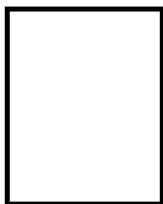
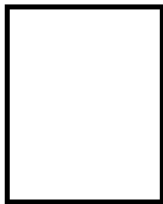
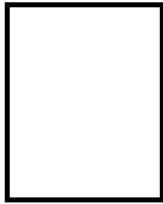
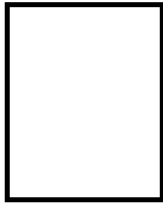
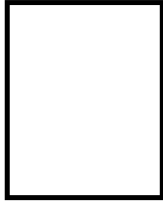


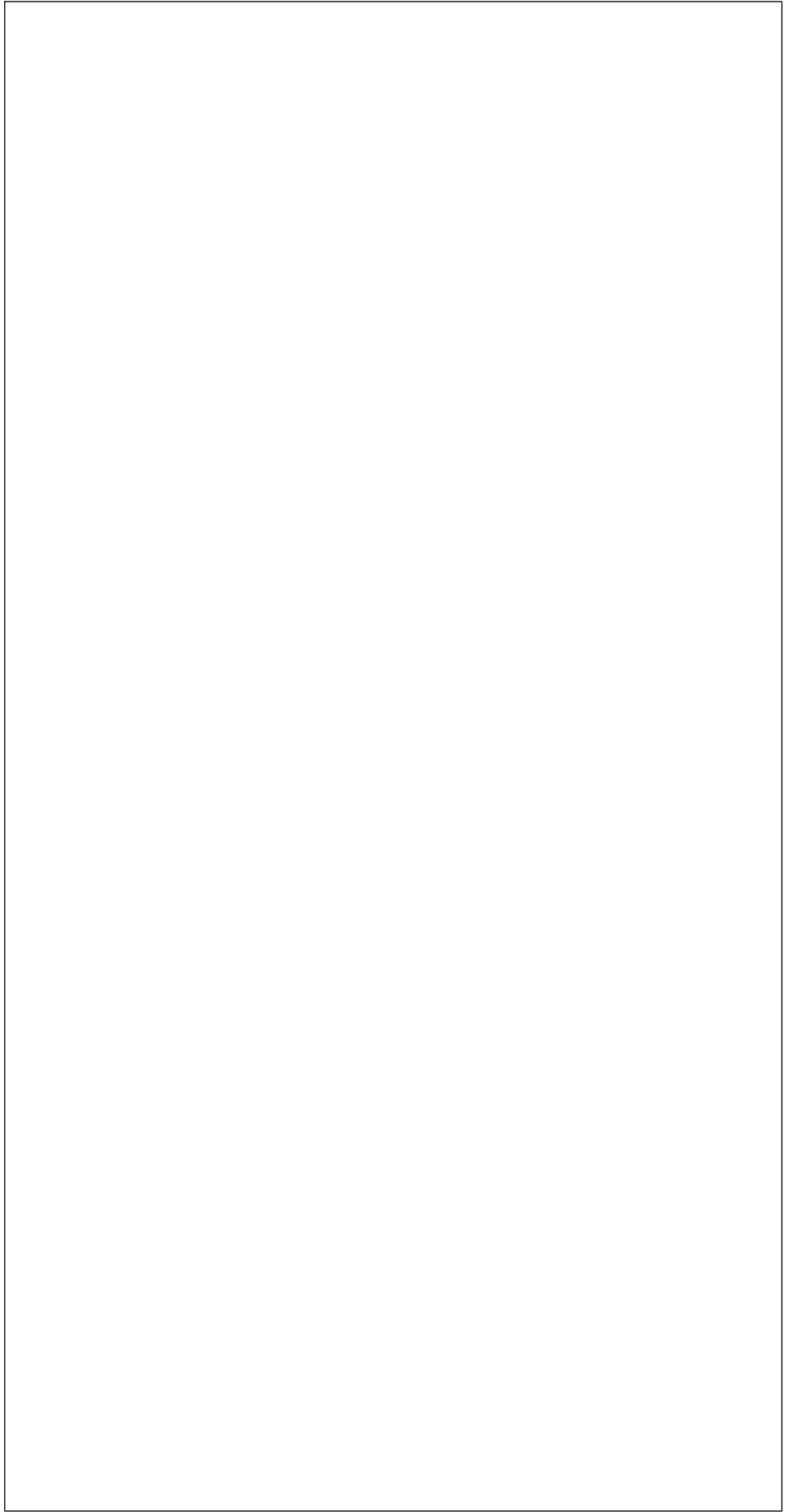
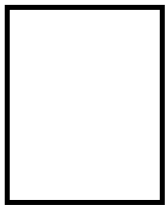
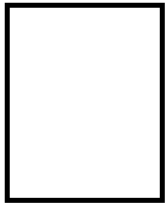
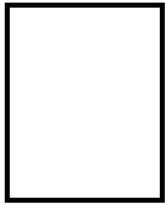
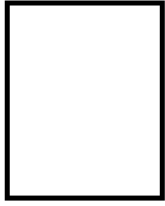
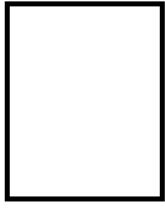


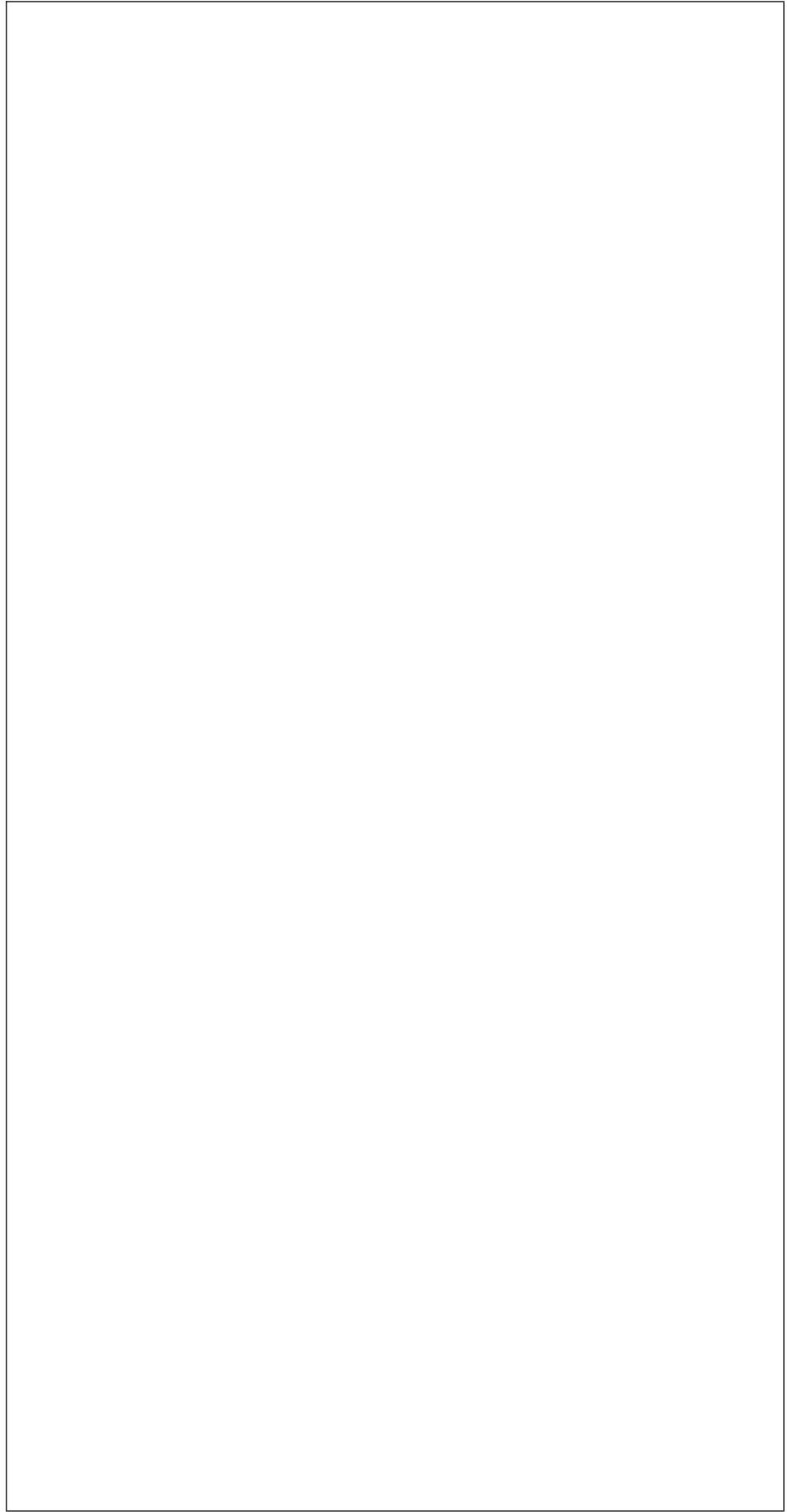
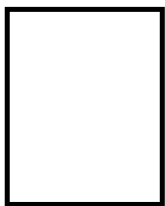
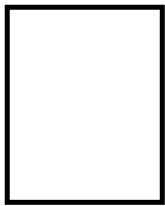
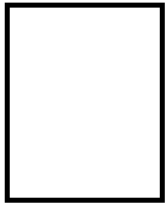
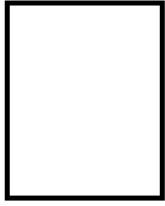
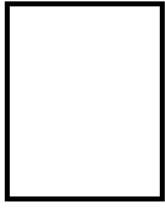
TO: Audit Committee

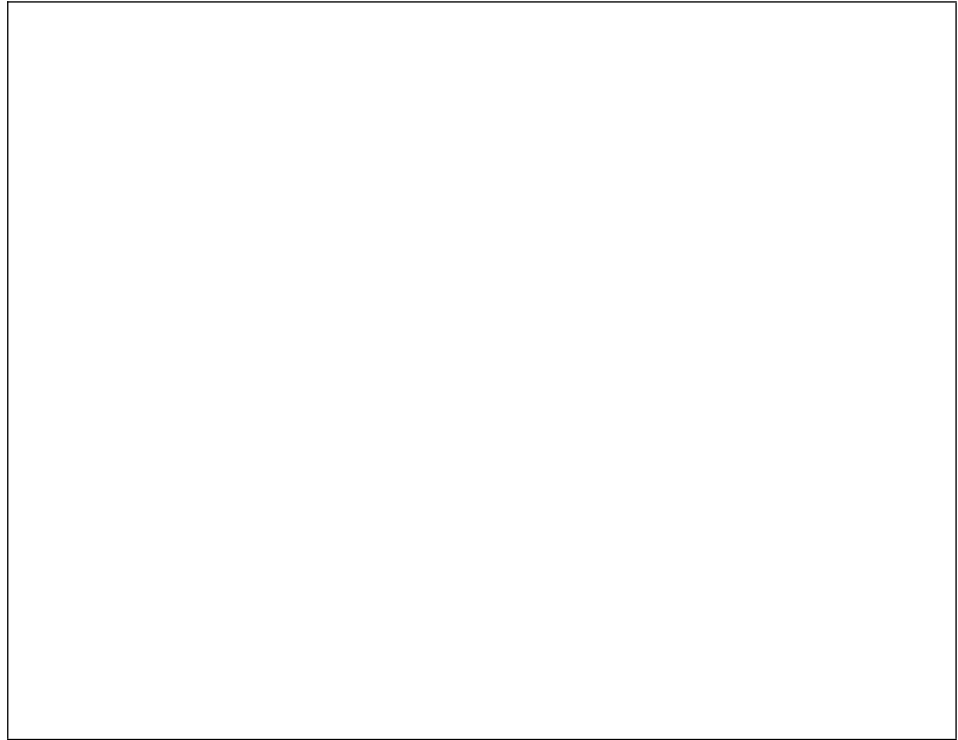
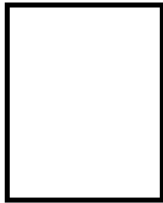
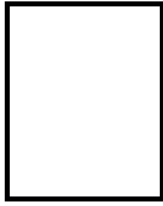
FROM: Head of Audit & Assurance

DATE: 26 April 2011









PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Limited Assurance Reports

1. PURPOSE

To inform the Committee of the key findings arising from those reviews where we have provided limited assurance opinions.

2. RECOMMENDATIONS

Members are asked to note the key findings for the three limited assurance reports finalised during the period, as summarised below.

3. KEY ISSUES

Based on the findings at the time the specific reviews detailed below were carried out, we could only provide **limited assurance** that the systems and procedures in place for each of these areas were fit for purpose. It is anticipated that, once the proposals contained in the related reports are fully implemented a higher level of assurance can be given. Audit and Assurance will follow up the implementation of the recommendations contained in those reports.

The findings and recommendations of each report have been agreed with management.

Supporting People

The review of Supporting People had the objective to ensure that only

customers living within Supporting People Projects receive Supporting People grant and that the support element included within their rent is removed to ensure that the housing benefit award complies with legislative requirements.

The key findings of the review were:

- Contracts had not all been renewed with a number of providers, reducing assurance that the Council was only paying for valid costs.
- Capita Revenues & Benefits had not been informed of the current level of Supporting People subsidy payments and was not made aware of addresses included in block gross payments, which increased the risk that duplicate payments could be made.
- Capita Revenues & Benefits were sending details of cancelled housing benefit cases, which were being returned unactioned.
- The responsibilities for the creation and approval of supporting people payments were not fully segregated.
- There was no evidence to confirm how the supporting people payments system operates.

The final report included 10 recommendations, which were agreed with management for implementation on or before March 2011. These included 5 high classification recommendations, which required that the Contracting and Procurement Team provide Capita Revenues & Benefits with details of supporting people subsidy paid to each provider including the addresses attracting block contract payments. Financial Management Team receive details of all new and cancelled housing benefit claims and check to SWIFT to ensure that no duplicate payments are being made. It was also recommended that procedure for the payment of supporting people subsidy should be documented and duties for the preparation and payment of subsidy be fully segregated.

Procurement

The objective of this review was to assess the adequacy of controls and procedures for the procurement of goods and services, which included the key risk of non-compliance with EC procurement law and BwD contract rules.

The review identified that there is a well established set of policies and procedure to mitigate any risks associated with the procurement of suppliers by the Council. These have been approved at the appropriate level and their content is adequate to ensure that any risk in this area is mitigated.

However, the testing of purchases across all Council departments demonstrated that only 50% of the sample complied fully with the Council's Contract & Procurement Rules. The main deficiency was a lack of awareness of the detailed rules, specifically a lack of understanding of the aggregation rules and the need to retain all tender opening paperwork.

The final report contained 6 recommendations, which were all agreed by management for implementation by April 2011. The 2 high/must recommendations were that Corporate Procurement should provide further awareness training (to include aggregation rules) and where quarterly spend analysis identifies supplier payments in excess of thresholds should seek confirmation from relevant Heads of Service that the procurement rules have been observed.

Young People's Service

The objective of the review was to ensure that the Young People's Service provides a high performing service that is well controlled and cost effective. The review had the following sub-objectives: (i) to ensure that the systems for collecting and recording performance information are accurate and robust, (ii) to ensure that there are adequate systems and procedures in place to control and pay staff, and (iii) to ensure that assets (petty cash and equipment) are adequately controlled and used for appropriate purposes.

Limited assurance was provided on the control environment because:

- the requirements for staff to self-declare time worked are not reinforced sufficiently and management do not maintain records to evidence when spot checks have been undertaken, and
- there are limited controls in place to secure equipment. Failings in the controls surrounding the maintenance of inventories and loaning out of stock have been identified which put the objective of the controls at risk.

Limited assurance was provided on the compliance with controls because:

- limited evidence is available following testing to confirm that employees sign their timesheets and these are subject to supervisory review. Also, spot checks carried out by management were not evidenced.
- substantive testing has demonstrated that some desirable equipment could not be located and no evidence was supplied to confirm that the loss of a laptop was promptly detected.

The final report contained 14 recommendations, which were all agreed by management for implementation by March 2011. This included 8 must recommendations requiring that staff declare the accuracy of hours worked, management promptly authorise time records and evidence any spot checking undertaken. The high recommendations included the preparation of a written procedure for the control of equipment to include adequate segregation of duties/management checks, review the number of key holders, securely maintain accurate inventory records and regularly verify and evidence the accuracy of inventory records.

4. RATIONALE

Sound systems and procedures are required to safeguard the Council's resources, to ensure that value for money is achieved from the resources deployed to support or deliver services and that decisions made are fair, transparent, and based on relevant, accurate and timely information. Responsibility for this rests with directors, managers and other council staff.

These reviews identified that there were a number of issues and weaknesses in the arrangements in place in the systems and procedures reviewed. The findings from the reviews have helped to identify areas to improve and strengthen the systems in place to manage each area more effectively.

5. POLICY IMPLICATIONS

There are no policy implications arising from this report

6. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report

8. RESOURCE IMPLICATIONS

The management responses have not identified any resource implications.

9. CONSULTATIONS

Director of Finance, Director of Health & Wellbeing, Director of Children's Safeguarding & Protection

CONTACT OFFICER: Paul Hankinson
DATE: 12 April 2011
BACKGROUND PAPERS: None