

LEEDS CITY COUNCIL

Internal Audit 2 monthly Report 1st October to 30th November 2012

2012/13

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Section 1

INTRODUCTION

1.1 The Reporting Process

1.1.1 This quarterly report provides stakeholders, including the Corporate Governance & Audit Committee, with a summary of internal audit activity for the period 1st October to 30th November 2012.

1.2 Background

1.2.1 The changing public sector environment continues to necessitate an ongoing re-evaluation of the type & level of coverage required to give stakeholders the appropriate level of assurance on the control environment of the Council. Therefore, in addition to outlining the work completed in the 2 month period, this report also highlights the work scheduled for the next period and input into this plan is sought from all stakeholders to ensure that audit resources are prioritised and directed towards those areas of highest risk.

1.3 Progress against the 2012/13 Operational Plan – High Level

1.3.1 The following table shows the progress against the operational plan for the first 8 months of the financial year, broken down by assurance block. Coverage is still anticipated to provide the evidence to support the annual audit opinion.

Assurance Block	Total Days per Audit Plan 2012/13	Days spent at 30 th November 2012	% completion at 30 th November 2012
Financial and Other Key Systems	800	492	62%
Compliance Reviews	800	653	82%
Procurement, Monitoring and Improvement	595	259	44%
Risk Based Audits	650	312	48%
Spending Money Wisely	525	281	54%
Counter Fraud and Corruption	869	522	60%
Update, Communication and Monitoring	55	22	40%
Head of Audit Assurances	50	40	80%
Contingency	480	213	44%
Professional Liaison	43	5	12%
Total Audit Days	4867	2799	58%

In addition, the audit plan also included days for the following:

Audit Area	Days per Audit Plan 2011/12	Days spent at 30th November 2012	% completion at 30th November 2012
Business Analysis	1626	1103	68%
Data Analytics Project	400	182	46%
External Contracts	840	335	40%
Total Days	2866	1620	56%

1.4 *How Internal Control is reviewed*

1.4.1 There are three elements to each internal audit review. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables internal audit to give an assurance on the control environment.

1.4.2 However, controls are not always complied with which in itself will increase risk, so the second part of an audit is to ascertain the extent to which the controls are being complied with in practice. This element of the review enables internal audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.

1.4.3 Finally, where there are significant control environment weaknesses or where the controls are not being complied with and only limited assurance can be given, internal audit undertakes further substantive testing to ascertain the impact of these control weaknesses.

1.4.4 To ensure consistency in audit reporting, the following definitions of audit assurance are used for all systems and governance audits completed:

Control Environment Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	There are minimal control weaknesses that present very low risk to the control environment.
2	GOOD ASSURANCE	There are minor control weaknesses that present low risk to the control environment.
3	ACCEPTABLE ASSURANCE	There are some control weaknesses that present a medium risk to the control environment.
4	LIMITED ASSURANCE	There are significant control weaknesses that present a high risk to the control environment
5	NO ASSURANCE	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	The control environment has substantially operated as intended although some minor errors have been detected.
2	GOOD ASSURANCE	The control environment has largely operated as intended although some errors have been detected.

3	ACCEPTABLE ASSURANCE	The control environment has mainly operated as intended although errors have been detected.
4	LIMITED ASSURANCE	The control environment has not operated as intended. Significant errors have been detected.
5	NO ASSURANCE	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational impact will be reported as either major, moderate or minor. All reports with major organisational impacts will be reported to CLT along with the appropriate directorate's agreed action plan.

Organisational Impact		
Level	Definitions	
1	MAJOR	The weaknesses identified during the review have left the council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
2	MODERATE	The weaknesses identified during the review have left the council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
3	MINOR	The weaknesses identified during the review have left the council open to low risk. This could have a minor impact on the organisation as a whole.

1.5 *Progress against the 2012/13 Operational Plan – Individual Reviews*

1.5.1 The individual reports, and the opinions given within those reports, are detailed in the following table. Not all audit reviews will have an opinion in each of the boxes as this is dependant on the type of review undertaken. The following table includes reports issued between 1st October and 30th November 2012.

Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Financial and Other Key Systems					
Housing Benefit Counter Fraud	Good Assurance	Good Assurance	Minor Impact	Resources	29/10/12
Central Financial Controls of Local Authority Maintained Schools	Good Assurance	N/A	Minor Impact	Resources	21/11/2012
Compliance Reviews					
Policies and Procedures: External Consultants – Compliance with CPRs	Medium	Medium	Minor	City Development	14/11/2012
Policies and Procedures: External Consultants – Compliance with CPRs	Medium	Medium	Minor	Adult Social Care	14/11/2012
Swarcliffe Primary School – follow up review	Medium	Medium	Minor	Children's Services	12/10/2012
Risk Based Reviews					

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment	Compliance	Organisational Impact		
Insurance	Good Assurance	Good Assurance	Minor Impact	Resources	24/10/2012
Car Loans	Substantial Assurance	Good Assurance	Minor Impact	Resources	12/10/2012
Children's Centre Fee Income – Central Controls	Acceptable Assurance	N/A	Minor Impact	Children's Services	30/10/2012
Mortgages	Good Assurance	N/A	Minor Impact	Environment and Neighbourhoods/ Resources	06/11/2012
Strategy and Commissioning	Good Assurance	Good Assurance	Minor Impact	Environment and Neighbourhoods	15/11/2012
Head of Audit Assurances					
Building Hope Charity	N/A			Resources	12/10/2012

Further details of key issues identified within each assurance block are included below in the *Summary of Audit Activity and Key Issues at Section 2*.

Section 2

SUMMARY OF AUDIT ACTIVITY AND KEY ISSUES

A summary of reports issued within each assurance block is included in the table in Section 1. The following section highlights any key issues and outcomes within each assurance block.

2.1 Financial and Other Key Systems

2.1.1 Central financial controls of local authority maintained schools

The purpose of the audit was to review the systems in operation for the central financial oversight of local authority maintained schools. The review concluded that a good framework is in place which supports financial management in schools.

There are some gaps in independent monitoring and assurance processes in respect of ensuring compliance with the Leeds Scheme for Financing Schools, Financial Procedure Rules and Contract Procedure Rules, which places greater emphasis on the school's own compliance monitoring arrangements. In previous years, Internal Audit conducted a programme of schools audits to provide independent assurance in these areas. In accordance with the 2012/13 agreed Internal Audit Plan, the role of providing specific assurances in respect of compliance with the framework has changed. The Internal Audit plan does not include provision to undertake a similar programme for auditing schools for 2012/13. The absence of a regular programme of audits may increase the risk that issues with the propriety of spending will not be detected. However, the good control environment, support framework and existing monitoring arrangements in place provide a 'system of audit for schools' that is required.

Internal Audit will write to all LEA maintained schools to offer a paid consultative service to cover the systems that are not currently subject to independent review.

2.2 Compliance Reviews

2.2.1 Swarcliffe Primary Follow Up

Further to our previous report, the Office Manager at the school has recently appeared in court on charges of theft of dinner monies and other funds at the school. She pleaded not guilty but was found guilty of the theft of approximately £31,000. Following this fraud, Internal Audit reviewed the internal control environment.

The audit found that revised systems and procedures have been introduced at the school for the receipting and recording of income and the banking of the After School Club (Night Owl) income and these are operating satisfactorily.

2.3 *Spending Money Wisely*

2.3.1 Spending Money Wisely Challenge

Internal Audit is reviewing a sample of transactions – from the monthly published payments list - on a regular basis and challenging the expenditure in order to identify whether services are spending money wisely. The first sample of transactions (from the July 2012 published payments list) has been reviewed.

The majority of responses provided showed that officers had a good understanding of how to obtain value for money and had taken this into consideration for the transactions selected for review, and a number of instances of good practice were identified. The review also identified areas where savings could be made and these have been highlighted in a report to Directors.

2.4 *Counter Fraud and Corruption*

2.4.1 Referrals

13 new referrals have been received by the Internal Audit Fraud and Corruption team between the 1st October and 30th November 2012. Three of these were received under the Council's Whistle-blowing and Raising Concerns Policies and the remaining 10 were received from Directorates/Services.

8 cases have been investigated and closed in the same period. There are a total of 31 ongoing investigations:

- 17 cases are currently being investigated by the Fraud team;
- 5 cases have been investigated and the draft findings have been discussed with the relevant officers;
- 4 have been referred to the Police for further action;
- 3 have been referred to the relevant Directorate for action; and,
- 2 have been referred to Human Resources for disciplinary action.

2.4.2 Protecting the Public Purse

Every year the Audit Commission publishes details of all reported fraud and corruption within the public sector. Protecting the Public Purse 2012 was published in November 2012 and included a self-assessment check-list for those who have responsibility in this area.

Internal Audit has reviewed Leeds City Council's arrangements against this check-list and confirmed compliance. Full details of the evaluation are included at Appendix A.

2.4.3 Reports Issued

A list of investigation reports issued to directorates and services from 1st October to 30th November 2012 is shown in the table below:

Report Title	Date Issued
Ebor Gardens Primary School	09-Nov-12
Fuel Card Misuse	21-Nov-12

2.5 *Data Analytics Project*

The Single Person Discount exercise, initially being done by Internal Audit, is now being undertaken by the Council Tax team. This period, 114 SPDs have been cancelled to date at an estimated value of £25,500.

Work is currently ongoing with the housing tenancy sub-letting review. Some issues have been identified but no sub-letting frauds have yet been confirmed. Data on the high risk tenancies has recently been re-processed and issued to Housing for investigation.

The review of Creditors and Payments to Voluntary Organisations is ongoing based on the initial output received from Experian. Additional data has also been received and is being reviewed. No fraudulent organisations have been identified to date.

Sample NNDR results have been reviewed with regards to empty property visits and outstanding debtors. Liaison is taking place with the Information Management & Technology Team in Adult Social Care with a view to completing the proposed work relating to the continued entitlement to care fees at homes outside of the Leeds boundary.

2.6 *External Clients*

Housing Partnerships

The Assurance Framework audit programme is progressing according to the timetable agreed with the clients. Regular updates are provided to

Housing Partnerships and the Almo's/Bitmo through the Performance Review Group and Audit Committees. Early discussions have taken place regarding the scope of work for 2013/14. This will be further developed over the next couple of months.

Contracts

Work on the individual Almo/Bitmo contracts is continuing and is being reported to the individual Audit Committees. Discussions surrounding next year's plan will take place once the Assurance Framework for 2013/14 has been agreed.

Work has concluded on three follow up reports (Bitmo and WNW Lettings and ENE Construction Services). These have all resulted in an improvement in opinion from Limited to either good or acceptable.

2.7 Business Process Re-engineering

- 2.7.1 As previously reported, the first 6 months of 2012 saw the successful implementation of a change in the way in which the Internal Audit BPR team was deployed which saw them working on a long term basis directly for major projects throughout the Council. Since then some of the team have taken up direct positions within the projects they were working on. A review of the working arrangements in place for the remainder of the team identified that projects were keen to recruit directly onto their projects rather than utilise a central BPR function. Arrangements have therefore been made with projects to transfer the posts for the remaining central BPR team members to the projects they are working on. It does however mean that there is no central BPR team with projects now required to source their own BPR resource directly. This has removed the risk of over recruiting a BPR resource, reduced the tensions between competing projects when deploying finite central resources and will ensure that projects only recruit BPR analysts to where they are needed.
- 2.7.2 However, Internal Audit will continue to promote good standards and good guidance to all project teams across the organisation. Work is underway to create a BPR 'centre of excellence' intranet page which will be a valuable source of information and best practice methodology for business analysts working directly for Directorates throughout the council. The aim of this intranet page is to provide users with a toolkit for undertaking different types of business analysis along with standardised reporting documentation. In addition, there will be guidance on training and development opportunities – including a programme of internal seminars and external qualifications, a guide to key competencies required of a business analyst.

Section 3

AUDIT PERFORMANCE QUARTER 3 - 2012/2013

3.1 ENSURING QUALITY

Internal Audit is committed to delivering a quality product to the highest professional standards that adds value to our customers. We actively monitor our performance in a number of areas and encourage feedback from customers.

All our work is undertaken in accordance with our quality management system; we have now been ISO accredited for over fourteen years.

A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditees opinion on a range of issues and asks for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are based on the percentage of those assessments that are 3 (satisfactory) or above. The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff. The results are also benchmarked with other core cities who have adopted the same questionnaire.

Also shown in the table are the percentage scores of 4 or above (good and excellent) to further identify marginal areas for improvement.

Results from Customer Satisfaction Questionnaires

Question	Actual to 30 th November 2012	Actual to 30 th November 2012
	% Score 3 or above	% Score 4 or above
Notice	100	91
Scope	95	86
Understanding	95	73
Efficiency	91	91
Consultation	100	91
Professional/Objective	100	91
Accuracy of Draft	96	74
Opportunity to comment	96	91

Question	Actual to 30th November 2012 % Score 3 or above	Actual to 30th November 2012 % Score 4 or above
Final Report - Clarity & Conciseness	96	96
Final Report – Prompt	91	70
Recommendations	96	91
Added Value	96	87

Section 4

AUDIT PLAN FOR THE NEXT QUARTER

The 2012/13 audit plan used, as a base, the tried and tested risk based approach to prioritising internal audit work.

Progress against the plan is being monitored throughout the year and key issues reported to the Director of Resources, and the Chief Officer (Audit & Risk). The Head of Audit will continue to report key issues arising from this work to the Corporate Governance and Audit Committee.

Given the constantly changing environment, the audit plan is subject to continuous review as changes in relative priorities of jobs already included and risks emerging throughout the year will need to be addressed. On a quarterly basis, changes to the audit plan from the re-prioritisation of resources and audit reviews will be reported to the Corporate Governance and Audit Committee by including the proposed audit plan for the last quarter of the year.

Audit Plan for Quarter 4 - 2012/13

Audit	Days	Assurance Block	Directorate
Financial and Other Key Systems			
Payroll	60	Financial and Other Key Systems	Cross Cutting
General Computer Controls	8	Financial and Other Key Systems	Cross Cutting
Creditors (including Duplicate Payments and Purchasing Cards Central Controls)	100	Financial and Other Key Systems	Cross Cutting
Treasury Manangement	25	Financial and Other Key Systems	Resources Directorate
Sundry Income	15	Financial and Other Key Systems	Cross Cutting
Housing Benefits	40	Financial and Other Key Systems	Resources Directorate
Capital Programme Controls	20	Financial and Other Key Systems	Resources Directorate
Integrity of Accounts	15	Financial and Other Key Systems	Resources Directorate
Financial Management Central Controls	15	Financial and Other Key Systems	Resources Directorate
Community Care	45	Financial and Other Key Systems	Adult Social Care
	343		
Compliance			
Section 106	19	Compliance	City Development
Gifts and Hospitality	14	Compliance	Cross Cutting
Register of Interests	15	Compliance	Cross Cutting
Income from Mobile Phones	19	Compliance	Cross Cutting
Capital Approvals	31	Compliance	Cross Cutting
Fees from Planning Applications	18	Compliance	City Development
Fees to Foster Carers	22	Compliance	Children's Services
Income from Sale of Land	8	Compliance	City Development
	146		
Procurement, Monitoring and Improvement			

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Audit	Days	Assurance Block	Directorate
Procurement Central Controls	15	Procurement, Monitoring and Improvement	Resources Directorate
Prevention and Management of Procurement Challenges	10	Procurement, Monitoring and Improvement	Cross Cutting
Procurement Contract Monitoring	110	Procurement, Monitoring and Improvement	Cross Cutting
Procurement Year End Review	10	Procurement, Monitoring and Improvement	Cross Cutting
Capital Scheme Monitoring	70	Procurement, Monitoring and Improvement	Cross Cutting
Leeds Arena	23	Procurement, Monitoring and Improvement	Cross Cutting
Swarcliffe	26	Procurement, Monitoring and Improvement	Cross Cutting
	264		
Risk Based Audits			
ICT Security	9	Risk Based Audits	Resources Directorate
	9		
Spending Money Wisely			
Adult Social Care Transport	30	Spending Money Wisely	Adult Social Care
Agency Staff	30	Spending Money Wisely	Cross Cutting
Use of Buildings	45	Spending Money Wisely	Cross Cutting
Adult Social Care Meals	20	Spending Money Wisely	Adult Social Care
Travel and Subsistence	30	Spending Money Wisely	Cross Cutting
Fuel Cards	10	Spending Money Wisely	Cross Cutting
Spending Money Wisely Challenge	30	Spending Money Wisely	Cross Cutting
	195		
Counter Fraud and Corruption			
Reactive Fraud Investigations	57	Counter Fraud and Corruption	Cross Cutting
Proactive Fraud Strategy/Compliance – Travel and Subsistence	17	Counter Fraud and Corruption	Cross Cutting
Proactive Fraud Strategy/Compliance – Employment Background Checks	16	Counter Fraud and Corruption	Cross Cutting
Proactive Fraud Strategy/Compliance - Overtime	31	Counter Fraud and Corruption	Cross Cutting
Proactive Fraud Strategy/Compliance – Unannounced Visits	10	Counter Fraud and Corruption	Cross Cutting
Proactive Fraud Strategy – Payroll	14	Counter Fraud and Corruption	Cross Cutting
	145		
Contingency			
General Contingency	50	Contingency	Cross Cutting
	50		
Business Analysis			
	93	Business Analysis	Cross Cutting
External			
Strategic Landlord Assurance Framework	105	External	External
ALMO/BITMO	80	External	External
	185		
Total Days	1430		

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Appendix A – Self assessment against the requirements of ‘Protecting the Public Purse 2012’

Appendix A

Question	Comply (Yes or No?)	Comments	Action required
General			
Do we have a zero tolerance policy towards fraud?	Yes	Currently being reviewed.	To consider the benefits of publicising successful prosecutions.
Do we have the right approach, effective counter-fraud strategies, policies and plans?	Yes	Based upon the guidance contained within the CIPFA Red Book (Managing the risk of fraud). Policies are based upon good practice guidance including ‘Fighting Fraud Locally’ and ‘Protecting the Public Purse’.	No action required.
Have we aligned our strategy with ‘Fighting Fraud Locally’?	Yes	Existing strategies and policies have been reviewed against ‘fighting fraud locally’ guidance.	No action required.
Do we have dedicated counter-fraud staff?	Yes	3 qualified staff within Internal Audit. Also separate Fraud Team (in partnership with DWP) to investigate HB fraud. Their arrangements are reviewed on an annual basis by Internal Audit.	No action required.
Do counter-fraud staff review all the work of our investigation.	Yes	All referrals are risk assessed by Internal Audit Counter-Fraud Team. Directorates are required to refer all cases of suspected fraud and corruption to Internal Audit.	No action required.
Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	Yes	Fraud work is included in Internal Audit Reports to CG&AC. Quarterly updates are made to the Fraud and corruption risk.	No action required.
Have we assessed our management of counter-fraud work against good practice?	Yes	Reviewed against CIPFA Red Book 2, Protecting the Public Purse and Fighting Fraud Locally.	No action required.
Do we raise awareness of fraud risks with: <ul style="list-style-type: none"> ▪ New staff (including agency staff); 	Yes	Examples of compliance include: <ul style="list-style-type: none"> ▪ The induction process includes reference to the Code of Conduct. ▪ There are modern policies & procedures in place to 	No action required.

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Question	Comply (Yes or No?)	Comments	Action required
<ul style="list-style-type: none"> ▪ Existing staff; ▪ Elected Members; ▪ Contractors. 		combat fraud.	
Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	Yes	Attend a local benchmarking group – the South and West Yorkshire Fraud Investigation Group. Attend fraud awareness events and receive alerts from relevant organisations (National Fraud Authority, Price Waterhouse Cooper).	No action required.
Do we work well with other organisations to ensure we effectively sharing of knowledge and data about fraud and fraudsters?	Yes	See above. Leeds City Council participates in the National fraud Initiative. Progress against matches is co-ordinated through Internal Audit. Internal Audit will work with directorates to ensure compliance with fair processing of data requirements and data protection issues.	No action required.
Do we identify where our internal controls may not be performing as well as intended? How quickly do we then take action?	Yes	Any significant issues identified during planned audits reported to management for immediate attention. Agreed timescales within which audit reports should be issued. Follow up audits within 6 months where a limited assurance opinion is provided.	No action required.
Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?	Yes	Leeds City Council fully complies with the requirements of the NFI exercise. Internal Audit monitors progress against the outcomes. This is reported to the Audit Commission.	No action required.
Do we have arrangements in place that encourage our staff to raise their	Yes	Designated money laundering officer is Neil Hunter (Head of Audit).	No action required.

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Question	Comply (Yes or No?)	Comments	Action required
concerns about money laundering?			
Do we have effective arrangements for: <ul style="list-style-type: none"> ▪ Reporting fraud; ▪ Recording fraud; and ▪ Whistle-blowing? 	Yes	Whistle-blowing Policy in place and posters have been distributed to all the main Council buildings. Dedicated whistleblowing telephone number within Internal Audit. All referrals recorded and risk assessed. Frauds over the value of £10,000 reported to the Audit Commission.	No action required.
Do we have effective fidelity insurance arrangements?	Yes	Leeds City Council has in force Crime Insurance which provides a wider form of cover than traditional fidelity guarantee policy wording. This covers losses of up to £10 million with LCC liable for the first £1 million. This follows the principle by which large organisations achieve savings in insurance premium expenditure by insuring catastrophe losses only and providing for attritional losses within existing revenues budgets’.	No action required.
Fighting fraud with reduced resources			
Have we re-assessed our fraud risks since the change in the financial climate?	Yes	Fraud risks reviewed throughout the year. .	No action required.
Have we amended our counter-fraud action plan as a result?	Yes	The pro-active fraud strategy reviewed on an on-going basis factoring in any national and local trends.	No action required.
Have we re-allocated staff as a result?	Yes	Internal Audit has a dedicated Counter-fraud team. The work has links to the compliance audits and this has resulted in the teams merging. This will allow additional resources to be provided to investigations. All work will continue to be monitored by a qualified investigator.	No action required.
Current risks and issues			

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Question	Comply (Yes or No?)	Comments	Action required
<p><u>Housing Tenancy</u> Do we take proper action to ensure that we only allocate social housing to those who are eligible?</p>	Yes	<p>The Housing Partnership Team (Environment and Neighbourhoods) has developed a self-assessment that should be completed by each ALMO to give assurance in this area.</p> <p>The returns will then be reviewed by the Housing Partnership Team and sample checks to supporting evidence will be undertaken by Internal Audit.</p>	No action required.
Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	Yes	<p>See above.</p> <p>Various data matches are undertaken to identify potentially fraudulent cases.</p>	No action required.
<p><u>Procurement</u> Are we satisfied that our procurement controls are working as intended?</p>	Yes	A yes/no answer for such an activity as diverse as procurement is not appropriate and continual improvements are made in this area. The key controls are subject to Internal Audit Review on an annual basis and assurances given, hence the yes answer. In 2011/12 a number of key recommendations for control environment improvement, and compliance were agreed and developed into an Action Plan.	Audit will review progress against the agreed action plan in the final quarter of 2012/13
Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels, and compared them with best practice?	Yes	Procedures reviewed by the then Deputy Chief Procurement Officer and found to comply with best practice.	No action required.
<p><u>Recruitment</u> Are we satisfied our recruitment procedures:</p> <ul style="list-style-type: none"> ▪ Prevent us employing people working under false identities; ▪ Confirm employment references effectively; ▪ Ensure applicants are eligible to work in the UK; and, ▪ Require agencies supplying us 	Yes	<p>Example of existing controls include:</p> <ul style="list-style-type: none"> ▪ Pre-employment checks such as health, CRB and references; ▪ Checks to ensure that the person has the right to work in the UK (passport, national Insurance Number etc); ▪ Legal requirements, including the Asylum and Immigration Act 1996; ▪ Recruitment and Safeguarding for children and vulnerable people; 	No action required.

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Question	Comply (Yes or No?)	Comments	Action required
with staff to undertake the checks that we require.		<ul style="list-style-type: none"> ▪ The need to take up and assess references. 	
<p><u>Personal Budgets</u> Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice.</p>	Yes	<p>A number of good controls are in place within Adult Social Care and Children's Services, including:</p> <ul style="list-style-type: none"> ▪ Guidance on direct payments and personal budgets; ▪ Direct Payment Agreements, detailing what customers should spend the direct payment on; ▪ Financial reviews to ensure that expenditure is in accordance with the approved care. ▪ Scheduled reviews within 3 months and annual thereafter to ensure eligible needs are continuing to be met. 	No action required
<p><u>Council Tax discount</u> Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?</p>	Yes	<p>Discounts are reviewed on an annual basis.</p> <p>Data matching exercise continuing in partnership with a credit agency to identify potential undeclared adults in a property that has a 25% sole occupiers discount.</p>	No action required.
<p>In tackling housing and council tax benefit fraud do we make full use of the following?</p> <ul style="list-style-type: none"> ▪ National Fraud Initiative (NFI); ▪ Department for Work and Pensions Housing Benefit matching service? ▪ Internal data matching? ▪ Private sector data matching? 	Yes	<p>The Housing Benefit Fraud Investigations Team works in partnership with the DWP. Also participate in the NFI data matching exercise.</p> <p>The team is also currently in the early stages of data matching with selected private sector data employers payroll systems to proactively identify potentially fraudulent claims for investigation,</p>	No action required.

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