and timely invoices Requests for credit notes are authorised Suspense account is monitored and cleared appropriately Debtors are reconciled Debts are actively pursued 	Limited	A0196 (R5)	Colleagues from Sundry Income and NCH should work together to investigate the unallocated receipts relating to care alarms.	2	3	1
			A0642 (R6)	Write offs should only be undertaken when appropriate authorisation has been received.			
Waste Management	<p>The scope for this audit was as follows:</p> <ul style="list-style-type: none"> Arrangements for managing the collection of trade waste from the sign up of customers to income collection. The skip service from signing up to income collection. Controls over assets Procedures for dealing with scrap metal Previous 	Limited	A0802 (R1)	An attempt should be made to establish a level of stock control over the skips in accordance with Financial Regulations.	6	11	0

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
	recommendations outstanding						
			A0805 (R4)	A record should be retained of how prices have been determined. This should be signed and dated by the colleague responsible.			
			.A0807 (R6)	An attempt should be made to establish a level of stock control over the bins in accordance with Financial Regulations.			
			A0813 (R9)	See recommendation under R4			
			A0814 (R14)	There should be periodic monitoring carried out to ensure that the Council is receiving all income that is due.			
			A0815 (R15)	The task of passing paperwork to Finance for charging purposes should be moved to the Operations Team.			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
Commissioning and Procurement	<p>The agreed scope for this review required us to comment on the following:</p> <ul style="list-style-type: none"> The degree to which legal and constitutional governance requirements have been met The degree to which good practice requirements have been met The potential for error, duplicate payments and unnecessary expenditure The potential for fraud and corruption The strength of management activity and control Any value for money issues 	Limited	A0643 (R1)	<p>A major review should be programmed and a proper procurement exercise completed. This review should incorporate services currently operated by Adults and Children Services and include all the different software applications and systems listed within table 1 of this report.</p>	2	3	0
			A0647 (R5)	<p>A dedicated cross divisional team should be formed in order that the implementation goes successfully. This should be a full time resource.</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
Procurement	This audit sets out to review the procurement processes operated by the Council to ensure that sound counter fraud measures are incorporated into the procurement regime and that these are adhered to during procurement activity.	Limited	A0656 (01)	All procurement activity should be undertaken through a suitably resourced and skilled Corporate Procurement function.	7	4	0
			A0658 (03)	<p>1. Directors should be asked to remind all of their staff involved in letting contracts of the requirement of Contract Process Rules to use the Alito e-tendering system.</p> <p>2. Where the Corporate Procurement Manager identifies non compliance with Contract Procedure Rules in the usage of Alito then this should be taken up with the responsible Director and advised to the Director of Strategic Finance.</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0659 (05)	<p>1. Alito should be used to record all of the documentation, actions and decisions involved in letting a contract as set out in Contract Procedures Rules.</p> <p>2. Where the Corporate Procurement Manager identifies non compliance with Contract Procedure Rules in the usage of Alito for recording the documentation, actions and decisions then this should be taken up with the responsible Director and advised to the Director of Strategic Finance.</p>			
			A0660 (05)	<p>1. The extent of involvement of the Corporate Procurement team in providing a review and assurance function should be determined.</p> <p>2. Staffing levels should be set accordingly, once the extent of their involvement in the review process has been determined.</p> <p>3. If a central review function is not possible then departmental arrangements for review should be set up and agreed by the Corporate Procurement Manager. Certification of adequate and appropriate departmental review should be included in the contract documentation and recorded on Alito.</p>		2	2

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0661 (06)	Alito should record all contracts. This will provide the information required to produce a contracts register.			
			A0662 (07)	<p>1. The procurement plan should be fully developed.</p> <p>2. The plan should include arrangements for forthcoming contract expiries and their renewals. The renewal arrangements for the individual contracts should be agreed with the department. The arrangements should ensure that adequate time and resources are planned in advance for the contract renewal without invoking contract extensions, except in exceptional circumstances.</p> <p>3. Where contract extensions are utilised then the circumstances for this should be provided to the Corporate Procurement Manager and their agreement sought.</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0663 (08)	<p>1. Consideration should be given to centralising contract monitoring under the Procurement Manager.</p> <p>2. Sound contracting monitoring processes should be developed for each contract.</p> <p>3. Rotation of monitoring staff should be utilised to reduce the risk of collusion.</p>			
Workplace Parking Levy	<p>The scope of this review will be to look at the following aspects of the system:</p> <ul style="list-style-type: none"> • Review based on the findings from the 2010-11 audit of • ICT solution including platform, access, testing and interfacing • Data capture, upload and maintenance • Annual operational plan and processing guidelines and link to resources • Comparison of registration figures to OSPA and income targets. • Licensing compliance and enforcement 	Limited	A0655 (01)	<p>The raising of revenue should continue to be actively monitored and controlled to ensure future projections remain realistic and achievable. This will also allow more time to address any issues identified.</p>	1	0	0

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
Vehicle Fuelling	<p>The scope of the audit was set out in an agreed Audit Brief and was set to cover the main control and risk areas which include:</p> <ul style="list-style-type: none"> • Controls over the issue of fuel to the vehicle fleet, hired vehicles and equipment from fuelling systems, by use of fuel cards and by the use of charge cards. • Controls over the usage of fuel by the monitoring of performance information. • Review of data quality and completeness to support counter fraud activity. • Specific work to detect and review instances of poor fuel performance that may indicate fraudulent activity has taken place. 	Limited	A0723 (01)	<p>The Fleet Management Policy should be finalised and distributed to all relevant parties. The policy should also incorporate:</p> <ul style="list-style-type: none"> • The Counter Fraud Strategy to ensure colleagues are aware of its existence and how it applies to the operation of the fleet. • Sections setting out the processes to be followed and the responsibilities of colleagues in operating the fleet. 	4	2	0
			A0724 (2)	<ol style="list-style-type: none"> 1. Clear responsibility for the control and monitoring of fuel card usage should be decided. 2. Instructions on the use of fuel cards should be set out in the Fleet Management Handbook and each card user should be provided with the 			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
				<p>instructions.</p> <p>3. A best value type review of the current fuel card arrangements should be undertaken. The possibility of formal contractual arrangements should be investigated to ensure costs are minimised.</p> <p>4. Fuel purchased by fuel cards should be included in the fuel performance process. See recommendation 03 below.</p> <p>5. Fuel card allocations should be reviewed and minimised in line with current operational need.</p> <p>6. The data capture and purchase coverage of each card should be reviewed with a view to maximising control over fuel by limiting purchases to fuel and requiring registration and mileage details at each use.</p> <p>7. The queries under Appendix A, A1 & A2 should be investigated and explanations for the card usage obtained.</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0725 (3)	<p>1. A process needs to be put in place to produce and monitor regular fuel performance data for the owned and hired fleet.</p> <p>2. The process needs to ensure that all fuel sources are included.</p> <p>3. Responsibility for producing the reports and for carrying out the monitoring process needs to be established.</p> <p>4. In order to increase the accuracy of the monitoring data the following should be considered:</p> <p>a) Registration numbers, input at fuelling times, should be checked against a master list, preferably linked to the fleet management system. Non matches should deny fuel access.</p> <p>b) Fuel fob users should be provided with instructions on their usage, security and their own responsibilities in respect of fraudulent usage.</p> <p>c) Odometer readings captured at fuelling times are often inaccurate or in an inconsistent format. Investigation with Triscan should be undertaken to see if the accuracy of the readings can be increased by the introduction</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
				<p>of reasonableness checks.</p> <p>d) The need to use fleet master fobs for fuelling fleet vehicles should be reviewed. Fobs should be held with fleet vehicle keys at all times and should therefore be available for all fuelling activity. Misuse should be identified and corrective action taken.</p> <p>e) A process for controlling fuel issues to hire vehicles needs to be devised. All fuel issues should be checked against a list of valid hire vehicles with non matches being denied fuel.</p> <p>f) Use of hire master fobs for fuelling fleet vehicles should be prohibited.</p> <p>g) A review of the fleet classification scheme should be undertaken so that more detailed fuel performance analysis by vehicle type can be performed.</p> <p>h) Odometer units recorded on Triscan need to be checked for accuracy and amended where necessary.</p> <p>i) A regular process for confirming the accuracy of odometer readings input to Triscan against the vehicle should be devised and implemented by management.</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
				<p>5. The fuel fob issues recorded on Triscan as override issues need to be investigated and explanations obtained as to the fuel used. These are referred to on Appendix A section A3.</p> <p>Supervisory review should be undertaken on a regular basis to ensure that the amount of fuel used is reasonable in accordance with the expected fuel consumption and usage of the equipment.</p> <p>Supervisory review should be indicated by signature and dating of fuel logs.</p> <p>A standard fuel log should be devised, containing all the information required to trace fuel to individual vehicles and equipment.</p> <p>The fuel logs should record hours or distances run where the equipment has an odometer.</p> <p>Supervisory review should ensure full completion of the fuel logs.</p>			
			A0728 (06)				

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted			
					High	Medium	Low	
Disabilities Team	<p>The agreed scope for this review covered the following risks:</p> <ul style="list-style-type: none"> Unclear policies and procedures leading inappropriate actions Poor budget management leading to under or over commitment of expenditure No approval or monitoring of commissioned services leading over committed budgets Non-compliance with grant conditions leading to the loss of funding 	Limited	A0623 (R4)	<p>The Director of Family and Community Team should review the signing limits and consider whether the existing limits are appropriate.</p>	7	5	2	
					A0624 (R5)	<p>The approval process as to the number of hours of care and the cost of that care needs to be aligned with the financial approval limits in order that there is a consistent approach and there is clarity for signing responsibilities.</p>		
							A0626 (R7)	<p>The decision to allocate the Direct payments to the Direct Payments Officer should be reviewed in order that separation of duties is maintained.</p>

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0628 (R9)	<p>Panel should receive a costed breakdown of the proposed care package in order that costs are formally agreed by panel.</p> <p>The approved cost should then be recorded within the panel register and used to inform budget projections and potential outcomes.</p>			
			A0631 (R12)	<p>Formal contract variations or individual service orders should be issued to the contractor so that there can be no misunderstandings as to the start and duration of the service to be provided.</p> <p>In addition, where costs of care are being submitted to panel the contractors should be excluded from these discussions as this information is commercially sensitive.</p>			
			A0632 (R13)	<p>The Castle system should be used as this provides for a easy point of reference relating to Panel approvals, costed support plans, changes to care packages etc.</p>			
			A0633 (R14)	<p>In order to address recent developments and the potential need to develop individual budgets and Direct Payments, there is a need to invest in a suitable software application in order that the</p>			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
				<p>weaknesses identified can be addressed.</p> <p>The end to end process should be reviewed to evaluate and document the required processes and procedures and to draw up a specification of what is required.</p> <p>In the short-term, password controls be introduced on the Excel spreadsheets and Access database.</p>			
Deputyship Review	<p>It was agreed that the scope of the audit would cover the following aspects:</p> <ul style="list-style-type: none"> • The process by which deputyship is obtained and the recording mechanisms surrounding this process. • The process by which income and expenditure is recorded • The storage of cash and cheque books • The reconciliation of income and expenditure • The recording and reconciliation of property (refers to items of jewellery etc, which are retained for safe keeping) 	Limited	A0572 (04)	<p>The Deputyship Officer, in conjunction with IT Services, should draw up a project plan for the implementation of the CASPAR software.</p> <p>The implementation plan should take into account any additional resources that may be required to ensure that the implementation is successful.</p> <p>The aim should be that CASPAR is operational by no later than September 2012.</p>	1	1	4

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
	<ul style="list-style-type: none"> The process by which property is sold (refer to the sale of houses / flats etc, the proceeds of which are used to help finance the needs of the individual client) IT security arrangements The charging mechanism to clients, for providing the deputyship service. 						
Overpayments Review	<p>We have undertaken a review of salary overpayments with a view to understanding:</p> <ul style="list-style-type: none"> The current number of overpayments and value The underlying reasons for salary overpayments The recovery process 	Limited	A0096 (1)	HR and Payroll colleagues should coordinate their activities to allow all salary overpayments to be identified and recorded centrally. This record should then be used to monitor and report upon trends with a view to taking any necessary action.	6	3	0
			A0097 (2)	There should be a directive from the Corporate Leadership Team to instruct managers on the importance of completing the returns on a weekly basis.			

Audit title	Scope	Level of assurance	Action Ref (Report ref)	Agreed Action	Recommendations Accepted		
					High	Medium	Low
			A0099 (4)	<p>There should be directive from the Corporate Leadership Team to instruct managers on the importance of informing HR Shared Services when an employee leaves.</p> <p>Further consideration should be undertaken by HR Shared Services as to how schools could verify their employee's list before the payroll is run for September.</p>			
			A0102 (7)	HR Shared Services should monitor and ensure that all arrangements have been actioned by Payroll.			
			A0103 (8)	HR Shared Services should monitor the current overpayments on a monthly basis to ensure all employees are still employed by NCC.			
			A0105 (10)	As in accordance with Corporate Financial Procedures, salary overpayments should be promptly recovered.			

SUMMARY OF PROGRESS ON THE UPDATED AUDIT PLAN TO 30TH SEPTEMBER 2012

Audit Title	Audit Outline	Annual Plan	Actual Days
1. Strategic Risk Register			
Strategic Risks	Review of evidence in place to mitigate risks. Coverage of strategic risks will depend on the status of strategic risk in 2012	50	0
2. Resources			
Single Status (SR1)	Further assistance with phase 2 implementation (schools)	6	0
Treasury Management	Assessing high level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	16	11
Budgetary Control	Consider the budget set up process and budget monitoring arrangements. (Key System)	21	0
Main Accounting System	System reconciliation and posting to General Ledger (Key System)	23	2
Bank Reconciliation	Review of accounts to ensure reconciliations are both complete and accurate	4	5
Capital	Assessment of high level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	28	0
Payroll / HR	Assessment of high level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	18	4
Creditors	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	18	10

Audit Title	Audit Outline	Annual Plan	Actual Days
Sundry Income	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	16	8
Estate Rents	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	16	10
Cash Collection	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	14	6
Council Tax	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	22	1
Business Rates	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	21	1
Benefits	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	28	9
Adult Residential Services Finance	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	17	9
Pensions	Assessment of high-level controls supported by compliance testing to give assurance over the operation of the control environment	22	0
Fairer Charging	Assessment of the role of the Fairer Charging Section, including the charging policy. Supports work undertaken by Audit Commission	22	0
Right to Buy	Assessment of high level controls supported by compliance testing to give assurance over the operation of the control environment Supports work undertaken by Audit Commission	20	23
3. Chief Executive			
Partnerships	Scope to be determined	15	0

Audit Title	Audit Outline	Annual Plan	Actual Days
4. Children & Families			
Supporting People	Assessment of high level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	8	2
Foster Care & Adoption	Assessment of high level controls supported by compliance testing to give assurance over the operation of the control environment. Supports work undertaken by external auditors	22	6
Schools assessments	Rolling assessment of the financial arrangements within schools. To include visits (if requested) to schools due to self-assess for the Schools Financial Value Standard (SFVS)	80	68
Commissioning	Assessment of arrangements in place for strategic commissioning and market management. Include the role of the continuing care panel	20	0
Joint Funding of Care	Consider outcome of recent review of funding of care packages and NHS joint commissioning	15	0
Case Management	Assessment of the arrangements in place to manage and report on the client review process	18	1
School Bank Accounts	Review of the role of Schools Finance to support schools	13	2
Children's Residential Care	Review of budget management arrangements	18	0
ContrOCC Project	Ongoing input and advice with the project as it develops	15	10
5. Communities			
Parking Services	Review of improvements to internal controls	8	9
Waste Management	Review of management arrangements	11	0

Audit Title	Audit Outline	Annual Plan	Actual Days
Local Authority Companies	Review of governance arrangements & VFM	9	0
Fuel / Fleet Management Follow Up	Review of management implementation of previous recommendations	5	0
Workplace Parking Levy (SR27)	Review the collection arrangements	8	0
Fines Processing System	Review of system, including treatment of bad debts	15	0
Community Buildings	Review of utilisation of buildings, room hire etc	15	0
Enviro Energy	Provision of assistance to the company	40	43
6. Development			
Housing Rents	Assessment of high level controls supported by compliance testing to give assurance over the operation of the control environment (Key System)	12	0
Net Phase Two	Assessment of the funding assumptions used for NET Phase Two	10	0
Nottingham Jobs Fund	Assessment of the processes for administering scheme	15	13
Jobs Plan Review	Monitor compliance against Audit Commission Action Plan	3	0
Royal Centre	Transformation Agenda / Systems upgrade / Marketing	18	0
Building Compliance	Assessment of the arrangements in place to ensure NCC complies with its statutory obligations, including H&S	17	0
Corporate Maintenance Framework	Assessment of the framework arrangements	25	26

Audit Title	Audit Outline	Annual Plan	Actual Days
Public Transport	Scope to include arrangement with Notts County Council, interface with bus companies	18	0
7. Corporate Audits			
Governance Statement (SR10)	AGS Process	39	20
Risk Management	Audit of arrangements in place	10	6
Organisational Restructuring	Review of the effect on risk/controls	5	5
Contract Audit	Ongoing audit of final accounts	10	0
IT Audit	Ongoing audit of key IT risks	30	8
Grants Audits	Ongoing work on a number of grant claims including Growing Places Fund and Troubled Families	25	8
Councillors' Allowances	Assessment of compliance with the councillors allowance scheme	10	0
Colleagues Expenses	Sample testing of claims submitted by colleagues, including new staff travel arrangements	20	11
East Midlands Shared Services	See separate plan	150	71
East Midlands Shared Services (work for NCC)	Including data sharing, data cleansing	15	9
8. Counter Fraud			
Counter Fraud Strategy / Arrangements	Review of strategy / current arrangements	5	15
Assessment of fraud risks	Assessment of areas that may be at risk of fraud, including maintaining a corporate fraud risk register	6	1

Audit Title	Audit Outline	Annual Plan	Actual Days
Training / awareness	Initiatives to increase awareness including money laundering & bribery act	39	27
Recruitment Fraud / Safeguarding	Assess vetting procedures for new employees against good practice and also assess vetting of current staff	17	16
Counter Fraud Activities	Co-ordinate counter fraud activities, liaise with Audit Commission	18	16
National Fraud Initiative (NFI)	Co-ordinate the City's response to the next NFI exercise	22	15
Departmental Activities	Programme of pro-active testing of transactions with a view to identifying non-compliance / fraud / error	36	41
Money Laundering	Review of current arrangements and awareness	5	0
Whistle blowing	Development of current arrangements	7	0
Procurement	Assess the robustness of NCC arrangements for preventing fraud and obtaining VFM. Measure against recommended good practice	22	0
Personal Budgets - Adults	Assess current financial arrangements against CIPFA guidance. Contributes to the City's response to "Protecting the public purse"	22	0
Data Matching	Pro-active data matching to identify potential fraud including scheduled duplicate payments run (responds to NFA Report)	15	5
9. Companies / ALMO etc			
Nottingham Ice Centre	Provision Internal Audit for the NIC	20	0
10. Consultancy, Advice and Support			
General Contingency – ad hoc work	To allow for requests from senior management or the need to undertake ad hoc assignments as they arise	20	10

Audit Title	Audit Outline	Annual Plan	Actual Days
Fraud & Irregularity Contingency	Separate contingency to investigate non-Housing Benefit fraud	120	75
Advice	Liaison with departments including general/contract advice including advice re capital projects	30	34
Audit Committee	Support and development of Audit Committee	20	10
11. Other Work			
Recommendations Monitoring and S151 Assurance Reporting	Ongoing follow up and monitoring of implementation of recommendations	30	11
Audit of Charity and other Accounts	Lord Mayor's, Hanley & Gellesthrope, Highfields, Harvey Haddon, Staff Accounts	20	6
New Public Sector Internal Audit Standards (PSIAS)	Consideration of new standards which will be adopted in 2013	5	1
Total Days		1628	699

Audit Title	Audit Outline	Annual Plan	Actual Days
11. Other Work			
Recommendations Monitoring and S151 Assurance Reporting	Ongoing follow up and monitoring of implementation of recommendations	30	11
Audit of Charity and other Accounts	Lord Mayor's, Hanley & Gellesthrope, Highfields, Harvey Haddon, Staff Accounts	20	6
New Public Sector Internal Audit Standards (PSIAS)	Consideration of new standards which will be adopted in 2013	5	1
Total Days		1683	699