

Agenda Item 10

Audit and Governance Committee

18 March 2010

TC



Internal Audit activity report for the period 1st January 2010 to 31st March 2010, to include:

- **Audit Plan Monitoring to 31st March 2010**
- **Audit Report Executive Summaries**

The attached Activity Report gives brief details on the staffing situation within the Council's Audit and Governance section and highlights Internal Audit activity for the fourth quarter, indicating where audits are progressing well and identifies those that have slipped against the internal audit plan. Members will note the progress made and also be informed of the audits that remain outstanding.

Recommendations

Members are asked to note and keep under review the:

- **Audit Plan Monitoring Document**
- **Audit Performance Indicators**
- **Internal Audit Reports - Executive Summaries**

a) Reasons for Recommendation

To ensure that progress is made on the plans of Internal Audit in line with Member expectations.

b) Alternative Options

None

c) Risk Considerations

Local authorities are required to "make arrangements for the proper administration of their financial affairs" and/or "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices".

The Operational (Service) Risks are:

AUD-RK-0027 – The provision of an efficient and effective audit and governance service

AUD-RK-0081 – Fraud, Theft and/or irregularity of financial resources

AUD-RK-0082 – Fraud, Theft and/or irregularity of physical assets

d) Policy and Budgetary Considerations

None

e) Date for Review of Decision

N/a

Main Body of the Report

Audit Staffing

The Service has managed to retain an external contractor (audit consultant) who is assisting in the training and supervision of the Trainee Auditor. The part-time Principal Auditor is on maternity leave and is expected to return in July 2010. Auditors from Exeter City Council have now commenced the outsourced work programme and completion of this is on target. Early feedback on the work prepared by the Exeter team is very positive.

There is a slight delay in the expected start date of the computer auditor 'Lakespan Ltd' however, Members are aware of the reasons for this delay.

Audit Activity

- **Appendix 1 – Audit Plan Monitoring Document**

This schedule provides a summary of activity for the period and assists Members in following the progress of audits.

Interpretation:

First Quarter – April to June 2009

The first quarter consists of a variety of shorter and mid-length audits the largest of which was the National Indicator work which covers a specialist area and this is reported separately in this meeting.

Second Quarter – July to September 2009

The second quarter consists of a mix of more complex audits, such as Procurement and Contract Audit.

All work has been completed for this quarter.

Third Quarter – October to December 2009

The third quarter consists of a mix of larger audits of a financial and regulatory nature, such as Revenues and Income and Cashiers. The team is making progress on completing this quarters' work.

Two audits remains outstanding (although these are at draft report stage).

Fourth Quarter – January to March 2010

The fourth quarter consists of financial and regulatory nature, such as Creditors, Debtors and Housing Rents. The team is making progress on completing this quarters' work. All of this quarters' audits have been started and are at differing stages of completion.

Outsourced work completed by Exeter City Council

Work has progressed well and I see no reason why the majority of the audit work will not be completed within the fourth quarter.

Unplanned and Ad-hoc Audit Work

There has been no unplanned or ad-hoc work other than the usual provision of advice to Heads of Service, Managers or staff.

Audit Performance Indicators

- **Percentage of planned audits commenced** (four quarters) – 100%
- **Percentage of planned audits completed** (four quarters) – 66%
- **Feedback responses at least ‘satisfactory’** see table below:

Audits completed and Feedback requested	Feedback Reports Returned	Feedback Reports Marked ‘Satisfactory’	Feedback Reports Marked ‘Unsatisfactory’
First Quarter			
5	5	5	0
Second Quarter			
8	4	4	0
Third Quarter			
5	0	0	0
Fourth Quarter			
3	0	0	0

- **Recommendations ‘accepted’ versus ‘recommendations made’**

Total Recommendations made in 1 st Quarter	55	Total Recommendations accepted in 1 st Quarter	55
Total Recommendations made in 2 nd Quarter	35	Total Recommendations accepted in 2 nd Quarter	35
Total Recommendations made in 3 rd Quarter	20	Total Recommendations accepted in 3 rd Quarter	20
Total Recommendations made in 4 th Quarter	16	Total Recommendations accepted in 4 th Quarter	14
Total made in year	126 *	Total accepted in year	124 *

*subject to change as audits are completed during March/April 2010.

- **Percentage of audits completed within the planned time**
20 audits completed – 2 over-ran one day (90%)

Internal Audit Report Executive Summaries – for discussion

- Council Tax
- National Non-Domestic Rates
- Income and Cashiers
- Building Control
- Payroll
- Economic Development

Conclusion

The role of Internal Audit continues to change and expand according to demand; changing legislation and the requirements of our external review agencies. This report covers the period 1st January 2010 to 31st March 2010. A report covering the period 1st April 2010 to 30th June 2010 will be presented at the next meeting of the Audit and Governance Committee

Legal Implications

No legal observations

Financial Implications

No financial observations

Consultation on Reports to the Executive

None

Background Papers

- Specified appendices

Tanith Cox - 2687
Internal Audit and Governance

Audit & Governance Committee
18th March 2010

INTERNAL AUDIT PLAN MONITORING TO 30th SEPTEMBER 2009

PROGRESS AND MONITORING OF 2009/10 INTERNAL AUDIT PLAN

Detailed below is a summary of the work completed so far in 2009/10, showing the 'Areas for Improvement' found during the audit, the number of suggested **Actions** and the audit **Assurance Level** allocated by the auditor.

	Name of Audit	Stage of Audit	Start Date	Date of Draft Report	Date of Final Report	Days - (Planned 'v' actual)	Report Reference	Areas for Improvement			Assurance Level	Actions		Client Rating	
								High	Medium	Low		Total	Total Agreed	Satisfied	Not Satisfied
Quarter 1 – April - June	Home Safeguard Home Safeguard Contract Audit Element	Complete	April 2009	Aug 2009	Aug 2009	13 /13	AUE 03	-	15	-	LA	15	15	✓	
	Housing Needs	Complete	July 2009	Sept 2009	Oct 2009	11 /11	AUE 05	-	4	-	AA	4	4	✓	
	BVPIs and NIs	Complete	April 2009	Sept 2009	Sept 2009	40 /40		-	20	-	AA	20	20	✓	
	Street Scene - Contracts & Street Scene – Technical Services	Complete	June 2009	July 2009	Aug 2009	16 /15	AUC	-	14	-	LA	14	14	✓	
	Section 106 Monies	Complete	June 2009	July 2009	July 2009	5 / 5	AUE 18	-	2	-	AA	2	2	✓	
						85 /84									

PROGRESS AND MONITORING OF 2009/10 INTERNAL AUDIT PLAN

Detailed below is a summary of the work completed so far in 2009/10, showing the 'Areas for Improvement' found during the audit, the number of suggested **Actions** and the audit **Assurance Level** allocated by the auditor.

	Name of Audit	Stage of Audit	Start Date	Date of Draft Report	Date of Final Report	Days - (Planned 'v' actual)	Report Reference	Areas for Improvement			Assurance Level	Actions		Client Rating	
								High	Medium	Low		Total	Total Agreed	Sat'd	Not Satisfied
Quarter 2 – July - September	Procurement (inc. Print, Post & Stationery)	Complete	July 2009	Aug 2009	Aug 2009	15 / 16	AUA 10	-	5	1	LA	6	6	-	
	Disposal and Purchase of Assets	Complete	July 2009	Aug 2009	Aug 2009	3 / 3	AUA 08	-	3	-	AA	3	3	-	
	Contract Audit – Housing Partnership	Complete	July 2009	Oct 2009	Oct 2009	15 / 15	AUD	-	5	-	LA	5	5	✓	
	Housing Client Services	Complete	July 2009	Aug 2009	Aug 2009	2 / 2	AUC	-	1	-	AA	1	1	✓	
	Officers' and Members' Expenses *	Complete	July 2009	Aug 2009	Aug 2009	10 / 10	AUE 13	-	10	-	AA	10	10	-	
	Car Parks	Complete	Sept 2009	Oct 2009	Nov 2009	12 / 12	SS	4	1	-	AA	5	5	✓	
	Street Scene – Refuse and Recycling	Complete	Sept 2009	Nov 2009		8 / 8	SS							-	
	Safeguarding Children **	Complete	Aug 2009	Oct 2009	Oct 2009	6 / 6	PJ	5	-	-	AA	5	5	✓	
					65 / 66										

- At request of A & G Committee 25th June 2009 / swapped with Property Services ** at request of Corporate Director

PROGRESS AND MONITORING OF 2009/10 INTERNAL AUDIT PLAN

Detailed below is a summary of the work completed so far in 2009/10, showing the 'Areas for Improvement' found during the audit, the number of suggested **Actions** and the audit **Assurance Level** allocated by the auditor.

	Name of Audit	Stage of Audit	Start Date	Date of Draft Report	Date of Final Report	Days - (Planned 'y' actual)	Report Reference	Areas for Improvement			Assurance Level	Actions		Client Rating		
								High	Medium	Low		Total	Total Agreed	Sat'd	Not Satisfied	
Quarter 3 – October - December	Income and Cashiers (including cash floats)	Complete	Dec 2009	Jan 2010	Feb 2010	10 / 10	AUA 10	2	3	-	AA	5	5	-		
	Council Tax (including any cash float) Contract Audit Element: Debt recovery, Machine Maintenance, Revenue Collection	Complete	Nov 2009	Dec 2009	Jan 2010	10 / 10 3/3	AUA 06	-	5	-	AA	5	5	-		
	NNDR (including any cash float)	Complete	Oct 2009	Dec 2009	Jan 2010	10 / 10	AUA 07	-	2	-	AA	2	2	-		
	Building Control	Complete	Oct 2009	Feb 2010	Feb 2010	8 / 8	AUE 19	-	7	-	AA	7	7	-		
	Planning Administration Contract Audit element	Draft Report	Dec 2009	March 2010		8 / 1 /	AUE 20									
	Development Control	Draft Report	Dec 2009	March 2010		8 /	AUE 18									
	Economic Development – Contract Audit Element	Complete	Dec 2009	Jan 2010	Jan 2010	2 / 3	AUC	-	1	-	AA	1	1	-		
						60 /										





Last date of entry – 18th February 2010

PROGRESS AND MONITORING OF 2009/10 INTERNAL AUDIT PLAN

Detailed below is a summary of the work completed so far in 2009/10, showing the 'Areas for Improvement' found during the audit, the number of suggested **Actions** and the audit **Assurance Level** allocated by the auditor

	Name of Audit	Stage of Audit	Start Date	Date of Draft Report	Date of Final Report	Days - (Planned 'v' actual)	Report Reference	Areas for Improvement			Assurance Level	Actions		Client Rating		
								High	Medium	Low		Total	Total Agreed	Sat'd	Not Satisfied	
Quarter 4 – January - March	Housing Rents (including any cash floats)	Testing	Feb 2010			10 /	AUA 05									
	Customer Service Centre	Draft Report	Feb 2010			10 /	AUB 01									
	Creditors (Corporate Purchase Cards and Cash Floats)	Testing	Feb 2010			10 /	AUA 02									
	Debtors	Testing	Feb 2010			10 /	AUA 09									
	Bank Contract	Completed as part of income and cashiers		Dec 2009	Jan 2010	Feb 2010	1 / 1	AUA 01	-	1	-	AA	1	1	-	
						41 /										

Legend





-  Completed task
-  Mild concerns or minor set backs
-  Serious problems or significant delays
-  Work in progress or task not yet due

Last date of entry – 18th February 2010

PROGRESS AND MONITORING OF 2009/10 INTERNAL AUDIT PLAN (AUDITS COMPLETED BY EXTERNAL PROVIDER)

	Name of Audit	Stage of Audit	Start Date	Date of Draft Report	Date of Final Report	Days - (Planned 'v' actual)	Report Reference	Areas for Improvement			Assurance Level	Actions		Client Rating		
								High	Medium	Low		Total	Total Agreed	Sat'd	Not Satisfied	
	Main Accountancy	Draft Report	Jan 2010			10 / 10	AUA 01									
	Treasury Management	Draft Report	Jan 2010			10 / 10	AUA 08									
	Payroll	Complete	Jan 2010	Feb 2010	Feb 2010	10 / 10	AUA 03	2	7	6	AA	15	13			
	Housing Benefits	Testing	Feb 2010			10 / 10	AUA 04									
	Housing Benefit Grant Claim	Testing	Feb 2010			5 / 5										
	Housing Benefit Fraud Section	Testing	Feb 2010			5 / 5										
	Computer Audit Plan	Start date 16 th March 2010	March 2010			40 / 40	AUD									
						90 /										

Legend

-  Completed task
-  Mild concerns or minor set backs
-  Serious problems or significant delays
-  Work in progress or task not yet due

Last date of entry – 18th February 2010

AUDIT INVESTIGATIONS FOR THE PERIOD

Detailed below is a summary of the audit investigations undertaken in 2008/09 showing the 'Areas for Improvement' found during the review, the number of suggested **Actions** and the audit **Assurance Level** allocated by the auditor.

	Investigation	Stage of Audit	Start Date	Date of Draft Report	Date of Final Report	Days - (Planned 'v' actual)	Report Reference	Areas for Improvement			Assurance Level	Actions		Client Rating	
								High	Medium	Low		Total	Total Agreed	Sat'd	Not Satisfied
	None														

UNPLANNED AND AD-HOC AUDIT WORK – 2008/09

Detailed below is a summary of the unplanned and ad-hoc audit work undertaken in 2008/09, showing the number of suggested 'actions' (if appropriate) and the audit **Assurance Level** (if appropriate) allocated by the auditor.

	Details of Unplanned and/or ad-hoc work	Start Date	End Date	Assurance level given	Actions Remaining		Comment from Head of Service
					Total	Total Agreed	
2009/10	None						

ECONOMIC DEVELOPMENT – EXECUTIVE SUMMARY

Introduction

An audit was undertaken between November 2009 and January 2010 to provide assurance that the work processes and systems operating within Economic Development are efficient and effective. The review was undertaken as part of the Internal Audit planned work for the year 2009/10.

The following areas were found to be satisfactory:

- Maintenance of property lists
- Allocation process
- Availability of leases/licences
- Lease/licence monitoring
- Rent collection
- Procedures for pursuing non –payment of rent
- Upkeep and maintenance responsibilities
- Termination process
- Administration of service charges
- Authorisation of claim forms.

Area of Concern

Corporate Risk Register

The only Economic Development related risk currently recorded on the Corporate Risk Register is one relating to “failure to ensure adequate employment land is available”.

Other significant risks such as non collection of rental income are inherent in the Economic Development process and the failure to include significant risks on the Corporate Risk Register could result in mitigating actions not being taken to reduce the impact of these risks.

Conclusion

In our opinion and after careful consideration our overall conclusion would be that a ‘positive opinion’ is appropriate and we further offer ‘adequate assurance’ overall.

Audit Completed by: J Saunders
Contract Auditor

Reviewed by: T. Cox
Internal Audit and Governance

Draft Report Issued:18th January 2010
Final Report Issued:25th January 2010

COUNCIL TAX – EXECUTIVE SUMMARY

Introduction

An audit was undertaken in November/December 2009 to provide assurance that the work processes and systems operating within Council Tax are efficient and effective.

The following areas were found to be satisfactory:

- Valuation – no significant issues
- Recovery and Enforcement – no significant issues
- Contractual arrangements – no significant issues

The following areas were of concern:

Working Procedures

The review identified that office procedure notes require updating in some areas. We recommended that the procedure notes be updated and then reviewed regularly.

Segregation of Duties

The Head of Finance confirmed that a long-standing concern relating to segregation of duties remains unchanged and that he is prepared to tolerate this risk which could expose the Council to inappropriate accounting. We recommended that this risk be documented in the Council's Corporate Risk Register

Discount/Disregard Awards

We reviewed a sample of discount/ disregard awarded and found that in several instances the appropriate documentation had not been completed to support phone calls made requesting Single Person's Discounts. We recommended that where appropriate, a form signed by the claimant should be available to support discounts/disregards awarded.

Council Tax Billing

The process for sending out Council Tax Bills was reviewed. We noted a variance between the number of properties registered as eligible for Council Tax payment and the number of bills recorded as sent out during the billing process. We recommended that a reconciliation is carried out between the number of properties registered as eligible for paying Council Tax to the Council Tax bills sent.

Bailiff Services

Council Tax recovery is facilitated by the use of bailiffs. The Council have contracts with two companies for the provision of bailiff services. Other sections within the Council use different bailiff companies introducing the risk that overall the Council may not be receiving best value for money for bailiff services. We recommended the Heads of Housing and Finance discuss using a unified approach and get the best value for money possible.

Follow Up of Agreed Actions from Previous Audit

One agreed action from the 2008/9 review awaits implementation, this has been brought forward into the latest report.

Conclusion

In our opinion and after careful consideration Internal Audit can offer a “positive opinion” and can confirm that the level of assurance that can be given is “adequate”. The definitions relating to the levels of assurance are contained in the appendix to the main report.

NATIONAL NON DOMESTIC RATES – EXECUTIVE SUMMARY

Introduction

An audit was undertaken in October/November 2009 to provide assurance that the work processes and systems operating within NNDR are efficient and effective. The review was undertaken as part of the Internal Audit planned work for the year 2009/10.

The following areas were found to be satisfactory:

- Valuation
- Billing
- Collection
- Recovery and enforcement
- Contractual arrangements

Areas of Concern

There were a couple of areas of concern:

Segregation of duties.

The Head of Finance confirmed that a long-standing concern relating to segregation of duties remains unchanged and that he is prepared to tolerate this risk which could expose the Council to inappropriate accounting. We note however, that the newly populated Corporate Risk Register does not contain this risk. We recommended that this risk be documented in the Council's Corporate Risk Register.

Working Practices

We understand that the NNDR Section is reviewing their working practices. One of the ways proposed is to discontinue the three year checks/confirmations on rural and charitable rate relief granted to ratepayers in East Devon.

The proposed system follows a recent government guideline which has determined that in future, Small Business Rate Relief need not be reviewed at all once granted. The relief will apply until the applicant notifies us that it is no longer applicable.

Removing the 3 year review of rate relief means the Council is relying on ratepayers to inform it of changes in circumstances. After the initial verification process no proactive action will be taken by the Council to verify the relief being granted to an applicant in future years. This does appear to contradict advice from the Audit Commission who are keen to ensure discounts and grants are only given to those with a proven need, a premise which fits with the Council's Counter Fraud arrangements.

The risks to the Council of implementing this are:

- a) The proposals reduce the current counter / anti-fraud checks and processes already in place, and
- b) The Council will not be able to demonstrate to their external auditors that they have improved on their previous arrangements

We recommended that a revised system of checks and/or confirmations on rural and charitable rate relief grants is drawn up in consultation with IA.

Conclusion

In our opinion and after careful consideration our overall conclusion would be that a 'positive opinion' is appropriate and we further offer 'adequate assurance' overall.

Audit Completed by: J Saunders
Contract Auditor

A. Abulayla
Trainee Auditor

Reviewed by: T. Cox
Internal Audit & Governance

Draft Report Issued: 14th December 2009
Final Report Issued: 12th January 2010

INCOME AND CASHIERS – EXECUTIVE SUMMARY

Introduction

An audit was undertaken in December 2009 – January 2010 of the Income and Cashiers Service operating within East Devon District Council.

The review was undertaken as part of the Internal Audit planned work for the year 2009/10.

Areas of Concern

Recording of all income received by the Council

We reviewed the cash collection procedures within Income and Payments and the Housing Benefits front desk.

We also conducted a random spot check at the Housing Benefit front desk to verify that cash collected accurately reflected the amount recorded in the Cash Receipting system.

We found that there was a surplus of £101 in the till.

Lloyds TSB banking contract

The Council currently has a contract with Lloyds TSB for the provision of banking services. The contract includes a number of key performance indicators.

The review identified that the finance section is not monitoring the performance indicators and this could result in the Council not receiving the level of service detailed in the contract.

Corporate Risk Register – Income and Cashiers

The main risk associated with the operation of income systems is that failure to bill and collect income, or to record it properly in the organisation's accounts, could result in financial loss or poor budgetary control. Also, where sound income systems are not in operation, there is greater opportunity for fraud and/or misappropriation of income to occur.

A review of the CRR identified that not all significant risks pertaining to Income and Cashiers have been recorded and in our opinion, the CRR should contain the following additional risks:

- The risks involved in the storage of cash.

In addition these controls should be added to the CRR

- All income systems are suitably documented
- Regular reconciliations from income systems to feeder systems and then on to the main accounting system are regularly performed

Failing to capture all significant risks and mitigating controls could leave the Council exposed to threats that have not been fully mitigated

Petty Cash Management

The Council allocates petty cash floats to service areas in need of monies for ad-hoc purchases. These petty cash floats are replenished as and when funds are used. A review of five of the Council's largest petty cash floats highlighted the need to revise the amounts allocated.

In our opinion the floats for the Street Scene Camperdown Depot, East Devon Business Centre and the Manor Pavilion could be reduced from £150, £200 and £1000 respectively to £100, £120 and £500 as the current amounts are not fully utilised.

Conclusion

In our opinion and after careful consideration Internal Audit can offer a – Positive- opinion and can confirm that the level of assurance that can be given is – Adequate Assurance - The definitions relating to the levels of assurance are contained in the appendix to the main report.

Ahmad Abulayla
Trainee Auditor

BUILDING CONTROL – EXECUTIVE SUMMARY

Introduction

An audit was undertaken between December 2009 and January 2010 to provide assurance that the work processes and systems operating within Building Control are efficient and effective. The review was undertaken as part of the Internal Audit planned work for the year 2009/10.

Most areas reviewed were found to be satisfactory. However some weaknesses were found and these are detailed below:

Collection of Fees

The Council's Financial Operating Procedures stipulate that it is preferable to obtain cash in advance of supplying goods or services as this improves the Council's cash flow and also avoids the time and cost of administering debts".

We ascertained that no checks are made by Building Control to ensure that all fee payments have been received prior to the Completion Certificate being issued. This means there is a risk that the Council may not always receive payment for services provided.

There is also a risk that the Council may provide additional services to an individual or company when an outstanding debt has not been recovered.

Full Plans Approval Notice Endorsement – File Copy

Not all file copies of Full Plans Approval Notices within the sample reviewed had been endorsed by the Head of Planning and Countryside Services introducing the risk of inappropriate Full Plan Approval Notices being issued.

Processing of Fees

When attempting to track individual Building Control fee payments in CEDAR it was established that individual inspection fees can be identified using the unique Building Control reference number but because application fees are entered in CEDAR as a total amount, tracking of individual fee payments is not possible.. This means the audit trail is compromised introducing the risk of inappropriate accounting.

When documenting the process from "cradle to grave" further weaknesses were identified. These weaknesses were not restricted to the Building Control process.

Internal Audit are to review this in greater depth during 2010/11.

Corporate Risk Register

We reviewed the risks entered onto the Corporate Risk Register and the controls listed as "working and effective" and found that Construction Skills Certification Scheme (Health and Safety) training had not commenced because some Building Control Surveyors did not want to participate. This introduces the risk of the Council

being liable if an incident occurs because training provided by the Council has not been taken up.

We also found that the 'Residual Score' on risk numbers pla-RK-0016 – “Failure to ensure required standards of construction and safety within the District” and pla-RK-0018 “Loss of building control fee income” had not been completed, see Appendix 2C.

Conclusion

In our opinion and after careful consideration Internal Audit can offer a positive opinion and can confirm that the level of assurance that can be given is adequate. The definitions relating to the levels of assurance are contained in the appendix to the main report.

Audit completed by: Jim Saunders
Contract Auditor

Ahmad Abulayla
Trainee Auditor

Reviewed by: Tanith Cox
Internal Audit and Governance

Draft Report Issued: 29th January 2010
Final Report : 15th February 2010

PAYROLL – EXECUTIVE SUMMARY

Introduction

An audit of the Council's Payroll Service was undertaken in January 2010 by Exeter City Council's audit team. This audit was part of the contracted-out work recently subjected to competitive tendering. This review was undertaken as part of the Internal Audit planned work for the year 2009/10.

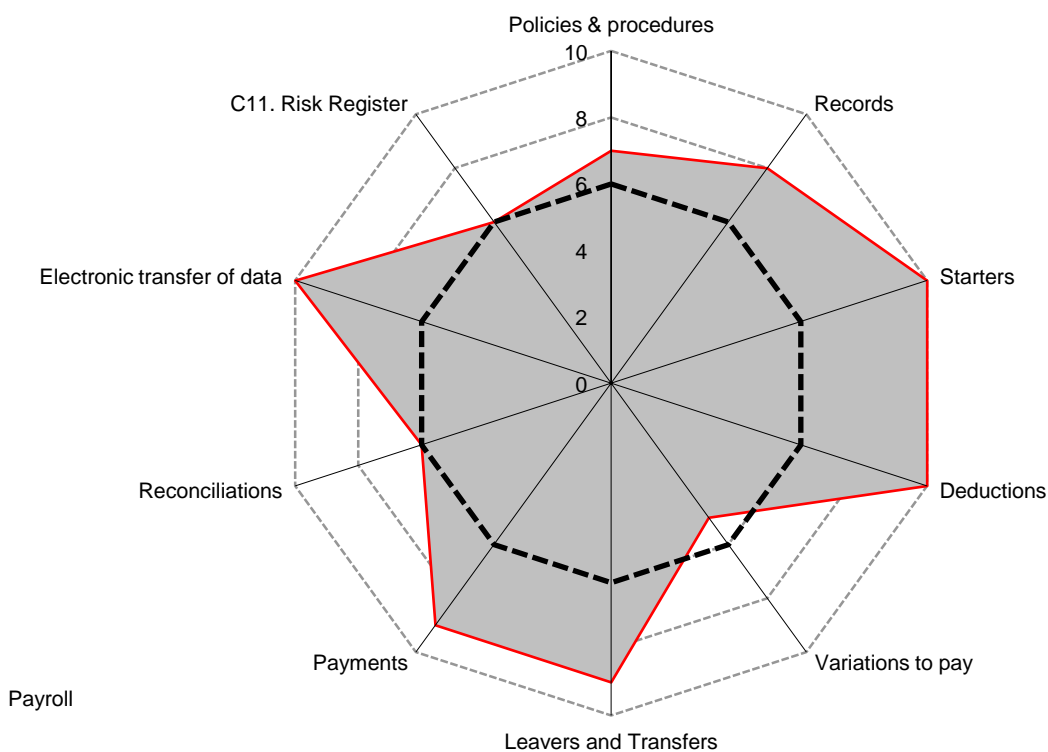
From the testing undertaken, controls appear to be in place and working in the following areas:

- Starters
- Deductions
- Electronic transfer of data

However, the audit found weaknesses in the following areas:

- High and medium risk ratings:
 - Policies & procedures
 - Records
 - Variations to pay
 - Payments
- Low risk ratings:
 - Policies & procedures
 - Variations to pay
 - Leavers and Transfers
 - Reconciliations

Immediately below is a Controls Appraisal Spider graph that shows an assessment of the effectiveness of the system's internal controls



This is a final report of the audit findings, that have been scored using a risk assessment methodology and are shown as either high, medium or low risk, and incorporates the responses of the Head of Organisational Development and the Payroll Services & Employee Benefits Manager

I am pleased to report that the majority of the recommendations have been agreed, however, the following recommendations were not agreed:

- 3.6 - Consider introducing an agreed financial limit for accommodation costs
- 3.9 - Consider using asterisks for the NI number on e-mailed payslips

Conclusion

Internal Audit is required to give an audit assurance when completing an audit of a council service, this can be translated into an 'audit opinion', and reference is made to appendix 2 accompanying the report which sets out the various 'definitions'

We are able to provide a 'positive opinion' on the System Adequacy the Control Application and Previous Recommendations, which can be translated as adequate assurance. The Corporate Risk Register has been updated and apart from the areas identified, we can provide adequate assurance on this area.

Sandra Please
Exeter Audit Services