



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS
COMMITTEE
24 SEPTEMBER 2008**

Report of the Head of Audit and
Risk Management

ITEM 12

INTERNAL AUDIT – PROGRESS REPORT 2008/9

RECOMMENDATION

- 1.1 To note the activity and performance of Internal Audit in the period 1 June 2008 to 31 August 2008 and to comment accordingly.
- 1.2 To note the changes to the 2008/9 audit plan as detailed in Appendix 4.

SUPPORTING INFORMATION

- 2.1 The Internal Audit Plan for 2008/9 is the subject of a separate report to this Committee. This report summarises the internal audit work completed in the period from 1 June 2008 to 31 August 2008 and seeks a decision by the Committee to determine the audit reports it wishes to review in more detail at the meeting in November 2008.

Summary of internal audit activity – 1 June 2008 to 31 August 2008

- 2.2 Certain information pertaining to audit investigation work carried out is likely to reveal the identity of individuals and/or could relate to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. Accordingly, a separate report has been produced that summarises audit activity on investigations that were concluded during the same period.
- 2.3 Appendix 2 summarises the output of internal audit for the period. During the period 1 June 2008 to 31 August 2008, 22 audits were finalised. This total excludes 2 audits for external bodies, 8 investigations and 9 Financial Management Standard in Schools (FMSiS) external assessments.
- 2.4 Appendix 3 provides details of internal audit's overall opinion on the adequacy of the level of internal control for each of the 22 audit reviews finalised in the period and the number of recommendations made for each review. Table 1 following provides an analysis of audit opinion on the system of control. Appendix 4 provides members with the main issues relating to each completed audit.

Table 1: Overall Audit Opinion in audits finalised between 1 June 2008 and 31 August 2008.

Department	Good	Satisfactory	Marginal	Unsatisfactory	Unsound	No Opinion	Total
Regeneration & Community	3	2				1	6
Children & Young People	2		1				3
Resources	5	3					8
Environmental Services		1					1
Corporate & Adult Services	3		1				4
Total	13	6	2	0	0	1	22

Note: This table does not include any audits undertaken on behalf of external bodies, investigations or the external assessment of schools in respect of FMSiS.

- 2.5 As a general policy, all audits leading to a rating of “unsound” or “unsatisfactory” will be brought to the Committee’s specific attention. In the period, there have not been any audits which have rated the overall control in the area/service under review as unsatisfactory or unsound.
- 2.6 Currently the Internal Audit Section has achieved a productivity rate of 73.72%. The target for the year is 73%. During the last three months of the year, a total of 455.75 days has been spent on audit reviews within departments. The breakdown by department is shown in Table 2 below:

Table 2: Analysis of Audit time spent by Department in the period from 1 June 2008 to 31 August 2008

Department	Actual Days
Regeneration and Community	74.50
Children and Young People	84.25
Resources	170.50
Environmental Services	87.50
Corporate and Adult Services	39.00
Total	455.75

- 2.7 The main areas of internal audit work in the period from 1 June 2008 to 31 August 2008 have been on Investigations, general systems based audits, and on the FMSiS. (See Table 3 below.)

Table 3: Analysis of time spent by key areas of audit work in the period from 1 June 2008 to 31 August 2008

Audit Area	Actual Days
Advice to Clients	9.25
Investigations x 13	103.75
Governance Audits x 1	1.25
Follow-up Work x 2	9.50
Certification Work x 3	27.00
Performance Indicator Audits x 14	34.25
Managed Audits x 9	48.50
IT Audits x 9	40.50
Contract/Partnership Audits x 7	21.50
Systems Audits x 10	70.50
Probity Audits x 2	38.25
Schools FMSiS x 21	51.50
Total	455.75

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Background papers:

List of appendices:

- Appendix 1 - Implications
- Appendix 2 - Internal Audit Output Summary 1 June to 31 August 2008
- Appendix 3 - Opinion & Issues/Recommendations Made and Accepted in Jobs Finalised during the period 1 June 2008 to 31 August 2008
- Appendix 4 - Summary of Audit reports issued between 1 June 2008 to 31 August 2008

IMPLICATIONS

Financial

1. None directly arising.

Legal

2. Under the Accounts and Audit Regulations 2003, the Council is required to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

Internal Audit Output Summary – 2008/9 Audit Reviews

August		Regeneration & Community	Children & Young People	Resources	Environmental Services	Corporate & Adult Services	External Bodies	Total
Not Allocated		1	1	9		1	10	22
Allocated but not yet started	0%-10%		33	5		1		39
Started - Fieldwork commenced	0%-80%	4	7	13	5	3	2	34
Awaiting Review - Fieldwork complete file submitted for review	80%							
Reviewed but draft report not yet issued	90%	1			1			2
Draft Report issued but final report not issued	95%	1	14	5		2	2	24
Final Report issued	100%	4	20	11	3	3	8	49
Complete Job finalised but no formal report with recommendations issued	100%	7	1	3	3	2		16
	Total	18	76	46	12	12	22	186
Removed from Plan	0%		1					1

Opinion & Issues/Recommendations Made and Accepted in Jobs Finalised during the period 1 April 2008 to 31 May 2008

Job Name	Overall control rating	Issues Raised / Recommendations Made			Issues Accepted		
		Funda-mental	Signif-icant	Merits Attention	Funda-mental	Signif-icant	Merits Attention
Regeneration & Community							
Contract Partnership: IRRIMS	Satisfactory	0	1	3	0	1	3
Highways Maintenance Term Contract - Partnership	Satisfactory	0	0	0	0	0	0
LPSA2 Target 8 Violent Crime	Good	0	0	0	0	0	0
LPSA2 Target 4 Domestic Violence	Good	0	0	0	0	0	0
Highways Maintenance Term Contract - Overspend 2007-8	N/A	0	0	0	0	0	0
Cathedral Green - Statement of Grant Usage 2007-8	Good	0	0	0	0	0	0
Children & Young People							
BVPI 43a & 43b - Statement of Special Educational Needs	Good	0	0	2	0	0	2
LPSA 2 Target 6 - Social & Leisure Opportunities for Disabled C&YP	Marginal	0	3	3	0	3	3
Austin-Sunnyhill Sure Start - Follow-up	Good	0	0	3	0	0	3
Resources							
BVPI 8 - Invoice Payments	Good	0	0	1	0	0	1
LPSA 2 Target 12 - Smoking Cessation	Good	0	1	3	0	1	3
Payroll 2006-7	Good	0	0	10	0	0	10
Debtors 2007-8	Satisfactory	0	3	3	0	3	3
Employment Status for Tax and NICs	Good	0	0	1	0	0	1
Wireless Network	Satisfactory	0	3	7	0	3	7
e-Procurement - e-Tendering	Good	0	0	4	0	0	4
LAA Statement of Grant Usage Certification 2007-8	Satisfactory	0	0	0	0	0	0
Environmental Services							
LPSA 2 Target 7 - Young People Physical Activity	Satisfactory	0	0	1	0	0	1
Corporate & Adult Services							
BVPI 174 & 175 - Racial Incidents	Good	0	1	4	0	1	4
BVPI 12 - Working Days Lost through Sickness	Good	0	0	2	0	0	2
LPSA2 Target 10 Reduce Homelessness 2008-9	Good	0	0	2	0	0	2
Supporting People - Statement of Grant Usage 2007-8	Marginal	0	0	0	0	0	0
Total Recommendations Made – Final reports		0	12	49	0	12	49

Table does not include 8 investigation audits, the 2 audits finalised in respect of Internal Audit's external contracts or the 9 FMSiS external assessments where the primary schools achieved the Standard.

Summary of Audits Finalised during period 1 April 2008 to 31 May 2008 (Excluding Investigations)

Introduction

The main findings in final audit reports issued are summarised below. It should be noted that this summary comments on key weaknesses found, as this is the focus of the recommendations. The full audit reports give a more rounded picture of the overall control environment, and to appreciate this broader picture, members should also take note of the overall control rating and the controls that were tested and found to be adequate.

Regeneration & Community

Contract Partnership: Inner Ring Road Integrated Maintenance Scheme (IRRIMS)

Overall control rating: Satisfactory

This audit considered issues around the contract and project monitoring arrangements to determine how the unauthorised overspend had occurred with a view to addressing any control weaknesses to prevent any further overspends.

The main issues were considered to be that:

- The IRRIMS bid that was submitted to the Department for Transport was prepared in a very short timescale and was not subject to adequate scrutiny and checking processes. Consequently, errors and inaccurate estimates were included. Many of the inaccurate estimated costs of the scheme were as a result of the lack of time to produce detailed and accurate designs.
- A dedicated IRRIMS Board meeting did not take place for a period of almost 12 months during a crucial period of the life of the scheme. During this period the Board's responsibility for overseeing the project was passed to the Senior Management Team of the Highways, Transport and Waste Management Division, HATS, which are attended by the Assistant Director and the Heads of Service within the Division and are generally held on a fortnightly basis. However, during this period the Project Manager did not attend on a regular basis and therefore the opportunity to regularly question the Project Manager regarding the progress of the scheme was lost.

All 4 of the control issues raised within this report were accepted and positive action was agreed to be taken to address all issues. Positive action had already been taken in respect of 2 of the recommendations, action on the remaining 2 was agreed to be taken by Autumn 2008 and March 2009.

Highways Maintenance Term Contract - Partnership

Overall control rating: Satisfactory

The audit review sought to check controls in place that ensure that agreed governance arrangements were being adhered to, payment options were being applied correctly and payments were being properly authorised, works orders were valid and properly authorised and financial and operational performance was reported and monitored regularly.

There was evidence of the proposed framework for managing delivery of the service and assurances were received from management that the monitoring structures put in place were operating satisfactorily.

Minutes of monthly meetings held by the Partnership Board, to discuss financial and operational aspects of performance were available for review. It was noted that discussions were held around the possibility of costs exceeding the forecast expenditure for 2007/08.

At the time of the audit, there was no available performance information on which to assess performance and base the contractor's charge for overheads. This issue was highlighted by the Partnership Board, who set a target date for provision of the data by the contractor.

In relation to works management and monitoring, a review of a sample of works orders and payments highlighted nothing unusual. The Contracts Manager was not able to confirm that the officers raising and authorising the various values of works orders had been formally approved to do so.

However, a budget overspend was identified in the area, which cast doubts as to the robustness of the works and budget monitoring system. Accordingly, we planned to undertake further work to establish the adequacy of controls in the area (see below)

Highways Maintenance Term Contract - Overspend 2007-8

Overall control rating: N/A

An unexpected overspend of just over £500,000 was identified within the Highways division 8 months into the contract, of which £311,000 was attributed to this Term contract. Accordingly, the Corporate Director – Resources requested that Internal Audit look into this matter.

Our review was intended to cover the following:

- To establish the causes/ reasons for the overspend with a view to strengthening control weaknesses that allowed it to happen
- To work with relevant managers to design a reporting framework that will alert managers earlier, where spend was diverging from plan, to enable prompt corrective action.

In the event, the Assistant Director, Highways and Transport commissioned her own investigation into the matter and she produced a comprehensive briefing note for officers prior to the Council Cabinet meeting on 29 July 2008. The findings and proposed actions detailed in this briefing note addressed all of the objectives of the proposed Audit review.

In consultation with the Corporate Director – Resources it was agreed that the proposed audit review was no longer necessary. Both Internal Audit and the Corporate Director – Resources were satisfied with the veracity of the Assistant Director, Highways and Transport investigation and the actions proposed to rectify the situation.

LPSA2 Target 8 Violent Crime

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. LPSA 2 Target 8 'The number of violent crimes recorded in Derby city centre, measured by Police recorded crime' was included in the sample of performance indicators selected for review during 2008/09.

All 17 key controls evaluated in this audit were considered to provide adequate control and therefore no recommendations or control improvements were made.

LPSA2 Target 4 Domestic Violence

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. LPSA 2 Target 4, Part One, the 'Number of recorded incidents of domestic abuse as per the ACPO definition using Police Calls For Service: SE1 – domestic incident between adults occurring in a public or private place' and, Part Two, 'The percentage of recorded domestic violence that are repeat incidents in the previous 12 months' were included in the sample of performance indicators selected for review during 2008/09.

All 17 key controls evaluated in this audit were considered to provide adequate control and therefore no recommendations or control improvements were made.

Cathedral Green - Statement of Grant Usage 2007-8

Overall control rating: Good

We were asked to conduct an audit of the statement of grant usage for the New Growth Points Grant (Cathedral Green) made available by Communities and Local Government. The New Growth Points initiative is designed to provide support to local communities who want to pursue large scale and sustainable growth outside of the Growth Areas, including new housing, through a partnership with Government. Funding was applied for in 2004 and in 2007 CLG awarded £3,045,835 to construct a bridge and improve the landscape of the surrounding area linking the two sides of the river. Funding conditions meant that the project had to be complete by March 2008.

We checked that the expenditure incurred on the bridge design, marketing and construction agreed with the invoices retained by the financial system was eligible as per the scheme's guidance and the returns were accurate and complete before being submitted to CLG. We also examined the OJEU tender process undertaken and the contract in place.

We found that part of the original funding was withdrawn because the project overran due to a number of disputes between the developers and the electricity company over the location of cables and sub-stations. It was understood that the shortfall was to be made up by transferring other sources of Council funding. The disputes involving delay charges (forced by the Council) and a project extension fee (charged by the contractor) were still ongoing.

Children & Young People

BVPI 43a & 43b - Statement of Special Educational Needs

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. BVPI 43a & 43b on Statements of Special Educational Needs were included in the sample of performance indicators selected for review during 2007/08.

The points arising from the review were:

- It was not evident from the Citizen's Charter Report that the performance figures had been checked prior to them being posted on Performance Eye.

- It was not evident from the Citizen's Charter Detail Reports that checks had been conducted of the accuracy of data held in the Tribal SEN system.

Both of the control issues raised with this audit were accepted and positive action was agreed to be taken to address both issues by June 2008.

LPSA 2 Target 6 - Social & Leisure Opportunities for Disabled C&YP

Overall control rating: Marginal

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. 1.1.3LPSA 2 Target 6 'Number of occasions on which disabled children and young people access community based social and leisure opportunities with significant help from the City Council and Partners' was included in the sample of performance indicators selected for review.

The following issues were considered to be the key control weaknesses:

- Records maintained by the Head of Service at the Light House did not validate performance figures reported on Performance Eye.
- Performance data collected from the partnership agencies was not being accurately recorded on the LPSA Performance Spreadsheet and formula were found to be incorrect.
- The Light House was recording no-show visits as actually taking place and counting sessions that lasted longer than 4 hours as 2 visits when each session should last a minimum of 3 hours.

All 6 of the control issues raised within this report were accepted and positive action was agreed to be taken to address all issues. Positive action in respect of all 6 recommendations was to be completed by the end of August 2008.

Austin-Sunnyhill Sure Start - Follow-up

Overall control rating: Good

An audit of this subject was originally undertaken in November 2006. A number of control weaknesses were identified at the time of the audit and these matters were discussed with the Programme Manager in an exit meeting. Unfortunately, we were unable to formalise these matters in an Audit report in a timely fashion. Accordingly, a decision was taken to undertake a formal follow-up audit of this area in the 1st quarter of the 2008-9 Audit Plan. This report identifies any control weaknesses that were still present when the follow-up audit was undertaken.

The following issues were considered to be the key control weaknesses:

- Checks to ensure that all income received was being paid in to the Council's bank account were not being undertaken by an officer who was independent of the collection and banking process.
- The same officer who was maintaining the inventory was also undertaking the annual inventory checks. Also, electrical items were not being security marked.

- Stock records were incomplete and not all relevant documents were being retained. Regular physical checks of stock were not being undertaken by an officer who was not also responsible for the custody and control of stock.

All of the control issues raised within this report were accepted and positive action was agreed to be taken to address the 3 recommendations by October 2008.

Resources

BVPI 8 - Invoice Payments

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. BVPI 8 – 'The Percentage of Undisputed Invoices Paid on Time' was included in the sample of performance indicators selected for review during 2007/08.

The following issue was considered to be the key control weakness:

- There were no procedures documenting the methodology for calculating the performance figure.

This control issue was accepted and positive action was agreed to be taken to address the recommendation by June 2008.

LPSA 2 Target 12 - Smoking Cessation

Overall control rating: Good

Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. LPSA 2 Target 12 'The number of people accessing a smoking cessation service in Derby who are confirmed to have quit at the four week stage and confirm they have remained non-smokers at the 52 week stage' was included in the sample of performance indicators selected for review.

The following issue was considered to be the key control weakness:

- Performance reports were not being retained to evidence performance figures reported on Performance Eye.

All 4 of the control issues raised within this report were accepted and positive action had already been taken to address all issues.

Payroll 2006-7

Overall control rating: Good

This audit focused on the controls in place within the Transactional Service Centre (TSC) to process payments to employees.

The following issue was considered to be the key control weakness:

- The Payroll Manager has taken advance cash payments to employees' banks to make deposits on their behalf exposing her to the risk of theft and violence.

All 5 of the control issues raised within this report were accepted and positive action was agreed to be taken to address all issues. Positive action had already been taken in respect of 2 recommendations, action on 2 was agreed to be taken by the end of June 2008. The implementation of the remaining significant recommendation was dependent upon the progress of the implementation of the new payroll system.

Debtors 2007-8

Overall control rating: Satisfactory

This audit focused on the controls and processes of the Central Sundry Debtors function.

The following issues were considered to be the key control weaknesses:

- The Accounts Receivable (AR) module had not been configured to enforce a segregation of duties which ensured that the person who raised the original invoice was unable to raise a credit note against that invoice.
- A report of all transfers was not being used to by the Head of External Payments to monitor activity.
- Periodic statements were not being sent to appropriate debtors to allow them to confirm the transactions and balances on their accounts.

All of the control issues raised within this report have been accepted and positive action has been agreed to be taken to address the 3 recommendations that merit attention by August 2008. The significant recommendations recounted above will be taken to the Oracle Project Board in September 2008 where a solution will be sought. The target date for the recommendation regarding transfers was December 2008 and March 2009 for the recommendation regarding periodic statements.

Employment Status for Tax and NICs

Overall control rating: Good

In 2006, the Council was fined heavily by the HM Revenue and Customs (HMRC). They identified a number of cases where the Council had made payments directly to the self employed persons but the HMRC considered that they were employees and should have been paid through our paybill. This audit reviewed the arrangements in place for the confirmation of employment status for self employed people.

The following issue was considered to be the key control weakness:

- Supplier accounts were brought forward from CODAS into Oracle without confirmation that the self employed status still applied.

This control issue was accepted and positive action was agreed to be taken to address the recommendation by June 2008.

Wireless Network

Overall control rating: Satisfactory

This audit focused on current capabilities of the Council's wireless technology.

The following issues were considered to be the key control weaknesses:

- The Council could not ensure that the procurement of all mobile / wireless IT equipment adhered to appropriate security standards, which protects data held on the Council's wireless network.

- The current IT Service Provider was performing security assessments to identify access points that had been installed without the knowledge and approval of the network administrators on an ad-hoc basis as chargeable project work.
- The Council's policies and guidelines did not currently advise users on the appropriate storage and maintenance of personal / sensitive data on mobile / wireless devices.

All of the control issues within this report were accepted and positive action was agreed to be taken to address the 7 recommendations that merit attention by April 2009. The 3 significant recommendations recounted above, were to be addressed by December 2008.

e-Procurement - e-Tendering

Overall control rating: Good

This audit focused on the current security configurations within the E-Procurement and E-Tendering systems.

The following issues were considered to be the key control weaknesses:

- Neither system displayed "terms of acceptable use" policy message during the login process for users to agree to before entering each system.
- The process for closing the accounts of users who had left the Council's employment was not always effective.
- An audit and accountability framework had not been determined and documented for either system. Accordingly, the monitoring of unusual or inappropriate activity on each system was ad-hoc.

All of the control issues within this report were accepted and positive action was agreed to be taken to address all 3 recommendations that merit attention by September 2008.

LAA Statement of Grant Usage Certification 2007-8

Overall control rating: Satisfactory

The purpose of this audit was to obtain reasonable assurance that the Statement of Grant Usage (SOGU), in all material respects, fairly presented the eligible expenditure in the period 1 April 2007 to 31 March 2008 in accordance with the Grant Determination. The Corporate Director - Resources must receive this assurance from the Head of Audit & Risk Management before he can certify the SOGU.

For 2007/08 the grant was unringfenced for all revenue allocations except for Sure Start and Children's Fund. The 2007/08 audit concentrated on the ringfenced elements and capital, as these were the elements that Audit was required to give assurance on. Internal Audit examined the entries in the claim and the related records and carried out such tests as necessary to ensure that the entries in the SOGU were fairly stated.

There were no significant issues or recommendations arising from this audit and we concluded that reasonable assurance could be given to the Corporate Director - Resources in respect of the SOGU.

Environmental Services

LPSA 2 Target 7 - Young People Physical Activity

Overall control rating: Satisfactory

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. LPSA 2 Target 7 on 'the number of young people in years 4, 8 and 10 participating in at least 7 hours of moderate intensity sport and physical activity each week, expressed as a % of all children and young people in these school years' was included in the sample of performance indicators selected for review during 2007/08.

The following issue was considered to be the key control weakness:

- The partnership agreement in place between the Council and the Carnegie Research Institute had not been signed and dated by either party.

This control issue was accepted and positive action was agreed to be taken to address the recommendation by September 2008.

Corporate & Adult Services

BVPI 174 & 175 - Racial Incidents

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. BVPI 174 'Racial incidents recorded' and BVPI 175 'Racial incidents resulting in further action' were included in the sample of performance indicators selected for review.

The following issue was considered to be the key control weakness:

- Performance data from Children and Young Peoples Services was recorded and reported in academic years. Therefore, performance reported in the 2006/07 financial year was actually the 2005/06 academic year.

All 5 of the control issues raised within this report were accepted and positive action was taken to address all issues.

BVPI 12 - Working Days Lost through Sickness

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality. Internal Audit's review of the accuracy and completeness of performance information forms part of these arrangements. BVPI 12 on Working Days Lost Due to Sickness Absence was included in the sample of performance indicators selected for review during 2007/08.

The following issues were considered to be the key control weaknesses:

- It was not evident from the performance reports, retained by the Accountable Officer, that the performance figures had been checked.

- There were no procedures documenting the methodology for calculating the performance figure.

Both of the control issues raised within this memo were accepted and positive action was agreed to be taken to address both of these issues by September 2008.

LPSA2 Target 10 Reduce Homelessness 2008-9

Overall control rating: Good

The Audit Commission Key Lines of Enquiry (KLOE) for Data Quality require Council's to have in place effective arrangements for the monitoring and review of data quality.

BVPI 183 a "Length of stay in temporary accommodation (Bed and Breakfast)", BVPI 203 "The percentage change in the average number of families placed in temporary accommodation", BVPI 213 "Housing Advice Service: preventing homelessness" and LPSA 2 Target 10 "The number of eligible, unintentionally homeless and in priority need, acceptances" were reviewed during 2006/07 and 7 recommendations were made, 2 were considered significant and 5 were considered to merit attention. We conducted a follow-up of this audit to establish the current implementation status of these recommendations.

Actions had been taken in order to address all 7 recommendations and 5 were considered to provide adequate control. 2 recommendations contained the following minor weaknesses:

- No records had been maintained to evidence which files had been audited by the Senior Housing Advisors.
- Checks had not been undertaken to confirm that file data had been correctly entered onto the Abritas system.

The control issues raised within this follow-up audit were accepted and positive action was agreed to be taken to address these issues by September 2008.

Supporting People - Statement of Grant Usage 2007-8

Overall control rating: Marginal

The purpose of this audit was to obtain reasonable assurance that the Statement of Grant Usage (SOGU), in all material respects, was fairly stated in accordance with the grant terms and conditions for the period 1 April 2007 to 31 March 2008.

The audit concentrated on the examination of the records which supported the SOGU and ensuring that financial controls existed to provide adequate records of expenditure funded and income generated by this grant.

Initially the supporting information provided did not substantiate the grant claim and further analysis was requested. The initial claim was also found to include entries that related to prior years, which were not eligible. The claim was amended for income and expenditure relating to prior years and the additional information required was provided.

We concluded that reasonable assurance could be given to the Corporate Director - Resources in respect of the amended SOGU.