

Project (U-Unplanned work)	Work done in 10/11	Key findings (Reported as High Priority)	Current Status	Implications for 2011/12 Plan
Supporting Corporate Governance				
Annual Governance Statement (AGS)	Completion of AGS Statement for 2009/10, and assessment against CIPFA/SOLACE Good Governance Framework to evidence compliance with the code. Supporting management in production of AGS for 2010/11.	As reported to Committee in June 2010.	Complete	Supporting management in production of AGS for 2010/11.
CAA Use of Resources	None	N/A	N/A	Inspection regime has ceased.
Core Financial and Fundamental Systems				
Housing Benefits	Review of key controls over all legacy systems has been undertaken. A new Housing Benefits system was introduced in December 2010 and this is now being reviewed in parallel to the legacy system.	N/A	Ongoing	As a key financial system this area is reviewed annually
Council Tax	Review of key controls over all legacy systems. A new Council Tax system has been	- Bad debts have been written off the system without correct authorisation (Macclesfield & Congleton).	Legacy – Complete New system	As a key financial system this area is reviewed annually.

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	introduced and this is now being reviewed.	- Refunds are not subject to formal review and authorisation by a senior officer (Macclesfield & Crewe).	– Ongoing	
Budget Monitoring	Review of revenue budget monitoring across the authority. This issue was raised in the 2009/10 AGS.	<ul style="list-style-type: none"> - Significant numbers of managers with budgetary responsibility did not have access to the key financial systems, and many had not received sufficient training in the systems meaning they are unable to monitor budgets as effectively. - Some Directorates felt that the level of support from Finance could be improved. Inconsistencies in roles across Business Support, Finance and Budget Managers were also noted. - Budgetary processes have been complicated where Members have decided to continue with service provision where budgets have already been withdrawn as part of savings targets already agreed. 	Complete	A follow up review is included in the 2011/12 plan.
Reserves	None	N/A	N/A	No planned work during 2011/12.

Appendix 1

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Main Accounting System	Joint testing with CWaC of the core Oracle System in relation to the General Ledger and Reconciliations. Specific testing of East transactions.	N/A	Draft report imminent	As a key financial system this area is reviewed annually.
Oracle R12 Upgrade (U)	Ongoing support to the R12 Upgrade of Oracle.	Two specific exceptions were noted in the Audit sign off: - A number of controls were identified as manual or not in place, which weakens the overall control environment - A review of system user access rights identified a number of instances where the scope access is wider than best practice expectations. In some cases this is due to the business model adopted. These areas will be re-visited during the follow up in 2011/12.	Complete	A follow up review is included in the 2011/12 plan.
Accounts Receivable	Joint testing with CWaC of the core Oracle System in relation to Accounts Receivable. Specific testing of East transactions.	N/A	Draft report imminent	As a key financial system this area is reviewed annually.

Appendix 1

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Debt Management Follow Up	Follow up on an audit review of the authority's debt management arrangements originally carried out in 2009/10, to assess progress made.	<ul style="list-style-type: none"> - Minimal guidance is available to staff re income/debt management. - There is an inconsistent approach to managing debt across individual Services. Services have no escalation process to use if their own action doesn't result in payment. 	Completed	No planned work during 2011/12.
Accounts Payable	Joint testing with CWaC of the core Oracle System in relation to Accounts Payable. Specific testing of East transactions.	N/A	Draft report imminent	As a key financial system this area is reviewed annually.
Extended Testing	Additional testing work carried out across the Core Fundamental Financial Systems. The scope of this testing is agreed with External Audit and the results are used to provide assurance to them on the level of control operating across the various systems.	Results shared with External Audit. System specific key findings reported against individual systems.	Complete	A programme of extended testing is agreed with External Audit annually.

Appendix 1

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Interrogation of Creditor Payment data using Computer Assisted Audit Techniques	Interrogation of creditor data using IDEA software, to identify duplicate payments. The creditor data covered the period of transition from legacy systems, when the risk of duplicate or erroneous payments was deemed to be higher.	<ul style="list-style-type: none"> - Duplicate payments totalling approximately £28,000 were recovered. - Suppliers regularly use the same invoice number, or re-issue an invoice for the same goods or services under a new invoice number. - Invoices are sent by suppliers to the service and to the Shared Service, resulting in both sections processing. - Approvers do not always check to see if the invoice has been previously been paid. 	Complete	Work ongoing to encourage data matching on more proactive basis.
Cash receipting	Examination and testing of key controls in the PARIS cash receipting system and bank account.	Work is ongoing.	Ongoing – work began in late 2010/11.	As a key financial system this area is reviewed annually.
Quick Invoicing	None	N/A	N/A	No planned work during 2011/12.
NNDR	Review of key controls over all legacy systems. A new Council Tax system has been introduced and this is now being reviewed.	The review of the legacy systems identified a number of weaknesses; however as the system is no longer in operation, management were advised to ensure that sufficient corresponding controls are in	Legacy – Complete New system – Ongoing	As a key financial system this area is reviewed annually.

Project (U-Unplanned work)	Work done in 10/11	Key findings (Reported as High Priority)	Current Status	Implications for 2011/12 Plan
		place in the new system. The key findings were: -Billing reconciliation had been undertaken but not evidenced by the performing officer or a senior officer - A number of debts (pre-2000) had been written off as part of the conversion system without formal approval and evidence of approval by a senior officer. Work is ongoing on the review of the new system		
Payroll	Joint testing with CWaC of the core Oracle System in relation to Accounts Payable. Specific testing of East transactions.	N/A	Draft report imminent	As a key financial system this area is reviewed annually.
Adults, Community, Health & Wellbeing/Children & Families				
Joint Commissioning with Health	None	N/A	N/A	Identified as a strategic risk for review in 2011/12 Plan.
ContactPoint	Assessment of the authority's compliance with the national accreditation criteria.	No findings ranked as High Priority. The necessary accreditation criteria were met by Cheshire East.	Complete	Implementation of ContactPoint has been discontinued.
PARIS Looked after Children	None	N/A	N/A	A review of Charging for Looked After

Appendix 1

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				Children is included in the 2011/12 plan.
Establishment Audits - Childrens	Visits to Children's Centres to evaluate the adequacy of system controls in place. (Underwood West, Oakenclough)	Issues around Imprest accounts, Income and Banking, Inventories and CRB records have been raised with management.	Draft reports issued.	No planned work during 2011/12.
Establishment Audits - Adults	Visits to Adults Establishments to evaluate the adequacy of system controls in place (Lincoln House, Bexton House, Stanley Centre, Warwick Mews,)	Issues around Imprest accounts, Fees & Charges, Income, Amenities funds, Debt recovery procedures, Expense Claims, Budgetary Information, CRB Code of Practice, Inventories, Service user finances have been raised with management.	Final report issued	No planned work during 2011/12.
Establishment Audits - Health & Wellbeing (Malkins Bank)	Visits to Health & Wellbeing establishments to evaluate the adequacy of system controls in place.	Issues around Cashing up, documentation of processes, Gifts & Hospitality register have been raised with management.	Final report issued	Follow up for Establishment Audits within Health & Wellbeing is included in the 2011/12 plan.
Establishment Audits - Health & Wellbeing (Wilmslow Leisure Centre)	Visits to Health & Wellbeing establishments to evaluate the adequacy of system controls in place	Issues around Purchase Card procedures and Gifts & Hospitality register have been raised with management.	Final report issued	Follow up for Establishment Audits within Health & Wellbeing is included in the 2011/12 plan.
Establishment Audits - Health & Wellbeing (Alsager	Visits to Health & Wellbeing establishments	Issues around Fees and Charges and access to	Final report issued	Follow up for Establishment Audits

Appendix 1

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Civic Hall)	to evaluate the adequacy of system controls in place.	financial systems for budget monitoring purposes have been raised with management.		within Health & Wellbeing is included in the 2011/12 plan.
Establishment Audits - Health & Wellbeing (Knutsford Civic Hall and Cinema)	Visits to Health & Wellbeing establishments to evaluate the adequacy of system controls in place.	Issues around documentation of processes, IT system access, Stock takes, Gifts & Hospitality register and access to financial systems for budget monitoring purposes have been raised with management.	Final report issued	Follow up for Establishment Audits within Health & Wellbeing is included in the 2011/12 plan.
Establishment Audits - Health & Wellbeing (Contact Centres Wilmslow & Congleton)	Visits to Health & Wellbeing establishments to evaluate the adequacy of system controls in place	The main findings indicate that actions raised during the previous audit in 2006 have not been fully implemented.	Draft Report issued	Follow up for Establishment Audits within Health & Wellbeing is included in the 2011/12 plan.
LSC Funding 14-19	Review of the arrangements put in place to enable the authority to meet its new responsibilities following the transfer from the Learning and Skills Council. Risk assessment - liaison with Schools Finance Team.	Formally allocate responsibility for preparing and authorising the required quarterly reconciliation statement for the YPLA. Ensure no amendments are needed re Authority's Finance and Procedure rules.	Final report issued	Included in the plan for 2011/12.

Appendix 1

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Extended Services – Grant Funding	None	N/A	N/A	No planned work during 2011/12
Review of Financial Management Standard in Schools (FMSiS)	Liaison with Schools Finance Team.	N/A	N/A	An alternative inspection regime is due to be announced on shortly and this is included in the 2011/12 plan.
Children’s Social Care – Financial Management/ Residential	None	N/A	N/A	No planned work during 2011/12.
Education Improvement Partnerships	None	N/A	N/A	No planned work during 2011/12.
Client Finances	Support has been provided to improving the process of auditing the accounts of social care customers who receive a direct payment.	N/A	Ongoing	No planned work during 2011/12
Resource Allocation System	None	N/A	N/A	No planned work during 2011/12
Empower Cards	Supporting the development and implementation of the Empower Card ensuring that new processes and systems are sufficiently robust to mitigate the risk of loss to the Council.	N/A	N/A	Included in the plan for 2011/12.
Supporting People	Review of key controls	-ICT Equipment is not always	Complete	As a key financial

Appendix 1

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	over the system	secured when not in use.		system this area is reviewed annually.
Home Care Roster	Review of key controls over the system	<ul style="list-style-type: none"> - Staff 'down time' is high; where staff work less hours than are contracted for because of legitimate scheduling issues. - Checks on the number of hours worked are not evidenced by senior staff - Mileage claims are not always appropriately authorised prior to payment. 	Complete	As a key financial system this area is reviewed annually.
Adult Financials Project (U)	Support to the development of new finance policies and procedures within Adults Services	N/A	Ongoing	Included in the 2011/12 plan.
Nursery Provider (U)	Review of the issues surrounding the administration of the childcare provider.	Opportunities for improvement identified to mitigate against the risk of reoccurrence.	Complete	No planned work for 2011/12.
Variable Housing Support – (Project Support) (U)	Supporting the development and implementation of the extension of the Variable Housing Scheme, to ensure risks have been identified and managed, and that end processes	N/A	Complete	No planned work for 2011/12.

Appendix 1

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	comply with appropriate Procedure Rules and legislation.			
Places				
Carbon footprint/Climate Change	None	N/A	N/A	Included in the 2011/12 plan.
Emergency Planning	None	N/A	N/A	Included in the 2011/12 plan.
Waste PFI	None – funding was withdrawn as part of the Government Spending Review.	N/A	N/A	No planned work for 2011/12.
Highways Contract Management Arrangements	None	N/A	N/A	Included in the 2011/12 plan.
Highways Asset Valuation	None	N/A	N/A	Included in the 2011/12 plan.
Crewe Green Link Road Scheme	None	N/A	N/A	No planned work for 2011/12.
Car Parking	Review of key controls over the system.	N/A	Ongoing	Included in the 2011/12 plan.
Licensing	Review of the key controls over the three legacy systems.	No findings ranked as High Priority.	Complete	Included in the 2011/12.
Planning & Building Control Fees	Review of the Building Control service and its management of risks regarding; income, standard of work undertaken, recovery of costs and the application	No findings ranked as High Priority.	Complete	No planned work for 2011/12.

Project (U-Unplanned work)	Work done in 10/11	Key findings (Reported as High Priority)	Current Status	Implications for 2011/12 Plan
	of relevant standards			
Housing Strategy	None	N/A	N/A	No planned work for 2011/12.
Crewe Master Plan	None	N/A	N/A	No planned work for 2011/12.
Tatton – Future Governance Arrangements	None	N/A	N/A	Included in the plan for 2011/12.
Developer contributions (Section 106s) (U)	Interim review of the way in which Section 106 agreements and associated risks are managed	No findings ranked as High Priority.	Complete	Follow up review is included in the 2011/12 plan.
Performance & Capacity				
Absence Management	Examination of key controls in the absence management and reporting process, which was identified as a potential risk area from work carried out through the National Fraud Initiative	No findings ranked as High Priority.	Complete	No planned work for 2011/12.
Key Policies	None	N/A	N/A	No planned work for 2011/12.
Performance Management	Review of the existing performance National Indicators, and support to the implementation of the Performance Monitoring System: CorVu.	N/A	Ongoing	Continuing to support the implementation of CorVu.

Appendix 1

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Communications – Reputation Management	None	N/A	N/A	Identified as a Strategic Risk and included in the plan for 2011/12.
ICT Shared Services	Discussion paper on Governance and Control issued to the ICT Manager	N/A	N/A	Included in the plan for 2011/12.
ICT Security Policies and awareness	Ongoing support in the development and implementation of ICT Security Policies	Security Policies completed and communicated to staff.	Complete	No planned work for 2011/12.
ICT Users Compliance	None – development and implementation of ICT Security Policies delayed the start of this project	N/A	N/A	Included in the plan for 2011/12.
Payment Card Industry Compliance	None	N/A	N/A	Included in the plan for 2011/12.
ICT Business Continuity Planning	General advice and guidance as needed	N/A	N/A	No planned work for 2011/12.
ICT Asset Inventory	Follow up review on the disaggregation of ICT Assets between the two new authorities	Although a compilation strategy has been adopted and is underway, it is not yet complete. -Still a need for an ICT Asset Register which accurately reflects the current disposition of assets and which is maintained and kept up to date.	Complete	Included in the plan for 2011/12.
Internal Audit Forensic and	Development and	Production of procedure notes.	Complete	No planned work for

Appendix 1

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Investigation	introduction of procedure notes to support investigation in ICT related areas.			2011/12.
Revenues and Benefits – replacement system	Project assurance role in the replacement Revenues & Benefits system project.	Project sign off.	Complete	No planned work for 2011/12.
ICT Security baseline standards for establishment	Development and review of 'standard' audit programme for use in establishment visits.	Production of audit programme.	Complete	Will be used as part of any Establishment Visits carried out in 2011/12.
Procurement/Commissioning	None	N/A	N/A	Included in the plan for 2011/12.
Contracts Register/Tendering	Review of the controls within the e-tendering system (Due North) introduced in April 2010.	Work is ongoing to update Finance and Contract Procedure Rules and reflect the introduction of Due North.	Final report issued.	No planned work for 2011/12.
Approach to savings (Procurement)	None	N/A	N/A	Included in the plan for 2011/12.
Asset Management	Review of the approach to disaggregating property and other key operational assets between the two new authorities.	No findings ranked as High Priority.	Complete	Follow up review is included in the plan for 2011/12.
Utility Procurement (U)	Provision of advice and support to procurement process.	N/A	N/A	No planned work for 2011/12.
Grant Funding (U)	Research on grants	N/A	N/A	No planned work for

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	received and distributed by the Council. Used to inform planning process			2011/12.
International Financial Reporting Standards (IFRS) (U)	Assessment of the authority's readiness for the adoption of International Financial Reporting Standards in 2010/11.	- Key staff not in place/trained to lead on IFRS adoption - Requirement to revalue assets not fully considered.	Complete	No planned work for 2011/12.
Cross Directorate, Partnership & Shared Services				
Shared Services General - Governance	A review of the effectiveness of the governance and monitoring arrangements used by Cheshire East and Cheshire West and Chester Councils to manage their Shared Services.	No findings ranked as High Priority.	Complete	No planned work during 2011/12.
General Partnership Governance Arrangements	Covered through the Annual Governance Statement.	Will be included within AGS.	Complete	Review of key Partnership Strategic Risks is included in the plan for 2011/12.
Service Delivery Planning/Risk Management	Ongoing Support advice with regard to systems and procedures.	N/A	Ongoing	Identified as a Strategic Risk and included in the plan for 2011/12.
Project Management	None	N/A	N/A	No planned work for 2011/12.
Business Continuity	None	N/A	N/A	No planned work for

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				2011/12.
Shared Service – Learning Resource Network (<i>U</i>)	Joint review with CWaC Internal Audit of the governance and financial controls of the Learning Resource Network Shared Service.	A number of opportunities for significant improvements were identified. A review of arrangements is being undertaken by the two authorities.	Complete	No planned work for 2011/12.
Assurance on the savings achieved through redundancies (<i>U</i>)	Review of savings achieved through redundancy.	Redundancies have secured savings through reduction of staffing costs; however, redundancies since LGR in 2009 have not always been specifically incurred for that reason. Report included as Annex A.	Complete	No planned additional work in 2011/12.
Counter Fraud				
Anti Fraud & Corruption Policy	A review of the Anti Fraud and Corruption Strategy against best practice guidance to identify improvements has been undertaken. A revised Anti Fraud and Corruption Strategy is being drafted.	Report to Audit & Governance Committee in January 2011.	Ongoing	Included in the plan for 2011/12.
Codes of Conduct – Member & Officers	Advice on new Codes for Officers provided.	Advice on new Codes for Officers provided.	Ongoing	No planned work for 2011/12.
Whistleblowing Policy Review	A review of the Whistleblowing Policy	Report to Audit & Governance Committee in November 2010.	Ongoing	Included in the plan for 2011/12.

Appendix 1

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	against best practice guidance to identify improvements has been undertaken. A revised Whistleblowing Policy has been through consultation with HR & Unions and is being presented to Audit & Governance Committee in June 2011.			
Declarations of Interest	A review of Declarations of Interest covering both Members and Officers has been completed.	Completed Declarations are not always held securely in line with Data Protection guidance.	Complete	No planned work for 2011/12.
Gifts & Hospitality	Covered as part of Establishment audits.	N/A	N/A	No planned work for 2011/12.
Anti-Money Laundering	The Council's Anti-Money laundering procedure and supporting arrangements have been reviewed against best practice.	No findings ranked as High Priority.	Complete	Follow up review is included in the plan for 2011/12.
NFI Administration	Participation in the bi-annual data matching exercise aimed at the prevention and detection of fraud.	Matches from the data set submissions will be investigated by the relevant departments.	Ongoing	Work continues in 2011/12.
Renovation Grants	Review of key controls over the Renovation Grants area, and ensure grants are provided in	N/A	Ongoing	Work continues in 2011/12.

Appendix 1

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	accordance with relevant legislation.			
Creditor Payments	Key controls tested as part of Key systems work.	See key systems work.	Complete	Detailed control testing in 2011/12.
Stores/Inventories	Establishment Audits	See separate reports.	Complete	No planned work for 2011/12.
Loans & Investments	None	N/A	N/A	No planned work for 2011/12.
Payroll	Key controls tested as part of Key systems work.	See key systems work.	Complete	Detailed control testing in 2011/12.
Expense Claims	Key controls tested as part of Key systems work.	See key systems work.	Complete	Detailed control testing in 2011/12.
Corruption	Self assessment of arrangements against CIPFA Red Book 2.	Report to Audit & Governance Committee in June 2011.	Complete	Included in plan for 2011/12.
Theft of Information	None	N/A	N/A	Included in plan for 2011/12.
Purchase Cards	Review on use of Purchase Cards requested by the Chief Executive and Leader of the Council following a media Freedom of Information request.	Purchase Card guidance could be improved to clarify a number of potential areas of weakness: - Clarity on the appropriate members of staff to use the card and approve transactions and maintaining separation of duties - The process of approving transactions and the timescales for doing so, including the potential for remedial action for non-compliance.	Ongoing	No planned work for 2011/12.

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Investigation of whistleblowing allegations (U)	Supporting management in the investigation of whistleblowing allegations made.	Specific findings have been reported to management, the Head of Policy & Performance, and the Chair of the Audit & Governance Committee. Recommendations to management are made where appropriate.	Ongoing	Responsive work is included in the plan for 2011/12.
Investigation of suspected fraud (U)	Supporting management in the investigation of fraud and corruption.	Specific findings have been reported to management, the Head of Policy & Performance, and the Chair of the Audit & Governance Committee. Recommendations to management are made where appropriate.	Ongoing	Responsive work is included in the plan for 2011/12.
Follow up from 2009/10				
A number of audits were due for follow up in 2010/11. Some of these have been completed as new reviews, some have been carried out and some have been re-scheduled to take place in 2011/12	Various	N/A	Various	Various