

## ROTHERHAM BOROUGH COUNCIL - REPORT TO AUDIT COMMITTEE

1.	<b>Meeting:</b>	<b>Audit Committee</b>
2.	<b>Date:</b>	<b>23 April 2014</b>
3.	<b>Title:</b>	<b>Internal Audit Annual Report 2013/14</b>
4.	<b>Directorate:</b>	<b>Environment and Development Services</b>

### 5. **Summary.**

This report provides information on the role of Internal Audit, the work undertaken by the Service during the 2013/14 financial year and the Chief Auditor's overall opinion on the Council's control environment. Based upon the work undertaken, I am able to confirm that the Council's control environment for 2013/14 was adequate and operated satisfactorily during the year.

The report also refers to the formal review of the effectiveness of Internal Audit, required to be completed in accordance with the Accounts and Audit Regulations 2011. Internal Audit has maintained high standards and met its performance targets during the year.

### 6. **Recommendations.**

**The Audit Committee is asked:**

- **To note the Internal Audit Annual Report for 2013/14, including confirmation that the Council's control environment was adequate and operated satisfactorily during the year**
- **To confirm there was an effective internal audit in place for 2013/14.**

## 7. Proposals and Details.

### 7.1 Internal Audit Annual Report.

It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that an annual report is produced by the *'Head of Internal Audit'* on the work undertaken by Internal Audit during the year. The report for 2013/14 is attached at **Appendix 1**.

The report shows that Internal Audit's Annual Plan ensured adequate coverage of all mandatory areas and reflected the main risks facing the Council, by being compiled after taking into account:

- Review of Council's risk registers;
- Review of revenue and capital budgets;
- Cumulative audit knowledge and experience of previous work undertaken;
- Review of key plans, reports and press coverage;
- Awareness of priorities identified by the Council's Strategic Directors and Service Directors;
- Knowledge of existing management and control environments, including information relating to any system changes;
- Professional judgement on the risk of fraud or error.

The report shows that audit activity was completed in approximately 84% of the planned auditable areas, including all critical work on fundamental financial systems. Detailed work completed by the team has been reported to the Audit Committee during the year and so details are not repeated here. The report provides a summary of the work done and a flavour of the main issues arising during the year.

The Chief Auditor is able to confirm that the coverage undertaken of the Council's activity by Internal Audit in the past year was sufficient to be able to state, in his opinion, that the Council's control environment for 2013/14 was adequate and operated satisfactorily during the year. This assessment also takes account of the work of the External Auditor and the result of any inspections carried out.

### 7.2 Review of the Effectiveness of Internal Audit.

The Accounts and Audit Regulations 2011 include a requirement for local authorities to:

*"... undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control"* Reg 6(3), and:

*The findings of the review referred to in paragraph (3) must be considered, as part of the consideration of the system of internal control..."* Reg 6(4).

For the 2013/14 financial year the review of the effectiveness of the system of Internal Audit has been informed mainly by:

- The Internal Audit Annual Report;

- Customer satisfaction;
- Comments made by KPMG following its review of Internal Audit work and the Service's compliance with professional standards.

The main features from these are summarised below:

### **Internal Audit Annual Report**

The Annual Report is referred to above and is attached at **Appendix 1**.

The report highlights that Internal Audit has managed to maintain high standards and has met its targets during the year, while making savings required by the Council to help meet its budget challenge.

### **Customer Satisfaction**

Following the conclusion of each audit assignment, a client satisfaction questionnaire is sent to the senior manager responsible for the service area that has been audited. It is pleasing to note that in 2013/14, 100% of 'auditees' returning client satisfaction questionnaires rated the service provided by Internal Audit as good or excellent.

### **External Audit Review of Internal Audit**

During 2013/14, KPMG reviewed Internal Audit's work to determine whether it could take account of our audit of the Council's fundamental financial systems to support its audit of the Council's statutory Statement of Accounts.

KPMG has stated:

*"We have gained an understanding of Internal Audit and the work of Internal Audit. We are satisfied we can rely on Internal Audit as a function and the work of Internal Audit, where required for the audit of the financial statements."*

*"Further to this we have reviewed the following work: -*

- *Debtor Control Testing*
- *Payroll Control Testing*
- *Creditor Control Testing*
- *NNDR Control Testing*
- *Housing and Council Tax Benefit Control Testing;*

*and are satisfied by the work and used it accordingly in our audit approach in the audit of the financial statements of 2013/14."*

### **Conclusion**

It can be concluded that:

- Internal Audit has effectively planned its work and has completed sufficient work to be able to provide an opinion to the Audit Committee on the Council's internal control environment;
- Based on the planning and completion of audit work described in the Annual Report, customer feedback and review by external audit, it can be confirmed that there has been an effective internal audit during 2013/14.

The Audit Committee is asked to acknowledge the completion of this formal review and its conclusions.

**8. Finance.**

There are no direct financial implications arising from this report. The budget for the Internal Audit function is contained within the budget for Environment & Development Services.

**9. Risks and Uncertainties.**

Failure to deliver an effective internal audit would significantly weaken the Council's internal control arrangements and increase the risk of erroneous and/or irregular activities.

**10. Policy and Performance Agenda Implications.**

Internal Audit is an integral part of the Council's Governance Framework, which is wholly related to the achievement of the Council's objectives.

**11. Background Papers and Consultation.**

Public Sector Internal Audit Standards  
Accounts and Audit Regulations, 2011

**Contact Names:**

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**Appendix 1: Internal Audit Annual Report 2013/14**

**Environment and Development Services Directorate**

**Internal Audit Annual Report 2013/14**

**1. Purpose of the Report.**

- 1.1 The purpose of the report is to present the Chief Auditor's overall opinion on the Council's control environment, which supports the Council's Annual Governance Statement (AGS).
- 1.2 The report also fulfils the requirements of the Accounts and Audit (England) Regulations, 2011, for the Council to undertake an annual review of the effectiveness of Internal Audit.

**2. Introduction.**

- 2.1 The report has been prepared by the Council's Chief Auditor. The aim of the report is to provide information on the role of Internal Audit and the work undertaken during the past year.
- 2.2 It is not the intention of this report to attempt to give detailed information on each of the audits that have been undertaken during the year. Instead, the report provides a summary of the work done and a flavour of the main issues that have arisen.

**3. Legislation Surrounding Internal Audit.**

- 3.1 Internal Audit is a statutory requirement for all local authorities that emanates from Section 151 of the Local Government Act 1972 and more recently the Accounts and Audit (England) Regulations 2011.
- 3.2 Section 151 of the Local Government Act 1972 requires that every principal local authority shall put in place arrangements for the proper administration of its financial affairs and that an officer be designated responsible for this task. To comply with these requirements the Council, in common with most other authorities, has assigned this statutory responsibility to the Chief Finance Officer who, at Rotherham, is the Director of Financial Services.
- 3.3 The Accounts and Audit (England) Regulations 2011 require that a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control, in accordance with the proper practices in relation to internal control. Further, a principal local authority must, at least once in each year, conduct a review of the effectiveness of its internal audit function. At Rotherham, the Director of Audit and Asset Management has responsibility for ensuring the provision of an effective internal audit service. The Chief Auditor is responsible for the operational management of the service.
- 3.4 It is a requirement of the Public Sector Internal Audit Standards (PSIAS) that an annual report is produced by the '*Head of Internal Audit*' on the work undertaken by Internal Audit during the year. Rotherham's annual report and opinion on the system of internal control is produced by the Chief Auditor.

### 3.5 Internal Audit is defined by the PSIAS as:-

*“an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.*

3.6 In order to fulfil this requirement Internal Audit must have unrestricted coverage and access to all employees, records and assets of the Council. Additionally, it must have unrestricted access to, and the freedom to report to the Chief Executive, the Chief Finance Officer, the Monitoring Officer and Members, particularly the Audit Committee. These operational requirements are included in the Terms of Reference for Internal Audit.

## 4. Review of the Service.

### 4.1 External Audit.

During 2013/14, KPMG reviewed Internal Audit’s work to determine whether it could take account of our audit of the Council’s fundamental financial systems to support its audit of the Council’s statutory Statement of Accounts.

KPMG has stated:

*“We have gained an understanding of Internal Audit and the work of Internal Audit. We are satisfied we can rely on Internal Audit as a function and the work of Internal Audit, where required for the audit of the financial statements.”*

*“Further to this we have reviewed the following work: -*

- *Debtor Control Testing*
- *Payroll Control Testing*
- *Creditor Control Testing*
- *NNDR Control Testing*
- *Housing and Council Tax Benefit Control Testing*

*And are satisfied by the work and used it accordingly in our audit approach in the audit of the financial statements of 2013/14.”*

### 4.2 Compliance with PSIAS

The *Head of Internal Audit\** is required to report on Internal Audit’s compliance with the Public Sector Internal Audit Standards (PSIAS). Basic requirements for this are as follows:

- The *Head of Internal Audit\** periodically reviews the internal audit charter and strategy and presents it to senior management and the Audit Committee for approval.
- The Internal Audit service is organisationally independent.
- There is a Quality Assurance and Improvement Programme (QAIP), the results of which are reported to senior management and the Audit Committee.

- There is an external assessment of the service conducted every five years.
- All instances of non-compliance with the PSIAS are reported to the Audit Committee.
- The non-conformances are not considered to be significant deviations from the PSIAS and therefore do not require disclosure in the Council's Annual Governance Statement.

The *Head of Internal Audit\** has undertaken an annual self-assessment as required by the standards. He has concluded that Internal Audit is compliant with the standards with the exception of the following items:-

- The Standards require the Audit Committee to approve decisions relating to the appointment and removal of the *Head of Internal Audit\**. This does not currently reflect local government practice and is not regarded to be a material non-compliance issue and so no change is proposed.
- The Standards require the Chief Executive and Audit Committee Chair to be involved in the PDR or appraisal of the *Head of Internal Audit\**. Current arrangements do not reflect this requirement and will be amended accordingly.

It should be noted that an external assessment has not yet been undertaken as this only the first year that the standards have been in force and an external assessment is only required within a five year period.

***\*The role of 'Head of Internal Audit' at Rotherham is fulfilled by the Director of Audit & Asset Management.***

#### 4.3 Internal Audit Resources.

In order to meet its service objectives Internal Audit has an agreed budget as shown below, along with the 2013/14 service outturn costs:

<b>2013/14 Outturn</b>		<b>2014/15 Budget</b>
<b>£000s</b>		<b>£000s</b>
498	Employees	422
12	Other Expenditure	14
<u>(67)</u>	Income	<u>(53)</u>
<b><u>443</u></b>	<b>Net Total</b>	<b><u>383</u></b>

During the year, an Auditor left the team to pursue their career elsewhere and the Team's structure was reduced by 0.67 FTE. In addition a Senior Auditor moved from full time working to term time plus two weeks, further reducing the structure by 0.08FTE. These reductions have helped contribute to achieving further budget savings for the Council.

Internal Audit now has an establishment of 9.45 FTE staff and remains the lowest cost base of any Local Authority Internal Audit function in South Yorkshire and West Yorkshire.

Notwithstanding this, by using a risk-based approach and through careful management of its resources, Internal Audit has been able to deliver a satisfactory programme of work and meet its performance targets.

The Chief Auditor is grateful for the effort and commitment shown by the Internal Audit team to achieve a positive outcome in this context.

#### 4.4 Performance Indicators.

A number of performance measures are maintained to review and improve the performance of the Service. Details of the last three years' actual performance and targets for 2014/15 are summarised below:-

<b>Performance Indicator</b>	<b>2011/12 Actual</b>	<b>2012/13 Actual</b>	<b>2013/14 Actual</b>	<b>2014/15 Target</b>
Draft reports issued within 15 days of field work completion	94%	93%	98%	95%
% 3 star Recommendations agreed	100%	100%	100%	100%
Chargeable Time / Gross Time	62%	65%	64%	63%
Audits Completed Within Planned Time	94%	93%	93%	95%
Percentage of Audit Plan Completed	84%	78%	84%	85%
Cost per Chargeable Day	£271	£275	£268	£265
Client Satisfaction Survey	100%	100%	100%	100%

Overall our performance against the targets agreed with Audit Committee is excellent. Client satisfaction continues to be excellent and our performance on chargeable time and the percentage of the Audit Plan completed are both on target. Consequently, we have delivered a programme of work sufficient to support the Chief Auditor's opinion on the Council's control environment and to meet the requirements of KPMG.

## 5. Planning Processes.

5.1 The 2013/14 plan was derived from the following sources:-

- Review of Council's risk registers;
- Review of revenue and capital budgets;
- Cumulative audit knowledge and experience of previous work undertaken;
- Review of Council plans, reports and press coverage;
- Awareness of priorities identified by the Council's Strategic Directors, Service Directors and Audit Committee members;
- Knowledge of existing management and control environments, including information relating to any system changes;
- Professional judgement as to the risk of fraud or error.

5.2 I am pleased to be able to report that I am once again satisfied that the coverage undertaken of the Council's activity by Internal Audit in the past year has been sufficient to be able to give an overall opinion on the Council's internal control environment.

## **6. Reporting Arrangements.**

6.1 All audit assignments are subject to formal reporting to management in an appropriate format; this could take the form of a summary memorandum or a formal report. Draft reports are sent to the managers responsible for the area under review to obtain their agreement as to the factual accuracy of findings and the viability of recommendations. After agreement, a formal implementation plan containing management's agreed actions and comments is issued to the Service Director of the service under review. Internal Audit has arrangements in place to obtain assurance that all recommendations agreed with management are subsequently implemented. Where any issue of 'fundamental concern' is identified our follow up procedures provide for us to actively revisit that issue to ensure the risk has been adequately mitigated.

6.2 Reports containing significant weaknesses or sensitive issues are copied to the Chief Executive, Director of Financial Services or Director of Legal and Democratic Services as deemed appropriate, dependent on the nature of the issues involved.

## **7. Summary of Findings from Audit Reviews.**

### **7.1 Internal Audit Opinion**

Internal Audit provides an 'opinion' on the control environment for all systems or services which are subject to audit review. An 'inadequate' opinion is given where one or more concerns of a 'fundamental' nature are identified in the area under examination. Where this occurs the issue is drawn to the attention of the Risk and Governance Manager for consideration for inclusion in the Council's Annual Governance Statement. A full list of Planned Audits carried out during 2013/14 can be found at **Appendix A**.

### **7.2 Fundamental Financial Systems.**

As part of the Annual Audit Plan, Internal Audit undertakes a programme of reviews of the fundamental financial systems of the Council. The work in these areas is examined by the Council's External Auditors, who take account of this work to assist their own audit of the Council's statutory Statement of Accounts. This helps to reduce the audit fees paid by the Council to KPMG.

All fundamental systems were found to be sound and operating effectively, as shown in the table below:-

<b>System</b>	<b>Conclusion / Findings</b>
Council Tax	The overall control environment was found to be adequate and operating satisfactorily. No significant weaknesses were identified and only one minor recommendation was made.

<b>System</b>	<b>Conclusion / Findings</b>
NNDR	The overall control environment was found to be adequate and operating satisfactorily. No significant weaknesses were identified and only one minor recommendation was made.
Creditor Payments	The overall control environment was found to be adequate and operating satisfactorily. A recommendation was repeated from the previous year (2012/13) to strengthen arrangements concerning retention of evidence of the performance of control account reconciliations.
Housing and Council Tax Benefits	The overall control environment was found to be adequate and operating satisfactorily. Recommendations have been made to strengthen arrangements for the production and review of the monthly reconciliations.
Payroll	The overall control environment was found to be adequate and operating satisfactorily. Recommendations have been made to strengthen arrangements for the processing of voluntary deductions, the examination of exception reports and the documents expected to be retained on employee personal files.
Housing Rents	The overall control environment was found to be adequate and operating satisfactorily. A number of recommendations that were made last year (2012/13) namely; review controls around access to systems, verify qualifying years for Right to Buy discount calculations and ensure prompt clearance of the Housing Rents suspense account, have had to be repeated due to the delayed introduction of the new IHMS system. New recommendations were made regarding reporting arrears performance and Former Tenants Arrears, which could suggest issues with them being reported as closed by the Council's bailiffs.
Sundry Debtors	The overall control environment was found to be adequate and operating satisfactorily. No significant weaknesses were identified.

### 7.3 Other Planned Audits with Significant Issues Arising.

#### 7.3.1 NAS - Repairs & Maintenance Contract

During the audit we identified ineligible costs which the contractor has agreed to withdraw. The outcome of this will be significant savings to the Council. We identified a number of fundamental weaknesses in the contract monitoring arrangements and have made recommendations to address these.

#### 7.3.2 EDS – Major Highway Improvement Scheme

During the audit we identified weaknesses in the arrangements for checking the contractor's applications for payment which had led to significant overpayments. The majority of these were later identified and corrected by the contractor; however, we have concluded the overall control environment to be inadequate and are awaiting management's response to our recommendations. A follow-up review is planned for 2014/15 upon completion of the scheme and submission of the contractor's final account.

### 7.3.3 CYPS – Budget setting & monitoring at a secondary school

During the audit of a secondary school we identified a number of fundamental control weaknesses, including inadequate budgetary control arrangements that had led to a failure to identify and regularly report to its Governors a significant budget surplus. We have made a number of recommendations to address these weaknesses.

### 7.3.4 CYPS – Schools Catering Service

During the review we conducted a series of visits to school kitchens to evaluate the income cashing up/paying-in and reconciliation procedures in connection with the operation of a dinner money collection system. We considered the processes to be generally weak and in need of strengthening, together with an observed general absence of provision of documentary evidence and separation of duties. This has been reported to CYPS management.

### 7.3.5 NAS – Rotherham Furnished Solutions (RFS)

During the audit we identified fundamental weaknesses in stock control placing the stock at RFS at significant risk of manipulation for fraudulent purposes. There is no monitoring and reconciliation of paid invoices (in excess of £1m in 2013/14), to ensure that all expenditure is genuine and in line with expectations. We have concluded the overall control environment to be inadequate and have made a number of recommendations to address the issues. A follow-up review is planned for 2014/15 upon implementation of the recommendations.

### 7.3.6 EDS – Blue Badge Scheme

The NFI 2012/13 exercise produced a report showing matches of parking permit holders (issued to Rotherham residents) to deceased records. On investigation we found no instances of fraud, however, applications and supporting evidence submitted in paper form were being retained for 3 months only. We recommended that such documentation is retained for at least the lifetime of the badge, namely 3 years. Management has actioned this recommendation.

### 7.3.7 EDS – Treatment of VAT

During an audit of the Parks and Green Spaces Service we found that VAT had been incorrectly accounted for on sales of food at catering facilities, resulting in an underpayment of VAT. Corrections have since been made to the satisfaction of HM Revenues & Customs (HMRC). A further significant VAT error was noted during an audit of the Local Land Charges function and corrections have been made to the satisfaction of HMRC. In both instances there will be no penalty charge by HMRC on these errors. As a result of these errors, a Directorate wide review of VAT accounting is being undertaken by EDS management and Financial Services.

## 7.4 Responsive Work.

Approximately 11% of Internal Audit time was used to address issues which arose during the year that had not been provided for in the original Audit Plan. This compares favourably to 21% of Audit resources in 2012/13 and suggests

that more targeted risk-based audit planning has led to less responsive work in 2013/14. This year's work can be sub-divided into two categories: -

#### 7.4.1 Investigative work

This is where some form of non-compliance with Council policies and procedures (Standing Orders/Financial Regulations/Codes of Conduct etc), including potential fraud or other irregularity, is suspected. Investigations of this type are, by their nature, time consuming because of the need for attention to detail and accurate recording on the understanding that the evidence could be used in formal disciplinary hearings or by the Police in any subsequent prosecutions.

#### 7.4.2 Requests for assistance/advice

There are a number of factors affecting the level of requests for assistance, including: -

- Greater awareness within the Council of the need to ensure that systems and procedures are operating in accordance with Council policies and regulations.
- Modernising of systems inevitably leads to change and managers across the Council recognise the value of obtaining Internal Audit advice when implementing change.
- The policy of Internal Audit is to respond positively to requests for advice/assistance on the basis that this should help to ensure that systems and procedures are operating in accordance with Council policies and regulations. It is felt this policy provides an "added value" function corporately to Council services.
- Previous advice and assistance provided by Internal Audit has been appreciated by clients and, therefore, encourages involvement and discussion on any future issues that emerge.

7.4.3 Previous benchmarking exercises have suggested that the Council has a strong overall control environment and as a result appears to have a lower level of reported irregularities than other authorities of a similar size / range of services. Nonetheless, various issues arose during the year that required audit attention and details of the work carried out and outcomes have been provided in updates given to the Audit Committee during the year. Examples of the type of reviews carried out include: -

- Investigation into allegations of favouritism and improper award of a contract.

Following an anonymous allegation we investigated the procurement and award process of a contract. We found no evidence to support the allegation of '*financial inducement*' or '*corrupt practices*' having taken place. However, we did identify a number of significant failures to apply Contract Standing Orders and have made a number of recommendations to strengthen controls.

- Investigation into an over spend on a civil engineering contract.

We investigated a significant capital overspend on a contract that involved emergency repair works to one of the Council's reservoirs. We found a number of budgetary control and contract management weaknesses and a subsequent failure to comply with the Council's

Financial Regulations and Contract Standing Orders. We also identified overpayments (of £20K incl. VAT), which have since been repaid to the Authority by the contractor. A report has been issued setting out how controls could be strengthened to avoid a recurrence and the recommendations are now being implemented.

- Investigation into allegations of financial issues at a secondary school, raised by a whistle blower.

Internal Audit investigated the veracity of financial issues at a secondary school that were raised by a whistle-blower under the Confidential Reporting Code. The audit also examined whether there were any other issues of significance that were not included in the confidential report. The report made recommendations to address those issues arising that were confirmed by the audit, these being principally that income was paid into the Private School Fund, instead of the school's Delegated Budget and that VAT had not been promptly and properly accounted for and paid over to HM Revenues & Customs.

- Investigation into allegations of inappropriate use of funds by a secondary school, raised by anonymous letter.

Following the publication of an article in the *Rotherham Advertiser*, the Authority received anonymous letters containing accusations that a secondary school's school funds had been used to buy gifts for school staff and purchase goods for the personal use of the Head Teacher. Our work confirmed that purchases were made to reward staff for good OFSTED inspection and exam results. The conclusion was that in the absence of a written constitution it was not possible to form an opinion as to whether this expenditure was consistent with the objectives or purposes of the fund and as a consequence the school may have inadvertently exposed itself to reputational risk. During the audit it was noted that a significant sum of money generated from letting the school's sports facilities, was paid into the Private School Fund, instead of properly being paid into the school's Delegated Budget. Internal Audit made recommendations to address the issues.

- Investigations into allegations of financial abuse

We provided assistance with an investigation being undertaken by Adult Social Services and South Yorkshire Police into allegations of financial abuse of an elderly man with learning difficulties by a carer employed by a contractor. Insufficient evidence was found to support the allegations made; however, NAS management is working with the contractor to improve controls and procedures.

## **8. Management Response to Audit Reports.**

8.1 The steps involved in carrying out audits, issuing audit reports and monitoring of management responses are as follows:-

- Audit is carried out and draft report issued.
- Draft report and action plan to address recommendations is discussed and agreed with client.

- Final report and action plan is issued formally.
- Client is asked to respond within 30 days as per Financial Regulations.
- Failure to respond within 6 weeks results in the issuing of reminder(s) and escalation with the Authority's line management structure.
- Where the failure to respond is protracted, a report can be taken to Strategic Leadership Team and Audit Committee.

8.2 Currently there are no significant issues where responses are outstanding or giving cause for concern.

**9. Assessment of the Control Environment for Year to 31st March 2014.**

9.1 Based upon the audit work undertaken it has been possible to produce a summary assessment of the Council's overall control environment. This assessment takes account also of the work of the External Auditor as reported to the Audit Committee during 2013/14.

9.2 Based upon the Internal Audit work undertaken this year, and placing reliance upon the work of the External Auditor, we can confirm that the Council's control environment for 2013/14 was adequate and operated satisfactorily during the year. A small number of items have been highlighted which do cause some Internal Audit concern. These have been brought to management's attention and Internal Audit will continue to monitor management actions to improve these areas. They do not change the overall opinion.

**APPENDIX A**

**Planned Audits 2013/14**

Area Audited	Number of Recs Made	Number of Recs Agreed	Variance	Number Of 3 * Recs Made	Number of 3 * Recs Agreed	Opinion Adequate/ Inadequate
<b><u>Resources Directorate / Corporate</u></b>						
Carbon Reduction Scheme	1	1	0	0	n/a	Adequate
Members Allowances & Expenses	2	2	0	0	0	Adequate
Logas Net	n/a	n/a	n/a	n/a	n/a	n/a
<b><u>ICT</u></b>						
Application Controls	5	*	*	0	n/a	Adequate
National Fraud Initiative	n/a	n/a	n/a	n/a	n/a	n/a
<b><u>Children and Young People's Services Directorate</u></b>						
Aston Fence Primary School	8	8	0	0	n/a	Adequate
Aughton Primary School	8	8	0	0	n/a	Adequate
Bramley Grange Primary School	20	20	0	0	n/a	Adequate
Brampton Ellis Infant School	15	15	0	0	n/a	Adequate
Ferham Primary School	20	20	0	0	n/a	Adequate
St Ann's Primary School	24	24	0	0	n/a	Adequate
Thorpe Hesley Junior School	14	14	0	0	n/a	Adequate
Thrybergh Primary School	34	*	*	0	n/a	Adequate
Woodsetts Primary School	28	28	0	0	n/a	Adequate
Wath Comprehensive School	12	*	*	0	n/a	Inadequate
Cherry Tree House/Liberty House	9	*	*	0	n/a	Adequate
Park View Children's Centre	19	**	**	0	n/a	Adequate
Rawmarsh Children's Centre	5	*	*	0	n/a	Adequate
Wath Victoria Children's Centre	9	**	**	0	n/a	Adequate
Riverside Pupil Referral Unit	9	*	*	0	n/a	Adequate
Schools Catering Service Income	23	*	*	0	n/a	Inadequate
Children's Social Care: North Locality Team	8	8	0	0	n/a	Adequate
Fostering and Adoption Service: Imprest Accounts	7	7	0	0	n/a	Adequate
Winterhill Private School Fund	4	4	0	0	n/a	Adequate
Troubled Families Grant	n/a	n/a	n/a	n/a	n/a	Adequate
Wingfield Academy (payroll)	4	*	*	0	n/a	Adequate
Wingfield Academy (creditors)	10	**	**	0	n/a	Adequate

Area Audited	Number of Recs Made	Number of Recs Agreed	Variance	Number Of 3 * Recs Made	Number of 3 * Recs Agreed	Opinion Adequate/ Inadequate
<b><u>Neighbourhoods and Adult Services Directorate</u></b>						
Supporting People	1	1	0	0	n/a	Adequate
Addison Road Day Centre	6	4	2***	0	n/a	Adequate
Provision of Adult Social Care for the Elderly (Independent Sector)	11	11	0	0	n/a	Adequate
Licensing Income	8	8	0	0	n/a	Adequate
Repairs & Maintenance Contract (Wilmott Dixon)	11	*	*	3	*	Inadequate
Furnished Homes	15	*	*	2	*	Inadequate
<b><u>Environment and Development Services Directorate</u></b>						
Civic Theatre	10	10	0	0	n/a	Adequate
Local Land Charges	7	7	0	0	n/a	Adequate
Business Centres	1	1	0	0	n/a	Adequate
Waste PFI (BDR)	0	0	0	0	n/a	Adequate
Thrybergh Country Park	10	10	0	0	n/a	Adequate
Clifton Park	11	11	0	0	n/a	Adequate
Markets Income	5	5	0	0	n/a	Adequate
AFS Fire and Security Contract	2	2	0	0	n/a	Adequate
Home to School Transport	8	8	0	0	n/a	Adequate
Treatment of Waste (non-commercial)	4	4	0	0	n/a	Adequate
Customer Services Centres	9	9	0	0	0	Adequate
Bus Service Operators Grant	n/a	n/a	n/a	n/a	n/a	Adequate
Blue Badge Scheme	3	*	*	0	n/a	Inadequate
<b><u>Fundamental Financial Systems</u></b>						
Creditor Payments	1	**	**	0	n/a	Adequate
NNDR	1	**	**	0	n/a	Adequate
Payroll	3	**	**	0	n/a	Adequate
Housing Rents	8	**	**	0	n/a	Adequate
Housing & Council Tax Benefits	3	**	**	0	n/a	Adequate
Council Tax	1	**	**	0	n/a	Adequate
Sundry Debtors	0	**	**	0	n/a	Adequate
<b><u>Contracts</u></b>						
EDS Design and Projects - Final Accounts System	9	9	0	0	n/a	Adequate
EDS Streetpride - A57 Improvement Scheme	11	**	**	0	n/a	Inadequate

\* Final report issued - awaiting formal response to recommendations.

\*\*Draft report issued – awaiting response/comments.

\*\*\* Awaiting agreement of Financial Services.