

**APPENDIX 3: SUMMARY AUDIT PROGRESS REPORT**

<b>PARTNERSHIPS</b>	
<b>WORK TITLE:</b>	<b>INDEPENDENT LIVING DEEP DIVE</b>
<b>OBJECTIVE OF THE WORK:</b>	<p>On behalf of the Cross Partner Internal Audit Working Group, provide appropriate challenge and support during the research and analysis stages of the Independent Living Deep Dive.</p> <p>The aim being to provide timely and independent feedback on whether:</p> <ul style="list-style-type: none"> <li>• the project management approach followed was appropriate to gain an informed insight into how services for older people are delivered from the users perspective; and</li> <li>• there were appropriate arrangements for all relevant public services organisations to then evaluate the findings of the deep dive and respond effectively.</li> </ul>
<b>OUTCOME:</b>	<p>The initial stages have been successful in gaining the increased and shared understanding of how older people interact with public services organisations and how in turn these organisations interact with each other.</p> <p>There has been generally good participation in the deep dive by relevant organisations.</p> <p>The findings from the initial stage are currently being analysed. They will be fed into a number of existing service re-design projects being led on by Adult and Community Services that already provide a good platform from which to strengthen service delivery and associated outcomes.</p> <p>Internal Audit will consider the risks attached to any service redesign proposed when producing or updating the audit plan.</p>

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<b>PARTNERSHIPS</b>	
<b>WORK TITLE:</b>	<b>MENTAL HEALTH DEEP DIVE</b>
<b>OBJECTIVE OF THE WORK:</b>	<p>On behalf of the Cross Partner Internal Audit Working Group, provide appropriate challenge and support throughout the mental health deep dive.</p> <p>The aim being to provide timely and independent feedback:</p> <ul style="list-style-type: none"> <li>• as to the controls required to mitigate process or system risks identified;</li> <li>• on whether the project management arrangements are fit for purpose and will deliver the required outcomes.</li> </ul>
<b>OUTCOME:</b>	<p>The aim of this deep dive was to improve the partnership working in delivering mental health services in Southend. The key outcomes were to define clear common understanding of priorities and an agreed action plan to support the Southend specific mental health strategy.</p> <p>The deep dive sometimes lacked continuity as there was difficulty getting attendance from all partner organisations on a regular basis. It has meant the deep dive has run on longer than initially planned.</p> <p>However, the group is on course to achieve its aim of having a clear action plan around the Southend Mental Health Strategy and recommendations for the Southend Together Executive on how to take this service area forward for realising improvements in efficiency and effectiveness.</p> <p>The deep dive is due to be completed in December. Internal Audit will consider the risks attached to any action plan proposed.</p>

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<b>REGENERATION SCHEMES, CAPITAL PROGRAMME AND PROJECTS</b>	
<b>REPORT TITLE:</b>	<b>IMPLEMENTATION OF AGRESSO PROJECT (STAGE 1) 1<sup>ST</sup> MEMO ISSUED DECEMBER 2010</b>
<b>OBJECTIVE OF THE WORK:</b>	<p>To provide appropriate challenge and support during the development and implementation stages of the Agresso project.</p> <p>The aim being to provide timely and independent feedback:</p> <ul style="list-style-type: none"> <li>• as to the controls required to mitigate process or system risks identified;</li> <li>• on whether the project management arrangements are fit for purpose and will deliver the required outcomes.</li> </ul>
<b>OUTCOME:</b>	<p>The initial months of the project were characterised by a misunderstanding of the system requirements between the Project Board and the Unit4 Consultants. However, the project now has the required momentum to progress according to plans and there is an excellent commitment at all levels which should enable it to be successfully delivered.</p> <p>However, the project continues to carry significant risks in that:</p> <ul style="list-style-type: none"> <li>• the project plan is incomplete as the new financial management system is being designed as the project progresses;</li> <li>• all contingency time is now used up. It is therefore important that the Project Board is able to fulfil its role of making informed decisions on the delivery of the plan and the management of risks identified. It will therefore require timely reports with suitable recommendations for it to consider; and</li> <li>• the Communication Strategy still needs to be finalised.</li> </ul> <p>In view of the above it is important that the monthly progress reports now being produced for the Corporate Delivery Board are monitored closely and that focused and appropriate challenge is made of the progress reported and the arrangements for mitigating the risks identified.</p>

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<b>SCHOOLS</b>			
<b>REPORT TITLE:</b>	<b>CYCLICAL AUDIT VISITS 2010/11</b>		
<b>STATUS:</b>	COMPLETE NOVEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>Good</b>
<b>OBJECTIVE OF THE WORK:</b>	<p>To provide assurance over the robustness of the school's business processes which includes financial, management and governance controls. It also includes:</p> <ul style="list-style-type: none"> <li>• proactive fraud work in high risk activities; and</li> <li>• an assessment against the Department for Children, Schools and Families (DCSF) Financial Management Standard.</li> </ul>		
<b>OUTCOME:</b>	<p>Overall the business management processes of the nine schools reviewed were sound.</p> <p>With regard to the Financial Management Standard;</p> <ul style="list-style-type: none"> <li>• eight secondary schools were reassessed this year as meeting the requirements; and</li> <li>• one primary school, whose first assessment was previous postponed, also met the requirements.</li> </ul> <p>The high priority themes arising from these reviews, are the need for schools to:</p> <ul style="list-style-type: none"> <li>• actively maintain the register of business interests;</li> <li>• obtain and retain written quotations for procurements as required by the School's Financial Regulations;</li> <li>• raise orders at the time of committing the school to expenditure; and</li> <li>• submit Local Authority returns in accordance with the issued timetable.</li> </ul>		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 9</b>	<b>LOW: 0</b>
			<b>TOTAL: 9</b>

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<b>PROACTIVE ANTI FRAUD &amp; CORRUPTION WORK</b>	
<b>REPORT TITLE:</b>	<b>PROACTIVE ANTI FRAUD WORK: PETTY CASH REVIEW</b>
<b>STATUS:</b>	COMPLETE NOVEMBER 2010
<b>OBJECTIVE OF THE WORK:</b>	To assess the adequacy of controls to mitigate the potential risks that petty cash reconciliations are not being undertaken leading to monetary losses and petty cash being used for inappropriate purposes.

<b>SERVICE REVIEWED</b>	<b>CHILDREN AND LEARNING: FOCUS YOUTH CONNEXIONS SERVICE - FOCUS HOUSE</b>		
<b>CONTROL ENVIRONMENT:</b>	<b>GOOD</b>		
<b>OUTCOME:</b>	Controls over the security and use of petty cash are sound.		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 0</b>	<b>LOW: 0</b>
			<b>TOTAL: 0</b>

<b>SERVICE REVIEWED</b>	<b>CHILDREN AND LEARNING: GENERAL ADMINISTRATION OFFICE - SOUTHCHURCH ROAD</b>		
<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>		
<b>OUTCOME:</b>	Controls over the administration of petty cash are generally adequate. However, authorisation procedures need to be formalised and more consistently followed.		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 2</b>	<b>LOW: 0</b>
			<b>TOTAL: 2</b>

<b>SERVICE REVIEWED</b>	<b>ADULT AND COMMUNITY SERVICES: AVRO TRAINING CENTRE</b>		
<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>		
<b>OUTCOME:</b>	Controls over the security and use of petty cash are operating effectively. However it was not possible to reconcile the petty cash records to the float and procedure notes need to be produced.		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 2</b>	<b>LOW: 0</b>
			<b>TOTAL: 2</b>

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<b>SERVICE REVIEWED</b>	<b>ADULT AND COMMUNITY SERVICES: VIKING HOUSE</b>			
<b>CONTROL ENVIRONMENT:</b>	<b>GOOD</b>			
<b>OUTCOME:</b>	Controls over the security and use of petty cash are sound.			
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 0</b>	<b>LOW: 0</b>	<b>TOTAL: 0</b>

<b>SERVICE REVIEWED</b>	<b>ENTERPRISE, TOURISM AND THE ENVIRONMENT: PIER AND FORESHORE OFFICE</b>			
<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>			
<b>OUTCOME:</b>	Controls over the security and use of petty cash are operating effectively. However procedure notes need to be produced.			
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 1</b>	<b>LOW: 0</b>	<b>TOTAL: 1</b>

<b>SERVICE REVIEWED</b>	<b>ENTERPRISE, TOURISM AND THE ENVIRONMENT: MARINE ACTIVITY CENTRE</b>			
<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>			
<b>OUTCOME:</b>	Controls within the petty cash function are generally operating satisfactorily. However, the arrangements to purchase petrol with petty cash should be reviewed.			
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 2</b>	<b>LOW: 0</b>	<b>TOTAL: 2</b>

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<b>RISK BASED REVIEWS</b>			
<b>REPORT TITLE:</b>	<b>INCOME GENERATION</b>		
<b>STATUS:</b>	COMPLETE DECEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>
<b>OBJECTIVE OF THE WORK:</b>	To establish whether income is being maximised from those services where charges are, or can be, levied or taxed.		
<b>OUTCOME:</b>	<p>Overall the Council's arrangements for generating income are sound.</p> <p>However additional guidance is required to clarify the issues to be considered when setting fees and charges. This should help clarify how fees and charges are used to support the delivery of the corporate aims and priorities of the Council. The frequency and depth of review should also be clarified.</p> <p>The Council's systems for raising debts and collecting income due are sound. Actions being taken to strengthen debt recovery and write off processes will also ensure that income received is maximised.</p>		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 1</b>	<b>MEDIUM: 0</b>	<b>LOW: 0</b> <b>TOTAL: 1</b>

<b>RISK BASED REVIEWS</b>			
<b>REPORT TITLE:</b>	<b>LETTING CONTRACTS UP TO THE EUROPEAN UNION PROCUREMENT THRESHOLDS WITHIN THE DEPARTMENT OF ENTERPRISE, TOURISM AND THE ENVIRONMENT</b>		
<b>STATUS:</b>	COMPLETE DECEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>IMPROVEMENT REQUIRED</b>
<b>OBJECTIVE OF THE WORK:</b>	To assess whether cost effective and efficient purchasing arrangements can be demonstrated when the value is below the European Union (EU) procurement directive value.		
<b>OUTCOME:</b>	<p>Compliance with Contract Procedures Rules (CPR) is inconsistent for purchases below the European Union Procurement Directive values within the Department of Enterprise Tourism and the Environment. Of the 26 payments selected, 26% did not comply for a variety of reasons.</p> <p>Reminding staff of the importance of CPR, providing refresher training on their requirements and rectifying areas of non compliance will help to ensure consistent, cost effective and efficient purchasing is undertaken.</p>		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 5</b>	<b>MEDIUM: 2</b>	<b>LOW: 0</b> <b>TOTAL: 7</b>

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RISK BASED REVIEWS			
<b>REPORT TITLE:</b>	<b>VOLUNTARY SECTOR GRANTS</b>		
<b>STATUS:</b>	COMPLETE DECEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>
<b>OBJECTIVE OF THE WORK:</b>	To assess whether the arrangements for allocating grant funding to the voluntary sector is fair, equitable and helps the Council to deliver its corporate priorities and its contribution to the Sustainable Community Strategy.		
<b>OUTCOME:</b>	<p>The current voluntary sector grants programme is well advertised and allocates grants transparently in reference to the Sustainable Community Strategy.</p> <p>However, moving to a predominantly commissioning model will enable the Council to target voluntary sector resources to the provision of specified services and monitor the delivery of them more effectively.</p> <p>With regards to the grant programme, action is being taken to:</p> <ul style="list-style-type: none"> <li>• define its purpose and the outcomes required from it</li> <li>• amend the application evaluation process to effectively rank and clearly differentiate between applicants' ability to deliver what is required</li> <li>• strengthen the performance management arrangements of grant recipients once grant funding has been approved.</li> </ul>		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 4</b>	<b>MEDIUM: 5</b>	<b>LOW: 2</b>
			<b>TOTAL: 11</b>

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<b>TECHNICAL COMPUTER AUDIT: APPLICATION SYSTEMS</b>			
<b>REPORT TITLE:</b>	<b>WEB CONTENT MANAGEMENT</b>		
<b>STATUS:</b>	COMPLETE DECEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>Good</b>
<b>OBJECTIVE OF THE WORK:</b>	To assess the adequacy of the control environment that has been established to manage the Council's external facing website content (web content).		
<b>OUTCOME:</b>	<p>The control environment for web content management in the development and implementation stages is generally good.</p> <p>However, a number of additional controls need to be introduced before departments can manage their own web content. These are primarily involve:</p> <ul style="list-style-type: none"> <li>• updating some strategy, policy and procedural documents in this area</li> <li>• establishing and implementing a process for the regular review of web content in line with defined standards</li> <li>• establishing user roles within the Content Management System to enforce segregation of duties between functions.</li> </ul>		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 5</b>	<b>LOW: 1</b> <b>TOTAL: 6</b>

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<b>RISK BASED REVIEWS (2009/10)</b>			
<b>REPORT TITLE:</b>	<b>CRIMINAL RECORD BUREAU CHECKS AND VETTING AND BARRING SCHEME</b>		
<b>STATUS:</b>	COMPLETE DECEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>ADEQUATE</b>
<b>OBJECTIVE OF THE WORK:</b>	<p>To assess whether the Council has robust arrangements to:</p> <ul style="list-style-type: none"> <li>• comply with statutory Criminal Record Bureau (CRB) checks requirements; and</li> <li>• implement the new requirements of the Vetting and Barring Scheme (VBS) for new staff employed after October 2009 and all staff by January 2010.</li> </ul>		
<b>OUTCOME:</b>	<p>Appropriate arrangements are in place to ensure relevant posts are identified as requiring a CRB check during a recruitment exercise and that they are undertaken.</p> <p>Action is being taken to produce a CRB policy that sets out the Council's approach to:</p> <ul style="list-style-type: none"> <li>• dealing consistently, transparently and fairly with any positive disclosures of criminal offences</li> <li>• periodically rechecking existing staff</li> <li>• obtaining evidence from contractors and partners they have had CRB checks completed where appropriate.</li> </ul> <p>Preparations for implementing the Vetting and Barring Scheme were being managed well putting the Council in a good position should the current government require its implementation.</p>		
<b>RECOMMENDATIONS:</b>	<b>HIGH: 1</b>	<b>MEDIUM: 0</b>	<b>LOW: 0</b> <b>TOTAL: 1</b>

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<b>UNPLANNED WORK</b>				
<b>REPORT TITLE:</b>	<b>COMPLAINT AGAINST THE HR DEPARTMENT</b>			
<b>STATUS:</b>	COMPLETE NOVEMBER 2010	<b>CONTROL ENVIRONMENT:</b>	<b>N/A</b>	
<b>OBJECTIVE OF THE WORK:</b>	The purpose of the review was to establish whether the Sickness Absence Policy and the Dignity at Work Policy had been followed in dealing with a long-term sickness absence case and concerns raised about bullying in the workplace.			
<b>OUTCOME:</b>	There was sufficient evidence on file to demonstrate that the requirements of the Council's Sickness Absence Policy, Section on Long Term Absence and Dignity at Work Policy had been met in this case.			
<b>RECOMMENDATIONS:</b>	<b>HIGH: 0</b>	<b>MEDIUM: 0</b>	<b>Low: 0</b>	<b>TOTAL: 0</b>