

SUBJECT:	<b>Internal Audit: Status of Work</b>
MEETING:	<b>Audit Committee</b>
DATE OF MEETING:	<b>25<sup>th</sup> January 2010</b>
REPORT OF:	<b>Chief Internal Auditor (Acting)</b>
REPORT DATE:	<b>21 December 2009</b>

**1 Internal audit report opinion definitions:**

<b>Opinion</b>	<b>Framework of governance, risk management and management control</b>
Substantial assurance <b>[G]</b>	A sound framework in place that is operating effectively. Some immaterial evidence of inconsistent application.
Adequate Assurance <b>[A1]</b>	Basically a sound framework in place but with repeated evidence of inconsistent application.
Limited assurance <b>[A2]</b>	Critical weakness(es) identified within the framework or significant evidence of inconsistent application.
No assurance <b>[R]</b>	Fundamental weaknesses have been identified or the framework is ineffective or absent.
Closed <b>[X]</b>	Management has confirmed that all identified framework weaknesses have been appropriately addressed.

**2 Status of 'live' reports:**

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009		
Strategic Services Partnership	28/02/08	Executive Director of Resources	Resources	G	G	G	G	G	G	X	3 (1)	0
Payroll	17/03/08	Executive Director of Resources	Resources	G	G	G	G	G	G	X	6 (1)	0
School Admissions	17/03/08	Executive Director Children's Services and Learning	Children's Services and Learning	G	G	G	G	G	G	X	5 (2)	0
Fleet Transport	08/04/08	Executive Director of Environment	Environment	G	G	G	G	G	G	G	11 (0)	2 (0)
Licensing	16/04/08	Chief Executive	Legal and Democratic Services	A	G	G	G	G	G	G	13 (3)	1(0)
Parking: Off and On Street	16/04/08	Executive Director of Environment	Environment	G	G	G	G	G	G	G	15 (4)	1 (0)
Receipt Management and Banking	07/05/08	Executive Director of Resources	Resources	G	G	G	G	G	G	X	5 (0)	0
Internet and Email	16/05/08	Executive Director of Resources	Resources	A	A	A	A	A	A	G	10 (3)	2 (2)

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009		
Network Management	10/06/08	Executive Director of Resources	Resources		A	G	G	G	G	G	19 (0)	1 (0)
Across Schools Thematic Reviews – Security	16/06/08	Executive Director Children's Services and Learning	Children's Services and Learning		A	A	A	G	G	G	8 (4)	1 (0)
Code of Conduct and Disciplinary Rules	24/07/08	Executive Director of Resources	Resources		A	A	A	A	A	X	17 (13)	0
Affordable Housing	14/08/08	Executive Director of Neighbourhoods	Neighbourhoods		A	G	G	G	G	G	12 (4)	1 (0)
Workforce planning	04/09/08	Executive Director of Resources	Resources		G	G	G	G	G	G	8 (0)	1 (0)
Town Depot Stores	05/09/08	Executive Director of Neighbourhoods	Neighbourhoods			A	A	G	G	G	11 (3)	2 (0)
Itchen Bridge	16/09/08	Executive Director of Resources and Executive Director of Environment	Resources / Environment			A	G	G	G	G	4 (0)	1 (0)
Capital Programme and Major Projects	01/12/08	Executive Director of Resources	Cross-cutting			A	A	A	A	A2	7(0)	7(0)

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009		
VAT	19/12/08	Executive Director of Resources	Resources				G	G	G	G	4(0)	1(0)
Procurement	15/12/08	Executive Director of Resources	Resources				A	G	G	G	21(8)	1(1)
Section 106 Agreements	26/01/09	Executive Director of Environment.	Environment				R	R	A	A2	7(6)	1 (1)
Public Transport	04/02/09	Executive Director of Environment. Executive Director of Resources	Environment				A	G	G	G	5(2)	1(0)
Mental Health and Substance Misuse	23/03/09	Executive Director Communities Health and Care	Communities Health and Care					A	A	A2	6 (3)	5 (3)
Woodmill	26/03/09	Executive Director of Neighbourhoods and Executive Director of Resources	Neighbourhoods and Resources					R	A	G	9 (8)	1 (0)
Corporate Governance	07/04/09	Solicitor to the Council	Chief Executive					G	G	G	2 (0)	1 (0)
Customer Services	28/04/09	Executive Director of Resources	Resources					A	G	X	3 (1)	0

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009		
Private Sector Housing	12/05/09	Executive Director of Neighbourhoods	Neighbourhoods					A	A	X	19 (8)	0
Computer Installations & Operating Systems	14/05/09	Executive Director of Resources	Resources						A	A2	20 (6)	11 (5)
IS Security Management	14/05/09	Executive Director of Resources	Resources						A	G	13 (3)	4 (0)
Council Tax	14/05/09	Executive Director of Resources	Resources						G	G	6 (0)	1 (0)
Learning Futures Transformational Programme	14/05/09	Executive Director, Children's Services and Learning	Children Services and Learning						A	X	10 (10)	0
Payroll	19/05/09	Executive Director of Resources	Resources						G	G	1 (0)	1 (0)
Environmental Health	05/06/09	Executive Director of Environment	Environment						G	X	6 (0)	0
Registration Services	16/06/09	Executive Director of Environment	Environment						G	G	6 (0)	6 (0)
Development Control	19/06/09	Executive Director of Environment	Environment						G	G	1 (1)	1 (1)

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding	
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009			(of which are 'high' priority)
Sports and Recreation Venues	23/06/09	Executive Director of Neighbourhoods	Neighbourhoods							A	G	10 (7)	1 (1)
Children's Trust Arrangements for the Delivery of the Children and Young People's Plan	24/06/09	Executive Director, Children Services and Learning	Children Services and Learning							G	X	2 (0)	0
Leisure Venues Alternative Management Transformation Project	26/06/09	Executive Director of Neighbourhoods	Neighbourhoods							G	G	5 (2)	1 (0)
Debtors	30/06/09	Executive Director of Resources	Resources							G	G	5 (1)	3 (1)
Direct Payments – follow up	30/06/09	Executive Director of Health and Community Care	Health and Communities Care							G	G	1 (0)	1 (0)
Expense Management	30/06/09	Executive Director of Resources	Resources							A	G	13 (10)	1 (1)
Open Spaces and Street Cleansing	01/07/09	Executive Director of Neighbourhoods	Neighbourhoods							A	G	9 (2)	6 (1)

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding	
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009			(of which are 'high' priority)
School PFI Contract Management	03/07/09	Executive Director, Children Services and Learning	Children Services and Learning							A	A1	8 (1)	6 (1)
Contract Management	07/07/09	Executive Director of Resources	Resources							A	G	9 (1)	3 (1)
Corporate Complaints	17/07/09	Assistant Chief Executive (Strategy)	Chief Executive (Strategy)							G	X	5 (0)	0
Emergency Home Closures	28/07/09	Executive Director of Health and Community Care	Communities Health and Care							A	G	5 (1)	1 (0)
Youth Services	28/07/09	Executive Director, Children Services and Learning	Children Services and Learning							A	X	7 (6)	0
Supporting People	05/08/09	Executive Director of Health and Community Care	Health and Community Care							G	X	1 (0)	0
Economic Development (Major City Developments / North South Spine)	13/08/09	Assistant Chief Executive (Economic Development)	Chief Executive							G	X	11 (8)	0

Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009		
Transport Services Income Investigation	14/09/09	Executive Director of Resources	Resources							<b>R→A<sub>2</sub></b>	22 (22)	9 (9)
School Catering Services	17/09/09	Executive Director of Children Services and Learning	Children Services and Learning							<b>G</b>	5 (1)	4 (1)
School Grant Funding	29/09/09	Executive Director of Resources; Executive Director or Children, Services and Learning	Resources; Children Services and Learning							<b>G→X</b>	3 (1)	0
Building Control	12/10/09	Executive Director of Environment	Environment							<b>G→X</b>	7 (1)	0
Affordable Housing	13/11/09	Executive Director of Neighbourhoods	Neighbourhoods							<b>G</b>	3 (1)	3 (1)
CCTV Services	05/01/10	Executive Director of Neighbourhoods	Neighbourhoods							<b>G</b>	11 (2)	11 (2)
Workforce Strategy	07/01/10	Executive Director of Resources	Resources							<b>G</b>	5 (1)	5 (1)
Compliance with Health & Safety Legislation	07/01/10	Executive Director of Resources	Resources							<b>A<sub>1</sub></b>	12 (4)	12 (4)



Audit title	Report date	Audit Sponsor	Directorate	Opinion							Original actions	Actions outstanding
				May 2008	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Dec 2009		
Woodlands Community College	-	Executive Director or Children, Services and Learning	Children Services and Learning							R	25 (25)	

**3 Executive summaries of new reports published where critical weaknesses or unacceptable levels of risk were identified:**

<b>Audit title: Capital Programme and Major Projects (01/12/08)</b>
<b>Original published audit opinion:</b> Limited Assurance [A2]
<b>Current audit opinion:</b> Adequate Assurance [A1]
<p><b>Executive summary:</b></p> <p>Information on health and safety polices and procedures were appropriately cascaded to employees of the council. The policies and Safe Working Procedures (SWPs) were being reviewed and updated by the Corporate Health and Safety Advisor. All changes to the safe working procedures were subject to consultation with directorate health and safety co-ordinators. The programme status on the review of polices and procedures were not published on the intranet risking a lack of clarity with regard which policies have been updated and those in need of review.</p> <p>The Council undergoes an annual health and safety audit (a combination of full audits and newly introduced self audits). The response rate for the submission of the self audits was deemed to be poor when reported to the Corporate Health and Safety Committee. The health and safety</p>

audit plan was not risk based; consequently higher risk areas may not be subject to review.

Within the Strategic Services Partnership (SSP) specification, Capita has been commissioned to provide competent health and safety advice and assistance. The Health and Safety Key Performance Indicator (KPI) has only been monitored since July 2009; monitoring reports are not currently supported by adequate documentation to substantiate reported performance.

Sufficient guidance was available to managers to conduct appropriate health and safety risk assessments and opportunities were provided to all managers and risk assessors to attend training as appropriate

Two on-line approaches to health and safety training were available for Council employees. The first formed part of corporate induction provided by Human Resources and second was provided by the Health and Safety unit. Elements of the training material were duplicated which could cause confusion for managers and employees as to which training should be undertaken.

**Management actions and update since last report:**

An appropriate action plan has been agreed with management.

**4 Update on previously published reports where critical weaknesses or unacceptable levels of risk identified:**

**Audit title: Capital Programme and Major Projects (01/12/08)**

**Original published audit opinion:** Limited Assurance [**A2**]

**Current audit opinion:** Adequate Assurance [**A1**]

**Executive summary:**

Since 2007, the Council has introduced a new approach and framework for programme and project management and a significant investment has been made in providing project management training for key officers.

Capital/ Major Project Boards had been set up within each Directorate (except Resources) and met regularly. Although each had a Terms of

Reference there was no specified minimum requirement for their operation, meaning that there were inconsistencies in their operation and reporting frameworks. Due to the significant differences between the nature of Directorate/ Portfolio capital programmes and projects there needed to be some flexibility in the operation of the Boards, but corporate minimum requirements for all Directorates need to be specified to ensure the effectiveness of this key part of the governance framework?

There was a lack of prioritisation of resources dedicated to the programme/project monitoring processes which resulted in time being spent at Directorate Boards discussing matters of detail that could have been more appropriately covered outside of these meetings, had the officers involved had the time and opportunity available to do so. This in turn prevented the Board meetings from covering programme governance matters robustly and sufficiently or occasionally at all. In addition, some Board meetings had been presented with inadequate or no financial information due to conflicting demands on the time of Finance staff.

Six-monthly financial reports on the overall capital programme were presented to Chief Officers' Management Team, Cabinet and Council, but these did not include details of the progress/ delivery of the programme and individual schemes/ projects. There was no corporate coordination function for the Council, providing oversight, scrutiny and challenge across the Council's capital programme and major projects, therefore no means of ensuring that Directorate Boards were operating effectively and that the Directorate/Portfolio programmes and projects were being properly managed and delivered.

**Management actions and update since last report:**

The development of PM Connect is in its final stages with implementation to commence in August and be fully operational from April 2010.

The Executive Director of Resources has commissioned a fundamental review of project management which will address all management actions in response to audit observations. PM Connect is implemented in the Neighbourhoods Directorate who have 'early develop' status which also includes significant changes to monthly capital financial monitoring and the way this is reported corporately and through capital boards. The allows any lessons to be addressed prior to full roll out. The system will be fully operational from April 2010. A training programme has been developed alongside to ensure that staff and managers are trained regarding following the new Project Management governance, including specific training for Project Board members as well as Project Managers.

**High priority actions overdue:**

None

**Audit title: Section 106 agreements (26/01/09)**

**Original published audit opinion:** No Assurance [R]

**Current audit opinion:** Limited Assurance [A2]

**Executive summary:**

Formal debt recovery processes were not followed for the recovery of overdue section 106 contributions and therefore not reflected as a debtor in the Council's annual statement of accounts. At the time of the audit the value of overdue section 106 contributions was estimated at £2.3m in respect of Highways alone. Overdue contributions in respect of other key areas i.e. health, heritage, public realm, transportation, highways, Open Spaces and Affordable Housing had not been established.

There was a backlog of works within Highways and Transport relating to £2.7 million of contributions received, as at 30th June 2008. The Halcrow Group Limited (external consultant) were assessing the additional costs of carrying out agreed works to which contributions related. Of the contributions reviewed by Halcrow it had been assessed that additional financing of £862k would be required to complete the works.

Halcrow had also identified that approximately £885k was still held in relation to previously completed works (where the costs have not been allocated against the relevant contributions) and / or where works have been completed for less than the relevant contributions received. This money could not, however, be directly utilised to fund the 'shortfall' for other section 106 works in full. The Highways and Transport team was consulting with the Finance and Legal teams to identify an appropriate solution.

**Management actions and update since last report:**

The Debt Recovery process is now in place and Financial Accounts is to be used to chase developers for S106 contributions, once it is confirmed that the necessary staff in Development Control are trained to raise invoice requests through Agresso.

**High priority actions overdue:**

Practice of duplication of section 106 agreements on the Finance spreadsheet has been stopped. Development Control will review the old section 106 agreements to eliminate the duplicated applications (March 09)

**Audit title: Mental Health and Substance Misuse (23/03/09)**

**Original published audit opinion:** Limited Assurance [A2]

**Current audit opinion:** Limited Assurance [A2]

**Executive summary:**

Various boards and groups work together to oversee and collect evidence to ensure services are appropriately delivered. Details of the groups had yet to be fully documented or approved. Evidence of service performance delivery by the partners and stakeholders was not published in accordance with the terms of reference.

Extensions were awarded at the cessation of key contracts contravening the Councils Contract Procedure Rules. Until this is ratified assurance cannot be provided that appropriate service providers have been commissioned correctly to deliver service objectives.

**Management actions and update since report issued:**

None

**High priority actions overdue:**

Formal confirmation to be obtained from the Council's Legal Section to ratify contract requirements (Mar 09)

Annual report to be completed for year ending 2008/09 and future years by the lead agency i.e. Hampshire Partnership Trust (Oct 09)

A new Mental Health integrated contract to be completed to amalgamate service requirements (Mar 09)

**Audit title: Computer Installations & Operating Systems (14/05/09)**

**Original published audit opinion:** Limited Assurance [A]

**Current audit opinion:** Limited Assurance [A2]

**Executive summary:** InfraEnterprise is used by Capita for managing the change control process. This includes updating both Microsoft Windows and UNIX operating systems with appropriate patches and applying firmware updates.

Microsoft's Baseline Security Analyser was run against the network's domain controllers and identified missing security updates. PatchDiag was run against the operating systems for a number of the main applications and missing UNIX security patches were identified.

Documented procedures for patching Windows needed to be finalised. Procedures for patching UNIX and firmware updates needed to be developed.

The Council uses Microsoft Windows 2003 Active Directory to control its network and a number of the main applications including Social Care, Housing and Revenues and Benefits run on Sun Solaris. The Microsoft Windows Active Directory domain security policy was satisfactory, but the UNIX operating system retained default security settings.

**Management actions and update:**

The draft procedure for updating Microsoft servers has been finalised and issued.

The Joint Policy has been completed.

The list of non-expiring passwords has been reviewed.

Exceptions have been agreed by Capita and non expiration has been removed for those on the list.

A new page has been added to the intranet on informing Capita of leavers for their accounts to be closed.

Directorate business support managers have been asked to promote the starters and leavers policy to their management teams.

**High priority actions overdue:**

Confirmation must be sought from the suppliers of the PARIS and Revenues and Benefits systems that the operating systems have been hardened to comply with the UNIX Policy that will be developed jointly. (Sep 09)

Capita must install regular security patches to all UNIX servers to comply with the UNIX Policy that will be developed jointly. (Sep 09)

Capita need to force a password change for the UNIX operating system to comply with the UNIX Policy that will be developed jointly. (Sep 09)

The name check and history functions need to be enabled to comply with the UNIX Policy that will be developed jointly. (Sep 09)

Immediately disable all UNIX accounts for Capita staff who have left to comply with the UNIX Policy that will be developed jointly. (Sep 09)

**Audit title: Schools PFI Contract Management (03/07/09)**

**Original published audit opinion:** Limited Assurance [A2]

**Current audit opinion:** Adequate Assurance [A1]

**Executive summary:**

A governance framework was in place that met the requirements of the 'Concession Agreement', however 'terms of reference' were not evident for all the committees in place or had been reviewed recently. As such assurance could not be provided that each committee was fully aware and fulfilling its substantive role.

The Council did not maintain an Operational Contract Manual for the management of school PFI, consequently good practice may not be consistently followed during the life of the contract as the Council's contract management team changes.

No formal training on managing PFI contracts had been provided to Council staff, therefore a significant amount of trust and reliance is placed on the service provider in the provision of technical expertise.

The monthly KPI review meetings between the Authority, school and the contractor showed that performance of the contractors is discussed but there was no evidence from agendas or minutes to suggest that the "assessment of performance of the contractors management of the agreement" reports were reviewed within these meeting as detailed within "Schedule 4 - Performance Measurement System to Concession Agreement". Therefore, enforcement of the Concession Agreement may be more difficult in relation to other aspects if the contractor is not complying fully.

Interserve Pyramid Schools (Southampton), led on the most recent benchmarking exercise and collecting data for the Council for comparative purposes. The benchmarking process commenced 6 months prior to contract renewal as opposed to 9 to 24 months in line with good practice.

The results of an independent review of the benchmarking process conducted by Procurement have never been provided to the Infrastructure & Capital Projects Team, thus failing to comply with best practice guidance on "Benchmarking and Market Testing" in relation to capturing the

lesson learnt.

**Management actions and update:**

Authority representative attended the 4 Ps PFI Network Group

**High priority actions overdue:**

Further schools will be re-built under PFI as part of BSF Wave 6a. The Assets and Capital Strategy Manager will discuss with the Head of Infrastructure and Capital and BSF Project Director arrangements for bringing management of existing and new PFI contracts under the Building Schools for the Future Team (Sep 09)

N.B. To be implemented (Jan 10)

**Audit title: Contract Management (07/07/09)**

**Original published audit opinion:** Adequate Assurance [A1]

**Current audit opinion:** Adequate Assurance [A1]

**Executive summary:**

The Council's 'Contract Procedure Rules' were revised in May 2008 and provide a robust framework for procurement and contract management arrangements.

There remained a lack of awareness and understanding corporately with regard to the Council's Contract Procedure Rules. Observation highlighted omission in respect of appropriate contracts in place for services procured, the absence of appropriate monitoring arrangements and of the retention on contract registers.

There is a lack of awareness across the Council with regard legal and statutory responsibilities in accordance with the Contract Procedure Rules in respect of the management of procured contracts.

Inconsistencies were highlighted in the management of contracts to ensure that budgets, financial implications and best value were appropriately applied. From review of reports produced for contract monitoring meetings with the provider, representatives of the Council are not routinely present to ensure that actions taken and discussed appropriately reflect the requirements of the contract and the interest of



Southampton City Council.

**Management actions and update:**

Audit report discussed at COMT in September as part of the quarterly review process.

Corporate Policies to be incorporated as part of the 2010 / 11 management academy programme

**High priority actions overdue:**

Procurement are currently reviewing spend (Sep 09)

**5 Internal Audit Performance**

Internal Audit has been assessed as fully compliant with the CIPFA Code of Practice by the Audit Commission in their triennial review of the service in 2009

**6 Planning and Resourcing**

Sarah Dennis was seconded to the Transformation Team with effect from 1<sup>st</sup> October 2008 for a period of 12-18 months. Neil Pitman to lead the service in the interim

**7 Rolling work programme**

Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued (proposed)

Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued (proposed)
<b><u>2009/10 Audit Plan</u></b>					
Annual governance statement	✓	✓	✓	✓	10/05/09
Hampshire Camera Partnership	✓	✓	✓	✓	07/06/09
Youth Services	✓	✓	✓	✓	28/07/09
Supporting People	✓	✓	✓	✓	05/08/09
Solent Sea Rescue	✓	✓	✓	✓	24/08/09
School Catering Services	✓	✓	✓	✓	17/09/09
School Grant funding	✓	✓	✓	✓	29/09/09
Building Control	✓	✓	✓	✓	12/10/09
Treasury Management	✓	✓	✓	✓	12/11/09
Affordable Housing Development	✓	✓	✓	✓	13/11/09
Transport Services Income Investigation	n/a	✓	✓	✓	14/11/09

Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued (proposed)
Council tax	✓	✓	✓	✓	17/11/09
Debtors	✓	✓	✓	✓	20/11/09
Housing and Council Tax Benefit administration – 09/10	✓	✓	✓	✓	01/12/09
NNDR	✓	✓	✓	✓	08/12/09
CCTV	✓	✓	✓	✓	05/01/10
Compliance with Health and Safety Legislation	✓	✓	✓	✓	07/01/10
Workforce Strategy	✓	✓	✓	✓	07/01/10
Woodlands Community School	✓	✓	✓	✓	31/01/10
Land and property management	✓	✓	✓	✓	31/01/10
Integrated Transport and the Local Transport Strategy	✓	✓	✓	✓	31/01/10
Highways Network Management	✓	✓	✓	✓	31/01/10
Highways Resources Management	✓	✓	✓	✓	31/01/10

Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued (proposed)
Procurement	✓	✓	✓	✓	31/01/10
Creditors	✓	✓	✓	✓	31/01/10
Housing rent collection and debt management	✓	✓	✓	✓	31/01/10
Payroll	✓	✓	✓		28/02/10
Decent Homes and Estates	✓	✓	✓		28/02/10
Strategic Service Partnership	✓	✓			31/03/10
European Funding	✓	✓			31/03/10
Cash Collection and banking	✓	✓			31/01/10
Risk Management	✓	✓			28/02/10
Accommodation Strategy and Flexible Working	✓	✓			28/02/10
Network Management	✓	✓			31/03/10
Corporate Business Continuity Planning	✓				31/03/10

Audit title	Audit Progress				
	TOR issued	Fieldwork commenced	Fieldwork complete	Draft report issued	Final report issued (proposed)
Application Software Management	✓				31/03/10
IT Solutions Development	✓				31/03/10
Financial Management Standards in Schools	10 of 28 complete				

<b>8 Status of 'Live' External Audit</b>
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Audit title	Report date	Audit Sponsor	Directorate	Original actions	Actions outstanding
				(of which are 'high' priority)	
Opinion Interim Report	June 08	Executive Director of Resources	Resources	5 (2)	2 (1)
Final Accounts memo	Dec 08	Executive Director of Resources	Resources	5 (1)	1 (0)
Use of Resources	March 09	Executive Director of Resources	Resources	7 (4)	4 (2)
Data quality	March 09	Cross Directorate	Cross Directorate	6 (2)	2 (0)

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date	Progress / Update
<b>Opinion Interim Report (Jun 08)</b>							
Social Services Income							
6	Identify the cause of the failure of the social care billing, and implement changes to the system to ensure that this does not continue into future years.	3	Carolyn Williamson	Agreed	Significant resources are still being employed to manage the current billing situation. A major project to develop a new charging policy and billing system to be introduced for 2009/10 is now underway.	Apr-09	New charging policy has been introduced from April 2009, work is continuing on implementing an upgrade of Paris so that the system side of billing can be improved. This is expected to happen in the autumn 2010.
IT Risk Assessment							
7	<p>Implement changes identified from our risk assessment of IT systems.</p> <ul style="list-style-type: none"> <li>Ensure that IT policies and standards are up to date and revised on a regular and timely basis.</li> <li>Ensure that there is adequate segregation of duties and oversight and that development staff do not have access to live data.</li> <li>Ensure that the disaster recovery</li> </ul>	2	Kevin Foley	Agreed	<p>Need a list of the major risk areas so that this can be completed.</p> <p>Will investigate and put appropriate controls in place.</p>	<p>Phased</p> <p>Programme End July</p>	<p>Ongoing - included in the ICT Business Plan 09-10</p> <p>Ongoing</p> <p>Ongoing.</p>

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date	Progress / Update
	plan is update on a regular and timely basis.						
<b>Final Account Memo (Dec 08)</b>							
Registration of assets with the Land Registry							
-	The registration of ownership of Land & Buildings with the Land Registry should be continued until completed.	2	John Spiers	Yes	This work is undertaken by Legal Services who have taken on a temporary contract solicitor to undertake the work. The contract will continue as there is still a lot of work to do. The resources portfolio work is now well underway.	Ongoing	Ongoing
<b>Use of Resources (Mar 09)</b>							
Internal Control							
-	Ensure that the revised non-residential social care billing policy and the replacement income billing module are implemented.	3	Carolyn Williamson	Yes	The new policy and charging module are in the process of being delivered per the specific action plan resulting from the PWC review.	Dec-09	New charging policy has been introduced from April 2009, work is continuing on implementing an upgrade of Paris so that the system side of billing can be improved. This is expected to happen in the autumn 2010.
-	Fully introduce the IT disaster recovery plan and ensure that it is	2	Carolyn Williamson	Yes	IT disaster recovery plan in place during December 2008. User acceptance	Dec-08	DR facility is in place and is being tested.



Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date	Progress / Update
	regularly reviewed and tested.				testing is in the final stages after which a full test will be undertaken over a weekend.		Once testing is complete (25 Jan 2010) we will communicate to the wider organisation.
	<ul style="list-style-type: none"> <li>educational attainment</li> </ul>	3	Clive Webster	Yes	Southampton is in the second quartile of unitary authorities on spending on the Dedicated Schools' Grant. The gap in attainment with the national average has narrowed in each of the last three years at GSCE from 9.8 per cent to 5.3 per cent in 2008 and also at the foundation stage (five-year old pupils). However, educational attainment in primary schools remains well below the national average. A new Raising Attainment Plan for 2009-2012 is currently being developed in partnership with head teachers and principals to ensure that this issue is addressed robustly.	Jul-09	<p>In order to deliver the Raising Attainment Plan the senior leadership of the School Standards team has been reorganised and strengthened. This includes the recruitment of an additional Senior Inspector, who will also lead on strategy and quality and the part time secondment of two Headteachers to support the continuous professional development of teachers.</p> <p>The Raising Attainment Plan will be consulted on in Autumn Term.</p>

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							The 2008-09 Early Years Foundation Stage outcomes results for Southampton show 6.1 percentage point increase for all children. This shows a closing of the gap between Southampton children and between national figures for 2008.
-	Evaluate partnerships' contribution to improving VFM as part of implementing the Council's partnership protocol.	2	Joy Wilmot-Palmer	Yes	Process to be developed by the end of 2009/10 following the agreement and implementation of the new protocol.	Mar-10	
<b>Data Quality (Mar 09)</b>							
Management arrangements							
7	Agree appropriate data sharing arrangements with the Council's LAA partners.	2	Joy Wilmot-Palmer	Yes	Data Sharing arrangements are already in place to facilitate the operation of key partnerships that underpin the delivery of the LAA. Following on from the	Mar-10	

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					approval of the partnership protocol these arrangements will be reviewed for both existing and new partnerships to determine if they would be more appropriately applied at an individual partner rather than at a partnership level having due regard to all legal obligations as well as other information management requirements.		
7	Consistently apply existing quality checking of externally reported data more effectively, supported by refresher training for staff.	2	Joy Wilmot-Palmer	Yes	The sign off arrangements for externally reported data, including HIP forms, will be reviewed. Updated guidance will be issued and the respective roles of Heads of Service and Policy Co-ordinators within the quality assurance process will be reinforced.	Mar-10	