

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Supporting Corporate Governance				
Code of Corporate Governance	Produced Code of Corporate Governance – Approved by Governance & Constitution Committee in November 2009.		Complete.	-
Annual Governance Statement (AGS)	Assessment against CIPFA/SOLACE Good Governance Framework to evidence compliance with Code.		Draft report issued.	Supporting management in production of AGS for 09/10.
CAA Use of Resources	Production of position statements/ Key Lines of Enquiry assessments/Service baseline assessments etc.		Ongoing	Liaison with External Audit etc.
Core Financial and Fundamental Systems				
Main Accounting – Budget Monitoring	None.	N/A	4 th quarter	High level review of strategic risk and mitigating actions in place.
Main Accounting – Bank Reconciliation	None.	N/A	4 th quarter	Review of key controls.
Asset Management	Review of asset registers and disaggregation of assets following LGR.		Work in progress	Complete audit
Council Tax	Review of key controls over		Work in	Complete audit

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	all 3 ex-District systems.		progress	
NNDR	Review of key controls over all 3 ex-District systems.		Work in progress	Complete audit
Housing Benefits	Review of key controls over all 3 ex-District systems.		Work in progress	Complete audit
Debt Management	Review of key controls around raising of invoices and monitoring of debt.		Work in progress	Complete audit
Payroll	-	N/A	4 th Quarter	Review of controls around Starters and Leavers, to specifically include CRB checks.
Treasury Management	Review of the management of the Authority's cash flow, investments and loan arrangements		Audit complete – draft report to be issued.	Finalise report
P2P Joint Review	Joint review with Cheshire West and Chester Audit on problem transactions.	<ul style="list-style-type: none"> - Non compliance with the procurement vision leading to delays in time taken to pay invoices. - Service failures to deal promptly with transactions awaiting approval, failure to receipt goods promptly, and failure to establish approval hierarchies and associated budget responsibilities; 	Draft Report issued	Finalise report

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		<ul style="list-style-type: none"> - Suppliers errors include sending invoices to the wrong address, with insufficient detail about the transaction, which do not reflect disputes or amendments, which are in advance of receipt of goods or service, and / or where a credit note is due before the payment can be made; and - Shared Service errors include some keying errors and some delays in keying invoices once received. 		
Cheque Review (U)	Specific review of the cheque payment procedures and controls as part of the Transitional Review (see below).		Draft Report issued	Finalise report
Transitional Review	Audit covering Cheshire East Council and four predecessor Authorities.		Final report issued.	-
People				
LSC Funding 14-19	-	N/A	4 th Quarter	Fact finding review.
Extended Services	-	N/A	4 th Quarter	Review of key controls.

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Payments to foster parents/adopters	-	N/A	4 th Quarter	Review of key controls.
Section 17 funding	-	N/A	Not planned	Not planned
Aiming high for disabled children	-	N/A	Not planned	Not planned
Grant Funding	-	N/A	4 th Quarter	Fact finding review.
ContactPoint	Assisting in the design of appropriate systems of control and monitoring of these systems and a review on the operation of these systems of control.		Work in progress	Complete audit
Gorsey Bank School Extension	Review of issues arising and lessons learned for future projects. Reported to Corporate Management Team.	<ul style="list-style-type: none"> - Failure to adhere to CCC Finance Procedure Rules. - The company that supported the project was not procured through a competitive tendering process. - Appointment of Companies were not formalised under signed contracts. 	Final report issued.	Follow up audit will be undertaken in 10/11 as agreed with management.
Social Care Redesign	Providing support and advice in a number of areas i.e. Pre loaded		Ongoing.	Fact finding review.

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	prepayment cards.			
Pooled Budget	-	N/A	4 th Quarter	Fact finding review.
ShareCare	Review of project governance and resourcing.		Draft papers issued.	Finalise papers. Advise on implementation of recommendations.
East Domestic Unit imprest account	Review at request of management.		Final report issued.	-
Macclesfield Leisure Centre	Review of system controls, principally around income.		Draft Report issued	Finalise report
Crewe Pool	Review of system controls, principally around income.		Draft Report issued	Finalise report
Congleton Leisure Centre	Review of system controls, principally around income.		Draft Report issued	Finalise report
Lyceum Theatre (U)	Review of system controls, principally around income.		Testing in progress	Complete audit
Target Income	Legacy monitoring work.		Now finished.	-
PARIS	Review of AOP Financials		Ongoing	Review revised project plans and associated corporate risks.
Resource Allocation System	-	N/A	4 th Quarter	Review of methodology.
Places				
Car Parking	Review of key controls over ex-District systems (Crewe		Audit complete –	Finalise report.

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	& Nantwich/Macclesfield).		draft report to be issued.	
Carbon Footprint	-	N/A	4 th Quarter	Overview of actions and Use of Resources linkages
Places Risk register	Facilitation and development.		Complete.	-
Depot Rationalisation	-	N/A	Not planned.	Not planned.
Licensing	-	N/A	4 th Quarter	Review of key controls.
Planning & Building Control Fees	-	N/A	4 th Quarter	Review of key controls.
Integrated Transport Unit	-	N/A	Not planned.	Not planned.
Crewe Green Link Road Scheme	-	N/A	4 th Quarter	On going advice as required
Other Key Areas in Places	-	N/A	4 th Quarter	Waste PFI review of key risk areas and performance overview
Performance & Capacity Policy & Performance				
National Indicators (NI's)	Review of procedures and controls.	- Sufficient resources were not in place to complete or review the NI's. - No written procedures were available to induct new post holders.	Draft Report	Finalise report.

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		- Concern was expressed over data being received from other public bodies to calculate the NI's.		
Blue Badges	-	N/A	Done as part of NFI	Learning points from NFI
Performance & Capacity Finance				
Scheme of Financial Delegation	Phase 1 - Establishing format for scheme, intranet site, liaising and monitoring with service representatives. Phase 2 – Review of Schemes to check in place, authorised, in accordance with Oracle etc.	Many services do not have an agreed Scheme of Financial Delegation in place.	Phase 2 – Ongoing.	Complete audit.
Finance & Contract Procedure Rules	Providing advice to services/implementing changes and making recommendations to the Governance & Constitution Committee.		Ongoing.	As necessary.
Shared Services Back Office	See work under <i>Cross Cutting</i>	See work under <i>Cross Cutting</i>	Ongoing.	Follow up review to consider current position for 10/11.
Cash Receipting	-	N/A	Not	Not planned.

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			planned.	
Grant Payments	-	N/A	Not planned.	Not planned.
VAT Accounting	-	N/A	Not planned.	Not planned.
Data Migration	-	N/A	4 th Quarter.	Review of procedures and controls.
Opening Balance Sheet	-	N/A	4 th Quarter.	Review of procedures and controls.
Performance & Capacity ICT				
ICT Business Continuity Planning – Flu Pandemic	Review plans to ensure continuity of the ICT services used by Cheshire East in the event of a flu pandemic.		Review complete – draft report to be issued.	Finalise report
ICT Security – Liaison and Advice	Provide advice and ensure audit view is recognised on wide variety of ICT security topics.		On-going	Continue to advise and liaise.
ICT Shared Services	Review arrangements for the governance and control of the ICT Shared Service, and their corporate impact.		In progress	Complete audit
CAATS Evaluation	Evaluation and selection of File analysis software.		Completed – recommendation accepted and software procured.	See also under <i>Counter Fraud</i>
Government	Review process for		In progress	Complete audit

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Connect	achieving compliance with the Code of Connection.			
ICT Security Policy & Acceptable Use	Established a sub-group of the Corporate Governance Group, jointly attended by all interested parties.		In progress	With sub-group, agree and support publication by ICT Security of: ICT Security Policy, and Code of Practice.
ICT Strategy	-	N/A	Not planned.	Not planned.
Information Management – new strategy	-	N/A	Not planned.	Not planned.
Performance & Capacity Procurement				
Tendering & Contracting System	-	N/A	4 th Quarter	Advice around controls re: implementation of new processes.
Procurement Compliance	Review and evaluation of adherence to the Council's formal tendering process.		Ongoing	Complete audit
Performance & Capacity Borough Solicitor				
Council Deeds/key documents	-	N/A	Not planned.	Not planned.
Online payment of fees to HMLR/HMCS	Consultancy advice provided.		Ongoing	If required.
Members	Review focussing on the	- The Constitution implies that	Final report	-

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Allowances	formation of the Independent Remuneration Panel and o submitted Members' claims both in the Shadow year and 2009/10 (to date).	<p>the Governance & Constitution Committee has the authority to appoint the Independent Remuneration Panel, but this could be amended to ensure it is explicit</p> <ul style="list-style-type: none"> - The recruitment process for the Independent Remuneration Panel members could be deemed inappropriate in accordance with the guidance - The basic allowance rate is significantly higher than other local authorities (but a sound methodology was applied) - Claim forms are not always completed correctly - Mileages claimed could be deemed excessive - Independent reality checks are not undertaken on the claims prior to submission for payment. 	issued.	
Registration Services	Review of the adequacy of the systems and processes		Final report issued.	-

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	used in storing and issuing certificates, and collecting income across the Registration Service's establishments.			
Cross Cutting				
Shared Services – Overall Governance	Initial review of Service Level agreements in place carried out.	- Delays in agreements being in place.	Ongoing.	Follow up review to consider current position for 10/11.
Service Delivery Planning/Risk Management	Facilitation, assistance and challenge to Service Delivery Plans/Risk Registers.	Differing levels of understanding and risk maturity across the organisation. Links between service delivery and risk management need to be more focused	Ongoing	Work with risk officer (when appointed) to continue the current processes being embedded
Income Maximisation/ Efficiency	-	N/A	Not planned - although see work on Debt Management	Not planned -although see work on Debt Management.
Project Management	-	N/A	Not planned.	Not planned.
Support to Business Continuity and Risk	Audit support to Business Continuity and Risk function in first six months of 09/10.		Complete.	-
Counter Fraud				
Anti Fraud &	Strategy drafted by Internal		Ongoing	Ensuring policies are

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Corruption Policy	Audit and endorsed by G&C in May 2009.			developed and maintained in accordance with best practice.
Codes of Conduct – Members/Officers	-	N/A	Not planned.	Not planned.
Whistleblowing	Approved by Governance & Constitution Committee in October 2008. Work commenced to ensure that policy complies with best practice.		Ongoing	Ensuring policies are developed and maintained in accordance with best practice.
Declarations of Interest	Review of member forms – minor issue notified via e-mail.		Complete	
Gifts & Hospitality	Review of Staff/Members schemes for declaration.		Draft report issued.	Finalise report.
Anti Money Laundering	Drafted by Internal Audit, approved by Cabinet in October 2009 following recommendation from Governance & Constitution Committee.		Ongoing	Ensuring policies are developed and maintained in accordance with best practice.
Use/Development of IDEA	Following CAATS evaluation – procure appropriate software.		In progress	Training and undertake a pilot analysis.
National Fraud	Co-ordination of Initiative		Ongoing.	Ensure vulnerabilities

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Initiative	and investigation of matches.			are designed out of systems and procedures.
Responsive Work	Support management in investigation of fraud and corruption. Details reported to Head of Policy & Performance in accordance with Fraud & Corruption Strategy.	See separate report to Head of Policy and Performance	Ongoing.	As necessary.
Value For Money Reviews				
Charging	Review of Charging in Cheshire East with the objective of establishing whether the Council is maximising potential income generation and charging opportunities.	<ul style="list-style-type: none"> - The Council does not yet have a Corporate Charging Policy. - Fees and charges are usually increased for inflation without more detailed examination of the fees in relation to cost of service and other factors. - Of the services included in the review, only Health and Wellbeing are yet to complete the harmonisation of prices. - Although the income collection methods used were generally appropriate, the Council does not yet have an 	Final report issued.	-

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		Income Collection policy, and as a result there are slight variations in approach across services, which could benefit from further review. - The Council has a slightly inconsistent approach to concessionary access to services. - Limited information on fees and charges is included in the budget setting process. - There may be opportunities to generate income which the Council is not currently taking advantage of.		
Other	-	N/A	Not planned.	Not planned.
Responsive Work				
Consultancy & Advice	Variety of ad-hoc consultancy and advice on risk and control issue across all services.		Ongoing.	As necessary.
Follow Up work	Various follow up work on projects relating to predecessor Authorities.		Complete.	-