

Audit and Governance Committee Agenda



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Date: 25 June 2014
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A meeting of the

Audit and Governance Committee

will be held on Thursday 3 July 2014 at 6.30pm

The Lockinge, The Beacon (formerly Wantage Civic Hall), Portway, Wantage,
OX12 9BY

Members of the Committee:

Councillors

Simon Howell (Chairman)
Mohinder Kainth (Vice-Chairman)
St John Dickson
Dudley Hoddinott
Angela Lawrence

Pat Lonergan
Sandy Lovatt
Julia Reynolds
Judy Roberts
Andrew Skinner

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A handwritten signature in black ink, appearing to read "M Reed".

Margaret Reed
Head of Legal and Democratic Services

Agenda

Open to the Public including the Press

Council's vision

The council's vision is to take care of your interests across the Vale with enterprise, energy and efficiency.

1. Notification of substitutes and apologies for absence

To record the attendance of substitute councillors, if any, who have been authorised to attend in accordance with the provisions of standing order 17(1), with notification having been given to the proper officer before the start of the meeting and to receive apologies for absence.

2. Minutes

To adopt and sign as a correct record the minutes of the meeting of the committee held on 17 March 2014 (previously published).

3. Actions arising

(Pages 4 - 5)

To review the actions arising from the last two committee meetings and receive an update on progress.

4. Declarations of interest

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

5. Urgent business and chairman's announcements

To receive notification of any matters, which the chairman determines, should be considered as urgent business and the special circumstances, which have made the matters urgent, and to receive any announcements from the chairman.

6. Statements, petitions, and questions from the public relating to matters affecting the Audit and Governance Committee

Any statements, petitions and questions from the public under standing order 32 will be made or presented at the meeting.

7. Internal audit activity - first quarter 2014/15

(Pages 6 - 26)

To consider the audit manager's report.

8. Internal audit management report - first quarter 2014/15

(Pages 27 - 36)

To consider the audit manager's report.

9. Internal audit annual report 2013/14

(Pages 37 - 46)

To consider the audit manager's report.

10. External auditor's fees

(Pages 47 - 49)

To consider the external auditor's letter attached.

11. Audit and governance work programme

(Pages 50 - 54)

To review the audit and governance work programme.

Exempt information under Section 100A(4) of the Local Government Act 1972

None

Audit and Governance Committee Report



3 July 2014

Report of: **Strategic Director**

Author: **Steve Culliford**

Telephone: **01235 540307**

E-mail: steve.culliford@southandvale.gov.uk

To: **Audit and Governance Committee**

Date: **27 January 2014**

Actions arising

Recommendation

That members note the content of the report and remove the completed actions where recommended.

Purpose of report

1. The purpose of this report is to respond on actions arising from previous committee meetings.

Strategic objectives

2. To assist the council to manage its business effectively by providing an assurance framework to monitor the overall adequacy and effectiveness of the internal control environment.

Actions arising

(a) External auditor's report	Committee Date – 24 June 2013
The committee asked the strategic director to consider consulting on the public's comprehension of council financial information.	
Comment The strategic director will consider using the citizens' panel to assess comprehension of financial information.	Action Retain on this actions arising list.

(b) Internal audit activity report	Committee Date – 17 March 2014
To change the process for monitoring systemic control weaknesses to put the onus on to heads of service to address outstanding issues and for the audit manager to update the committee on progress with the committee concentrating on high level issues.	
Comment The Audit Manager will update councillors at the committee meeting.	Action Recommend removal from actions arising list.
(c) Internal audit plan 2014/15	Committee Date – 17 March 2014
The 2014/15 audit plan should include an elections review before the elections in 2015 and should include individual elector registration.	
Comment This has subsequently been agreed by the chairman and vice-chairman that an elections review in 2014 will be carried out by the Scrutiny Committee and not by the Audit team, or the Audit and Governance Committee.	Action Recommend removal from actions arising list.

STEVE BISHOP
STRATEGIC DIRECTOR

Audit and Governance Committee Report



3 July 2014

Report of Interim Audit Manager

Author: **Craig Pullen**

Telephone: **01235 547615**

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E-mail: **craig.pullen@southandvale.gov.uk**

Cabinet member responsible: **Councillor Matthew Barber**

Telephone: **07816 481452**

E-mail: **matthew.barber@whitehorsedc.gov.uk**

To: Audit and Governance Committee

DATE: 3 July 2014

Internal audit activity report quarter one 2014/2015

Recommendation

That members note the content of the report

Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Craig Pullen, Interim Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Strategic Objectives

3. Managing our business effectively.

Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes

the achievements of the Council's objectives. It assists the Council by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

Full Assurance: There is a sound system of internal control designed to meet the system objectives and the controls are being consistently applied.

Satisfactory Assurance: There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

Limited Assurance: There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

Nil Assurance: Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

High Risk: Fundamental control weakness for senior management action

Medium Risk: Other control weakness for local management action

Low Risk: Recommended best practice to improve overall control

2013/2014 Audit Reports

7. Since the last Audit and Governance Committee meeting, the following audits and follow up reviews have been completed:

Completed Audits

Full Assurance: 3

Satisfactory Assurance: 2

Limited Assurance: 2

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Cash Office 13/14	Satisfactory	5	0	0	2	2	3	3
HR Grievance	Full	0	0	0	0	0	0	0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Procedures 13/14								
Pro-Active Anti-Fraud Review 13/14	Full	0	0	0	0	0	0	0
Sundry Debtors 13/14	Satisfactory	2	0	0	1	1	1	1
Treasury Management 13/14	Full	1	0	0	0	0	1	1
The Beacon 13/14 (formerly Wantage Civic Hall) (Appendix 1)	Limited	8	3	3	3	3	2	2
Temporary Accommodation 14/15 (Appendix 2)	Limited	7	1	1	2	2	4	4

Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Brown Bins 13/14	Full	1	1	0	0	0
Environmental Health Food & Safety 13/14	Satisfactory	6	3	1	1	1
Health & Safety 13/14	Satisfactory	4	1	0	0	3
Licensing 13/14	Limited	15	9	0	1	4
Post Room 13/14	Satisfactory	4	4	0	0	0
RIPA 13/14	Full	3	1	1	0	1

8. Members of the committee are asked to seek assurance from the internal audit report and/or respective managers that the agreed actions have been or will be undertaken where necessary.
9. A copy of each report has been sent to the appropriate service manager, the relevant strategic director, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the council intranet and committee members are alerted by e-mail when reports are published.
10. Internal audit continues to carry out a six month follow up on all non-financial and non-key financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

Outstanding Recommendations

11. From May 2014, a new initiative has been introduced whereby internal audit monitors all audits from 2010/11 onwards for which there are still outstanding recommendations. Schedules were sent to all appropriate Heads of Service and Service Managers in June 2014 to provide an up to date position for each recommendation. Internal Audit will then undertake sample checks on the reported positions to ensure that they are accurate. An updated schedule will be provided at the meeting.

Financial Implications

12. There are no financial implications attached to this report.

Legal Implications

13. None.

Risks

14. Identification of risk is an integral part of all audits.

CRAIG PULLEN
INTERIM AUDIT MANAGER

THE BEACON (FORMERLY WANTAGE CIVIC HALL) 2013/14

1. INTRODUCTION

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to Wantage Civic Hall. The audit has been undertaken in accordance with the 2013/2014 audit plan agreed with the audit and governance committee of Vale of White Horse District Council (VWHDC). The audit has a priority score of 14. The audit approach is provided in the audit framework in Appendix 1.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- Appropriate policies and procedures are in place for the management of Wantage Civic Hall, with roles and responsibilities for all operational functions clearly assigned.
 - Adequate management arrangements are in place for the provision of bar service and café, including stock control.
 - There is an appropriate mechanism to manage bookings.
 - Adequate arrangements are in place for receipt of income, processing refunds and the collection of cash and banking.
 - Adequate reconciliation and monitoring processes are in place for income and expenditure.
 - Adequate safety and security arrangements are in place for officers and council assets.
 - Sufficient management information is available to support performance.

2. BACKGROUND

- 2.1 Wantage Civic Hall has four rooms, which are available to hire for meetings and functions or events. A café area with free Wi-Fi access is open throughout the day which serves hot and cold drinks and light refreshments and a bar which is opened on request. Wantage Civic Hall now offers a cinema night once a month.
- 2.2 Wantage Civic Hall is staffed with the following officers:-
- 1 x full-time team leader;
 - 2 x full-time duty officers;
 - 1 x part-time assistant duty officer;
 - 1 x part-time promotions officer;
 - 1 x part-time customer services officer;
 - 1 x part-time cleaner;
 - 2 x casual duty officers.
- 2.3 On the 1 April 2014, Wantage Civic Hall officially changed its name to the Beacon with the four rooms having their names changed too.

3. PREVIOUS AUDIT REPORTS

- 3.1 Wantage Civic Hall was last subject to an internal audit review in January 2013 and 20 recommendations were raised. All 20 recommendations were agreed. A limited assurance opinion was issued.
- 3.2 Of the 20 recommendations, 15 have been implemented and five recommendations have not been implemented. Five recommendations have been restated as a result of our work in this area (Recs 4, 5, 6, 7 & 8).

4. 2013/2014 AUDIT ASSURANCE

- 4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Eight recommendations have been raised in this review. Three high risk, three medium risk and two low risk.

5. MAIN FINDINGS

5.1 Policies and procedures

5.1.1 Internal audit established that a business case consultant is currently contracted up and till the end of March 2014 to update all operational procedures and build a programme of regular events. Internal audit noted that one of their roles is to review all of the procedures. Internal audit established that roles and responsibilities are clearly assigned within job descriptions for each of the posts. One recommendation has been restated as a result of our work in this area (Rec 4).

5.2 Bar service and café

5.2.1 Internal audit established that agreed processes are in place for both the bar and café. During events and functions, it was found that the bar is now staffed by civic hall staff and at least two members of staff are present at all times. Internal audit noted that the team leader has a personal license.

5.2.2 Internal audit established that the stock records are in place for bar and café stock. Internal audit reviewed the stock records and was satisfied with the information included onto the stock records and that regular checks are undertaken. No recommendations have been made as a result of our work in this area.

5.3 Bookings

5.3.1 Internal audit established that an agreed process is in place for hiring facilities. The fees are available to the public via the website. Internal audit established that regular users are treated the same as ad-hoc users with the exception that regular users are invoiced once month. Having reviewed 10 users (five ad-hoc and five regular), internal audit found that two users hire rooms at a rate not in line with the agreed fees. One recommendation has been made as a result of our work in this area (Rec 1).

5.4 Receipt of income, refunds and banking

5.4.1 Internal audit established that income is received from the café, bar and front desk. Payments for bookings are recorded on the daily transaction sheets. Internal audit noted that as of 1 April 2014, cashing up the tills and banking is carried out daily. Prior to the 1 April 2014, cashing up and banking was undertaken weekly. Having reviewed both weekly and daily cashing up sheets, internal audit was satisfied to see that cashing up and banking has improved since moving to daily from weekly as a few discrepancies were found on the weekly cashing up sheets, while none were found on the daily cashing up sheets. Internal audit noted that two officers drop the cash off at the bank at the end of each day.

5.4.2 Internal audit found that petty cash is held securely in a locked filing cabinet. Internal audit cashed up the petty cash and established that only 89 pence was in the petty cash tin. It was noted that they had run out of petty cash vouchers; therefore the receipts in the petty cash tins could not be reimbursed at VWHDC cash office. Internal audit reviewed the receipts in the petty cash tin and found that stationary items were brought through petty cash. Internal audit noted that VWHDC have a contract with Lyreco to purchase all stationary items through them or the council will lose the discount offered. Two recommendations have been made as a result of our work in this area (Recs 2 & 3).

5.5 Monitoring of income and expenditure

5.5.1 Internal audit established that there is no reconciliation to monitor income and expenditure against the general ledger, but found that there are other ways of monitoring to compensate that. Income and expenditure is monitored through graphs and charts, which clearly shows if they are in line with the annual budget set. Internal audit also established that the budget monitoring reports are reviewed and variances explained. No recommendations are have been made as a result of our work in this area.

5.6 Safety and security

5.6.1 Internal audit established that health and safety checks are undertaken on a regular basis by both in-house staff and external contractors. Fire drills are undertaken on a regular basis and internal audit established that the Wantage Town Council staff still do not participate. All staff

based at Wantage Civic Hall have had first aid training.

5.6.2 Internal audit reviewed the insurance certificates and established that the safe at Wantage Civic Hall is insured for monies kept overnight. Internal audit observed and was satisfied that appropriate security measures are in place at the civic hall. Internal audit established that an inventory is kept and updated regularly. One recommendation has been restated as a result of our work in this area (Recs 6).

5.7 **Management information**

5.7.1 Internal audit established that performance points are in place giving management information on how the civic hall is performing throughout the year. Comparison with previous years has also been made and internal audit was satisfied that bookings and income has increased from previous years. Internal audit found that comment and complaints have also been satisfactorily resolved in a timely manner. No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

BOOKINGS

1. Regular users

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All regular users are being charged the approved fees and discount for hiring rooms.</p> <p><u>Findings</u> Internal audit tested a sample of five regular users and established that two regular users are not paying the agreed room rate and discount.</p> <p><u>Risk</u> If all regular users are not paying the agreed room rate and discount, there is a risk that the council is not maximising its income.</p>	<p>Consideration should be given to ensuring that all regular users are charged the agreed room rate and discount.</p>	<p>Team leader (The Beacon)</p>
Management Response		Implementation Date
<p>Recommendation is Agreed As part of the re-launch we are in process of reviewing all regular room hire agreements and rates. Expected completion in July when current bookings run their course.</p> <p>Management response: Team leader (The Beacon)</p>		<p>31 July 2014</p>

RECEIPT OF INCOME, REFUNDS AND BANKING

2. Cashing up

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Cashing up is undertaken and recorded appropriately with both the officer cashing up and the officer checking signing the cashing up spreadsheet.</p> <p><u>Findings</u> Internal audit established that from the 1 April 2014, the cashing up process had changed from weekly cash ups to daily cash ups. Although internal audit was satisfied with the new daily cash up and found no discrepancies, discrepancies were found during the review of the weekly cash up. At the time of the audit, internal audit could not give an assurance with the daily cash up as there were not enough cash ups undertaken to review and give an opinion.</p> <p><u>Risk</u> If cashing up is not undertaken or recorded appropriately, there is a financial risk to the council as monies can go missing or get stolen without knowledge.</p>	<p>Checks are carried out to ensuring that cashing up of tills continues to be undertaken & recorded appropriately.</p>	<p>Team leader (The Beacon)</p>

Management Response	Implementation Date
<p>Recommendation is Agreed To continue with new cashing up procedure and make evidence available to audit as required</p> <p>Management response: Team leader (The Beacon)</p>	Ongoing

3. Petty cash

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All stationery items are purchased through Lyreco.</p> <p><u>Findings</u> Internal audit reviewed the petty cash receipts and established a couple of stationery items were brought via petty cash. Internal audit noted that the council have a contract to purchase all stationery items through Lyreco and would lose their discount if found purchasing stationery from elsewhere.</p> <p><u>Risk</u> If stationery items are purchased through Lyreco, there is a risk the council will lose its discount if found to have brought from somewhere else.</p>	A reminder should be given to staff that all stationery is purchased from Lyreco, whom the council have a stationery contract with.	Team leader (The Beacon)
Management Response	Implementation Date	
<p>Recommendation is Agreed This was a one off event that occurred during staff holiday, in order to prevent recurrence additional staff have been trained in ordering from Lyreco and on Agresso so they can raise a purchase order for stationary as required.</p> <p>Management response: Team leader (The Beacon)</p>	Implemented	

PREVIOUS RECOMMENDATIONS CARRIED FORWARD

4. Procedures

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Up to date procedures are in place and available to relevant officers covering all processes at Wantage Civic Hall.</p> <p><u>Findings - 2012/2013</u> A hardcopy procedure manual from June 2010 is in use at Wantage Civic Hall. Procedures were partly updated in January 2012 but are only held electronically. It is acknowledged that there are plans to complete the review of procedures but there appears to have been limited progress on this in recent months.</p> <p>Procedures still to be updated include lone working arrangements and procedures are lacking for the provision of the café service and bar services.</p>	<p>Procedures should be provided to all officers which are:-</p> <ol style="list-style-type: none"> Up to date. Comprehensive to encompass all processes including the provision of café and bar services. 	Business case consultant

<p><u>Findings - 2013/2014</u> Internal audit established that a consultant has been hired and one of their tasks is to update all the procedures at Wantage Civic Hall. At the time of the audit, the procedures were still be updated.</p> <p><u>Risk</u> If procedures do not cover all processes it may prove difficult to provide cover and continued service should there be of unplanned absences of key staff.</p>		
Management Response - 2012/2013		Implementation Date
<p>Recommendation is Agreed All procedures are being reviewed and new ones created where gaps have been identified. An action plan has been developed to enable all staff to have input into the review process, and a log devised for them to sign when they have read and understood the procedures. The procedures are being regrouped to make the manual more user friendly and a hard copy will be available in the Wantage Civic Hall office where all staff can access them.</p> <p>Management response: Partnership Development Officer (Leisure)</p>		<p>New procedures in place by 31 March 2013. Full review and regrouping complete by 31 March 2014.</p>
Management Response - 2013/2014		Implementation Date
<p>Recommendation is Agreed A further review of procedures is being undertaken by business case consultant following the staffing restructure and introduction of new equipment and activities - to be completed by the end of contract.</p> <p>Management response: Team leader (The Beacon)</p>		31 May 2014

5. Town council usage

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Usage of the civic hall by Wantage town council should be regularly reviewed to ensure it is reasonable and an adequate contribution is made towards costs for the offices and for meetings. Furthermore the district council should not be liable for additional expenses when allowing the town council free use of Wantage Civic Hall for events.</p> <p><u>Findings - 2012/2013</u> An agreement from 1977 allows for 50 town council meetings per year and an office space for the town council use. It is understood that there are plans for the agreement to be reviewed and discussed and these plans are supported by internal audit.</p> <p>Whilst the town council contributes towards heating and lighting for the office space they occupy this does not appear to compensate the council for the heating and lighting of the rooms for the 50 council meetings per year.</p>	<p>a) The agreement for future use of Wantage Civic Hall by the Town council should be regularly reviewed and updated.</p> <p>b) The contribution towards heating and lighting should be reviewed to consider if this should also include the use of the rooms for town council meetings in addition to the office space.</p> <p>c) The usage of Wantage Civic Hall for the ten events should be reviewed with a view to obtaining agreement that any additional expenses incurred in hosting the event should be paid including a fee if external bar/catering staff are utilised.</p>	Partnership development officer (leisure)

<p>An additional 10 usages are to be provided free of charge for events organised by the town council within the agreement and an undated memo that appears to be of some age sets out that each financial year there can be:-</p> <ul style="list-style-type: none"> • A craft show; • King Alfred's awards; • A civic ball; • A carol service ; • Six further events. <p>A letter from the town council regarding the additional events lists six between 02/06/2012 to 27/04/2013.</p> <p>When an event is booked under the ten 'free events' for Wantage town council any additional expenses incurred by Wantage Civic Hall such as additional casual duty officers, casual bar staff or staff staying extra hours to tidy up after an event is not recompensed. Even if it is agreed that contractors can be used to provide the bar service and or catering for events duty officers are still required to manage the event and to tidy up afterwards.</p> <p><u>Findings - 2013/2014</u> Internal audit established that Cllr Elaine Ware is currently negotiating with Wantage Town Council in agreeing a new agreement.</p> <p><u>Risk</u> If usage of the offices and rooms by the town council is not regularly reviewed then the district council may be not just be providing the facility free of charge but at a loss.</p>		
Management Response - 2012/2013		Implementation Date
<p>Recommendation is Agreed in Principle Cabinet is aware of the issue and as part of the fit for the future action plan is to negotiate a new agreement with Wantage Town Council ready for April 2013. In addition, officers are in the process of negotiating costs for town council events where the district council incurs additional costs.</p> <p>Management response: Partnership Development Officer (Leisure)</p>		31 March 2013
Management Response - 2013/2014		Implementation Date
<p>Recommendation is Agreed in Principle Negotiations with Wantage Town Council are ongoing, with Cllr Elaine Ware acting on behalf of The Beacon.</p> <p>Management response: Team leader (The Beacon)</p>		Ongoing

6. Credit/debit card payments

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Procedures for processing debit/credit cards should be comprehensive.</p>	<p>Procedures for processing debit/credit cards should be updated to include:-</p>	<p>Business case consultant</p>

<p><u>Findings - 2012/2013</u> The procedures for the processing of credit/debit card payments do not include:-</p> <ul style="list-style-type: none"> • An explanation of how the code 10 call is used if there are suspicions about the cardholder; • Details such as there may be a need to obtain telephone authorisation; • Refunds should only be made to the card that made the original payment • Details of how to use the credit/debit card terminal. <p><u>Findings - 2013/2014</u> Internal audit established that a consultant has been hired and one of their tasks is to update all the procedures at Wantage Civic Hall. At the time of the audit, the procedures were still be updated.</p> <p><u>Risk</u> If procedures do not cover all aspects of processing credit/debit card transactions then officers may unknowingly take inappropriate actions such as refunding to a card that did not make the original payment.</p>	<ul style="list-style-type: none"> a) An explanation of how the code 10 call is used if there are suspicions about the cardholder. b) Details such as there may be a need to obtain telephone authorisation. c) Refunds should only be made to the card that made the original payment. d) Details of how to use the credit/debit card terminal. 	
Management Response - 2012/2013		Implementation Date
<p>Recommendation is Agreed The procedures for processing debit/credit cards are included in the procedures action plan to be reviewed and updated.</p> <p>Management response: Partnership Development Officer (Leisure)</p>		31 March 2013
Management Response - 2013/2014		Implementation Date
<p>Recommendation is Agreed Review of procedures being undertaken by business case consultant as stated in point 4 above.</p> <p>Management response: Team leader (The Beacon)</p>		31 May 2014

7. Fire evacuation drill

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All persons present at the civic hall during an evacuation should take part in the drill and any problems identified should be addressed.</p> <p><u>Findings - 2012/2013</u> The evacuation drill at the civic hall 04/12/12 records that the Wantage Town Council staff who use offices at Wantage Civic Hall did not respond to the drill but no action to address this was noted.</p> <p><u>Findings - 2013/2014</u> The team leader stated that Wantage</p>	<p>Any problems identified on the fire evacuation drills should be addressed and details recorded. This includes advising Town Council and other regular users that they should take part in any evacuation drill.</p>	<p>Team leader (The Beacon)</p>

<p>Town Hall staff still do not respond to the fire evacuation drill. It is also noted that this will be included as part of the new agreement currently discussed with Cllr Elaine Ware.</p> <p><u>Risk</u> If regular users of Wantage Civic Hall do not take part in the evacuation drills then any issue with their safe evacuation of the building may not be identified.</p>		
Management Response - 2012/2013		Implementation Date
<p>Recommendation is Agreed Results of all fire evacuation drills and any problems identified will now be recorded centrally and emailed to the Facilities Team to be actioned. Tenants have been informed of the fire evacuation procedures and the need to take part in any evacuation drill. We are seeking the advice of the health and safety advisor and the property team to check if failure to comply with health and safety instructions amounts to a breach of their tenancy agreement.</p> <p>Management response: Partnership Development Officer (Leisure)</p>		31 March 2013
Management Response - 2013/2014		Implementation Date
<p>Recommendation is Agreed Results of all fire evacuation drills and any problems identified are now being recorded centrally and emailed to the Facilities Team to be actioned. Tenants have again been informed of the fire evacuation procedures and the need to take part in any evacuation drill. Further action will be taken if they do not comply with this.</p> <p>Management response: Team leader (The Beacon)</p>		31 May 2014

8. Keys

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The council should have ready to hand a listing of all keys and who they are held by. Any surrender of keys should be recorded formally.</p> <p><u>Findings - 2012/2013</u> As officers receive keys for Wantage Civic Hall they sign for them together with a declaration covering their use. A recently surrendered master key was not signed back in and dated but instead the new holder of the key signed for it on the original key holders form. It is not easy to establish how many keys exist and who holds them without sorting through the sheets.</p> <p>Six new keys had been obtained and whilst the invoice was retained there was no record of where these keys were held.</p> <p><u>Findings - 2013/2014</u> Internal audit established that the key audit is currently ongoing.</p> <p><u>Risk</u> If the council cannot identify who holds</p>	<p>A register of keys should be produced and updated so it can quickly be ascertained who holds them and where any spares are located.</p>	<p>Team leader (The Beacon)</p>

master keys for the civic hall and where spares are held then they may not be complying with insurance requirements.		
Management Response - 2012/2013		Implementation Date
<p>Recommendation is Agreed A complete list of key holders has been produced and all keys signed for. Any additional spare keys are kept in the safe.</p> <p>Management response: Partnership Development Officer (Leisure)</p>		Immediately
Management Response - 2013/2014		Implementation Date
<p>Recommendation is Agreed During When audit visited, we were in the process of a key audit whilst moving keys to the newly installed secure key box. All work is now complete.</p> <p>Management response: Team leader (The Beacon)</p>		Implemented

TEMPORARY ACCOMMODATION 2014/2015

1. INTRODUCTION

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to temporary accommodation, including rent in advance, rent deposit bonds and rent accounting. The audit has been undertaken in accordance with the 2014/2015 audit plan agreed with the audit and governance committee of Vale of White Horse District Council (VWHDC). The audit has a priority score of 14. The audit approach is provided in the audit framework in Appendix 1.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- there are suitable strategies, policies and procedures supporting temporary accommodation arrangements, rent in advance and rent deposit schemes.
 - temporary accommodation is appropriately managed in accordance with legislation and agreed processes with decisions appropriately made, documented and authorised.
 - there are appropriate arrangements in place for the rent in advance and rent deposit schemes.
 - rent accounts are suitably maintained and regularly reviewed.
 - income is appropriately processed and reconciled.
 - arrears are appropriately monitored and managed.
 - temporary accommodation and rent accounting is accurately reported.

2. BACKGROUND

- 2.1 Procedures and processes relating to temporary accommodation are the responsibility of the housing needs team as the council is required to deal with homeless persons (as covered in parts VI and VII of the 1996 Housing Act and the Homelessness Act 2002).
- 2.2 The Abritas system is a software package used by housing to record tenants rent accounts including temporary accommodation. The system provides an accounting function therefore rent accounts are not recorded on the Agresso system.

3. PREVIOUS AUDIT REPORTS

- 3.1 Homelessness & temporary accommodation was last subject to an internal audit review in January 2008 and rent accounting was last subject to an internal audit review in September 2008. 11 recommendations were made in total (one for homelessness & temporary accommodation, and 10 recommendations for rent accounting). No assurance was given for homelessness & temporary accommodation, and a limited assurance opinion was given for rent accounting. In 2011/2012, the head of health & housing requested an ad-hoc review of housing debt management to be undertaken, which was undertaken in June 2011 and five recommendations were made. A satisfactory assurance opinion was given. Of the 16 recommendations, 15 recommendations were agreed.
- 3.2 Of the 15 recommendations, two have been implemented and 13 are no longer applicable and have been superseded with the findings made in the current audit review. No recommendations have been restated as a result of our work in this area.

4. 2014/2015 AUDIT ASSURANCE

- 4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Seven recommendations have been raised in this review. One high risk, two medium risk and four low risk.

5. MAIN FINDINGS

5.1 Strategy, policies and procedures

5.1.1 Internal audit established that a homelessness strategy is currently not in place. The strategy is currently in the service plan to be undertaken in 2014/2015 and a consultant is in place to undertake the development of the strategy.

5.1.2 Internal audit established that policies and procedures are in place and available to all relevant staff via the network drive. Having reviewed the policies and procedures, internal audit found that they are in line with legislation, but require updating and are not version controlled. Two recommendations have been made as a result of our work in this area (Recs 1 & 2).

5.2 Temporary accommodation in accordance with legislation

5.2.1 Internal audit established that the process for reviewing an applicants' homeless status is documented and in place. Internal audit reviewed a sample of 10 homeless applications and was satisfied all applicants had a priority needs decision made, and all supporting documentation was attached to their account on the Abrisas system.

5.2.2 Internal audit established that temporary tenants have limited rights as they have a licensing agreement with the council. Internal audit noted that legislation is in place on giving tenants, including temporary tenants, rights on suitable living standards on accommodation. Internal audit viewed one of the council-owned properties and established that the property is not fit for purpose. Internal audit is satisfied though that regular health and safety checks are carried out. One recommendation has been made as a result of our work in this area (Rec 3).

5.3 Rent in advance and rent deposit bonds

5.3.1 Internal audit found that an appropriate process is in place for both rent in advance and rent deposit bond tenants. Internal audit reviewed a sample of 10 tenants and established that all 10 tenants met the criteria for obtaining a rent in advance and rent deposit bond. All tenants signed the rent in advance repayment form and deposit bond agreement, and all tenants have a folder set up with all correspondences on the housing needs' network drive. No recommendations have been made as a result of our work in this area.

5.4 Rent accounts

5.4.1 Internal audit established that the council use the Abrisas system for recording tenants' details and rent accounting. Internal audit reviewed 10 temporary tenants, established that all tenants were appropriately recorded on the system along with all supporting information being attached and that all tenants were correctly charged. No recommendations have been made as a result of our work in this area.

5.5 Income

5.5.1 Internal audit established that income is monitored through the budget monitoring reports, which the accountancy team send out on a monthly basis. Internal audit found that income is received for both council-owned temporary accommodation and 1st stage nightly charge, from the tenants and/or housing benefits, and having reviewed the budget monitoring report, internal audit could not differentiate between them as they were all included in one cost centre code.

5.5.2 Internal audit established that an income reconciliation is currently not being undertaken. It is noted that due to the departure of the officer previously undertaking the reconciliation and the limited resources that were available at the time, the reconciliation was put on hold. Two recommendations have been made as a result of our work in this area (Recs 4 & 5).

5.6 Arrears

5.6.1 Internal audit established that current rent arrears are £32,356.68 and recovery of debt is not undertaken due to the lack of resources within the housing needs team. Internal audit noted that both current debts and aged debts are discussed to establish the next process. Having reviewed the aged debt spreadsheet, internal audit established that there were amounts less

that £80.00, which is not viable to send to legal services for recovery. Two recommendations have been made as a result of our work in this area (Rec 6 & 7).

5.7 **Performance reporting**

5.7.1 Internal audit established that performance points are in place and reported to the Strategic Management Board and Cabinet on a monthly basis. Internal audit noted that the P1E is required to be submitted to the Department for Communities and Local Government on a quarterly basis. Internal audit is satisfied with the information submitted as the report is automatically produced from the Abris system. No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

STRATEGIES, POLICIES AND PROCEDURES

1. Homelessness strategy

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The council has in place an up-to-date & comprehensive homelessness strategy in place.</p> <p><u>Findings</u> Internal audit established that currently a homelessness strategy is not in place as the last the strategy expired in 2013.</p> <p><u>Risk</u> If a homelessness strategy is not in place, there is a risk of officer not knowing the strategy on dealing with homeless cases.</p>	<p>A homelessness strategy should be in place as it is a requirement of the Homelessness Act 2002.</p>	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed Completion of the Homelessness Strategy is an objective in the current service plan. A project plan is in progress to complete the Strategy by October 2014</p> <p>Management response: Housing Needs Manager</p>		<p>October 2014</p>

2. Policies & procedures

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All policies and procedures relating to temporary accommodation, rent deposit bonds & rent in advance are up-to-date and version controlled.</p> <p><u>Findings</u> Internal audit reviewed the policies and procedures, and established that they were not up-to-date or version controlled.</p> <p><u>Risk</u> If policies and procedures are not up-to-date, there is a risk of officers not working in compliance with current housing legislation.</p>	<p>All policies and procedures should be reviewed, updated and version controlled.</p>	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed A review and updating of all TA policies and procedures is included within the DPR for the Lettings Team Leader.</p> <p>Management response: Housing Needs Manager</p>		<p>December 2014 (fully implemented)</p>

TEMPORARY ACCOMODATION LEGISLATION REQUIREMENTS

3. Council owned properties

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All properties owned by the council are in line with the Housing Act 2004.</p> <p><u>Findings</u> Internal audit viewed 39 Grove Street and established that the house has damp and mould. If a tenant lives in a property with damp and mould there is a risk to their health, which is not in line with the Housing Act 2004.</p> <p><u>Risk</u> If the properties are not to standard, there is a risk that the tenants can sue the council.</p>	<p>A decision is made on the properties on Grove Street to either sell or renovate as the properties are currently in poor condition.</p>	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed A further review of temporary accommodation stock, including a decision to sell or renovate Grove Street, is commencing shortly.</p> <p>Management response: Housing Needs Manager</p>		<p>TBC – depends upon the timescale of the review.</p>

INCOME

4. Income differentiation

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All supporting documentations are attached to the tenant's account on the Abrisas system.</p> <p><u>Findings</u> Internal audit reviewed the budget monitoring report and could not differentiate between:-</p> <ul style="list-style-type: none"> • Housing benefit payments; • 1st stage nightly charge; • Council owned temporary accommodation income. <p>All three are coded to the same cost centre code HM31-9401.</p> <p><u>Risk</u> If income is not split, there is a risk of service areas not being able to monitor income appropriately.</p>	<p>Consideration should be given in establishing if it is possible to split:-</p> <ol style="list-style-type: none"> 1. income received from both housing benefits & tenant, and 2. income for council-owned temporary accommodation & 1st stage nightly charge to make it clearer and easier to monitor. 	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle I have a meeting with Accounts on 7 July to discuss differentiating types of income with different budget codes.</p> <p>Management response: Housing Needs Manager</p>		<p>TBC following Accounts meeting</p>

5. Income reconciliation

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All supporting documentations are attached to the tenant's account on the Abrisas system.</p> <p><u>Findings</u> The housing needs manager stated that the income reconciliation was previously carried out by the housing needs officer (Andrew Ochia), but when he left last year, the reconciliations also stopped due to the lack of resources.</p> <p>The housing needs manager also stated that he is due to have a meeting with the principal accountant (Paul Sheppard) and is due to raise this with him, to establish if accountancy require them to undertake a reconciliation.</p> <p><u>Risk</u> If the income reconciliations are not undertaken, there is a risk of inadequate monitoring of income.</p>	<p>Consideration should be given in resurrecting the income reconciliation between the Abrisas system and general ledger.</p>	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed Reconciliations will recommence following the accounts meeting on 7 July.</p> <p>Management response: Housing Needs Manager</p>		<p>August 2014</p>

ARREARS

6. Recovery process

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All tenants in arrears are put through the recovery process to recoup the debt.</p> <p><u>Findings</u> Internal audit established that tenants in arrears were not put through the recovery process as there was a lack of resource in the housing needs team.</p> <p>Assurances have been given that arrears will go through the recovery process now that the housing needs team is at capacity.</p> <p><u>Risk</u> If arrears are not chased up, there is a financial risk to the council as they might have to be written off.</p>	<p>Tenants in arrears should be going through the recovery process to recoup as much of the debt as possible.</p>	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed Robust arrears recovery and monitoring will now be systematically undertaken by the Temporary Accommodation Officer and Assistant.</p>		<p>20 June 2014</p>

Management response: Housing Needs Manager	
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7. Decision on debts

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All supporting documentations are attached to the tenant's account on the Abrisas system.</p> <p><u>Findings</u> Internal audit reviewed the prior tenant arrears' spreadsheet and established that there are arrears for less than £80. Internal audit established that for arrears less than £80, it is not financially viable to the council to send to legal services for recovery.</p> <p><u>Risk</u> If action is not taken on tenant's debt, there is a risk of debts being forgotten.</p>	<p>A review is undertaken of accounts still in debt and a decision is made to either write the debts off or send to legal for recovery.</p>	<p>Staff Officer</p>
Management Response		Implementation Date
<p>Recommendation is Agreed All debtor rent accounts will be reviewed and recommendations to write off or recover will take place at every monthly TA meetings</p> <p>Management response: Housing Needs Manager</p>		<p>20 June 2014</p>

Audit and Governance Committee Report



3 July 2014

Report of **Interim Audit Manager**

Author: **Craig Pullen**

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Cabinet member responsible: **Councillor Matthew Barber**

Telephone: **07816 481452**

E-mail: matthew.barber@whitehorsedc.gov.uk

To: Audit and Governance Committee

DATE: 3 July 2014

Internal audit management report quarter one 2014/15

Recommendation

That members note the content of the report

Purpose of report

1. The purpose of this report is:
 - to report on management issues within internal audit;
 - to summarise the progress against the 2014/2015 audit plan up to 13th June 2014; and
 - to summarise the priorities for quarter two 2014/2015.
 -
2. The contact officer for this report is Craig Pullen, Interim Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Strategic objectives

3. Managing our business effectively.

Background

4. The CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 states that the head of internal audit should prepare a risk-based audit plan, which should outline the assignments to be carried out and the broad resources required to deliver the plan.
5. The CIPFA Code also states that the audit committee should approve the annual internal audit plan and monitor progress against the plan. This Committee approved the annual internal audit plan on 17 March 2014.

Management issues

6. Interviews for the vacant auditor position were held on 1st May 2014 and we appointed Fiona Kaluza. Fiona joined the team on 9th June 2014.
7. Adrianna Partridge will rejoin the Council during July as Audit Manager and Craig Pullen's Interim contract will terminate on 18th July 2014.

Progress against the 2014/2015 audit plan

8. Progress against the approved audit plan has been calculated for the quarter and year to date and is summarised in **appendix 1** attached.
9. Performance figures to date are as follows:

	Target	YTD	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14
Chargeable (identifiable client and/or specific IA deliverable)	74%	75%	75%			
Non-Chargeable (corporate, not IA deliverable)	8%	6%	6%			
Lost (i.e. leave, study, sickness)	18%	19%	19%			

10. As at 23 June 2014 the status of audit work against the 2014/2015 audit plan is as follows:

Planned

Strategic, operational and financial assurance work known and approved by the Audit and Governance Committee.

2014/2015	Planned	Complete	Draft	In progress	To commence
PLANNED	26	1	0	4	21
Joint	26	1	0	4	21
SODC	0	0	0	0	0
VWHDC	0	0	0	0	0

Adhoc

Unplanned project work based on agreed terms of reference with the audit manager (i.e. implementation of new systems) and responsive work issued and agreed by the section 151 officer, members or senior management team (i.e. investigations).

2014/2015	Requested	Complete	Draft	In progress	To commence
ADHOC	1	0	0	1	0
Joint	0	0	0	0	0
SODC	1	0	0	1	0
VWHDC	0	0	0	0	0

Follow up

Work undertaken to ensure that agreed recommendations have been implemented. The number of follow-up audits is a rolling number, all internal audit reports are followed up after six months.

2014/2015	Requested	Complete	Draft	In progress	To commence
FOLLOW-UP	27	12	0	6	9
SODC	13	6	0	3	4
VWHDC	14	6	0	3	5

Priorities for 2014/2015 quarter two (July 2014 – September 2014)

11. The priorities for quarter two are to:

- Successfully integrate the new auditor into the team
- Effective handover to the Audit Manager

12. Remaining 2014/2015 planned audit work can be reviewed in **appendix 2**.

Financial implications

13. There are no financial implications attached to this report.

Legal implications

14. None.

Risk implications

15. Identification of risk is an integral part of all audits.

CRAIG PULLEN
INTERIM AUDIT MANAGER

System Name	Status	Audit Allocation	Total Days Used	Exception Issues	Audit Opinion	No. of Recs	High	No. Agreed	Medium	No. Agreed	Low	No. Agreed	Total Not Agreed
JOINT													
Procurement (24 priority score)		12											
SODC			0.0										
VWHDC			0.0										
Payroll (22)		32											
SODC			0.0										
VWHDC			0.0										
Housing & Council Tax Reduction Scheme (20)		30											
SODC			0.0										
VWHDC			0.0										
Car Parks (20)	In progress	20											
SODC			1.0										
VWHDC			1.0										
Leisure Centres (20)		30											
SODC			0.0										
VWHDC			0.0										
National Non-Domestic Rate (19)		20											
SODC			0.0										
VWHDC			0.0										
Council Tax (19)		20											
SODC			0.0										
VWHDC			0.0										
General Ledger (19)		20											
SODC			0.0										
VWHDC			0.0										
Sundry Debtors (19)		20											
SODC			0.0										
VWHDC			0.0										
Creditor Payments (18)		20											
SODC			0.0										
VWHDC			0.0										
Pro-Active Anti-Fraud Review (18)		20											
SODC			0.0										
VWHDC			0.0										

Travel & Subsistence (18) SODC VWHDC		20	0.0 0.0											
Anti-Fraud & Corruption Policies (18) SODC VWHDC	In progress	16	0.5 0.5											
Capital Management and Accounting (17) SODC VWHDC		14	0.0 0.0											
Contract Monitoring (17) SODC VWHDC	In progress	20	0.5 0.5											
Bank Contract & Arrangements (17) SODC VWHDC		8	0.0 0.0											
Treasury Management (16) SODC VWHDC		14	0.0 0.0											
Land Charges (16) SODC VWHDC		20	0.0 0.0											
Corporate Governance (16) SODC VWHDC		20	0.0 0.0											
Receipt of Income Arrangements (15) SODC VWHDC		18	0.0 0.0											
Partnership Performance Monitoring (15) SODC VWHDC		20	0.0 0.0											
Waste Management & Recycling (15) SODC VWHDC		20	0.0 0.0											
Project Management (15) SODC VWHDC		26	0.0 0.0											
Petty Cash (14) SODC VWHDC	In progress	16	0.5 0.5											
Temporary Accommodation (14) SODC VWHDC	Completed	24	15.0 15.0		Limited Limited	9 7	0 1	0 1	3 2	3 2	6 4	6 4	0 0	

Development Management (10)		20											
SODC			0.0										
VWHDC			0.0										
IA PLANNED AUDIT TOTALS	-	520	35			16	1	1	5	5	10	10	0
				Full									
				Satisfactory									
				Limited									
				Nil									

FOLLOW UP AUDITS 2013/2014

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Brown Bins	0.5	Full	1	1	0	0	0
Environmental Health Food & Safety	0.5	Satisfactory	7	5	0	1	1
Health & Safety	0.5	Satisfactory	4	1	0	0	3
Licensing	0.5	Limited	12	6	0	0	6
Post Room	0.5	Satisfactory	8	6	0	0	2
RIPA	0.5	Full	3	1	1	0	1
VWHDC							
Brown Bins	0.5	Satisfactory	3	1	2	0	0
Environmental Health Food & Safety	0.5	Limited	7	5	0	0	2
Health & Safety	0.5	Satisfactory	7	1	0	1	5
Licensing	0.5	Full	2	2	0	0	0
Post Room	0.5	Satisfactory	3	1	0	1	1
RIPA	0.5	Satisfactory	5	1	2	0	2

FOLLOW UP AUDITS 2014/2015

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
VWHDC							

UNPLANNED WORK 2013/2014

CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
Banking Services Tender	Completed	2 days	N/A	S151 Officer
SODC				
None				
VWHDC				
None				

CONTINGENCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None				
SODC				
None				
VWHDC				
S106 Calculated Sums	Completed	10 days	N/A	Chief Executive

SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None				
SODC				
None				
VWHDC				
None				

Audit and Governance Committee Report



3 July 2014

Report of: **Interim Audit Manager**

Author: **Craig Pullen**

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Cabinet member responsible: **Councillor Matthew Barber**

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E-mail: matthew.barber@whitehorsedc.gov.uk

To: Audit and Governance Committee

DATE: 3 July 2014

Internal audit annual report 2013/2014

Recommendation

That members note the content of the report

Purpose of Report

1. The purpose of this report is to report on the work of internal audit in the year ended 31 March 2014, and to advise the committee of the audit manager's opinion on the overall adequacy and effectiveness of the internal control environment.
2. The contact officer for this report is Craig Pullen, Interim Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Strategic Objectives

3. Managing our business effectively.

Background

4. Standard 10 of the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 (CIPFA Code) states that the head of internal audit (audit manager) must produce an annual report that:

- includes his or her opinion on the overall adequacy and effectiveness of the organisation's control environment;
 - discloses any qualifications to that opinion, together with the reason(s) for the qualification;
 - presents a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
 - draws attention to any issues the head of internal audit judges particularly relevant to the preparation of the Statement of Internal Control (now Annual Governance Statement);
 - compares the work actually undertaken to the work that was planned and summarises the performance of the internal audit function against its performance measures and targets; and
 - comments on compliance with the CIPFA standards and communicates the result of the internal audit quality assurance programme.
5. The control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:
- establishing and monitoring the achievement of the organisation's objectives;
 - ensuring compliance with established policies, procedures, laws and regulations;
 - ensuring risk management is embedded in the activity of the organisation, that leadership is given to the risk management process, and staff are trained or equipped to manage risk in a way appropriate to their authority and duties;
 - ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness;
 - the financial management of the organisation and the reporting of financial management; and
 - the performance management of the organisation and the reporting of performance management.

Overall Opinion

6. The audit manager is satisfied that sufficient internal audit work has been undertaken to allow a reasonable conclusion to be drawn as to the adequacy and effectiveness of Vale of White Horse District Council's (VWHDC) risk management, control and governance processes. The audit manager's opinion is based on the risk-based audits carried out during the year and other unplanned work on control systems. No reliance has been placed on the work of other assurance bodies.
7. It is the audit manager's unqualified opinion that satisfactory assurance can be placed on the council's risk management, control and governance processes. There is basically a sound system of internal control but there are some weaknesses which may put some system objectives at risk.
8. Based on the scope of internal audit's reviews, nine areas were given full assurance which is an increase of two from 2012/2013. No significant improvements in specific audit areas was identified. Areas of weakness in the control environment have been identified and improvement actions agreed in the following areas: licensing and Wantage Civic Hall. Where internal audit identified weaknesses which require remedial action, recommendations have been made and discussed with officers.

9. Notwithstanding the audit manager's overall opinion, internal audit identified a number of opportunities for improving controls and procedures across the council which officers have generally responded to positively.
10. Throughout 2013/2014, the audit manager has reported on systemic control weaknesses to the audit and corporate governance committee. This system has now been replaced by a Schedule of Outstanding Recommendations, which will be presented to Committee for the first time at this meeting. Internal Audit will continue to monitor all outstanding recommendations and report to future Committee meetings.
11. A summary of all internal audit opinions for 2013/2014 is attached as **Appendix 1**.

Summary of Audit Work

12. For 2013/2014, internal audit completed 538 audit work days. 264 days for South Oxfordshire District Council and 274 days for the Vale of White Horse District Council. This includes planned audit work, consultancy work and contingency work (i.e. investigations).
13. A total of 55 planned internal audit reviews have been undertaken with a total of 45 planned audits being completed within 2013/2014. A further 10 reports were in progress at year end, six of which have now been completed. From those 55, 27 relate to VWHDC. From the 25 completed audits, nine (36%) achieved a full assurance rating. In most cases (14 audits / 56%) a satisfactory assurance rating was achieved. Limited assurances were appropriate for two (8%) audits and no reviews resulted in nil assurance being given. In total 95 recommendations to improve controls and procedures within the council were made. Five (5.3%) were classified as high, 40 (42.1%) as medium and 50 (52.6%) as low. Of the completed audits three recommendations were not agreed by management.
14. Two investigations were commenced during 2013/2014 for the council, and these utilised 15 days. One joint consultancy review was completed during 2013/2014, and this utilised one day. No system development work was requested.
15. A total of 26 follow-up reviews were undertaken during 2013/2014, utilising 14 days. From those 26, 12 related to VWHDC. Time has been allocated within the 2014/2015 audit plan for further follow-up work.

Issues Relevant to the Annual Governance Statement

16. Specific audit reviews on corporate governance, risk management and the council's anti-fraud and corruption policies were not included within the 2013/2014 annual audit plan. Internal audit has undertaken proactive anti fraud testing within 2013/2014 which raised no recommendations.
17. No suspicions of fraud and corruption by officers, members or partners/contractors were reported to the audit manager during 2013/2014. The audit manager has reviewed the 31 entries for 2013/2014 within the gifts and hospitality register for and has no concerns.

Internal Audit's Performance

18. The internal audit team was below its full complement for 2013/2014 of an audit manager (0.6FTE) and three auditors shared across both sites. For the last six months, a contract auditor was used to provide an experienced resource following the resignation of one auditor.
19. The performance of internal audit is measured against a number of indicators. The out-turn for 2013/2014 is as follows:

	Year Ending 31/03/13	Target 13/14	Year Ending 31/03/14
Chargeable (identifiable client and/or specific IA deliverable)	71%	73%	74.5%
Non-Chargeable (corporate, not IA deliverable)	4.5%	8%	7%
Lost (i.e. leave, study, sickness)	24.5%	19%	18.5%

Performance Targets	Year Ending 31/03/14
PT1 To issue 90% of audit notifications at least 1 month before start of audit fieldwork	96%
PT2 To issue 90% of draft audit reports within 5 working days of completion of the exit meeting.	100%
PT3 To issue 90% of final audit reports within 5 working days of receipt of the auditees final responses to draft report and recommendations.	100%
PT4 To issue 90% of follow-up notifications at least 1 month before start of follow-up work.	90%
PT5 To follow up 90% of final reports within 6 months of completion of audit.	78%
PT6 To complete the audit fieldwork and issue draft reports on 100% of key financial system audits within the audit plan.	100%
PT7 To complete the audit fieldwork and issue draft reports on 80% of all non key financial system audits within the audit plan.	89%

20. This year team performance has again achieved or exceeded all targets with the exception of PT5. As previously explained to Committee, follow-ups have been undertaken by the contract auditor and, due to the limited days available for each follow-up, it has been more cost effective to group these together, which has meant that the six month target has not always been achieved. The performance targets will remain at these levels in 2014/2015, due to a new auditor starting in June 2014 and potential changes to the methods of following up final reports.

Compliance with CIPFA Code

21. As part of the quality assurance programme and to assist in monitoring and improving the quality and value of service provided, auditees are asked to complete an audit

feedback questionnaire on internal audit's performance. Response rates have increased from seven being returned in 2012/2013 to ten being returned during the course of 2013/2014. A summary of all the responses received and general comments is attached as **Appendix 2**.

22. All feedback received by the audit manager is discussed with the relevant auditor. Where appropriate, the audit manager meets the officer to discuss their comments in more detail and implement any necessary process improvements.

Financial Implications

23. There are no financial implications attached to this report.

Legal Implications

24. None

Risk Implications

25. Identification of risk is an integral part of all audits.

CRAIG PULLEN
INTERIM AUDIT MANAGER

FOLLOW UP AUDITS 2012/2013

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Verification of budgets savings 2011/2012	0.5	Satisfactory	3	1	2	0	0
Discretionary grants	0.5	Satisfactory	4	3	0	0	1
Carbon management programme	0.5	Satisfactory	7	1	0	1	5
Seasonal leisure activities	0.5	Full	2	1	0	1	0
Information governance	0.5	Satisfactory	3	1	0	1	1
Data protection	0.5	Satisfactory	5	1	2	0	2
Mobile Home Parks	1	Satisfactory	9	5	1	3	0
Cornerstone	0.5	Satisfactory	6	4	1	1	0
Budgetary Control	0.5	Full	4	3	0	0	1
Development Management	0.5	Full	2	1	0	1	0
Receipt of Income	0.5	Satisfactory	2	1	0	0	1
VWHDC							
Verification of budget savings 2011/2012	0.5	Satisfactory	3	1	2	0	0
Discretionary grants	0.5	Limited	7	5	0	0	2
Carbon management programme	0.5	Satisfactory	7	1	0	1	5
Seasonal leisure activities	0.5	Full	2	2	0	0	0
Information governance	0.5	Satisfactory	3	1	0	1	1
Data protection	0.5	Satisfactory	5	1	2	0	2
Mobile Home Parks	1	Satisfactory	11	4	2	4	1
Budgetary Control	0.5	Full	2	2	0	0	0
Development Management	0.5	Full	1	1	0	0	0
Receipt of Income	0.5	Satisfactory	2	1	0	0	1

FOLLOW UP AUDITS 2013/2014

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Community Loans Scheme	0.5	Full	3	2	0	0	1
Lone Working & Officer Security	0.5	Satisfactory	5	1	0	4	0
Licensing	0.5	Limited	12	5	1	6	0
Brown Bins	0.5	Full	1	1	0	0	0
Environmental Health Food & Safety	0.5	Satisfactory	7	5	0	1	1
Health & Safety	0.5	Satisfactory	4	1	0	0	3
Post Room	0.5	Satisfactory	8	6	0	0	2
RIPA	0.5	Full	3	1	1	0	1
VWHDC							
Lone Working & Officer Security	0.5	Satisfactory	3	0	0	3	0
Licensing	0.5	Limited	15	5	2	8	0
Brown Bins	0.5	Full	1	1	0	0	0
Environmental Health Food & Safety	0.5	Satisfactory	6	3	1	1	1
Health & Safety	0.5	Satisfactory	4	1	0	0	3
Post Room	0.5	Satisfactory	4	4	0	0	0
RIPA	0.5	Full	3	1	1	0	1

FOLLOW UP AUDITS 2012/2013

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Verification of budgets savings 2011/2012	0.5	Satisfactory	3	1	2	0	0
Discretionary grants	0.5	Satisfactory	4	3	0	0	1
Carbon management programme	0.5	Satisfactory	7	1	0	1	5
Seasonal leisure activities	0.5	Full	2	1	0	1	0
Information governance	0.5	Satisfactory	3	1	0	1	1
Data protection	0.5	Satisfactory	5	1	2	0	2
Mobile Home Parks	1	Satisfactory	9	5	1	3	0
Cornerstone	0.5	Satisfactory	6	4	1	1	0
Budgetary Control	0.5	Full	4	3	0	0	1
Development Management	0.5	Full	2	1	0	1	0
Receipt of Income	0.5	Satisfactory	2	1	0	0	1
VWHDC							
Verification of budget savings 2011/2012	0.5	Satisfactory	3	1	2	0	0
Discretionary grants	0.5	Limited	7	5	0	0	2
Carbon management programme	0.5	Satisfactory	7	1	0	1	5
Seasonal leisure activities	0.5	Full	2	2	0	0	0
Information governance	0.5	Satisfactory	3	1	0	1	1
Data protection	0.5	Satisfactory	5	1	2	0	2
Mobile Home Parks	1	Satisfactory	11	4	2	4	1
Budgetary Control	0.5	Full	2	2	0	0	0
Development Management	0.5	Full	1	1	0	0	0
Receipt of Income	0.5	Satisfactory	2	1	0	0	1

FOLLOW UP AUDITS 2013/2014

System Name	Total Days Used	Original Audit Opinion Issued	Total No. of Recs Agreed	Implemented	Partly Implemented	Not Implemented	Ongoing
SODC							
Community Loans Scheme	0.5	Full	3	2	0	0	1
Lone Working & Officer Security	0.5	Satisfactory	5	1	0	4	0
Licensing	0.5	Limited	12	5	1	6	0
Brown Bins	0.5	Full	1	1	0	0	0
Environmental Health Food & Safety	0.5	Satisfactory	7	5	0	1	1
Health & Safety	0.5	Satisfactory	4	1	0	0	3
Post Room	0.5	Satisfactory	8	6	0	0	2
RIPA	0.5	Full	3	1	1	0	1
VWHDC							
Lone Working & Officer Security	0.5	Satisfactory	3	0	0	3	0
Licensing	0.5	Limited	15	5	2	8	0
Brown Bins	0.5	Full	1	1	0	0	0
Environmental Health Food & Safety	0.5	Satisfactory	6	3	1	1	1
Health & Safety	0.5	Satisfactory	4	1	0	0	3
Post Room	0.5	Satisfactory	4	4	0	0	0
RIPA	0.5	Full	3	1	1	0	1

UNPLANNED WORK 2013/2014

CONSULTANCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
Banking Services Tender	Completed	2 days	N/A	S151 Officer
SODC				
None				
VWHDC				
None				

CONTINGENCY

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None				
SODC				
None				
VWHDC				
S106 Calculated Sums	Completed	10 days	N/A	Chief Executive

SYSTEM DEVELOPMENT

System Name	Status	Audit Allocation	Total Days Used	Requested By
JOINT				
None				
SODC				
None				
VWHDC				
None				

INTERNAL AUDIT FEEDBACK

APPENDIX 2

Three audit feedback questionnaires were returned for work completed in 2013/2014 (seven were received in 2012/2013). Responses were received from:

Henley Town Council
Economy, Leisure and Property
Finance

AUDIT PLANNING AND SCOPE OF WORK

	Very Good	Good	Satisfactory	Poor	Very Poor	Did Not Answer
1. Consultation on the scope and coverage of the audit	9 (5)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)
2. Minimal disruption to daily activities	10 (4)	0 (2)	0 (1)	0 (0)	0 (0)	0 (0)

COMMUNICATION

	Very Good	Good	Satisfactory	Poor	Very Poor	Did Not Answer
3. Consultation and communication during the audit	9 (5)	1 (2)	0 (0)	0 (0)	0 (0)	0 (0)
4. Communication of audit findings and recommendations	9 (7)	1 (0)	0 (0)	0 (0)	0 (0)	0 (0)

QUALITY OF AUDIT REPORT

	Very Good	Good	Satisfactory	Poor	Very Poor	Did Not Answer
5. Clarity and conciseness of the audit report	10 (5)	0 (2)	0 (0)	0 (0)	0 (0)	0 (0)
6. Fulfilment of the audit scope and objectives	10 (6)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
7. Accuracy, validity and significance of the audit findings	9 (5)	1 (0)	0 (1)	0 (0)	0 (0)	0 (1)
8. Audit recommendations - constructive, practical and logical	9 (5)	0 (1)	0 (0)	0 (0)	0 (0)	1 (1) No recs made

PROFESSIONAL PROFICIENCY

	Very Good	Good	Satisfactory	Poor	Very Poor	Did Not Answer
9. Professionalism of the auditor(s)	9 (7)	1 (0)	0 (0)	0 (0)	0 (0)	0 (0)
10. Advice given by the auditor(s)	8 (6)	1 (1)	0 (0)	0 (0)	0 (0)	1 (0)

GENERAL

	Very Good	Good	Satisfactory	Poor	Very Poor	Did Not Answer
11. Usefulness of audit in identifying risks and improving controls	7 (5)	3 (2)	0 (0)	0 (0)	0 (0)	0 (0)
12. Overall evaluation of the quality of the audit service provided	10 (5)	0 (2)	0 (0)	0 (0)	0 (0)	0 (0)

TOTALS

	Very Good	Good	Satisfactory	Poor	Very Poor	Did Not Answer
	109 (65)	9 (14)	0 (2)	0 (0)	0 (0)	2 (2)

OTHER COMMENTS RECEIVED

Painless and constructive. The quality of reporting was the best we've ever seen, done with minimal fuss in the minimal amount of time. Excellent.

I welcome the audits of the services which I am involved in providing. Due to their variety and complexities and, the fact that most of our operations are outsourced, independent audits of our procedures and controls help to identify gaps and risks that might sneak into our processes. Where these are identified it helps me (and my contractor) to improve the efficiency and effectiveness of our operations and thus the integrity of our systems. This gives us as service providers and, our stakeholders, confidence in our processes.

Over recent years our auditors have tended to be more of critical friends and partners who are genuinely interested in helping us to improve our procedures and controls and this has been most welcome. However, this has not in any way diminished their independence and there will still be debates regarding observations and recommendations – and this is how it should be.

The audit was undertaken mid-office move with minimal disruption and in very good spirit. The auditor clearly understood the challenge of moving files, an imminent external audit and the eventual need to archive the files and went above and beyond what was required.

David Buckle
Chief Executive
Vale of White Horse District council
Crowmarsh Gifford
Wallingford
OX10 8HQ

22 April 2014

Ref: VOWH 2014-15 fee ltr

Direct line: 07881518875

Email: mwest@uk.ey.com

Dear David

Annual Audit and Certification Fees 2014-15

We are writing to confirm the audit and certification work that we propose to undertake for the 2014-15 financial year at Vale of White Horse District Council. The fee reflects the risk-based approach to audit planning set out in the Code of Audit Practice and the work mandated by the Audit Commission for 2014-15.

Indicative Audit Fee

The audit fee covers the:

- ▶ Audit of the financial statements
- ▶ Value for money conclusion
- ▶ Whole of Government Accounts

For the 2014-15 financial year the Audit Commission has set the scale fee for each audited body as part of the recent 5 year procurement exercise and consequently it is not liable to increase in that period without a change in scope.

The 2014-15 scale fee is based on certain assumptions, including:

- ▶ The overall level of risk in relation to the audit of the financial statements and value for money conclusion is not significantly different from that of the prior year
- ▶ We are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards
- ▶ The financial statements will be available to us in line with the agreed timetable
- ▶ Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable
- ▶ Prompt responses are provided to our draft reports

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee.

The indicative audit fee set out in the table below has initially been set at the scale fee level as the overall level of risk in relation to the audit of the financial statements and value for money conclusion is not significantly different from that of the prior year.

As we have not yet completed our audit for 2013-14, our audit planning process for 2014-15 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract with the Audit Commission.

Certification fee

The Audit Commission has set an indicative certification fee for each audited body. The indicative fee is based on the 2012-13 actual certification fees available adjusted to reflect any known schemes that no longer require auditor certification. The Audit Commission has revised the previously published 2013-14 indicative certification fee to reflect further schemes that no longer require auditor certification.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate claims and returns, with supporting working papers, within agreed timeframes.

The indicative certification fee for 2014-15 relates to work on grant claims and returns for the year ended 31 March 2015. We have set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2013-14 certification work, and to reflect further changes in the Audit Commission's certification arrangements.

Summary of Fees

	Indicative fee 2014-15 £	Planned fee 2013-14 £	Actual fee 2012-13 £
Code audit fee	61,939	61,939	65,439 ¹
Certification of claims and returns	16,650	15,488	19,750

¹ This includes £3,500 additional fee charged in 2012-13 for work in relation to fixed assets

Any additional work that we may agree to undertake (outside of the Audit Code of Practice) will be separately negotiated and agreed with you in advance. We have not planned any non-Code work at this stage.

Billing

The indicative audit fee will be billed in 4 quarterly instalments of £19,648.

Audit Plan

Our plan for the audit of the financial statements is expected to be issued in March 2015. This will detail the significant financial statement risks identified, planned audit procedures to respond to those risks, and any changes in fee. It will also set out the risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Head of Finance and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit and Governance Committee.

Audit team

The key members of the audit team for the 2014-15 financial year are:

Mick West

Director

MWest@uk.ey.com

Tel: 07881518875

Adam Swain

Assistant Manager

ASwain@uk.ey.com

Tel: 07867152511

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely



Mick West

Director

For and on behalf of Ernst & Young LLP

United Kingdom

cc. Simon Howell
William Jacobs

Chairman of the Audit and Governance Committee
Head of Finance

Audit and governance work programme

containing Audit and Governance Committee work to be undertaken
1 JULY 2014 - 30 APRIL 2015



The audit and governance work programme belongs to the council's Audit and Governance Committee and sets out a schedule of work for the period shown above. It is a rolling plan, subject to change at each Audit and Governance Committee meeting; however, the council may allocate additional work.

You can make representations on any issue below. Please contact the officer shown below by 10am on the day the committee is due to meet.

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Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
3 July 2014 meeting					
Internal audit activity - first quarter 2014/15	Audit and Governance Committee 3 Jul 2014	Craig Pullen Tel. 01491 823544 Email: criag.pullen@southandvale.gov.uk	The council audits its services through the internal audit service in line with the approved internal audit plan 2014/15.	To summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and main issues arising, and seek assurance that action has been or will be taken where necessary.	This is a recurring agenda item, and is updated at each meeting.

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Internal audit management report - first quarter 2014/15	Audit and Governance Committee 3 Jul 2014	Craig Pullen Tel. 01491 823544 Email: craig.pullen@southandvale.gov.uk	The committee monitors the effectiveness of internal audit each quarter against the approved audit plan.	To report on management issues, summarise the first quarter progress of the internal audit team against the 2014/15 audit plan, and summarise the priorities and planned audit work for quarter two.	This is a recurring agenda item, and is updated at each meeting.
Internal audit annual report 2013/14	Audit and Governance Committee 3 Jul 2014	Adrianna Partridge Tel. (01491) 823544 Email: adrianna.partridge@southandvale.gov.uk	Each year the council's internal audit team produces an annual report to review activities over the previous year.	To report on the work of internal audit in the year ended 31 March 2014, and to advise the committee of the audit manager's opinion on the overall adequacy and effectiveness of the internal control environment.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
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24 September 2014 meeting

Comments and complaints 2013/14	Audit and Governance Committee 24 Sep 2014	Jeanette Cox Tel. (01235) 540303 Email: jeanette.cox@southandvale.gov.uk	The committee is responsible for monitoring the council's comments and complaints.	To provide the committee with information and statistics about the comments and complaints received during 2013/14.	
Treasury management outturn 2013/14	Audit and Governance Committee 24 Sep 2014	Bob Watson Tel. (01235) 540426 Email: bob.watson@southandvale.gov.uk	The committee is responsible for the scrutiny of the council's treasury management activity.	To consider the treasury management outturn for 2013/14.	
External auditor's annual governance report 2013/14	Audit and Governance Committee 24 Sep 2014	William Jacobs, Head of Finance Tel. (01491) 823326 Email: william.jacobs@southandvale.gov.uk	The external auditor publishes an annual governance report on the council's activities.	To consider the issues raised by Ernst & Young, the council's external auditors, as part of its audit of the council's statement of accounts before it gives its opinion.	
Statement of accounts 2013/14	Audit and Governance Committee 24 Sep 2014	Simon Hewings Tel. 01491 823583 Email: simon.hewings@southandvale.gov.uk	The council must produce a statement of accounts each year and the committee is responsible for approving it.	To approve the statement of accounts 2013/14.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Annual governance statement 2013/14	Audit and Governance Committee 24 Sep 2014	Steve Culliford Tel. (01235) 540307 Email: steve.culliford@southandvale.gov.uk	The council is required to publish an annual governance statement.	To approve the annual governance statement 2013/14.	
Letter of representation to the council's external auditor	Audit and Governance Committee 24 Sep 2014	William Jacobs, Head of Finance Tel. 01491 823326 Email: william.jacobs@southandvale.gov.uk	The committee's chairman and the section 151 officer are required to sign a 'letter of representation' to the external auditor, as part of the process in completing the statement of accounts.	To consider and agree the letter of representation.	
22 January 2015 meeting					
Treasury management mid-year monitoring 2014/15	Audit and Governance Committee 22 Jan 2015	Bob Watson Tel. (01235) 540426 Email: bob.watson@southandvale.gov.uk	The committee is responsible for the scrutiny of the council's treasury management activity.	To review the council's treasury management activities for the first six months of the 2014/15 financial year.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Treasury management strategy 2015/16	Audit and Governance Committee 22 Jan 2015	Bob Watson Tel. (01235) 540426 Email: bob.watson@southandvale.gov.uk	The committee is responsible for the scrutiny of the council's treasury management activity and to propose a strategy to Council, via Cabinet, for the management of this function in the forthcoming year.	To scrutinise the treasury management strategy and policy and if required, make recommendations for amendment to Cabinet.	
External auditor's annual audit letter	Audit and Governance Committee 22 Jan 2015	William Jacobs, Head of Finance Tel. 01491 823326 Email: william.jacobs@southandvale.gov.uk	The external auditor, Ernst & Young, is responsible for auditing the council's business.	To consider the external auditor's annual audit letter 2013/14.	