

## SUMMARY OF RED AND AMBER REPORTS ISSUED QUARTER 4 2015/16

## RED REPORTS

THE PLACE**1. Introduction and Scope**

- 1.1 An audit review was commenced on 2<sup>nd</sup> November 2015, to provide an opinion on the control environment and a level of assurance for The Place. The scope of the audit was agreed by the Centre Manager, the Place.
- 1.2 We would like to thank the following for their help during the audit :
- ❖ Centre Manager, the Place
  - ❖ Front-of-House Operations Team Leader
  - ❖ Technical Operations Team Leader
  - ❖ Bars & Catering Officer
  - ❖ Customer Liaison Information Officer
  - ❖ Customer Liaison Information Officer
  - ❖ Finance Officer

**2. Good Practice Areas**

- 2.1 During the audit a couple of good practice areas within the processes for The Place were identified. These included:
- ❖ The Centre Manager has a robust monitoring system for income and expenditure. The centre has recently been designated as low risk.
  - ❖ The Emergency plan was last updated 23/07/2015 the document had been signed and dated by the officer reviewing the document.

**3. Management Summary and Overall Opinion**

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is Poor - the system of control is weak and there is evidence of non-compliance with the controls that do exist.
- 3.2 Recommendations have been made to strengthen the controls found to require improvement with risk ratings and categories alongside your agreed actions. We have included a risk rating - High, Medium, and Low- for each recommendation to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	9	27%
Medium	13	39%
Low	11	33%
<b>Total</b>	<b>33</b>	<b>100%</b>

3.3 As part of this audit we have also followed up the implementation of recommendations made in the previous audit in 2011. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Reiterated	Superseded
Legal Requirement	1	2	1
Financial Regulation	0	1	0
Policy/Procedure	11	5	6
Best Practice	0		0
<b>Total</b>	<b>12</b>	<b>8</b>	<b>7</b>

3.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes at The Place.

## TOWN PARK (including the Visitors Centre)

### 1. Introduction and Scope

- 1.1 An audit review was commenced on 9<sup>th</sup> December 2015, to provide an opinion on the control environment and a level of assurance for the Town Park Visitors Centre. The scope of the audit was agreed by the Town Park Manager.
- 1.2 We would like to thank the following for their help during the audit:

Town Park Manager  
 Duty Officer  
 Administration Officer  
 Senior Finance Officer  
 Leisure Services Delivery Manager  
 Graduate Surveyor  
 Estates Surveyor

### 2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is **POOR** – *The system of control is weak and there is evidence of non-compliance with the controls that do exist.*
- 2.2 Recommendations have been made to strengthen the controls found to require improvement with risk ratings and categories alongside your agreed actions. We have included a risk rating - High, Medium, and Low- for each recommendation to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	11	24%
Medium	30	67%
Low	4	9%
<b>Total</b>	<b>45</b>	<b>100%</b>

2.3 The above recommendations are split into the following service areas of responsibility:

Area	No of Recs	High	Medium	Low
Town Park	41	11	26	4
Finance	1	0	1	0
Estates & Invest	3	0	3	0
<b>Total</b>	<b>45</b>	<b>11</b>	<b>30</b>	<b>4</b>

2.4 As part of the audit process we also identified some minor items that did not require recorded recommendations but were discussed with Town Park management as part of the audit feedback.

2.5 As part of this audit we have also followed up the implementation of recommendations made in the previous unplanned audit undertaken in 2014 (requested by the service area). The table below shows the action taken since that work:

Implemented	Not Implemented	In Progress	Total
10	6 *	3*	19

\*re-iterated this report

2.6 The implementation of the recommendations made in this report and those outstanding from the previous report will further strengthen the controls and processes at the Town Park.

## AMBER REPORTS

### PRE & POST 16 TRANSPORT FOR EDUCATION & TRAINING

#### 1. Introduction and Scope

1.1 An audit review was commenced on 17<sup>th</sup> November 2015, to provide an opinion on the control environment and a level of assurance for Pre & Post 16 Transport for Education and Training. The scope of the audit was agreed by the SDM - School Organisation Services and SDM- Skills Delivery, Lifelong Learning, Careers & Youth Employment.

1.2 We would like to thank the following for their help during the audit :

- ⌘ Transport Contracts Officer
- ⌘ Transport Assistant

- ⌘ Transport Assistant
- ⌘ Team Leader Self Directed Support & Brokerage
- ⌘ Senior Finance Officer (Capital and Infrastructure Finance Team)
- ⌘ Senior Finance Officer (Capital and Infrastructure Finance Team)
- ⌘ Accountant (Schools and Care Finance Team)
- ⌘ Senior Accountant – Taxation (Corporate Finance Team)
- ⌘ ICT Business Improvement & Change Manager

## 2. Management Summary and Overall Opinion

- 2.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is **Limited** - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
- 2.2 Having reviewed the process for transport arrangements, consideration should be given to reviewing the roles and responsibilities undertaken to establish if a more joined up approach could be identified. This could lead to potential efficiencies and budget savings.
- 2.3 Recommendations have been made to strengthen the controls found to require improvement with risk ratings and categories alongside your agreed actions. The risk rating should assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	5	19%
Medium	18	70%
Low	3	11
<b>Total</b>	<b>26</b>	<b>100%</b>

- 2.4 The implementation of the recommendations made in this report will further strengthen the controls and processes in Pre & Post 16 Transport for Education and Training.

## THIRD PARTY ACCESS TO ICT SYSTEMS

### 1. Introduction and Scope

- 1.1 An audit review was commenced on 14<sup>th</sup> October 2015, to provide an opinion on the control environment and a level of assurance for third party access to ICT systems. The scope of the audit was agreed by the ICT Service Delivery Manager.
- 1.2 We would like to thank the following for their help during the audit :
- ⌘ ICT Service Delivery Manager
  - ⌘ ICT Education Services Architect
  - ⌘ Network & Solutions Architect
  - ⌘ Team Leader Application Support – ICT

- ✳ ICT Infrastructure Support Officer
- ✳ GIS Application Specialist
- ✳ ICT Service Desk Officer

## 2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for third party access to ICT systems were identified. These included:
- ✳ Two factor authentication is in use to limit risk of exposure from unauthorised access
  - ✳ A process is in place to disable user accounts which remain unused for a predefined period.
  - ✳ User accounts are locked out after a predefined number of attempts in accordance with the Corporate Information Security Policy.
  - ✳ Third party connections are protected by encryption.
  - ✳ Penetration testing is routinely completed.

## 3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is **Limited** - whilst there is basically a sound system of control there is evidence of non-compliance with some key controls.
- 3.2 Recommendations have been made to strengthen the controls found to require improvement with risk ratings and categories alongside your agreed actions. We have included a risk rating to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High		
Medium	7	88
Low	1	12
<b>Total</b>	<b>8</b>	<b>100</b>

- 3.3 The implementation of the recommendations made in this report will further strengthen the controls and processes in respect to third party access to ICT systems.

## ST PETERS CE PRIMARY SCHOOL, BRATTON

### 1. Introduction and Scope

- 1.1 An audit review was commenced on 12<sup>th</sup> January 2016, to provide an opinion on the control environment and a level of assurance for St Peters CE Bratton.
- 1.2 We would like to thank the Head teacher, Deputy Head, Office Manager and Clerical Assistants for their help during the audit.

## 2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for St Peters were identified. These included:
- ❖ Comprehensive folder of information which is given to all Governors
  - ❖ Requisition forms completed for ordering goods
  - ❖ Detailed inventory of equipment

## 3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for St Peter's Bratton is **Limited** -*whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.*
- 3.2 Recommendations have been made to strengthen the controls found to require improvement with risk ratings and categories alongside your agreed actions. We have included a risk rating to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	3	14%
Medium	16	72%
Low	3	14%
<b>Total</b>	<b>22</b>	<b>100%</b>

- 3.3 As part of this audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit; two recommendations have been reiterated in this audit report.

Recommendation Category	Implemented	Not Implemented
Legal Requirement	1	1
Financial Regulation		
Policy/Procedure	2	1
Best Practice		
<b>Total</b>	<b>3</b>	<b>2</b>

- 3.5 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes in St Peters CE School, Bratton.

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## NEWDALE PRIMARY SCHOOL

### 1. Introduction and Scope

- 1.1 An audit review commenced on 18<sup>th</sup> November 2015, to provide an opinion on the control environment and a level of assurance for Newdale Primary School. We

would like to thank the Head teacher, Schools Business Manager, Office Manager and Administrators for their help during the audit.

## 2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the processes for Newdale Primary School were identified. These included:
- ⌘ checking Agresso about 5 days after a batch of invoices has been sent to Purchase Ledger to confirm that they have been entered onto the system.
  - ⌘ There is segregation of duties between cash collection, recording and banking
  - ⌘ Recording of income collected for budget and school fund makes it very easy to trace payments as all cross referenced.
  - ⌘ Good records maintained for administration of medicines

## 3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for Newdale Primary School is Limited - whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
- 3.2 Recommendations have been made to strengthen the controls found to require improvement and these are set out with risk ratings and categories alongside your agreed actions. We have included a risk rating to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High	6	27
Medium	12	55
Low	4	18
<b>Total</b>	<b>22</b>	<b>100%</b>

- 3.3 The previous audit in May/ June 2011 resulted in a report which was graded Green and only included two minor points. During this audit it was disappointing to find that systems and controls in a number of areas appear to have deteriorated since this time.

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## HAUGHTON SCHOOL

### 1. Introduction and Scope

- 1.1 An audit review was commenced on 7<sup>th</sup> December 2015, to provide an opinion on the control environment and a level of assurance for Haughton School. We would like to thank the Head teacher and the School Business Manager for their help during the audit.

## 2. Good Practice Areas

- 2.1 During the audit a number of good practice areas within the process for Haughton School were identified. These included:
- ⌘ SBM scans invoices to Purchase Ledger, which results in her having a record that the invoice has been sent.
  - ⌘ GPC details are not saved on online shopping sites they are entered on each individual purchase.
  - ⌘ On the GPC log – receipts are numbered in accordance to the number on the log. Some cardholders mark the receipts to show which items are vatable and non vatable.
  - ⌘ For their weekly shop each department submits a shopping list and this is then attached to the receipt.

## 3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is Amber – Limited. Whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls – notably banking’s and imprest.
- 3.2 Recommendations have been made to strengthen the controls found to require improvement and these are set out with risk ratings and categories alongside your agreed actions. We have included a risk rating for each recommendation to assist you in the prioritisation of their implementation.

Recommendation Risk Rating	Number	Percentage
High		
Medium	16	76%
Low	5	24%
<b>Total</b>	<b>21</b>	<b>100%</b>

- 3.3 As part of this audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented (Reiterated in this report)
Financial Regulation	3	
Policy/Procedure	4	1
Best Practice		
<b>Total</b>	<b>7</b>	<b>2</b>

- 3.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the controls and processes at Haughton School.

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## PURCHASE LEDGER AUDIT

### 1. Introduction and Scope

- 1.1 An audit review commenced in July 2015, to provide an opinion on the control environment and a level of assurance for the Corporate Purchasing and Payment Arrangements and associated processes. The scope of the audit was agreed by Employment Services & Purchase Ledger Service Delivery Manager.
- 1.2 We would like to thank the following for their help during the audit :
- Purchase Ledger Team Leader
  - FMS Advisors
  - Admin Officer - Leisure
  - Procurement Officer
  - Strategic Procurement Service Delivery Specialist
  - Senior Accountant - Taxation
  - Agresso Accountant
  - Purchase Ledger Officer

### 2. Good Practice Areas

- 2.1 During the audit a couple of good practice areas within the purchasing and payment processes were identified. These included:
- ⌘ The daily checklist used by the Purchase Ledger Team as a reminder to complete tasks
  - ⌘ The checklist used as part of the payment run

### 3. Management Summary and Overall Opinion

- 3.1 On the basis of the work carried out, our opinion based on the level of assurance provided by the controls for this audit area is **Limited-** *whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.*
- 3.2 Recommendations have been made to strengthen the controls found to require improvement and these are set out in the report alongside your agreed actions. We have categorised the recommendations with a risk rating to assist in the prioritisation of their implementation.

Recommendation Risk Rating	Total Number	Percentage
High	4	14%
Medium	20	69%
Low	5	17%
<b>Total</b>	<b>29 *</b>	<b>100%</b>

\* 29 recommendations have been made from this audit review and these have resulted in 62 action points. The table below shows the breakdown of these action points and the areas of responsibility, some action points have more than one area of responsibility. This demonstrates that there are 43 issues (69%) to action which are outside the control of the Purchase Ledger Team.

Area	Total Number of actions	High	Medium	Low	Total %
Purchase ledger	19	7	10	2	31%
Procurement	8	0	6	2	13%
Corporate/SMT	24	0	24	0	39%
Agresso Support	8	1	7	0	13%
ICT	1	0	0	1	1%
Finance/vat/ Income Management	2	0	2	0	3%
	<b>62</b>	<b>8</b>	<b>59</b>	<b>7</b>	<b>100%</b>

3.3 As part of this audit we have also followed up the implementation of recommendations made in the previous audit. The table below shows the action taken since that audit:

Recommendation Category	Implemented	Not Implemented/ re-iterated	Superseded
Policy/Procedure	11	14	3
Best Practice	2		
<b>Total</b>	<b>13</b>	<b>14 *</b>	<b>3</b>

\*recommendations re-iterated in the report.

3.4 The implementation of the recommendations made in this report and those outstanding from the previous review will further strengthen the Corporate Purchasing and Payments system and associated controls, processes and procedures.