

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 25/09/06
REPORT ON: INTERNAL AUDIT REPORTS
REPORT BY: CHIEF INTERNAL AUDITOR
REPORT NO: 554-2006

1. PURPOSE OF REPORT

To submit to Members of the Audit and Risk Management Sub-Committee a summary of the Internal Audit Reports finalised since the last Sub-Committee.

2. RECOMMENDATIONS

Members of the Sub-Committee are asked to note the information contained within this report.

3. FINANCIAL IMPLICATIONS

None

4. LOCAL AGENDA 21 IMPLICATIONS

None

5. EQUAL OPPORTUNITIES

None

6. BACKGROUND

- 6.1. The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. Broadly, on the completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to Management for a formal response and submission of Management's proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by Management.
- 6.2. Executive Summaries for the reviews which have been finalised in terms of paragraph 6.1 above are provided at Appendix A. Within each Executive Summary the prime aim is to provide both Members and Management with key information which includes the reason for undertaking the review, summary financial data and statistics, the areas encompassed within the review and specific areas which were excluded, the principal audit objectives, an audit opinion on the adequacy of the systems and control framework of the area reviewed, the key conclusions based on the audit findings and recommendations and a summary of Management's response to the audit report. The full reports are available to Members on request.

MARJORY STEWART
HEAD OF FINANCE

15 September 2006

BACKGROUND PAPERS

None

i) INTERNAL AUDIT REPORT 2005/23

Department	Finance Revenues
Subject	Follow-up Review of Council Tax Refunds

Introduction

As part of the planned internal audit work, a follow-up review to Internal Audit Report No 2003/37 on Council Tax Refunds was undertaken.

The original internal audit report concluded that there were areas where improvements could be made. These included the following:

- Amending the Scheme of Administration – Delegation of Powers to provide the Depute Chief Executive (Finance) with a specific delegated power to process refunds.
- The introduction of supervisory checks prior to the issue of high value refunds and further investigation of conflicting supporting documentation to assist in ensuring that refunds made are bona fide and accurately calculated.
- Requiring claimants to confirm continuing eligibility for reduction in Council Tax to help to ensure that only valid discounts/exemptions are awarded.

At the commencement of audit fieldwork for the follow-up review, it was noted that little progress had been made to address the recommendations contained in the original report. However, following discussions during the course of the follow-up work, steps were taken to implement each of the recommendations from the initial review which had been agreed with management.

Scope and Objectives

The objective of the follow-up review was to assess whether or not each of the recommendations agreed by management in Internal Audit Report 2003/37 on Council Tax Refunds had been fully implemented. The review was restricted to areas included in the original report.

Conclusion

The principal conclusion drawn from the follow-up work undertaken is that the actions taken by management have addressed the control weaknesses highlighted in the original review.

ii) INTERNAL AUDIT REPORT 2005/30

Department	Personnel
Subject	Sickness Absence Information

Introduction

As part of the planned audit work for 2005/06 a review of Sickness Absence Information was carried out.

Sickness absence is a standing item on the agenda for the Management Team (Operational Issues) and information reported includes percentage actuals to date and previous months' comparatives. In an effort to improve sickness absence and ensure consistency across departments of the Council, new "triggers" for sickness absence procedures to be adopted became effective from 1 October 2005. Departments have been given targets for absence levels for May 2006, May 2007 and May 2008 and a schedule showing percentage actual and target absence levels is also provided for the Management Team.

Information is currently compiled from data held in ISIS Payroll or ISIS Personnel systems, depending on individual departments' usage of systems. However, both these systems are being replaced by an integrated payroll and personnel system, Resourcelink. Information for some departments has already been migrated onto the new package and the remainder should be completed in 2007. Consequently, all future sickness data will be extracted from the same source and provide improved management information.

The Council is required to compile a Statutory Performance Indicator (SPI) for sickness absence. This requires the submission of percentage absence figures for 3 categories; Chief Officers and Local Government Employees, Craft Employees (formerly Craft and Manual Workers) and Teachers. The SPI is calculated by expressing sickness absence as a percentage of total working days available.

Scope and Objectives

The objective of the review was to examine the robustness of data used in the compilation of the sickness absence statistics for both the monthly report prepared for the Management Team (Operational Issues) and the SPI. Areas considered were the source, accuracy and completeness of data, validity and accuracy of adjustments made to source data, if any, and the adequacy of information presented to the Management Team (Operational Issues).

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main areas commented upon in the report are as follows:

- Whilst it is recognised that Resourcelink will improve the information provided to the Management Team (Operational Issues), consideration should be given to revising the information provided. It may be helpful to have current and historical data compiled in line with the terminology and groupings used for the SPI, summaries of action being taken by departments under the revised sickness absence policy and information presented graphically.
- To ensure that the Council can meet its obligations in terms of reporting the SPI for sickness absence following the implementation of Resourcelink, assistance should be sought from the supplier in the compilation of a report. In order that the quality of reports produced from Resourcelink is optimised, departments should be reminded of the importance of ensuring that data input is correct and that any alterations to working patterns are recorded in the system timeously.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Depute Chief Executive (Finance) and appropriate action agreed to address the issues raised.

iii) INTERNAL AUDIT REPORT 2005/41

Department	Housing
Subject	Cash Collection and Receipting

Introduction

As part of the planned audit work for 2005/06 a review of the cash collection and receipting procedures operated by the Housing Department was carried out.

There are four Area Housing Offices namely Central, Lochee, Kirkton and Whitfield and staff in these offices process payments in respect of rent, council tax, consolidated debt and online payments. Payments may be made in person at the Area Offices by cash, cheque, debit and credit card. All offices also process postal remittances whilst payments collected by the Rent Collector from housebound tenants are only processed at Central Office. All payments received are processed through the Corporate Cash Receipting system which was designed in-house by staff in the Information Technology Department. All tellers have unique logins and passwords and tellers reconcile all takings on a daily basis.

Payments processed during 2004/05 were in the region of £13m. This included payments made by cash, cheque and debit/credit cards.

Scope and Objectives

The overall aim of the assignment was to assess the adequacy of internal controls in relation to the Housing Department's cash collection and receipting procedures. Areas examined included departmental guidance notes, levels of cash, receipting of cash, refunds, security of cash and cheques, reconciliation procedures and banking arrangements. Access to the cash receipting system was also considered.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main areas of concern highlighted in the report are as follows:

- To ensure that staff are aware of their responsibilities and the risk of loss of income is minimised, staff should be issued with procedure notes which include guidance on banking procedures and levels of cash to be held in tills.
- To ensure the security of income collected, entry to cash offices and booths should be restricted to staff who require access to these areas.
- To ensure that staff do not use other cash handlings such as "overs" for change and that all monies received are banked intact, the level of cash floats in tills should be reviewed and adjusted where necessary.
- To minimise the risk to the Rent Collector who collects payments from housebound citizens, the feasibility of encouraging such payments via direct debit or standing order should be explored.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Director of Housing and appropriate action agreed to address the specific issues raised.

iv) INTERNAL AUDIT REPORT 2005/43

Department	Finance
Subject	Risk Management

Introduction

As part of the planned audit work for 2005/06, a review of the arrangements for Risk Management within Dundee City Council was carried out. Whilst the need to control risk is not new, the benefits of embedding risk management within organisations are increasingly recognised in both the public and private sector and enhanced risk management is closely linked to the requirements for good practice in corporate governance. In recent years the Council has implemented a number of measures to establish a formal structure for the management and monitoring of risk, including the creation of strategy and policy documents on the Council's approach to Risk Management, setting up an action plan detailing objectives to be achieved and associated timescales, the establishment of a Corporate Risk Group, overview of Risk Management by Elected Members via the Audit and Risk Management Sub-Committee and the commencement of an exercise to create a profile of risks for the Council.

The Council has a Risk and Business Continuity Manager, who is responsible for implementing the Council's strategy on risk management and provides advice and support to departmental management, although the management of risk is only part of his duties. A good relationship has developed between the Risk Management Section and the relevant departmental managers on the management of operational risks and savings and other benefits have resulted from initiatives funded from the risk management budget. However, the process to embed risk management within the organisation is still ongoing.

Scope and Objectives

The objective of the audit was to give an opinion on the arrangements for risk management within the Council. Areas to be considered included strategy and policy, structures and processes, procedures for the identification of risk, risk register, arrangements for financing risk, staff training in risk management, expertise of staff and accountability of managers, the role of the Corporate Risk Management Group, risk management in project and partnership working and risk management information systems. The Council's documentation on risk management policy and strategy was used as a benchmark to assess the effectiveness of implementation and audit fieldwork was restricted to activities carried out within the Finance Department.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The main areas highlighted in the report are as follows:

- To ensure that risk management issues are considered prior to decisions being taken on projects and other major Council initiatives, procedures should be introduced to formally consult with the Risk Manager and to record the outcome by way of a documented risk assessment.
- To facilitate control and monitoring of risks, the exercise to compile the Council Risk Register and to assess the adequacy of the existing controls should be completed as soon as possible. The register should also be regularly reviewed to assess completeness and suitability for management and monitoring.
- To assist in the process to embed Risk Management within the Council, further measures should be considered to increase the awareness of all staff of their roles and duties, to raise the profile of Risk Management within departments and to increase the accountability of Departmental Managers regarding progress with management of risks in their department.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Head of Finance and appropriate action agreed to address the vast majority of the issues raised.

v) INTERNAL AUDIT REPORT 2005/44

Department	Leisure and Communities
Subject	Follow-up Review of the Caird Hall Complex

Introduction

As part of the planned internal audit work a follow-up review of the Caird Hall Complex was undertaken.

The original report, Internal Audit Report 2003/01-Review of the Caird Hall Complex which was issued in August 2003, concluded that the procedures operated by the staff at the Caird Hall Complex in relation to the booking of events and concerts were in general satisfactory. However, there were areas where it was considered improvements could be made.

The principal areas where action was required were as follows:

- Introducing the use of an official Dundee City Council receipt book to document the details of advances made to Promoters.
- Evaluating the security of safe keys to ensure compliance with best practice.

Scope and Objectives

The objective of the follow-up review was to assess whether or not each of the recommendations agreed by Management in Internal Audit Report 2003/01 had been fully implemented. The review was restricted to areas included in the original report.

Conclusion

The principal conclusion drawn from the follow-up work undertaken is that whilst some action has been taken to strengthen the control weaknesses highlighted in the original review there is still one recommendation which requires to be implemented by management.

The area which still requires to be addressed is as follows:

- In order to have an adequate audit trail, pre-numbered receipts should be used to record all advances made to Promoters of events. Receipts should detail the signatures and designations of the persons receiving and paying out the money.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Director of Leisure and Communities and appropriate action agreed to address the vast majority of the issues raised.

vi) INTERNAL AUDIT REPORT 2005/45

Department	Finance
Subject	Benefits Reconciliation

Introduction

As part of the planned audit work for 2005/06, a review of the reconciliation of total benefits per Sx3 to total benefits in the Powersolve General Ledger was carried out.

Dundee City Council, in line with other local authorities, submits a Claim for Housing Benefit and Council Tax Benefit Subsidy which is audited by the external auditor, Audit Scotland. The Benefit Subsidy claim was approximately £60 million in 2004/05. The external auditor, Audit Scotland, uses data extracted from Sx3 when auditing annual subsidy claims. During the past few years, significant differences have been noted between the amounts included in the Annual Subsidy Claims and those recorded in the General Ledger.

Scope and Objectives

The objective of this review was to examine the amounts extracted from the Revenues and Benefits System, Sx3, and to reconcile these to the amounts recorded in the Powersolve General Ledger.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The specific area highlighted in the report is as follows:

- In order to ensure that transactions relating to Benefits are correctly accounted for in Powersolve, Revenues staff should be requested to provide reports showing the information necessary for input to the General Ledger.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Chief Accountant and Head of Revenues and appropriate action agreed to address the specific issues raised.

vii) INTERNAL AUDIT REPORT 2006/01

Department	Corporate
Subject	Fixed Assets and Capital Expenditure

Introduction

At the request of the external auditor, Audit Scotland, a review to assess the effectiveness of procedures operated in respect of fixed assets and capital expenditure was undertaken.

The current system of capital accounting is defined by the Code of Practice on Local Authority Accounting in the United Kingdom - A Statement of Recommended Practice (the SORP), introduced by the 1993 Code. It is therefore important that capital expenditure is correctly classified in order that Dundee City Council's accounts accurately reflect transactions in year and the value of fixed assets appearing on the Balance Sheet. Dundee City Council's commitment to compliance with the Code is underpinned by its own Capital Accounting Guidance 2005/06, available to all staff having responsibility for capital expenditure matters. This guidance concurs with Audit Scotland's Note for Guidance 2006/1(LA) and the Code of Practice on Local Authority Accounting in the United Kingdom 2005. Audit fieldwork confirmed that Dundee City Council's fixed assets and capital expenditure had been appropriately classified in accordance with the Code of Practice.

To ensure that the value of fixed assets included on the balance sheet is correct, it is essential that the Finance Department Accountant, responsible for maintaining the Asset Inventory Registration System (AIRS), is notified of all additions, disposals, losses through fire or theft and impairment. Audit fieldwork confirmed that Dundee City Council benefits from established procedures for acquiring capital accounting information and the AIRS annual programme 2005/06, exhibited on Dundee City Council's intranet, provides a powerful control, allocating responsibility and detailing key events/tasks and their timing thereby ensuring the timely provision of relevant information.

The Economic Development Department is implementing GVA, an asset management system, which will contain records of all land and buildings owned by the Council with the exception of Social Housing which is maintained by the Housing Department. The auditor confirmed that a sample of assets selected from AIRS was recorded in the GVA system and similarly assets in the GVA system were recorded in AIRS. It should be noted that the systems differ, AIRS recording assets at Net Book Value for accounting purposes and the GVA system focussing on the recording of property management data. Sight of title to selected assets in both sample groups was requested.

Scope and Objectives

The objective of the review was to provide assurance to the external auditor that expenditure recorded as Capital complies with the definition of Capital Expenditure as per the Accounting Code of Practice and that procedures operated to notify the Asset Register holder of additions, disposals, losses through fire and theft and impairment are adequate. In addition, assurance was sought that assets were recorded both in AIRS, the asset register system, and GVA, the asset management system, and that title to these assets is held.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there is one area where it is viewed improvements can be made.

The specific area commented upon in the report is as follows:

- In order to facilitate the identification and location of archived titles, it is recommended that the methods of archiving and recording of titles are reviewed, ideally cross referencing to GVA, the asset management system.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Director of Economic Development and appropriate action agreed to address the specific issues raised.

viii) INTERNAL AUDIT REPORT 2006/02

Department	Waste Management
Subject	Income Collection and Receipting (Marchbanks)
Introduction	
<p>As part of the planned audit work for 2005/06 a review of the Income Collection and Receipting procedures operated by staff at Marchbanks was carried out.</p> <p>Office staff at Marchbanks process payments in respect of skip permits, special collections, skip uplifts, charity sacks, blue sacks and the purchase of domestic bins. Payments can be made in person at Marchbanks by cash, cheque, postal orders and debit or credit card payments. In addition, staff process credit or debit card payments in respect of telephone orders and payments are also received by post.</p> <p>Income collected during 2004/05 was approximately £265,000 which was processed through the Council's cash receipting or Streamline system.</p>	
Scope and Objectives	
<p>The overall aim of the assignment was to assess the adequacy of internal controls in relation to cash receipting procedures at Marchbanks. Areas examined included departmental guidance notes, level of cash, receipting of cash, refunds, security of cash and cheques, reconciliation procedures and banking arrangements. Access to the cash receipting system was also considered.</p>	
Conclusion	
<p><i>The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.</i></p> <p>The main areas commented upon in the report are as follows:</p> <ul style="list-style-type: none"> • In order to ensure that staff are aware of their responsibilities and the risk of loss of income is minimised, staff who are involved in the collection or banking of income should be issued with procedure notes. • In order to improve security and the audit trail of transactions processed, consideration should be given to replacing the till currently used. • In order to ensure the security of monies collected and held at Marchbanks, the tellers office should have a controlled entry and access to safes should be restricted to authorised staff. • In order to ensure adherence to best practice, there should be adequate segregation of duties. 	
Management Response to the Audit Report	
<p>The audit findings and recommendations were formally reported to the Head of Waste Management and appropriate action agreed to address the specific issues raised.</p>	

ix) INTERNAL AUDIT REPORT 2006/03

Department	Support Services
Subject	Partnering – Morgan Academy Reinstatement
Introduction	
<p>As part of the planned 2005/06 internal audit work, a review of Partnering - Morgan Academy Reinstatement was undertaken.</p> <p>Morgan Academy suffered a devastating fire on the 21 March 2001. A meeting of the Education Committee on 21 May 2001 approved the reinstatement of the Academy. Report 482-2001 prepared by the City Architectural Services Officer and the City Engineer which proposed to have the school operational again by August 2004, using a partnering arrangement, was approved at the meeting of the Recess Sub-Committee on 6 August 2001.</p> <p>Expressions of interest were invited in the Official Journal of the European Union. This resulted in a long list of 12 contractors which was subsequently reduced to a short list of 6. All contractors were assessed and scored in line with procedures detailed in the Partnering Guidelines and Hall & Tawse emerged as the preferred contractors who then in conjunction with the Council and its advisers derived a Guaranteed Maximum Price ("GMP") of £18.3m for the reconstruction work. This GMP was accepted by the Education Committee at its meeting on 20 May 2002 and also agreed with the Council's insurers, who were meeting the reinstatement costs of Morgan Academy. A target price of 95% of the GMP was also set for the contract.</p> <p>The overall outcome of the partnering arrangement was highly successful. The school was occupied by staff and pupils on 18 August 2004 and the contract was completed at a cost of approximately £17.3m, a saving of approximately £1m.</p>	
Scope and Objectives	
<p>The objectives of the audit were to assess if the procedures operated in respect of the partnering agreement for the reconstruction of Morgan Academy complied with best practice. Areas examined included approval by the Chief Executive to use partnering arrangements, the procedures employed for attracting suitable partners, and the suitability of the criteria used for assessing contractors. The documentation supporting the decision making process throughout the life of the project was also examined.</p>	
Conclusion	
<p><i>The principal conclusion drawn from this review is that whilst there is basically a sound system of control, there are some areas where it is viewed improvements can be made.</i></p> <p>The main areas where improvements could be made are as follows:</p> <ul style="list-style-type: none"> • In order to ensure that the Council complies with the statutory requirement to advise award of contracts, the relevant notices should be published within the Official Journal of the European Union by the due date. • In order to demonstrate transparency of the partnering process, supporting documentation of the various assessment stages should be retained. 	
Management Response to the Audit Report	
<p>The audit findings and recommendations were formally reported to the City Architectural Services Officer and appropriate action agreed to address the specific issues raised.</p>	

x) INTERNAL AUDIT REPORT 2006/04

Department	Waste Management
Subject	2005/06 Grant Claim – Dundee City Council Waste Audit
Introduction	
<p>In the 2005/06 financial year Scottish Ministers offered specific grant assistance of £52,500 to Dundee City Council for the implementation of Dundee City Council's Waste Audit Report details of which had been submitted to Scottish Ministers.</p> <p>It is a requirement of the Conditions of the Grant that Dundee City Council "submit a claim for each Payment not earlier than, but within 30 days of each Claim Date". In addition, at the end of each Financial Year, the Council is required "to prepare an account showing all expenditure incurred in connection with the Project during that Financial Year" and the conditions also state that "the account shall be audited and certified by a member of the Institute of Chartered Accountants in Scotland or any other equivalent body as may be approved by the Scottish Ministers".</p>	
Scope and Objectives	
<p>The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.</p>	
Conclusion	
<p><i>On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed have been used in accordance with the terms and conditions of the Offer of Grant.</i></p>	

xi) INTERNAL AUDIT REPORT 2006/07

Department	Finance
Subject	Payment of Pensions for Former Employees of ex List D Schools

Introduction

Pension payments to former employees of ex List D schools can have funded and unfunded elements. Funded pension is the amount to which the employee is entitled by virtue of his/her contributions to the pension fund. This element depends on length of service and final salary and the cost is borne by Tayside Superannuation Fund. Unfunded pension relates to pension increases and any enhancements which have been provided to staff when the employee retires before 65 e.g. in the case of redundancy. These costs are recoverable from the Scottish Executive and Pensions Administration staff invoice the Scottish Executive on a regular basis. It is a requirement of the payment for unfunded pensions that the claims are audited annually by the Internal Audit Service at the end of each financial year.

Scope and Objectives

The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the amount reclaimed from the Scottish Executive is fairly stated, the sums claimed are properly due, substantiated with documentary evidence and in accordance with the terms and conditions laid down by the Secretary of State.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The specific area commented upon in the report is as follows:

- In order to ensure that all payments for ex List D school unfunded pensions are recovered from the Scottish Executive, checks should be put in place to ensure that these former employees' details are correctly recorded in the Council's payroll system and that they are included on the schedule which is provided by Pensions staff for audit purposes.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Head of Finance and appropriate action agreed to address the specific issues raised.

xii) INTERNAL AUDIT REPORT 2006/08

Department	Leisure and Communities
Subject	Follow-up Review of Box Office Systems

Introduction

As part of the planned Internal Audit work, a follow-up review to Internal Audit Report 2003/03 on the Box Office systems was undertaken.

The original internal audit report concluded that the procedures operated by the staff in relation to the areas reviewed were in general satisfactory, however there were certain aspects of the system where it was viewed improvements could be made. These included the following:

- Ensuring that the prenumbered Ticket Sales Contract Documentation is more effectively controlled and monitored.
- Appraising the systems used and/or the cost effectiveness of selling tickets on behalf of other organisations and selling tickets on-line through dundee.com.
- Adopting a more efficient system to process cash refunds for concerts which are cancelled.
- Evaluating the security of safe keys and the storage of the back-up tapes for the computerised booking system to ensure that it is in line with best practice.

Scope and Objectives

The objective of the follow-up review was to assess whether or not each of the recommendations agreed by Management in Internal Audit Report 2003/03 had been fully implemented. The review was restricted to areas included in the original report.

Conclusion

The principal conclusion drawn from the follow-up work undertaken is that whilst some action has been taken to strengthen the control weaknesses highlighted in the original review there are still some recommendations which require to be implemented by management.

The main areas where actions agreed by management are still outstanding are as follows:

- Introducing a due date for the signed copy of the contract to be returned on the contract documentation.
- Utilising the Customer Purchases Report as a basis for processing refunds.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Director of Leisure and Communities and appropriate action agreed to address the specific issues raised.

xiii) INTERNAL AUDIT REPORT 2006/10

Department	Finance Revenues
Subject	Income Collection and Receipting (City Square)
Introduction	
<p>As part of the planned audit work for 2005/06 a review of the income collection and receipting procedures operated by staff at City Square was carried out.</p> <p>Staff at City Square process payments received from the public for a wide variety of services. These include payments for Council Tax, housing rent/insurance, non domestic rates, housing benefit overpayments, and sales ledger invoices. Payments for car parking fees and Tay Road Bridge can also be made. Staff also process postal payments received by Finance Revenues, Sales Ledger and Support Services.</p> <p>Customers at City Square can pay by cash, cheque, debit and credit card. Income collected during 2004/05 at City Square totalled £82.4million. All payments are receipted through the cash receipting system.</p>	
Scope and Objectives	
<p>The overall aim of the assignment was to assess the adequacy of internal controls in relation to cash receipting procedures in City Square. Areas examined included departmental guidance notes, level of cash, receipting of cash, refunds, security of cash and cheques, reconciliation procedures and banking arrangements. Access to the cash receipting system was also considered.</p>	
Conclusion	
<p><i>The principal conclusion drawn from this review is that whilst there basically a sound system of control there are some areas where it is viewed improvements can be made.</i></p> <p>The main areas commented upon in this report are as follows:</p> <ul style="list-style-type: none"> • To improve security over cash, surplus cash should be removed from tills at appropriate times throughout the day as well as at close of business and entry to the cash office should be controlled and restricted to authorised personnel. • To improve procedures operated in respect of "overs" and "unders", guidance should be issued to staff and consideration given to the feasibility of banking intact. • To improve security, Revenues staff should introduce standardised procedures to be adopted by departments passing cheques to City Square for processing. 	
Management Response to the Audit Report	
<p>The audit findings and recommendations were formally reported to the Head of Income and Recovery and appropriate action agreed to address the specific issues raised.</p>	

xiv) INTERNAL AUDIT REPORT 2006/11

Department	Social Work
Subject	Oakland Centre
Introduction	
<p>As part of the planned audit work for 2005/06 a review of Oakland Day Centre at Morven Terrace was carried out. The Centre, which opened in March 2005, is open 7 days a week and provides day care services for up to 40 clients on weekdays and 30 clients at weekends. Clients with dementia can attend the Centre regardless of age, however all other clients must be aged 65 or over. Clients can be referred to the Centre by the Social Work Department, relatives or self referral. For the 2005/06 financial year, the Centre had actual net expenditure of around £817,000.</p>	
Scope and Objectives	
<p>The overall aim of this assignment was to assess the adequacy of administrative systems operated by staff within the Centre. Areas examined included departmental guidance notes, arrangements for receipting, recording and security of income including income from lunch money and the Comfort Fund, record keeping and monitoring of expenditure including Petty Cash and the Comfort Fund and reconciliation and banking procedures. Also examined were mini bus logs and fuel costs.</p>	
Conclusion	
<p><i>The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.</i></p> <p>The main areas commented upon in this report are as follows:</p> <ul style="list-style-type: none"> • To ensure a full audit trail exists and to protect staff in the event of queries, the Meals Payment Record sheet should be signed daily by two Centre staff members after being reconciled with the total of the client lunch money for that day. • To improve security the feasibility of reducing the number of safe keys for the Centre should be reviewed. • To protect staff and minimise any risk of loss of cash, the procedures for banking of cash require to be amended in line with Council policy. 	
Management Response to the Audit Report	
<p>The audit findings and recommendations were formally reported to the Director of Social Work and appropriate action agreed to address the specific issues raised.</p>	

xv) INTERNAL AUDIT REPORT 2006/13

Department	Planning and Transportation
Subject	2005/06 Grant Claim – Public Transport Projects

Introduction

In the 2005/06 financial year Scottish Ministers offered specific grant assistance to Dundee City Council to be used for public transport projects. The grant provision made to the Council for financial year 2005/06 was £424,398.

It is a requirement of the Conditions of the Grant that the Council shall by 30 June in the financial year following receipt of any grant submit to the Scottish Ministers a statement of compliance with the grant conditions signed by the head of internal audit.

Scope and Objectives

The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.

Conclusion

On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed have been used in accordance with the terms and conditions of the Offer of Grant.

xvi) INTERNAL AUDIT REPORT 2005/14

Department	Planning and Transportation
Subject	2005/06 Grant Claim – Cycling, Walking and Safer Streets
Introduction	
<p>In the 2005/06 financial year Scottish Ministers offered specific grant assistance to Dundee City Council to be used for the development of local cycling, walking and safer streets projects. The grant provision made to the Council for financial year 2005/06 was £248,000.</p> <p>It is a requirement of the Conditions of the Grant that the Council shall by 30 June in the financial year following receipt of any grant submit to the Scottish Ministers a statement of compliance with the grant conditions signed by the head of internal audit.</p>	
Scope and Objectives	
<p>The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.</p>	
Conclusion	
<p><i>On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed have been used in accordance with the terms and conditions of the Offer of Grant.</i></p>	

xvii) INTERNAL AUDIT REPORT 2006/15

Department	Planning and Transportation
Subject	2005/06 Grant Claim – 20mph Speed Limits Around Schools/Safer Routes to Schools/Development of Home Zones
Introduction	
<p>In the 2005/06 financial year Scottish Ministers offered specific grant assistance to Dundee City Council to enable the Council to pay for in whole or in part the capital costs incurred in work associated with the establishment of 20 mph speed limits around schools, safer routes to schools schemes and home zones. The grant provision made to the Council for financial year 2005/06 was £330,000.</p> <p>It is a requirement of the Conditions of the Grant that "the Local Authority shall by 30 June in each Financial Year submit to the Grantor an audit certificate signed by the head of its Internal Audit team (or equivalent).....showing actual expenditure met from the Grant paid to the Local Authority within the preceding Financial Year".</p>	
Scope and Objectives	
<p>The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.</p>	
Conclusion	
<p><i>On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed have been used in accordance with the terms and conditions of the Offer of Grant.</i></p>	

xviii) INTERNAL AUDIT REPORT 2006/16

Department	Planning and Transportation
Subject	2005/06 Grant Claim – Bringing Confidence to Public Transport/Smartbus

Introduction

In the 2005/06 financial year Scottish Ministers offered specific grant assistance to Dundee City Council for work associated with the above noted projects. The grant provision made to the Council for financial year 2005/06 was £2,031,000.

It is a requirement of the Conditions of the Grant that "the Local Authority shall by 30 June in each Financial Year submit to the Grantor an audit certificate signed by the head of its Internal Audit team (or equivalent).....showing actual expenditure met from the Grant paid to the Local Authority within the preceding Financial Year".

Scope and Objectives

The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.

Conclusion

On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed have been used in accordance with the terms and conditions of the Offer of Grant.

xix) INTERNAL AUDIT REPORT 2006/18

Department	Waste Management
Subject	2005/06 Grant Claim – Pilot Tenement Recycling Service
Introduction	
<p>In the 2005/06 financial year Scottish Ministers offered specific grant assistance to Dundee City Council to be used for the provision of approved waste services and infrastructure to implement a pilot tenement recycling service. The grant provision made to the Council for financial year 2005/06 was £10,993.</p> <p>It is a requirement of the Conditions of the Grant that Dundee City Council "submit a claim for each Payment not earlier than, but within 30 days of each Claim Date". In addition, at the end of each Financial Year, the Council is required "to prepare an account showing all expenditure incurred in connection with the Project during that Financial Year" and the conditions also state that "the account shall be audited and certified by a member of the Institute of Chartered Accountants in Scotland or any other equivalent body as may be approved by the Scottish Ministers".</p>	
Scope and Objectives	
<p>The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.</p>	
Conclusion	
<p><i>On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed have been used in accordance with the terms and conditions of the Offer of Grant.</i></p>	

xx) INTERNAL AUDIT REPORT 2006/19

Department	Waste Management
Subject	2005/06 Grant Claim – Strategic Waste Fund

Introduction

The Scottish Executive made a formal offer of grant to Dundee City Council from the Strategic Waste Fund in a letter dated 26 January 2005. This fund is a specific grant scheme for the implementation of the National Waste Strategy for Scotland. The offer totalled £5.159 million for the financial years 2004/05 to 2007/08 inclusive. Thereafter, for the financial years 2008/09 to 2019/20 inclusive, the Council has been provided with an indicative grant figure of the order of £20 million.

The grant awarded to Dundee City Council for the 2005/06 financial year totalled £1,541,000 of which £966,000 was awarded for capital expenditure and £575,000 for operational expenditure. The actual grant expenditure for the 2005/06 financial year totalled £1,391,960 and the breakdown between capital and operational expenditure was £840,839 and £551,121 respectively.

Under paragraph 4.5 of the Conditions of Grant it is a requirement that "at the end of each financial year, the Grantee shall prepare an account showing the expenses reasonably and properly incurred" and that "such account shall be audited internally and shall be certified as true and accurate", by a member of one of the bodies specified by the Scottish Executive.

Scope and Objectives

The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the grant funding received in respect of the above subject has been spent in accordance with the related Terms and Conditions.

Conclusion

On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as deemed necessary, it is considered that the entries in the claim form are fairly stated, and that the sums claimed are properly due and have been used in accordance with the terms and conditions of the Offer of Grant.

xxi) INTERNAL AUDIT REPORT 2006/21

Department	Planning and Transportation
Subject	2005/06 Grant Claim – Section 70 Concessionary Fares

Introduction

In the 2005/06 financial year the Scottish Executive offered grant assistance to Dundee City Council to help fund the Concessionary Fares Scheme for the elderly and disabled. The grant awarded was to fund the difference between costs to enhance certain aspects of local bus travel for the elderly and disabled and the Transport Authority's Grant Aided Expenditure (GAE) allocation for concessionary fares.

The sum claimed for 2005/06 was £1.142 million and it is a requirement of the conditions of the grant that "the Transport Authority shall by the 30th June in the financial year following receipt of any grant submit to the Scottish Ministers a statement of compliance with the grant conditions signed by the head of internal audit".

Scope and Objectives

The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the entries on the Statement of Expenditure submitted by the Council, are fairly stated, the sums claimed are properly due, substantiated with documentary evidence and have been used for the intended purposes in accordance with the terms and conditions under which the claim for grant was made.

Conclusion

On the basis of examination the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as considered necessary, it is considered that the entries in the claim form are fairly stated and that the sums claimed are properly due and have been used in accordance with the terms and conditions of the offer of Grant.

xxii) INTERNAL AUDIT REPORT 2006/23

Department	Environmental Health and Trading Standards
Subject	2005/06 Statutory Performance Indicators (Environmental Health)

Introduction

The Local Government Act 1992 requires the Accounts Commission to give such direction as it thinks fit for requiring Councils, Fire and Police Authorities to publish such information relating to their activities in any financial year or such other period as is specified in the direction as will facilitate comparisons of the standards of performance achieved between periods and enable the drawing of conclusions about the discharge of the bodies' functions under Part 2 (Community Planning) of the Local Government in Scotland Act 2003.

The Statutory Performance Indicators (SPIs) to be reported upon are reviewed annually by the Accounts Commission and as a result of this exercise new SPIs may be introduced. In addition, for existing SPIs, the definitions may be unaltered, changed, simplified or SPIs may be deemed to be transitional ie they do not meet the selection criteria but have been retained for other reasons. SPIs cover a broad spectrum of services such as respite care, school occupancy, council tax collection and planning applications and Dundee City Council's are compiled at a departmental level.

At the request of the external auditor, Audit Scotland, a review of the systems underpinning the compilation of some of the 2005/06 Accounts Commission Indicators was undertaken. As part of the audit fieldwork systems relating to Protective Services Indicator 1 which is compiled by the Environmental Health and Trading Standards Department and which was changed in 2005/06 was examined. The indicator relates to Food Safety: Hygiene Inspections.

Scope and Objectives

The objective of the audit was to examine the systems underpinning the compilation of indicators which were either new or had been changed, simplified, or deemed transitional for 2005/06. Procedures relating to the compilation of indicators which had not been changed were not examined.

Conclusion

On the basis of examining the procedures and data used in the compilation of this Statutory Performance Indicator, and obtaining explanations and carrying out such tests as deemed necessary, it is considered that as a result of improvements made to procedures during this review appropriate systems are now in place to ensure that the Statutory Performance Indicator can be compiled in line with guidance issued by the Accounts Commission.

xxiii) INTERNAL AUDIT REPORT 2006/24

Department	Housing
Subject	2005/06 Statutory Performance Indicators

Introduction

The Local Government Act 1992 requires the Accounts Commission to give such direction as it thinks fit for requiring Councils, Fire and Police Authorities to publish such information relating to their activities in any financial year or such other period as is specified in the direction as will facilitate comparisons of the standards of performance achieved between periods and enable the drawing of conclusions about the discharge of the bodies' functions under Part 2 (Community Planning) of the Local Government in Scotland Act 2003.

The Statutory Performance Indicators (SPIs) to be reported upon are reviewed annually by the Accounts Commission and as a result of this exercise new SPIs may be introduced. In addition, for existing SPIs, the definitions may be unaltered, changed, simplified or SPIs may be deemed to be transitional ie they do not meet the selection criteria but have been retained for other reasons. SPIs cover a broad spectrum of services such as respite care, school occupancy, council tax collection and planning applications and Dundee City Council's are compiled at a departmental level.

At the request of the external auditor, Audit Scotland, a review of the systems underpinning the compilation of some of the 2005/06 Accounts Commission Indicators was undertaken. As part of the audit fieldwork systems relating to Housing Indicators 1 and 3 which were transitional and changed respectively in 2005/06. These indicators relate to Response Repairs and Re-let Times.

Scope and Objectives

The objective of the audit was to examine the systems underpinning the compilation of indicators which were either new or had been changed, simplified, or deemed transitional for 2005/06. Procedures relating to the compilation of indicators which had not been changed were not examined.

Conclusion

On the basis of examining the procedures and data used, and obtaining explanations and carrying out such tests as deemed necessary, it is considered that appropriate systems are in place to ensure that the Statutory Performance Indicators can be compiled in line with the guidance issued by the Accounts Commission.

xxiv) INTERNAL AUDIT REPORT 2006/25

Department	Finance Revenues
Subject	2005/06 Statutory Performance Indicators

Introduction

The Local Government Act 1992 requires the Accounts Commission to give such direction as it thinks fit for requiring Councils, Fire and Police Authorities to publish such information relating to their activities in any financial year or such other period as is specified in the direction as will facilitate comparisons of the standards of performance achieved between periods and enable the drawing of conclusions about the discharge of the bodies' functions under Part 2 (Community Planning) of the Local Government in Scotland Act 2003.

The Statutory Performance Indicators (SPIs) to be reported upon are reviewed annually by the Accounts Commission and as a result of this exercise new SPIs may be introduced. In addition, for existing SPIs, the definitions may be unaltered, changed, simplified or SPIs may be deemed to be transitional ie they do not meet the selection criteria but have been retained for other reasons. SPIs cover a broad spectrum of services such as respite care, school occupancy, council tax collection and planning applications and Dundee City Council's are compiled at a departmental level.

At the request of the external auditor, Audit Scotland, a review of the systems underpinning the compilation of some of the 2005/06 Accounts Commission Indicators was undertaken. As part of the audit fieldwork systems relating to Benefits Administration Indicator 3 which is compiled by the Finance Revenues Division and which was changed in 2005/06 was examined. This indicator relates to Accuracy of Processing.

Scope and Objectives

The objective of the audit was to examine the systems underpinning the compilation of indicators which were either new or had been changed, simplified, or deemed transitional for 2005/06. Procedures relating to the compilation of indicators which had not been changed were not examined.

Conclusion

On the basis of examining the procedures and data used in the compilation of this Statutory Performance Indicator, obtaining explanations and carrying out such tests as deemed necessary, it is considered that improvements require to be made to the systems currently used to ensure that the Statutory Performance Indicator can be compiled in line with guidance issued by the Accounts Commission.

The main area to be addressed are as follows:

- To ensure that all parts of this Indicator can be compiled in future years, Revenues staff should raise the issue of inaccurate reports with the supplier as a matter of urgency and agree with the Council's External Auditor a figure for year 2000 recoverable overpayment balances to be carried forward.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Head of Income and Recovery and appropriate action agreed to address the specific issues raised.

Department	Waste Management
Subject	2005/06 Statutory Performance Indicators

Introduction

The Local Government Act 1992 requires the Accounts Commission to give such direction as it thinks fit for requiring Councils, Fire and Police Authorities to publish such information relating to their activities in any financial year or such other period as is specified in the direction as will facilitate comparisons of the standards of performance achieved between periods and enable the drawing of conclusions about the discharge of the bodies' functions under Part 2 (Community Planning) of the Local Government in Scotland Act 2003.

The Statutory Performance Indicators (SPIs) to be reported upon are reviewed annually by the Accounts Commission and as a result of this exercise new SPIs may be introduced. In addition, for existing SPIs, the definitions may be unaltered, changed, simplified or SPIs may be deemed to be transitional ie they do not meet the selection criteria but have been retained for other reasons. SPIs cover a broad spectrum of services such as respite care, school occupancy, council tax collection and planning applications and Dundee City Council's are compiled at a departmental level.

At the request of the external auditor, Audit Scotland, a review of the systems underpinning the compilation of some of the 2005/06 Accounts Commission Indicators was undertaken and, as part of this exercise, systems relating to Waste Management Indicator 3 which is compiled by the Waste Management Department was examined. This indicator relates to Refuse Recycling.

Scope and Objectives

The objective of the audit was to examine the systems underpinning the compilation of indicators which were either new or had been changed, simplified, or deemed transitional for 2005/06. Procedures relating to the compilation of indicators which had not been changed were not examined.

Conclusion

On the basis of examining the procedures and data used in the compilation of this Statutory Performance Indicator, and obtaining explanations and carrying out such tests as deemed necessary, it is considered appropriate systems are now in place to ensure that the Statutory Performance Indicator(s) can be compiled in line with the guidance issued by the Accounts Commission.

xxvi) INTERNAL AUDIT REPORT 2006/28

Department	Planning and Transportation
Subject	2005/06 Statutory Performance Indicators

Introduction

The Local Government Act 1992 requires the Accounts Commission to give such direction as it thinks fit for requiring Councils, Fire and Police Authorities to publish such information relating to their activities in any financial year or such other period as is specified in the direction as will facilitate comparisons of the standards of performance achieved between periods and enable the drawing of conclusions about the discharge of the bodies' functions under Part 2 (Community Planning) of the Local Government in Scotland Act 2003.

The Statutory Performance Indicators (SPIs) to be reported upon are reviewed annually by the Accounts Commission and as a result of this exercise new SPIs may be introduced. In addition, for existing SPIs, the definitions may be unaltered, changed, simplified or SPIs may be deemed to be transitional ie they do not meet the selection criteria but have been retained for other reasons. SPIs cover a broad spectrum of services such as respite care, school occupancy, council tax collection and planning applications and Dundee City Council's are compiled at a departmental level.

At the request of the external auditor, Audit Scotland, a review of the systems underpinning the compilation of some of the 2005/06 Accounts Commission Indicators was undertaken and, as part of this exercise, systems relating to Roads and Lighting Indicator 4 which is compiled by the Planning and Transportation Department was examined. This indicator relates to the Proportion of Street Lighting Columns that are Over 30 Years Old.

Scope and Objectives

The objective of the audit was to examine the systems underpinning the compilation of indicators which were either new or had been changed, simplified, or deemed transitional for 2005/06. Procedures relating to the compilation of indicators which had not been changed were not examined.

Conclusion

On the basis of examining the procedures and data used, and obtaining explanations and carrying out such tests as deemed necessary, it is considered that appropriate systems are in place to ensure that the Statutory Performance Indicator can be compiled in line with the guidance issued by the Accounts Commission.

Department	Environmental Health and Trading Standards
Subject	2005/06 Statutory Performance Indicators (Trading Standards)

Introduction

The Local Government Act 1992 requires the Accounts Commission to give such direction as it thinks fit for requiring Councils, Fire and Police Authorities to publish such information relating to their activities in any financial year or such other period as is specified in the direction as will facilitate comparisons of the standards of performance achieved between periods and enable the drawing of conclusions about the discharge of the bodies' functions under Part 2 (Community Planning) of the Local Government in Scotland Act 2003.

The Statutory Performance Indicators (SPIs) to be reported upon are reviewed annually by the Accounts Commission and as a result of this exercise new SPIs may be introduced. In addition, for existing SPIs, the definitions may be unaltered, changed, simplified or SPIs may be deemed to be transitional ie they do not meet the selection criteria but have been retained for other reasons. SPIs cover a broad spectrum of services such as respite care, school occupancy, council tax collection and planning applications and Dundee City Council's are compiled at a departmental level.

At the request of the external auditor, Audit Scotland, a review of the systems underpinning the compilation of some of the 2005/06 Accounts Commission Indicators was undertaken. As part of the audit fieldwork systems relating to Protective Services Indicator 3 which is compiled by the Environmental Health and Trading Standards Department and which was simplified in 2005/06 was examined. The indicator relates to Consumer Complaints and Business Advice Requests.

Scope and Objectives

The objective of the audit was to examine the systems underpinning the compilation of indicators which were either new or had been changed, simplified, or deemed transitional for 2005/06. Procedures relating to the compilation of indicators which had not been changed were not examined.

Conclusion

On the basis of examining the procedures and data used, and obtaining explanations and carrying out such tests as deemed necessary, it is considered that appropriate systems are in place to ensure that the Statutory Performance Indicators can be compiled in line with the guidance issued by the Accounts Commission.

xxviii) INTERNAL AUDIT REPORT 2006/31

Department	Education
Subject	Follow-up Review of Travel and Subsistence Expense Claims
Introduction	
<p>As part of the planned internal audit work, a follow-up review to Internal Audit Report No 2002/10 on Systems Review of Travel and Subsistence Expenses Claims was undertaken. The original internal audit report concluded that there were areas where improvements could be made. These included the following:</p> <ul style="list-style-type: none"> • Completion, submission and monitoring of claims to ensure that staff are eligible for the allowances claimed, claims are reasonable, reimbursement of travel and subsistence expenditure is made at the correct rate and deadlines for the submission of claims are adhered to. • Submission of receipts in support of claims. • Procedures followed for the authorisation and verification of claims. • Creation of guidance notes on travelling and subsistence for teaching staff. <p>Since issue of the original audit report, Inland Revenue authorised mileage rates have been approved for both support and teaching staff. However, an interim agreement on revised rates for travelling and subsistence allowances was only reached by the Dundee Negotiating Committee for Teachers in May 2006 and the Assistant Finance Officer (Payroll) now proposes to create an Expenses Manual for teaching staff.</p>	
Scope and Objectives	
<p>The objective of the follow-up review was to assess whether or not each of the recommendations agreed by management in Internal Audit Report 2002/10 on Systems Review of Travel and Subsistence Expenses Claims had been fully implemented. The review was restricted to areas included in the original report.</p>	
Conclusion	
<p><i>The principal conclusion drawn from the follow-up work undertaken is that whilst some action has been taken to strengthen the control weaknesses highlighted in the original review there are still some recommendations which require to be implemented by management.</i></p> <p>The main areas where actions agreed by management are still outstanding are as follows:</p> <ul style="list-style-type: none"> • Ensuring that claim forms submitted by teaching staff are verified. • Compilation of guidance notes for teaching staff. 	
Management Response to the Audit Report	
<p>The audit findings and recommendations were formally reported to the Director of Education and appropriate action agreed to address the specific issues raised.</p>	

xxix) INTERNAL AUDIT REPORT 2006/33

Department	Information Technology
Subject	Recruitment and Selection

Introduction

As part of the planned audit work, a review of the procedures operated in relation to Recruitment and Selection of staff within the Information and Technology Department was carried out. In the period from October 2004 to February 2006, there were 11 posts advertised for the Department.

The recruitment and selection process is co-ordinated by the Department's Business Support Team Leader. If a vacancy requires to be filled, a job advert, request to fill a vacancy form, a job description and person specification are forwarded by the relevant manager to the Support Team Leader. When the post is ready to be advertised the documentation is sent to the Personnel Department via the XPT system. Correspondence pertaining to the recruitment and selection process, such as letters inviting candidates to interview is issued by the Business Support Team Leader. On completion of the interview process, the documentation should be returned to the section where it is stored.

Scope and Objectives

The overall aim of the assignment was to examine the procedures operated in relation to the recruitment and selection of staff within the Information Technology Department. This included arrangements for ensuring staff are trained, obtaining permission to fill a vacancy, completion of recruitment planners, arrangements for attracting applicants and completion of person specification forms. The arrangements for safekeeping of application forms, robustness and completion of short listing forms, suitability of interviewers, procedures in respect of references and criminal record checks, evidence of checks at interview e.g. identity and qualifications, procedures operated for successful/unsuccessful candidates and adherence to document retention periods were also considered.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The main areas commented upon in the report are as follows:

- To ensure that the Department can clearly demonstrate transparency in the recruitment and selection process, there should be evidence that qualifications have been checked at interview and all staff involved in the recruitment and selection process should complete the relevant documentation.
- To ensure the Department complies with Data Protection Act 1988 and also the Council's policy on document retention, procedures should be established to ensure that all documents relating to the recruitment and selection process are disposed of at the appropriate time.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Head of Information Technology and appropriate action agreed to address the specific issues raised.

xxx) INTERNAL AUDIT REPORT 2006/34

Department	Personnel
Subject	Recruitment and Selection

Introduction

As part of the planned audit work, a review of the procedures operated in relation to Recruitment and Selection of staff within the Personnel Department was carried out. In the period from April 2004 to February 2006, there was 23 posts advertised for the Department.

The recruitment and selection process is co-ordinated by the Department's Personnel Assistants. If a vacancy requires to be filled, a job advert, request to fill a vacancy form, a job description and person specification are forwarded by the relevant manager to the personnel assistant. When the post is ready to be advertised the documentation is input into the XPT system. Correspondence pertaining to the recruitment and selection process, such as letters inviting candidates to interviews is issued by the Chairperson of the Interview Panel. On completion of the interview process, the documentation should be returned to the personnel assistants to be stored.

Scope and Objectives

The overall aim of the assignment was to examine the procedures operated in relation to the recruitment and selection of staff within the Personnel Department. This included arrangements for ensuring staff are trained, obtaining permission to fill a vacancy, completion of recruitment planners, arrangements for attracting applicants, completion of person specification forms. The arrangements for safekeeping of application forms, robustness and completion of short listing form, suitability of Interviewers, procedures in respect of references and criminal record checks, evidence of checks at interview e.g. identity and qualifications, procedures operated for successful/unsuccessful candidates and adherence to document retention periods were also considered.

Conclusion

The principal conclusion drawn from this review is that whilst there is basically a sound system of control there are some areas where it is viewed improvements can be made.

The areas commented upon in the report are as follows:

- To ensure that applicants are seen to confirm that the information they have provided is true, staff on the recruitment and selection panel should ensure that all applications completed online are signed at interview.
- To ensure the Department complies with Data Protection Act 1988 and also the Council's policy on document retention, procedures should be established to ensure that all documents relating to the recruitment and selection process are disposed of at the appropriate time.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Assistant Chief Executive (Management) and appropriate action agreed to address the specific issues raised.