

Internal Audit Report

Working Wirral

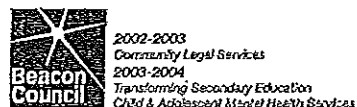
Regeneration

8th March 2010

Distribution List	
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System	Working Wirral		
Department	Regeneration	Date	8 th March 2010
File reference	32.05	Auditor	

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Assignment Control	
Draft Report Issued	N/A
Closure Meeting	4 th March 2010
Management Response to Draft Report Received	N/A
Final Report Issued	8 th March 2010

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1. Introduction

- 1.1 An audit has been undertaken of the Working Wirral Scheme within Regeneration department. The purpose of the review was to evaluate the adequacy of controls present within the system to mitigate the identified risks.
- 1.2 This report details the findings and recommendations emanating from this work. The content of the report reflects and summarises the points discussed at the end of audit discussion held with [REDACTED] on 4th March 2010.
- 1.3 Please consider the report and complete the shaded sections, in consultation with other managers as appropriate, and return a copy to [REDACTED] by 2nd April 2010, being aware of the following:
- If a recommendation is not to be implemented, it will be assumed that the associated potential implications have been accepted. However, any medium and high priority recommendations not accepted will be reported at the next meeting of the Audit and Risk Management Committee, which you may be asked to attend to explain your reasons for non-acceptance.
- 1.4 Internal Audit is keen to provide a quality service to all its clients. This report includes a Customer Satisfaction Survey which provides an opportunity to give feedback on the service you have received. Please ensure that [REDACTED], Finance Manager completes and returns the Survey, providing any additional comments, so as to assist our continuous improvement. A manager from within Internal Audit may contact him to discuss the responses.
- 1.5 Please thank [REDACTED] and the Working Wirral Team for their help and co-operation during the audit. Do not hesitate to contact [REDACTED] if you wish to discuss any aspect of this report further.

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2. Objectives of the Audit

- 2.1 To appraise the operation of the Working Wirral scheme, ensuring any risks to the effective performance of the service are identified and appropriately managed.

3. Scope of the Audit

- 3.1 To perform audit testing of a sample of Working Wirral funded schemes ensuring:

- The project meets one of the set priorities of Working Wirral.
- All Projects are approved by the Local Strategic Partnership and Cabinet.
- A Grant offer contract is signed by both the Authority and the Organisation and a copy is held on file.
- Grant payments are correctly evidenced and authorised.
- The projects are monitored ensuring that the agreed outcomes are being met and ensuring that the project is sustainable.
- There is an effective audit trail and an adequate separation of duties.

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4. Audit Opinion

4.1 Every Internal Audit report provides management with a clear assurance opinion on how effectively the system of control manages the risks in the area under review.

In our opinion, from the work carried out in this audit and the evidence obtained, the control environment as currently designed and operated provides a 3* star level of assurance.

In determining the assurance rating issued in an audit assignment, consideration is given to the number and priority of observations and recommendations raised. Four categories of rating are used:

Rating	Explanation
****	There is an excellent system of control in operation designed to ensure the achievement of the service or systems business objective.
***	There is a good system of control in operation that is performing well but improvements are required to demonstrate that all of the objectives of the service or system are being met.
**	There is an adequate system of control in operation, that is getting the basics right; however opportunities exist to enhance this further to ensure that weaknesses do not put the service or systems objectives at risk.
*	The system of control in operation is in need of improvement as existing controls do not meet minimum standards and are currently placing the service or system's business objectives at risk.

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5. Findings.

5.1 Areas of Good Practice

- Documented reviews of the project proposals have been completed.
- Details of the proposed projects have been presented and approved by the Working Wirral Team.
- Notices of Grant Approvals/Agreements have been completed by all parties.
- Adequate applications for payment documents have been received that fully detail the relevant project expenditures.
- Documents have been received to support the expenditure details on the applications for payment.
- The level of approved expenditure has not been exceeded.
- The payment documents have been approved by an authorised signatory.
- The grant expenditure has been correctly recorded in the accounts.
- The project targets and agreed outcomes have been periodically monitored and the results documented.

However, there is a weaknesses detected in the system. This means that there is a risk inherent in the system that is not adequately controlled at present. This is detailed in the following page.

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5.2 Key Areas for Development and Improvement

5.2.1 Risk and Its Potential Implications

Risk

A project is introduced which does not meet the requirements of one of the set Working Wirral scheme priorities.

Finding

Not all projects tested had the relevant documentation retained on file.

Recommendation

To avoid an inadequate trail of management information, available relevant project documentation/ information should be retained on file including application forms, agreements etc.

Priority level

Medium

To be completed by client:	
Recommendation agreed?	Yes/No
Target date for implementation:	
Client Comments:	
Manager name:	Signature:
Date:	

Verification of Implementation

To be completed by auditor at follow up audit:	
Follow Up Audit Date	Auditor
Progress	Implemented/ Partially/ Not Implemented
Comments	
Follow Up Report Date	

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Risk and Recommendation Summary

Risk	Recommendation	Priority Level	Agreed? (to be completed by client)
A project is introduced which does not meet the requirements of one of the set Working Wirral scheme priorities.	To avoid an inadequate trail of management information, available relevant project documentation/ information should be retained on file including application forms, agreements etc.	Medium	

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Customer Satisfaction Survey

Audit of: Working Wirral
Date of Audit: February 2010

I am responsible for providing you with a quality Internal Audit Service and I want to ensure that your audit continues to be effective. A number of performance indicators have been adopted and one of the most important of these is your view of the service you receive.

Please spare the time to complete and return this form. This is an opportunity for you to provide your views on the level of service you received during your recent audit. Your answers will help me to develop and maintain the highest level of service possible.

THANK YOU FOR YOUR HELP.

David A Garry C.P.F.A
 Chief Internal Auditor

QUESTIONNAIRE			
WERE YOU SATISFIED WITH:	Yes	No	Comments (please continue overleaf if you wish)

1. TIMING:

• Advance notice of the audit?			
• Duration of the audit?			

2. COMMUNICATION:

• Courtesy of the auditor(s)?			
• Level of auditor(s) knowledge?			
• Consultation on the findings?			
• Method of report delivery?			

3. AUDIT REPORTS:

• Format of the report?			
• Speed of production of the report?			
• Relevance of the recommendations?			
• Value of the recommendations?			
• Audit opinion?			

4. QUALITY OF SERVICE:

• Usefulness of the audit?			
• Professionalism of the audit?			
• Professionalism of the auditor?			

If you would like to comment further on the conduct, outcome or how you feel I could improve the Internal Audit Service please do so overleaf, or telephone me on 666 3387.

Completed by: Signed: Date:

