

Agenda Item No: 10 **Report No:** 125/07
Report Title: Annual Report on Internal Audit Performance and Effectiveness 2006/07
Report To: Audit Committee **Date:** 27 June 2007
Ward(s) Affected: All
Report By: Director of Finance and Community Services
Contact Officer(s): David Heath, Head of Audit and Performance

Purpose of Report:

To inform Councillors of the Internal Audit work of the Audit and Performance Division for 2006/07.

To inform Councillors on the outcome of the review of the effectiveness of Internal Audit for 2006/07.

Officers Recommendation(s):

- 1 To note that the extent and detail of the Internal Audit work in 2006/07 has been sufficient to enable the Head of Audit and Performance to issue an unqualified opinion on the overall adequacy and effectiveness of the Council's control environment (see Section 3.1).
 - 2 To note that the satisfactory outcome of the review of the effectiveness of Internal Audit for 2006/07 (see Section 3.2).
-

Reasons for Recommendations

- 1 The remit of the Audit Committee includes a duty to consider the annual report by the Head of Audit and Performance, and to keep the work of Internal Audit under review to ensure that it is able to discharge its functions effectively.
- 2 **Background**
 - 2.1 The Internal Audit function at Lewes operates in accordance with the auditing guidelines published as a Code of Practice for Internal Audit by the Chartered Institute of Public Finance and Accountancy (CIPFA). This was updated in December 2006 and the key changes reported to the Audit Committee at its March 2007 meeting.
 - 2.2 The requirements of the CIPFA Code of Practice overlap with those of the Accounts and Audit Regulations. The Regulations now require that an annual report on the effectiveness of Internal Audit be undertaken. This requirement has been met by an internal study carried out by the Head of Audit and Performance, with the results independently reviewed

by the Director of Finance and Community Services and now reported to the Audit Committee. The review has drawn on the results of new quality review processes that were approved by the Audit Committee in March 2007 and existing performance information that has been reported for some time.

- 2.3 The review of effectiveness also takes account of other assessment exercises that are required by the updated CIPFA Code of Practice. These exercises include an annual review of the Terms of Reference for Internal Audit and a periodic review of the Internal Audit service against its aims, strategy and objectives.
- 2.4 Councillors are reminded that any detailed discussion in open session of the conduct of audits, or the content of audit reports, may disclose exempt information as defined in the Local Government Act 1972 as amended. Any such discussions should be dealt with in closed session.

3 Overall conclusions on Internal Audit Performance and Effectiveness 2006/07

- 3.1 The work carried out by Internal Audit during 2006/07 is outlined in Section 4 of this report. The extent and detail of the audit coverage has been sufficient to enable the Head of Audit and Performance to issue an unqualified opinion on the overall adequacy and effectiveness of the Council's control environment. This opinion is included in the Annual Report on the Council's Systems of Internal Control 2006/07 that is presented to this meeting of the Audit Committee.
- 3.2 The review of the effectiveness of Internal Audit has taken into account the work carried out by Internal Audit during 2006/07 and the results of the performance and quality assurance processes that are outlined in Sections 5 to 11 of this report. The results of the review enable the Director of Finance and Community Services to report that the Internal Audit service at Lewes is fully effective, is subject to satisfactory management oversight and complies with the CIPFA Code of Practice 2006 and the Accounts and Audit Regulations 2003 (amended in 2006).

4 Work of Internal Audit 2006/07

- 4.1 This section of the report informs Councillors of the work undertaken by Internal Audit during the year, compared against the annual programme that was agreed by the Audit Committee in March 2006.

Use of Internal Audit resources

- 4.2 Table 1 shows the total planned audit days compared to the actual audit days spent. For the year 2006/07 direct audit days are 791. This represents an increase of 36 days (4.8%) over the budget of 755 days.
- 4.3 The variance of 36 days is largely explained by the days spent on training and administration being less than forecast, and the Head of Audit and Performance being directly involved in internal audit work to a greater extent than was originally planned.

Table 1: Plan audit days compared to actual audit days for 2006/07

Audit Area	Plan audit days for year	Actual audit days for year	Variance
Main Systems	155	244	89
Central Systems	100	50	(50)
Departmental Systems	160	139	(21)
Performance and Management Scrutiny	90	45	(45)
Computer Audit	80	36	(44)
Environmental Audit	33	36	3
Management Responsibilities/Unplanned Audits	137	241	104
Days Total	755	791	36

4.4 The main variances to the plan days in Table 1 are explained as follows.

- Main Systems has required more time than was forecast. This is mainly because audits on high priority systems such as Housing Benefits and Council Tax needed more time than was originally planned for the work to be completed. The additional work was not forecast when the Annual Plan for 2006/07 was compiled.
- Management Responsibilities/Unplanned Audits has required more time than was forecast. This is because of the major unplanned audit of Partnerships that has been carried out and a lengthy investigation that has required work by the Head of Audit and Performance.
- The higher than budget days in the above areas have meant that some audits in other areas have been carried forward into 2007/08. Details of any major rescheduling of audits are given in the summary of Audit Work Undertaken.

Audit Work Undertaken

4.5 The paragraphs below summarise the main functional areas reviewed in the year and the key audits undertaken. The work has included some audits that were begun in 2005/06, dealing with issues arising from previous audits and carrying out the programme for 2006/07. More detailed information on each of the audits carried out is given at Appendix C.

4.6 *Main Systems*: Final reports on the audits of Housing Benefits, Debtors, Cash, Payroll, Loans and Investments and Council Tax/Non Domestic Rates have been issued. Internal Audit's work on behalf of the Audit Commission for the testing of the Council's subsidy claims for Benefits and Non Domestic Rates was completed and the claims signed off. It is forecast that this work will save the Council approximately £23,000 in external audit fees, although the actual saving will depend on the cost of the work that was done by the Audit Commission to oversee the exercise. A programme of targeted testing of all the major financial systems has been carried out to obtain assurance on the adequacy of

key internal controls. Major audits of Housing Rents and Creditors have been carried over into 2007/08.

- 4.7 Central Systems.** These are the remaining systems that are administered centrally that have a significant effect on the Council's activities. The final reports on the audits of Electoral Registration and Records Management have been issued. The audits of Insurance and Building Maintenance are at the draft report stage, and the audit of Banking/Reconciliations is underway.
- 4.8 Departmental Systems:** These audits focus on key areas of activity in the departments. Final reports have been issued for the audits of Environmental Health (Health), Environmental Health (Pollution) and Lifeline. Cemeteries. Audits of Cemeteries and Estates Management are underway, and audits of Planning and Development Control and Building Control have been carried forward into 2007/08.
- 4.9 Performance and Management Scrutiny:** A final report was issued for an audit of the reporting of risk in the decision making processes of the Council. Internal Audit has reviewed the results of service plan risk assessments and has contributed to the annual reports to CMT and Cabinet on the operation of the risk management framework. The planned VFM review of new telephone technology was postponed with the approval of the Audit Committee to enable a pilot study for internet telephony to be carried out by the Information Technology and Communication (ICT) Section.
- 4.10 Computer Audit:** The final report on IT Security was issued, and the results were presented to CMT on 5 April 2006. The major work in the year has been the targeted follow up of this audit in support of the Audit Commission's risk assessment of the Council's main IT systems. A final report on the audit of Computer Software has been issued. Internal Audit has assisted the officer teams implementing the new E Procurement module within Agresso and the extension of Document Image Processing (DIP). Internal Audit is represented on the IT Steering Group to help ensure that control issues are fully considered in all key IT developments, and on the working group that manages the Council's response to FOI legislation. The audit of Networks has been carried forward into 2007/08.
- 4.11 Environmental Audit:** During April 2006, Internal Audit reviewed the Council's annual EMAS statement prior to its submission to the Lloyds' Register Quality Assurance (LRQA) verifier. The verifier's review of the statement and the successful Internal Audit coverage of EMAS during 2005/06 helped to confirm the Council's EMAS registration for 2006/07.

Final reports have been issued for all five audits in this year's EMAS programme and for the EMAS audit of Waste and Recycling Services that was begun in 2005/06. Internal Audit has checked and approved the accuracy of the Council's grant claim for the Managing Urban Europe (MUE25) project.

- 4.12 Management Responsibilities and Unplanned Audits:** This category provides resources for special projects or investigations requested by

Chief Officers, Internal Audit advice on internal control and probity, and requests for unplanned audits, as well as the resources for the support for the Audit Committee and managing the Follow Up procedures (see section 3.15).

Internal Audit has been working with the Council's Resilience Planning Group under the control of the Director of Planning and Environmental Services (DPES) to provide advice on risk and internal controls in the development of new business continuity plans for key services.

A major review of the Council's arrangements for managing partnerships has been undertaken at the request of the Director of Finance and Community Services (DFCS), and the draft report is with DFCS.

Under the Council's Anti - Fraud and Corruption Strategy all cases of suspected or detected fraud are reported to the Head of Audit and Performance via the Director of Finance and Community Services. There were no reported cases in 2006/07.

There has been one investigation that is now complete, and Internal Audit has monitored compliance with the Council's Contract Procedure Rules.

- 4.13** The details of the individual audits within the functional areas are shown on the Outturn Report at Appendix C.

Follow Up of Audit Recommendations

- 4.14** As part of the control procedures detailed in the Internal Audit Manual all audit recommendations are followed up. The purpose of this is to check whether all accepted recommendations have been implemented. Since August 2002, Internal Audit has operated more frequent follow up routines (normally monthly) that help to ensure closer monitoring of progress and there is now greater awareness of the importance of follow up among managers.

In the main follow up has operated satisfactorily, although it has been noted that actual progress in the implementation of recommendations has not always been as complete as has been reported to Internal Audit. As a consequence, more audits now include testing to confirm the follow up responses from managers.

The results for the % of recommendations implemented by the agreed date exceeded target as shown in the table at Appendix B. Within those recommendations not yet implemented there are no issues that create significant risks for Council activities or services.

5 Review of the Internal Audit Terms of Reference

- 5.1** The latest version of the CIPFA Code of Practice (2006) requires that the Internal Audit Terms of Reference be approved and regularly reviewed by the authority. At Lewes the Internal Audit Terms of Reference are included in the Charter for Internal Audit that is approved by the Audit Committee.

5.2 The Head of Audit and Performance can confirm that the Charter for Internal Audit has been fully updated to take account of changes in management processes and working practices that were approved by the Audit Committee on 19 March 2007. As a result the Internal Audit Terms of Reference are now in accordance with the CIPFA Code of Practice 2006 and the Accounts and Audit Regulations 2003 (amended in 2006).

6 Review of the Internal Audit Service against its aims, strategy and objectives

6.1 The latest version of the CIPFA Code of Practice (2006) requires that the Internal Audit service is periodically reviewed against its aims, strategy and objectives. The aim, objectives and strategy for the service are set out in the Strategic Audit Plan 2007/10 that was presented to the 19 March 2007 meeting of this Committee, as outlined below.

Service Aim

To be an assurance function that provides independent and objective opinion to the Council on its control environment by evaluating its effectiveness in achieving the Council's objectives.

Service Objectives

- To provide an efficient and effective internal audit function which achieves defined service standards and improves performance wherever possible.
- To deliver the Council's Annual Audit Plan and Strategic Audit Plan.
- To ensure the Council has a Code of Corporate Governance which is fit for purpose and meets Audit Commission requirements.

Expected outcome

The Council is able to demonstrate an effective control environment with no significant control issues, and can make a satisfactory and unqualified declaration on its Statement on Internal Control (SIC) and Annual Governance Statement.

Internal Audit Strategy

The opinion by the Head of Audit and Performance on the Council's control environment is based on the Council's assurance arrangements together with the results of the work by Internal Audit, the Audit Commission and other external review bodies.

The Internal Audit service is provided internally. The staffing is as approved by the Council on 23 February 2000 and is set at the level necessary to ensure audit coverage of the key areas within the three year audit cycle based on a detailed risk assessment.

Results of the review

6.2 The Head of Audit and Performance has compared the performance of the service with the aim, objectives and strategy. The information contained in this report about the organisation, working methods, performance, quality standards and key achievements of Internal Audit in 2006/07, together with the details given in the Annual Report on the Council's Systems of internal Control 2006/07, demonstrates that the Internal Audit service achieves its aim, objectives and expected outcome, and operates in accordance with the Internal Audit strategy as approved by the Audit Committee.

7 Compliance with the CIPFA Code of Practice

7.1 As part of its work in assessing the Council's Use of Resources the Audit Commission has examined a range of financial and performance information across a range of Council activities, and the results are summarised in the Annual Audit and Inspection Letter that was issued in March 2007. The letter is presented to this meeting of the Committee.

7.2 Within this work the Audit Commission has concluded that the Internal Audit function at Lewes continues to meet best practice standards, which includes compliance with the CIPFA Code of Practice.

8 Customer Satisfaction Surveys/Feedback from Users

8.1 Customer satisfaction surveys have been part of Internal Audit's quality assurance measures since 2001/2002 and a survey form is sent out with each final report. The results for the year exceeded target with 100% of comments reported as Very Good, Good or Satisfactory as shown in the table at Appendix B.

8.2 The CIPFA Code of Practice 2006 requires there to be periodic feedback from users on the Internal Audit service as a whole. An annual feedback questionnaire was introduced in March 2007 and sent to the Chief Executive, members of the Corporate Management Team (CMT) and the Section 151 Officer. All comments from the March 2007 exercise are reported as Very Good, Good or Satisfactory.

9 Added Value of Internal Audit

9.1 The CIPFA Code of Practice 2006 requires there to be an assessment of the extent to which Internal Audit adds value and assists the Council in achieving its objectives.

9.2 As an internal facing (back office) service, Internal Audit is able to contribute to the Council's aims, objectives and service priorities by supporting the corporate governance, business planning, performance management and internal control arrangements which help service managers and Councillors to focus on and deliver the priority services.

9.3 The March 2007 feedback questionnaire (see Section 8.2 above) included a question on the overall value of Internal Audit as an aid to management. All comments from the Chief Executive, members of the

Corporate Management Team (CMT) and the Section 151 Officer are reported as Very Good, Good or Satisfactory.

10 Performance Indicators (PIs)

10.1 The Audit Committee agreed PIs for Internal Audit at its meeting on 3 September 2001. The results for 2005/06 and 2006/07 and the targets for 2007/08 are detailed at Appendix B. The results for 2006/07 show that performance was at target or better than target in six of the eight PIs.

11 Quality reviews

11.1 Since 2004, the Internal Audit team has carried out an annual internal quality review that has assessed compliance with service standards and made recommendations for service improvements. The latest review in January 2007 identified ways to improve client communications, work scheduling and the documenting of audit results. These changes were approved by the Head of Audit and Performance and have been implemented for the beginning of 2007/08.

11.2 As was approved by the Audit Committee at its meeting of 19 March 2007, the Internal Audit team has carried out a peer review of a sample of audit files to establish that the work has been done in accordance with audit manual procedures, quality standards and the objectives of the audit. The results of the review have been examined by the Principal Audit Manager. The Head of Audit and Performance confirms that the standards of Internal Audit work comply with the audit manual and the CIPFA Code of Practice.

12 Internal Audit Achievements

12.1 The financial year 2006/07 has been a year of satisfactory achievement for Internal Audit, including the participation in the corporate initiatives in which the Audit and Performance Division has had a leading role. This year's main achievements are summarised at Appendix A of this report.

13 Financial Appraisal

13.1 There are no additional financial implications arising from this report.

14 Environmental Implications

14.1 I have completed the Environmental Implications Questionnaire and there are no significant effects as a result of these recommendations.

15 Risk Management Implications

15.1 The risk assessment shows that if the Audit Committee does not ensure that the Internal Audit function is able to discharge its functions effectively there is a risk that a key aspect of the Council's internal control arrangements will not comply fully with best practice. At present this risk is mitigated by an effective Internal Audit service that is subject to proper management oversight and monitoring by the Audit Committee.

16 Background Papers

16.1 Strategic Audit Plan 2006/2007 presented to the Audit Committee on 20 March 2006.

17 Appendices

A Key Achievements of Internal Audit in 2006/07.

B Performance Indicators for Internal Audit.

C Outturn Report for 2006/07.

KEY ACHIEVEMENTS OF INTERNAL AUDIT IN 2006/07

APPENDIX A

- ✓ Satisfactory and unqualified opinion from the Audit Commission (March 2007) on the Council's Statement on Internal Control (SIC) for 2005/06.
- ✓ Positive report from the Audit Commission (March 2007) on the review of the Council's Use of Resources, achieving the highest possible score (4) for internal control including Internal Audit, the Audit Committee, risk management and corporate governance.
- ✓ Successful completion of work on behalf of the Audit Commission in the testing of the Council's Subsidy Claims for Benefits and Non Domestic Rates with an associated saving for the Council of approximately £23,000 in external audit fees
- ✓ Positive report from Lloyds Register Quality Assurance (LRQA) on the standards of the Council's environmental audits, helping to ensure that the Council's EMAS registration was confirmed.
- ✓ Leading role in the further development of the Council's risk management strategy and supporting methodology, helping to obtain a positive reports from the Audit Commission.

PERFORMANCE INDICATORS FOR INTERNAL AUDIT

APPENDIX B

Performance Indicator	Actual 2005/06	Target 2006/07	Actual 2006/07	Target 2007/08
Cost of input				
1 Stay within total for Internal Audit Section budget.	Within budget	Within budget	Within budget	Within budget
Productivity and Process Efficiency				
2 % of Audit Plan completed.	86%	85%	83%	85%
3 Number of productive audit days achieved.	755	755	791	739
4 % of draft reports issued within 15 working days of the end of the audit.	95%	90%	92%	92%
Compliance with professional standards				
5 Positive opinion from Audit Commission review of Internal Audit as per Management Letter.	Positive opinion	Positive opinion	Positive opinion	Positive opinion
Outcome and degree of influence of the service				
6 All comments from client satisfaction questionnaires in Categories 1 (Very Good), 2 (Good) or 3 (Satisfactory).	100%	98%	98%	98%
7 % of recommendations agreed compared to number made.	100%	100%	100%	100%
8 % of recommendations implemented by the agreed date.	91%	85%	84%	85%

Audit Activity	Status	Number of Recommendations	Agreed by Management	Audit Outline
Main Systems				
Benefit Subsidy Claim	Signed off 18/12/06	n/a	n/a	A programme of testing carried out on behalf of the Audit Commission to verify the accuracy and validity of the Council's subsidy claim. The claim was verified and signed by the Audit Commission without qualification.
NDR Subsidy Claim	Signed off 18/12/06	n/a	n/a	A programme of testing carried out on behalf of the Audit Commission to verify the accuracy and validity of the Council's subsidy claim. The claim was verified and signed by the Audit Commission without qualification.
Cash	Final report 22/09/06	7	7	A systems audit to ensure that there is secure collection and recording of cash, prompt banking, bank credits are timely and accurately brought to account and collections are posted in a timely and accurate manner. No significant issues but recommendations were made to improve controls.
Council Tax/NDR	Final report 15/12/06	12	12	A systems audit of the revenue collection systems to ensure that persons liable to council tax and businesses liable to NDR have been recorded, liabilities and discounts are correctly calculated, bills are promptly despatched, collections are properly posted, refunds authorised and that recovery and enforcement procedures are adequate. Additional areas for NDR are to ensure that reliefs given are valid and an accurate list of hereditaments is maintained.
Debtors	Final report 27/06/06	4	4	A systems audit to ensure debtor accounts are raised promptly and correctly, amounts due are credited to the correct income accounts, adequate follow up procedures are in place if debtors do not pay and write offs are properly authorised. No significant issues but recommendations were made to improve controls.
Housing Benefits	Final report 31/07/06	10	10	A systems audit to review procedures and controls in those areas not previously examined in this audit cycle. Mainly concentrated on service accessibility, some aspects of payments to claimants and performance indicator procedures. No significant issues but recommendations were made to improve controls.

Audit Activity	Status	Number of Recommendations	Agreed by Management	Audit Outline
Loans and Investments	Final report 13/02/07	6	6	A systems audit to ensure that loans and investments are authorised and recorded, income from investments is received and transactions properly recorded, that fund managers adhere to policies agreed by the Council, and performance is monitored. No significant issues but recommendations were made to improve controls.
Managed Audit	Final report 28/3/07	n/a	n/a	Annual programme of testing of main financial systems to confirm adequacy of key internal controls. Results of the testing inform the opinion by the Head of Audit and Performance on the internal control environment and are passed to the Audit Commission (AC) to assist in their work. Satisfactory testing results.
Payroll	Final report 23/03/07	8	8	A systems audit to ensure that salaries are only paid to staff in authorised posts, are correctly calculated, recorded, coded and authorised, information required by the Inland Revenue and Contributions Agency is accurately recorded and processed. No significant issues but recommendations were made to improve controls.
Central Systems				
Banking and Reconciliations	Ongoing	n/a	n/a	A systems audit which reviews the contract with the Council's bank including tendering, the bank contract, operation of bank accounts, bank charges. The reconciliation of the bank accounts for receipts and payments are drawn together in a single audit, having previously been examined separately as part of other audits.
Building Maintenance	Ongoing	n/a	n/a	A systems audit of the procedures and controls governing the management, maintenance and repair of the Council's operational buildings. To include the role of the Corporate Property Group in managing the property portfolio and the administration of the repair and maintenance programme, and the ordering of works to meet planned maintenance and urgent repairs.
Electoral Registration	Final report 21/09/06	Nil	Nil	A systems audit to ensure compliance with key aspects of the Representation of the People Acts including compilation and maintenance of the register, controls to ensure only eligible voters are registered. A satisfactory situation with no recommendations made.
Insurance	Ongoing	n/a	n/a	A systems audit to ensure that risks are identified, evaluated and managed via the corporate Risk Management strategy and, where necessary, the most appropriate insurance cover is maintained.

Audit Activity	Status	Number of Recommendations	Agreed by Management	Audit Outline
Records Management	Final report 26/05/06	3	3	An audit of the adequacy and completeness of the Council's Records Management procedures including the documentation, organisation and testing of the Council's methods for responding to FOI requests, and compliance with the requirements of the Data Protection Act. No significant issues but recommendations were made to improve controls.
Departmental Systems				
Cemeteries	Ongoing	n/a	n/a	A systems audit to examine the segment of the Grounds Maintenance contract that deals with the management of cemeteries, including tendering, service, quality and cost monitoring, contract variations, penalties and contract payments. To include a review of the Community Services management of cemetery plots and monitoring of the main contract.
Environmental Health (Health)	Final report 16/11/06	6	6	A systems audit to examine the procedures and controls governing the provision of statutory services in accordance with legislation, including the training and accreditation of officers, the planning of premises inspections, responsive visits in respect of complaints, and the management monitoring of service quality. No significant issues but recommendations were made to improve controls.
Environmental Health (Pollution)	Final report 04/05/07	3	3	A systems audit to examine the procedures and controls governing the provision of statutory services in accordance with legislation, including the identification and monitoring of contaminated land and the monitoring of air quality. Issues were identified but recommendations to improve controls were accepted.
Estates Management	Ongoing	n/a	n/a	A systems audit to examine the procedures and controls governing the management and maintenance of sites, building and industrial estates under the control of LDC. To include the letting of contracts for refurbishments, external valuations and architects' services, the agreements with tenants, accounting for rents and expenditure, and controls over strategic sales/purchases.
Lifeline	Final report 20/11/06	1	1	A systems audit of the management of the Lifeline facility that provides alarm systems for vulnerable people. The audit to include the contracts for the maintenance, repair and replacement of equipment, payments to suppliers, contracts with customers, customer charges, management monitoring. No significant issues but one recommendation was made to improve controls.

Audit Activity	Status	Number of Recommendations	Agreed by Management	Audit Outline
Performance and Management Scrutiny				
Risk Management Scrutiny	Final report 13/06/06	1	1	An audit of departments' compliance with aspects of the Risk Management Strategy. No significant issues but one recommendation was made to improve compliance.
Review – Risk Management	Ongoing	n/a	n/a	Internal Audit monitors the development of the risk management framework, provides advice on best practice and assists in the analysis of service plan risk assessments.
Review – Asset Management	Ongoing	n/a	n/a	Internal Audit monitors the development of the asset management framework, and provides advice on best practice.
Review – Corporate Governance	Ongoing	n/a	n/a	Internal Audit monitors the development of the corporate governance frameworks and provides advice on best practice.
Review – Performance Management	Ongoing	n/a	n/a	Internal Audit monitors the development of the performance management framework, and undertakes data quality reviews of the processes supporting key PIs.
Statement on Internal Control (SIC)	Ongoing	n/a	n/a	Work to develop the Council's assurance systems that underpin the SIC, and ensure SIC arrangements remain at best practice standards.
Computer Audit				
Implementation of New Systems	Ongoing	n/a	n/a	Internal Audit provides advice and monitoring when new computer systems are planned and/or introduced into the Council. During the year the main work covered the extension of Document Image Processing (DIP) and the procurement module of the Agresso system.
Computer Software	Final report 31/05/07	3	3	A review of software in use on Council equipment/networks to ensure that officers are only using properly licensed applications. No significant issues but recommendations were made to improve controls.
Records Management Group	Ongoing	n/a	n/a	Internal Audit involvement in the working group that oversees the Council's response to Freedom of Information (FOI) and Data Protection legislation.
IT Steering Group	Ongoing	n/a	n/a	Internal Audit involvement in the working group that oversees the development of new IT systems for the Council, helping to ensure that control issues are considered at an early stage.
Environmental Audit				
Environmental Steering Group (ESG)	Ongoing	n/a	n/a	Attendance at the meetings of the Environmental Steering Group (ESG) to monitor compliance with Council's policy on the management and co-ordination of EMAS, as per LRQA requirements.

Audit Activity	Status	Number of Recommendations	Agreed by Management	Audit Outline
EMAS – Community Services	Final report 31/01/07	3	31	A review to determine whether the relevant environmental legislation is being complied with, EMAS objectives are being met, and the Council has taken appropriate action to address any significant environmental effects. No significant issues but recommendations were made to improve controls.
EMAS – Decisions	Final report 24/04/07	3	3	Outline as above.
EMAS – Economic Development	Final report 01/05/07	Nil	Nil	Outline as above.
EMAS – Environmental Health and Services	Final report 11/05/07	2	2	Outline as above.
EMAS – Personnel and Training	Final report 22/05/07	2	2	Outline as above.
EMAS – Waste and Recycling	Final report 07/07/06	3	3	Outline as above.
Managing Urban Europe (MUE) 25	Final report 28/9/06	Nil	Nil	Verification of the EC grant subsidy claim to enable reimbursement of the Council's project costs.
Management Responsibilities				
Audit Committee	Ongoing	n/a	n/a	Support provided to the Audit Committee. To include attendance at meetings, preparation of reports, progress monitoring and liaison with Democratic Services.
Resilience Planning Group	Ongoing	n/a	n/a	Provision of advice on risk and internal controls in the development of updated business continuity plans for key services.
NFI Data Matching	Ongoing	n/a	n/a	Support for the Revenues Manager who co-ordinated the Council's response to the National Fraud Initiative (NFI) Data Matching Exercise, and investigation of selected data matches.
Financial Vetting	Ongoing	n/a	n/a	Internal Audit undertakes financial vetting to support the investigation of the financial status of companies and directors as part of debt follow up procedures or the selection of potential contractors.
Follow Up	Ongoing	n/a	n/a	Internal Audit undertakes regular follow up with senior officers to determine whether agreed recommendations from previous audits have been implemented by the due date.
Meetings with External Audit	Ongoing	n/a	n/a	Meetings/liaison with the Audit Commission, including consultation on audit planning, joint working, sharing of audit findings, and consultation on PI audits.
Unplanned Audits / Investigations				
Partnerships	Draft report 28/03/07	6	n/a	A review of the Council's governance arrangements for key partnerships undertaken at the request of DFCS.
Investigation into high level complaint.	Final report 23/02/07	4	4	Investigation of the Council's handling of a high level complaint. Chief Executive has acted upon the recommendations to improve procedures.