Subject:	**QUARTERLY INTERNAL AUDIT UPDATE REPORT**
Meeting and Date:	**Governance Committee – 20 June 2013**
Report of:	**Christine Parker – Head of Audit Partnership**
Classification:	**Unrestricted**
Purpose of the report:	This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st March 2013
Recommendation:	That Members note the update report.

1.   **Summary**

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting.

Introduction and Background

2.1   For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed. Attached as Appendix 1 to the EKAP report is a summary of the Action Plans agreed in respect of the reviews covered during the period.

2.2   Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.

2.3   An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.

2.4   Those services with either Limited or No Assurance are monitored, and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Appendix 2 to the EKAP report.

2.5   The purpose of the Council's Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

2.6   To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal

audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

SUMMARY OF WORK

2.7   There have been twelve Internal Audit reports that have been completed during the period. Three reviews were classified as providing Substantial Assurance, six as Reasonable assurance and two concluded Limited assurance. The remaining piece of work was of a nature for which an assurance level is not applicable i.e. quarterly housing benefit claim testing. Summaries of the report findings and the recommendations made are detailed within Annex 1 to this report.

2.8   In addition three follow-up reviews have been completed during the period, which ares detailed in section 3 of the quarterly update report.

3   **Resource Implications**

3.1   There are no additional financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2012/13 and 2013-14 revenue budgets.

Appendices

Appendix 1 – Internal Audit update report from the Head of the East Kent Audit Partnership.

Background Papers

- Internal Audit Annual Plan 2012-13 - Previously presented to and approved at the 27th March 2012 Governance Committee meeting.
- Internal Audit Annual Plan 2013-14 - Previously presented to and approved at the 14th March 2012 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership

INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP.

1.   INTRODUCTION AND BACKGROUND

1.1   This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st March 2013.

2.   SUMMARY OF REPORTS:

	Service / Topic	Assurance level
2.1	Port Health	Substantial
2.2	Environmental Protection Service Requests	Substantial
2.3	EK Services – Housing Benefit Payments	Substantial
2.4	EK Services – Housing Benefit Admin. & Assessment	Reasonable
2.5	Housing Allocations	Reasonable
2.6	Officer Code of Conduct and Counter Fraud Arrangements	Reasonable
2.7	Licensing	Reasonable
2.8	Payroll	Reasonable
2.9	Recruitment and Induction	Reasonable
2.10	EK Services – ICT Software Licensing	Limited
2.11	Absence Management (Sickness, Annual and Flexi Leave)	Limited
2.12	EK Services – Housing Benefit Quarterly Testing (Qtr 4 of 2012-13)	Not Applicable

2.1   Port Health – Substantial Assurance:

2.1.1   Audit Scope

The aim is to protect and promote the public health of the people of the district and the nation as a whole by broadening access to food that is safe and wholesome to eat and through the control and prevention of infectious disease, reported cases of food poisoning and food borne illness. We achieve this through the provision of advice, support, training and consultation on food safety and infectious disease control issues both to the commercial and voluntary sector, whilst ensuring a competent, comprehensive and consistent approach towards the enforcement of domestic and European legislation.

2.1.2   Summary of Findings

All of the controls and processes in place for Port Health are working well and the expected controls are effective. Positive action is taken to control risk.
The Dover Port Health Authority Order 1978 designated the Port of Dover in the County of Kent as a Port Health district and Dover District Council (DDC) as the Port Health Authority (PHA) for that district.

As the Port Health Authority Dover District Council is responsible for monitoring the safety of imported food not of animal origin at the point of import, as well as infectious disease control, ship inspections, food safety and hygiene standards and general public health within the Port District. The Channel Tunnel is also located within the district and import controls and checks are also the responsibility of the Council.

The Food Standards Agency provide support if needed on Import Controls and have produced a basic manual to assist Port Health Authorities. In addition the Association of Port Health Authorities (APHA) have produced guidance on Ship Inspections which is also available to the Authority.. All controls are carried out as prescribed by legislation and in accordance with in house procedures and national guidance documents.

Significant work has been undertaken by the Public Protection Team Leader to ensure that there are effective controls and procedures in place regarding Port Health for the district.

2.2   Environmental Protection Service Requests – Substantial Assurance:

2.2.1   Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council has an effective system of controls and procedures for investigating and responding to environmental protection complaints in the following areas:

1. Dust;
2. Smoke;
3. Odour;
4. Fumes;
5. Animals;
6. Noise;
7. Accumulations ;
8. Filthy and verminous premises ;
9. Drainage ; and
10. Fly tipping.

2.2.2   Summary of Findings

The processes in place to deal with environmental protection complaints are working very well. The Council takes pro-active steps to try and address issues that impact on the public without the need of issuing simple cautions, prosecutions or seizing equipment. However if these steps fail then the Council does and has successfully proceeded to carrying out formal intervention.

2.3 EK Services Housing Benefit Payments – Substantial Assurance:

2.3.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the payments of Housing Benefit.

2.3.2 Summary of Findings

Established payment processes are in place at each of the authorities that ensure that benefit payments are processed in a timely manner and that the appropriate financial systems are credited with the relevant information.

2.4 EK Services Housing Benefit Admin. & Assessment – Reasonable Assurance:

2.4.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the administration & assessment of Housing Benefit claims.

2.4.2 Summary of Findings

The Housing Benefit and new Council Tax Reduction administration and assessment process is operating well with most of the expected controls in place and working effectively. Since April 2011 EK Services have delivered savings to each authority and the reported quality of the service provided has not suffered as a consequence.

During the extensive testing of claims for each Council, it was clear that there was a training need relating to the start dates for new claims, which needs to be addressed. It was also found that a few errors had gone undetected which had previously been subject to quality testing. Despite this it was clear that the knowledge held by members of the Quality Team was extremely good and reliable. Therefore a number of simple measures have been suggested to help improve the quality of assessment and build on the reliability and robustness of the quality testing process. The testing also highlighted the need for consistency in relation to what identification is considered acceptable and what level of identification verification from the DWP should be relied upon when assessing a new claim.

EK Services provide Payment Officers and Customer Services Officers with a large number of useful tools to help Payment Officers assess claims accurately and in compliance with Housing Benefit regulations. These tools are stored electronically in various different places and efforts should be made to try and adopt a consistent approach to the access and filing of some of these tools. Once this has been completed officers should be encouraged to use them. It was noted that some Payment Officers who were responsible for making some of the errors detected during the audit were not using the tools available to them. Management have started to review the suitability and accessibility of these tools. Once this exercise has been completed those Payment Officers who are identified in future, as having a training

need should be encouraged to use the tools to assist with their assessment accuracy.

The management information available on the performance and productivity of its Payment Officers is considerably well documented across all three sites. The 'one and done' ethic which is widely promoted by EK Services to encourage staff to obtain all information as efficiently as possible was also clear to see during the audit. The service looks to be adapting well to the April 2013 changes, following the introduction of the benefit reforms. Going forward the effects of these changes will need to be monitored closely as the service evolves and adapts to the significant challenges, which lay ahead.

2.5 Housing Allocations – Reasonable Assurance:

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that housing property is allocated efficiently and effectively to qualifying tenants in accordance with Council policy and procedures and offers choice to prospective tenants through the allocations process in accordance with prevailing legislation.

2.5.2 Summary of Findings

The Housing Allocations process is generally working well and most of the expected controls are effective following the recent change to using the Locator system for processing housing applications and verifying shortlists. In addition consideration could be given to requesting references from private landlords in the same way as they are requested from Housing Associations and other local authorities to ensure that a consistent approach is applied across the whole of the rented market.

Housing Allocation staff are required, from time to time, to undertake home visits to interview applicants. There is however a concern that staff could be at risk by not having access to information concerning any special issues concerning individuals as they do not have access to this register. The Housing Options Manager is waiting for a response from EKHR as they are responsible for sorting out the access rights for the register for the Housing Options staff. Once access has been sorted out then the officers have been reminded that they should access the register before carrying out home visits.

2.6 Officer Code of Conduct & Counter Fraud Arrangements – Reasonable Assurance:

2.6.1 Audit Scope

To provide assurance that the key controls and operating procedures surrounding officer compliance with the Code of Conduct and Statement on the Prevention of Fraud & Corruption are found to be operative throughout the year and that the business objectives were met.

2.6.2 Summary of Findings

The Council's Counter Fraud and Corruption and Counter Bribery policies are appropriate and up to date and are available to staff via the intranet. The Officers'

Code of Conduct was approved in 2004 and needs to be reviewed and updated and to reflect recent trends such as the use of social media. The Council has recently started using net consent to ensure staff are aware of, and have seen, the policies, and that a record of this is maintained. In view of the importance of good governance, and the potential liability to the Council if it has not taken adequate steps to prevent its officers, Members and agents from acting improperly, the situation would be further strengthened if the Council:

- Reviewed and updated its Officers' Code of Conduct;
- Used net consent and induction training to ensure staff are aware of all of these policies including an updated Officers' Code of Conduct;
- Ensured that the Council's Counter Fraud and Corruption and Counter Bribery policies are easily available to the public, suppliers and contractors on the Councils internet; and
- Ensured that relevant clauses are included in all contracts.

2.7   Licensing – Reasonable Assurance:

2.7.1   Audit Scope

To ensure that licences are issued correctly to applicants who qualify for the various licensing categories, that the information is recorded accurately and the income receivable by the Council is collected correctly and on a timely basis in line with the procedures laid down.

2.7.2   Summary of Findings

The Licensing Team have been proactive in reviewing and improving procedures to maintain an appropriate level of internal control whist delivering a legislative compliant service. Looking forward the majority of expected controls are in place or have been included in a management action plan to improve the service between 2012-2015.

Identified improvements to the service which are being addressed include future fees and charges to be set based on the actual cost of providing the service; and random sample checks of licences issued to ensure that legislation and procedures are correctly applied.

2.8   Payroll – Reasonable Assurance:

2.8.1   Audit Scope

To provide an effective, efficient and economical shared service to the three partner Councils covering Officers and Members, whilst ensuring that all the necessary statutory requirements for the administration of the payroll service, such as income tax and national insurance are adhered too.

2.8.2   Summary of Findings

The Payroll process is generally working accurately, but at each of the authorities there are inconsistencies regarding how much payroll processing and checking is being carried out, in addition to the role being carried out by EKHRP each month. The payroll processing and checking at the authorities was set up as a short term

action whilst the new payroll process was implemented. However it is still required following the delay of any further system development.

2.9 Recruitment and Induction – Reasonable Assurance:

2.9.1 Audit Scope

To provide assurance in respect of the internal controls and procedures for the screening of potential new employees in order to limit or avoid the possibility of employing unsuitable individuals, and also to ensure that the successful applicant has the correct aptitudes for the job and are effectively recruited and inducted into the organisation.

2.9.2 Summary of Findings

The Recruitment and Induction process is generally working well and most of the expected controls are effective. The process has recently been revised and the new toolkit has led to a culture change for managers which will need time to embed into each organisation. Presentations have been made to the managers' forums at each authority apart from Canterbury City Council where this is still to be arranged. In addition various communication channels have been utilised to get the new toolkit message out to managers.

The Recruitment and Selection Policy and Procedure states that at least one member of the selection panel must have received formal interviewing training. EKHR have confirmed that when a manager is setting up a panel to carry out interviews that they are ensuring that at least one member of the panel has carried out interviews before or has completed some form of interview training. However there is also a need to ensure that any new managers are suitably trained prior to carrying out any recruitment.

As part of the audit a sample of personnel files were reviewed to ensure that references had been obtained in accordance with policy and best practice. The results have identified that generally the recruitment checklist had not been completed correctly as the 'request references' action was not being signed off. Also copies of the references were not always on the files even though there may have been emails sent to the manager to confirm that the references had been received or alternatively the references may have gone directly to managers and copies not passed to EKHR for them to be placed on to the individual's personnel file. Overall it is better general house keeping of the files that needs to be put in place to ensure that each file consistently shows all the correct information.

2.10 EK Service Software Licensing – Limited Assurance:

2.10.1 Audit Scope

To ensure that the procedures and internal controls established by EK Services are sufficient to provide an effective, efficient, secure and economical ICT service to the three partner authorities of Canterbury CC, Dover DC and Thanet DC. An important aspect of this being software licensing of the ICT applications on behalf of the partners.

2.10.2 <u>Summary of Findings</u>

The Limited Assurance is primarily due to the fact that there is no single/comprehensive register of software currently in place, there are several registers, not all of which can claim to be complete or up to date. It should be noted that management are currently working towards a deadline of April 2014 to produce one centralised register of software licences, which is the date a number of Microsoft Licenses in use become unsupported. This will allow the service to reconcile the software licences owned by each council with the software licences actually in operation. This light touch review was the first audit of Software Licences since the responsibility for the service was transferred to EK Services in April 2011.

It should be noted that due to the wording set out in the Collaboration Agreement (paragraph 15) the exposure to legal challenges is borne entirely by Thanet District Council. The first risk is borne by all three councils and relates to the potential for poor value for money from under or oversubscription of software licences. The second and main risk bared by the host Council relates to financial penalties resulting from a possible legal challenge from either the Federation Against Software Theft (FAST) or from companies like Microsoft (amongst other software producing companies) that the councils use. The longer this reconciliation takes the bigger exposure to these two risks. This is going to be an extremely complicated task but all steps should be taken to ensure this reconciliation process is carried out by adequately trained member/s of staff as soon as possible. Since this audit was undertaken Microsoft have made contact with Canterbury City Council. They have requested information on its software licences and as a result Microsoft are now aware of the shared service arrangements, therefore the risk of Microsoft or other large vendor investigating the software licensing arrangements within the shared service has increased further.

Through discussion with the Technical Systems Manager it was identified that the programme (Track IT), which can be used to detect software installed on a council computer or laptop, was not working properly as it is unable to scan across the multiple domains that EK Services support. A functioning software detection system is critical to allow the service to carry out a reconciliation of installed software, which will be one of the first steps towards creating a reliable central register. Once this programme is ready to be used EK Services should consider how it to deal with the detection of unauthorised downloaded software, which will inevitably come to light as part of this reconciliation.

The EK Services Business Support Team is currently responsible for purchasing software and the IT Technicians are responsible for installing the software. There were instances where software had been purchased and installed but records were incomplete which makes reconciliation impossible. With the increasing availability of downloadable software it is key that working processes between the two departments and the responsibilities of the two departments are established and well documented. Once a reliable central register has been produced the Business Support Team should have the ability to access and amend the register at the point of any purchase of software, installation and de-installation. This will also enable the Business Support Team to identify unused licences and record new licences acquired on the new central register.

<u>Management Comment:</u>

EK Services recognise the importance of software licence control. Progress has been made on identifying an approach to asset and licence management by implementing

a single software system and processes to ensure that all partnership software licences are controlled and managed effectively.

Demonstrations of Software Asset Management (SAM) systems have been undertaken and EK Services are preparing to procure and implement. This new tool and process will enable the effective discovery of software installed on all partnership devices and provide a comprehensive management suite in line with vendor licensing models including Microsoft and Oracle.

The Canterbury Microsoft licencing review has reached a key milestone and it is now known what the effective licence position (ELP) is for Canterbury. EK Services are working with Microsoft to eliminate some of the perceived shortfalls.

EK Services have commissioned a licence audit for Oracle products in use across the partnership via a large account reseller audit service. This audit is in final draft report stage and outcomes will be reported back to partnership client officers. (Head of ICT – EK Services)

2.11   Absence Management – Limited Assurance:

2.11.1 Audit Scope

To provide the four s.151 officers with assurance that staff absences are valid and authorised by management either in advance or in the case of sickness immediately after the event. To ensure that staff resources are adequately controlled and managed.

2.11.2 Summary of Findings

Whilst not every authority functioned incorrectly in every area there was sufficient evidence to show that each would benefit from improved practices and procedures. Established working practices need to be rethought to ensure that the current policies are complied with, enhancing the efficiency of the services. Re-launching the policies and guidance and drawing the attention of staff to the modifications introduced would support and guide this action.

The audit looked at sickness absence monitoring, annual leave and flexitime recording across the four organisations for 2011/12; samples drawn from the workforce for each authority were based upon staffing information provided by EK Human Resources.

Sickness absence monitoring:

Line Managers have primary responsibility for recording instances of sickness and for implementing the universal Absence Management Policy in force at each authority. From the evidence available the initial recording of an individuals' sickness appears to be functioning as designed, albeit using different methods. It is the finer detail and the appreciation of why each element needs to be completed which gives some cause for concern.

The full follow up process was not being implemented for all staff within the sample tested leading to concern that all staff were not being treated equally. The return to work interview should be documented and evidence of the interview retained by both the line manager and EKHR; this was not always the case. Poor records could

influence adversely any disciplinary or supportive action planned for those with persistent sickness. Trigger points for further action, set out within the policy, had also been missed. The guidance notes, whilst easily available through EKHR links, would benefit from small modifications to improve staff understanding and to clarify the correct processes.

There were anomalies in the system of sickness management reports produced and this has been recognised by EKHR who have designed and had accepted a standard method for reporting on sickness to each authority. Line managers reported that it would be extremely beneficial to receive regular reports to help them monitor trigger points; this comment reinforces the findings mentioned above. The Absence Management Policy sets out three tiers of responsibility for receiving reports, line managers, senior managers and Members. The new agreed report has sufficient information for each of these groups, however, it is imperative that the report is appropriately disseminated to line managers and that senior managers fulfil their oversight role.

Annual leave:

Annual leave allowances were clearly defined and calculated correctly in the majority of instances, however, some errors were identified in the basic calculations and in the number of carry forward days from one year to the next. It was not clear from the policy documents available if TDC/EKS staff were allowed to carry any days forwards whereas for DDC and CCC this was a policy specification. The agreed brief stated that where errors had been found in a particular service that service should be fully checked and this is reflected in the recommendations. Annual leave authorisation and recording was well documented.

Flexi-leave:

The three councils have adopted a common flexi leave policy. The type of post to which the policy applied however was not widely understood and accordingly there is a risk that the policy is not being consistently applied to all staff. The recording methods used across the authorities were more numerous than anticipated (at one authority five different recording systems exist). Authorisation of flex periods should be done after the completion of each 4 weekly cycle, this was not always the case and some systems did not prevent amendment after authorisation; the DDC system locked down the time sheet once authorised. There were cases where staff had carried forwards more than the 15 hours allowed without sufficient explanation being provided. Many time sheets were not signed-off by line managers and there were examples of overtime being paid on a regular basis for hours that could not be carried forwards, in contravention of the policy. The use of a single simple system like that at DDC could help reassure management.

2.12 EK Services Housing Benefit Quarterly Testing (Quarter 4 of 2012-13):

2.12.1 Over the course of the 2012/13 financial year the East Kent Audit Partnership have been completing a sample check of council tax, rent allowance and rent rebate and Local Housing Allowance benefit claims to support the Audit Commission's verification work.

For the fourth quarter of 2012/13 financial year (January to March 2013) 20 claims including new and change of circumstances of each benefit type were selected by using Excel software to randomly select the various claims for verification.

In total 20 benefit claims were checked and of these none were found to have failed the criteria set by the former Audit Commission's verification guidelines (a 100% accuracy level), but two did contain minor data quality errors, however these do not affect either the amount payable to the claimant nor the Council's subsidy claim.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

3.1 As part of the period's work, three follow up reviews have been completed of areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

	Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
a)	Car Parking Income and PCN enforcement	Reasonable	Reasonable	H M L	5 1 0	H M L	0 0 0
b)	EK Services – Housing Benefit Fraud	Reasonable	Reasonable	H M L	0 2 0	H M L	0 0 0
c)	Members' Allowances and Expenses	Substantial	Substantial	H M L	0 1 1	H M L	0 1 0

3.2 Details of each of the individual high priority recommendations outstanding after follow-up are included at Appendix 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Governance Committee.

The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

4.0 WORK-IN-PROGRESS:

4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: ICT – Network Security, Housing Repairs and Maintenance, Disabled Facilities Grants, Dover Museum and VIC, Business Continuity and Emergency Planning, and Recruitment and Induction.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

5.1 The 2012-13 Audit plan was agreed by Members at the meeting of this Committee on 27th March 2012.

5.2   The Head of the Audit Partnership meets on a monthly basis with the Section 151 Officer to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes through these regular update reports. Minor amendments have been made to the plan during the course of the year as some high profile projects or high-risk areas have been requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Appendix 3.

6.0   FRAUD AND CORRUPTION:

6.1 There were no other new or recently reported instances of suspected fraud or irregularity that required either additional audit resources or which warranted a revision of the audit plan at this point in time.

<u>**Attachments**</u>

Annex 1   Summary of High priority recommendations outstanding after follow-up.
Annex 2   Summary of services with Limited / No Assurances
Annex 3   Assurance statements

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTADING OR IN PROGRESS AFTER FOLLOW-UP – ANNEX 1		
Original Recommendation	**Agreed Management Action , Responsibility and Target Date**	**Manager's Comment on Progress Towards Implementation.**
There are no recommendations to escalate at the present time		

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED				
Service	**Reported to Committee**	**Level of Assurance**	**Management Action**	**Follow-up Action Due**
Business Continuity	June 2011	Limited	On-going management action in progress to remedy the weaknesses identified.	Work in Progress
CSO Compliance	June 2012	Limited	On-going management action in progress to remedy the weaknesses identified.	As part of planned audit in 2013-14
VAT Compliance	March 2013	Reasonable/ Limited	On-going management action in progress to remedy the weaknesses identified.	Work in Progress
Data Protection Act Compliance	March 2013	Reasonable/ Limited	On-going management action in progress to remedy the weaknesses identified.	Work in Progress
EK Services – Software Licences	June 2013	Limited	On-going management action in progress to remedy the weaknesses identified.	Quarter 2 of 2013-14
Absence Management	June 2013	Limited	On-going management action in progress to remedy the weaknesses identified.	Quarter 2 of 2013-14

AUDIT ASSURANCE

Definition of Audit Assurance Statements

Substantial Assurance

From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

Reasonable Assurance

From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

Limited Assurance

From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

No Assurance

From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse.   The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.