

**ANNUAL INTERNAL AUDIT REPORT 2010/2011**

**1. Purpose of Report**

- 1.1** To provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- 1.2** To detail the Internal Audit work completed during 2010/11.

**2. Background**

- 2.1** Internal Audit is an independent, objective assurance and pro-active consulting service designed to add value and improve the Council's operations. It provides an independent and objective opinion to the Council on the control environment that comprises risk management, control and governance. The Internal Audit Service aims to objectively examine, evaluate and report on a wide range of areas as a contribution to the proper, efficient and effective use of resources.
- 2.2** The Internal Audit Service provides an assurance service, reporting to management on the adequacy of system controls and where necessary making recommendations for improvement. The Internal Audit Service adds value to the Council by providing pro-active and reactive consultancy work in the form of service, departmental or corporate reviews, provision of advice, fraud related work and risk management work. An audit report is produced following each completed audit and is discussed with the appropriate level of management. The report contains a Management Action Plan which details the recommendation made for each audit finding, the priority of each finding, management comments, the manager accountable and an implementation date. This is completed and agreed before being issued as a final report.
- 2.3** The 2010/11 Internal Audit Plan was presented to the Audit and Governance Committee in March 2010 and was subsequently agreed by the Executive. This was prepared through discussions with all Heads of Service, including the Section 151 officer and with the Council's External Auditor.
- 2.4** This Annual Internal Audit Report assists the Council with the Annual Governance Statement through providing the following:
  - an opinion on the overall adequacy and effectiveness of the Council's internal control environment and any exceptions to that opinion, together with the reasons for the exception
  - a summary of the audit work undertaken to formulate the opinion
  - details of any issue particularly relevant to the preparation of the Council's Annual Governance Statement for inclusion in the annual final accounts
  - a comparison of the work actually undertaken with the work planned, including a summary of Internal Audit performance
  - a review of the effectiveness of the system of Internal Audit.

- 2.5** The acceptance of the Annual Internal Audit Report by the Council contributes to the Council's fulfilment of its corporate governance responsibilities through the following:
- recognition of the overall adequacy and effectiveness of the existing management arrangements and controls which safeguard the Council from significant business risks;
  - providing a source on which 'those charged with governance' can produce a fair and representative statement on control in the final accounts;
  - ensuring the Internal Audit arrangements are relevant, reliable and appropriate so to be considered satisfactory for the purpose of assisting the Council in maintaining and developing its internal control environment, improving the management of business risk and achievement of objectives especially in relation to efficiency and value for money.
- 2.6** The CIPFA Code of Practice for Internal Audit in Local Government 2006 requires the annual reporting and presentation of the Internal Audit opinion on the Council's control environment.
- 2.7** The overall opinion on the control environment is based upon the Audit Manager's assessment of the key management arrangements and internal controls. This is the framework of internal controls required to provide management with confidence that the main processes put in place to achieve business objectives are:
- adequate and effective for their purpose
  - free from material business risk, both financial and non-financial.

The overall opinion provided can be measured using the following guide:

<b>Substantial Assurance</b>	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
<b>Adequate Assurance</b>	While there is a basically sound system, there are weaknesses that put a minority of the system objectives at risk and/or there is evidence that the level of non-compliance with some of the controls may put a minority of the system objectives at risk.
<b>Limited Assurance</b>	Weaknesses in the system of controls are such as to put most or all of the system objectives at risk and/or the level of non-compliance puts most or all of the system objectives at risk.
<b>No Assurance</b>	Control is poor, leaving the system open to significant error or abuse and/or significant non-compliance with basic controls.

### 3 Findings

#### 3.1 Overall adequacy and effectiveness of the Council's internal control environment

3.1.1 An '**adequate**' level of assurance can be provided in connection with the Council's internal control environment. Overall there is a low exposure to business risk.

3.1.2 A few exceptions were highlighted during the year and a total of seven audits were given an opinion of 'limited' assurance on controls. There were no areas which we gave an opinion of 'no' assurance on controls during the year. Each of the 'limited assurance' audits have been reported and monitored within the quarterly Audit Plan update reports to the Audit and Governance Committee. These exceptions are given for the purpose of highlighting the key areas of risk existing within the Council's internal control environment. These areas of risk are not considered to have such an effect as to reduce the overall acceptable level of assurance or materially increase the risk. In respect of all areas listed recommendations have been made to improve control.

##### (a) Trent data quality

We undertook a review of the quality of data on the personnel database at the request of the Head of HR who had concerns that the data recorded for appraisals was not reflective of the number of appraisals that had taken place and this then produced an inaccurate figure for reporting purposes.

Our review identified that although the Trent system was reporting a figure for appraisals of 47.2%, a more realistic figure should have been approximately 71%. We therefore gave an opinion of 'limited assurance' on the controls surrounding inputting of data onto the Trent system.

We were due to follow up this report in February 2011, however, a new appraisal system PPA has been introduced since the audit and HR have taken over the responsibility for entering appraisal details onto Trent. The Chief Executive has instructed that all 'M' graded staff are to receive an appraisal between April and June and all other staff to be appraised during the year. These two measures will result in a more robust system for recording appraisals.

##### (b) Phone Inventories

We carried out a review of mobile telephones which included the cost of calls, inventory and payment for private calls as the total being spent was approximately £860,000 against a budget of £546,324. There were approximately 1,200 mobile telephones held by staff.

The main findings of the review were that Itemised bills were not checked by management so unauthorised use was not highlighted and private call costs were not being identified or reimbursed.

Approximately one in four staff (excluding schools) had been allocated a mobile phone and the inventory of allocated phones was not up-to-date as staff did not always inform IM of changes.

It was our opinion that in respect of the areas covered in the review we could provide 'limited assurance' on the standards of internal control.

We were due to follow up this report in February 2011, however this area has been subject to a full review by the Luton Excellence team. A new service provider has resulted in a £50,000 saving and work is ongoing on proposals to identify additional savings.

We did review a number of high level users, and have found that managers are more aware of the issues and if there had been unauthorised use, it had been dealt with by management of the services concerned. Other high users were identified as paying for their personal calls.

(c) Schools Meals

The audit review highlighted some internal controls which required strengthening. We recommended a review of the threshold used in determining which variances were to be investigated, that data on pupil account balances was collected on a termly basis from source documentation at schools and that this information was to be incorporated into the reconciliation. We also recommended that significant variances and levels of arrears should be referred to the relevant area manager and to the general catering manager so that further action could be taken as required.

We proposed that, given the variability of spend per pupil in high schools, alternative methods were developed for monitoring income in these schools as the current reconciliation could not provide appropriate data for analysis.

It was our opinion that in respect of the areas covered in the review we could provide 'limited assurance' on the standards of internal control.

We followed up this review in November 2010 and of the six recommendations made in the report, one had been fully implemented, four had been partially implemented and one had not been implemented. At the time of the follow up review the April-July Income Reconciliation had not been completed. It was therefore not possible to assess the impact of the enhanced procedures introduced by Catering Services since our review in May.

We made further recommendations to enhance existing controls in order to ensure that the risks highlighted in our original report were addressed. It was evident that Catering Services had partially implemented the recommendations, however, given that the impact of these improvements

could not be assessed with reference to a completed reconciliation, our opinion of 'limited assurance' in the standards of internal control remains.

A second follow up of School Meal Reconciliations is currently in progress.

(d) Cash Handling in Day Centres

The original review highlighted widespread poor practice, and we were unable to provide any assurance that all meal income due to the authority had been received. The main control weaknesses were in the management of the petty cash and amenity fund accounts, the absence of LBC local financial procedures and hospitality registers, irregular or absent checks of records by local and central management and poor record keeping for refreshment income. Further concerns existed over safe access controls, safe insurance cover, and the absence of insurance for any third party monies held in LBC safes.

It was our opinion that in respect of the areas covered by our review, we could provide limited assurance on the standards of internal control.

We completed a follow up review in this area and it appeared that, following key staff changes, no one individual had taken overall responsibility for co-ordinating the implementation of the recommendations. The previous service manager left the employ of LBC shortly after the original report was issued and all actions in the report were allocated to remaining staff with timescales for action. However, it appears that the new service manager was not made aware of the Internal Audit report or the implementation status of the recommendations in the action plan.

Of the 17 recommendations made in the original report, only one had been fully implemented, and five had been partially implemented. With so little progress in the implementation of the recommendations there was insufficient evidence that the major risks identified within the original report, had been addressed. It was therefore our opinion that in respect of the areas covered by our report, the opinion of 'limited assurance' on the standards of control remains.

A second follow up of Cash Handling in Day Centres is currently in progress

(e) Maidenhall Primary School

We completed an audit review of Maidenhall Primary School in conjunction with the renewal of their FMSIS External Assessment and identified significant weaknesses in the schools purchasing controls which needed to be strengthened in all key areas to ensure that commitments were raised in advance, and orders and invoices were checked and authorised in accordance with school procedures.

The school did not have effective income records to ensure a clear audit trail of transactions was maintained, and there was not an up to date asset register. At the time of the Audit it was our opinion that in respect of the areas covered by the report, we could provide 'limited assurance' on the standards of internal control.

We completed a follow up review in May 2011 and noted that the financial management of the school has significantly improved since the last visit and the Business Manager had ensured that action had been taken to implement the recommendations. We are pleased to report that from the 21 recommendations made 16 had been fully implemented and 5 had been partially implemented.

As a result of the follow up audit we made 4 recommendations to further strengthen controls and it is now our opinion that in respect of the areas covered by our report, we can provide 'substantial assurance' on the standards of internal control.

(f) Officers and Members expenses follow up

The review of Officers and Members expenses which we gave a 'limited assurance' opinion was been followed up. For the follow up review we looked at Officers expenses and Members expenses separately as it was identified during the original audit that these were two distinct areas.

The follow up review of Members expenses identified that 3 recommendations had been fully implemented, 2 had been partially implemented and 2 had not been implemented at all. Work was in progress on implementing the outstanding recommendations and therefore we were able to give an opinion of 'adequate assurance' on the standards of control.

The follow up review of Officers expenses identified that whilst some of the recommendations had been implemented, the key high priority recommendation, which was for the implementation of an online expenses application, had not. Once the Trent payroll system is implemented, management plan to assess the viability of using the expenses application on Trent.

As a result of our follow up audit of Officers expenses, the opinion of 'limited assurance' on the standards of control remains. We propose to review this area again during 2011/12 to determine whether further progress has been made.

### **3.2 A summary of the audit work undertaken to formulate the opinion**

#### **3.2.1 Audit Plan**

The detailed completed audit plan for 2010/11 is in Appendix A. The audit plan was subject to regular review during the year so that emerging risks associated with new or changes in business activity could be considered.

**3.2.2** At the start of the year the plan was for 1415 productive days. This was reduced by 180 days as we had a vacancy for the year which we had not been allowed to fill. This committee approved the revised plan of 1235 days in the September 2010 meeting. Of the planned days we completed 1192 days. This equates to 97% of the plan being completed.

**3.2.3** The overall financial budget position was a net underspend on Internal Audit original budgets by approximately £6,300. Expenditure was underspent by £15,000, however, due to the cessation of the financial management in schools assessments, income was reduced by £8,700 against budget.

**3.2.4** For the period April 2010 to 31 March 2011 we issued 136 reports. Seven recorded a 'limited assurance' on controls and have been reported to meetings of this Committee. An action plan was agreed with management to implement improved control in all these areas. There were no audits which we gave 'no' assurance on the standards of control.

**3.3 Details of any issue particularly relevant to the preparation of the Council's Annual Governance Statement for inclusion in the annual final accounts**

**3.3.1** The audits for which a 'limited' opinion was recorded do not require noting in the Annual Governance Statement as these are not material within the overall operation of the Council.

**3.4 A comparison of the work actually undertaken with the work planned, including a summary of the Internal Audit Service's performance**

**3.4.1** The emphasis for 2010/11 was on the provision of a service that, in addition to the standard assurance function, could provide added value and a more proactive role through the supply of consultancy and advice, special investigations and to help services and managers identify and control their specific risks.

**3.4.2** 2010/11 has been a period of significant change and higher profile work. There have been staff resourcing issues but overall the work performance has been excellent. This is not only highlighted by the performance indicators and benchmarks but by the responses to post audit client satisfaction questionnaires, the general response to auditors and requests for advice and audits. The Internal Audit performance indicators and benchmarks are in Appendix B

**3.4.3 Report to Audit and Governance Committee**

An update report is presented to each quarterly Audit and Governance Committee meeting and details all significant audits and any audit with a 'limited' or 'no' assurance on control. The main areas of audit in 2010/11 were:-

### **Assurance Audits**

There are high-risk systems and processes (mainly core financial systems) that are reviewed on an annual basis. In undertaking these reviews it is considered whether they need to be fully and systematically audited each year or whether techniques such as key control testing or significant compliance testing in some years will be adequate to form an opinion. The list and audit coverage of these systems is agreed with the External Auditor. All audits in the area provided at least an 'adequate' level of assurance.

All planned assurance work was completed along with a range of other systems and establishments audits and for the majority there was at least an 'adequate' level of assurance. Appendix C details the audits during the year along with the opinions given.

### **Financial Management Standard in Schools Assessments (FMSiS)**

Internal Audit were the appointed external assessors for the Financial Management Standard in Schools within Luton. The work was underway this year when the Government scrapped the requirement for schools to be assessed under this process. As a consequence, we were not able to achieve income of £8,700 from the schools due an assessment.

### **Special Investigations and Whistleblowing**

There have been five special investigations during the year. Where appropriate a report is completed at the end of an investigation to highlight control weaknesses and to recommend system improvements. The main area of work was Street Services Invoices which we reviewed in response to a Police Intelligence report. We undertook a review of the area and found no evidence to support the allegation.

Work on the 2010/11 National Fraud Initiative data matching exercise is ongoing. Potential frauds are investigated which demonstrates the continued need for data matching and a zero tolerance of fraud. This also helps to identify fraud in other local authorities, especially London Boroughs. New data matches are produced biannually, with the latest data upload being done in October 2010.

### **Audit for Trusts**

Audits were undertaken for Active Luton and the Cultural Trust. These are reported to their management and Board.

- 3.4.7** A post audit questionnaire is issued to each client at the end of an audit assignment. This is to enable feedback on the service provided. An analysis of the post audit questionnaires received highlighted that all audits were of a good to excellent standard.

### **3.4.8 Achievements**

The main achievements in 2010/11 were:-

- completion of 97% of the annual plan (compared to a target of 90%).
- the continued high profile of Internal Audit throughout the Council



- restructure of the Audit Team to identify £40,000 savings whilst maintaining the annual plan at the required level.
- excellent relations with External Audit and completion of work on their behalf to help limit any increase in their fees.
- Sickness level of 1.5% compared to 4% in 2009/10.

### **3.5 Review of the effectiveness of Internal Audit**

**3.5.1** The Accounts and Audit (Amendment) (England) Regulations 2006 require councils to conduct a review of the effectiveness of their system of internal audit. In order to comply with the Regulations the Audit Manager undertook a self assessment of the service. The self assessment concentrated on reviewing compliance against the CIPFA Code of Practice 2006 and concluded that the audit service is compliant with the CIPFA internal audit code of practice.

## **4. Conclusion**

- 4.1** It is pleasing to record again an opinion of 'adequate' assurance on control but management must ensure recommendations in the key risk areas identified are implemented to ensure this is maintained for 2011/12.
- 4.2** Although there have been resource issues within Internal Audit all main areas of the audit plan have been audited.
- 4.3** The change in the emphasis of audit work to a more pro-active and corporate approach was well received by management.
- 4.4** A good working relationship between Internal Audit and all staff of Luton Borough Council has been maintained and all staff are thanked for this.

**Bev Hannah**  
**Audit Manager**  
**June 2011**

## Appendix A

### AUDIT PLAN 2010/11

<b>Chief Executive</b>	<b>Actual</b>	<b>Plan</b>	<b>Actual</b>	<b>Plan</b>	<b>Status</b>
LAA2 Assurance	3.34	0.00			F
PVE Commissioning Structure	0.37	0.00			C
Emergency Planning	10.45	10.00			F
Electoral Services (Canvas Process)	10.26	10.00			F
Postal Votes – Election	9.43	10.00			C
Use Of Resources / Data Quality	0.20	10.00			
Cohesion & Inclusion Strategy	2.57	10.00			
Partnership Monitoring Follow Up	9.93	10.00			F
Single Equalities Scheme	0.61	5.00			C
<b>Total</b>			<b>47.16</b>	<b>65.00</b>	
<b>Customer And Corporate Services</b>					
Bank Reconciliations (09-10)	0.88	0.00			F
Local Land Charges	0.88	0.00			F
Trent - Data Quality	5.17	0.00			F
Follow Up Of Reviews	1.40	0.00			
The Mall 2008	11.41	10.00			F
The Mall 2009	10.63	10.00			F
LEP Procedures For Issuing Work	9.34	10.00			F
Budgetary Control	13.61	10.00			D
Bank Reconciliation	8.44	10.00			
Creditors	13.69	10.00			F
Debtors	15.99	10.00			
Fixed Assets	7.00	10.00			
Main Accounting	9.82	10.00			F
Treasury Management	9.40	10.00			D
Payroll	9.91	10.00			F
Duplicate Payments	9.90	10.00			F
Procurement	11.89	12.00			F
Cashiers Functions	6.19	10.00			
Review Of Cashiers Policies	4.99	5.00			F
Call Centre Overflow Contract	7.83	10.00			F
Process Mapping	12.40	10.00			
Council Tax	10.36	10.00			F
NNDR	10.39	10.00			F
Benefits	20.72	20.00			F
Lean Review - Car Leasing	18.58	17.00			C
Lean Review – IT Processes	1.97	2.00			C
Lean Health Check Project	1.13	1.00			C
Lean Work – General	9.98	10.00			
Mobile Phone Follow Up	11.62	5.00			F
Trent Data Quality Follow Up	2.16	5.00			F
<b>Total</b>			<b>267.68</b>	<b>247.00</b>	
<b>Housing &amp; Community Living</b>					
Temporary Accommodation	2.58	0.00			F
Follow Up Of Reviews	1.27	0.00			
BTS - Procurement Arrangements	10.56	10.00			F
Choice Based Lettings	18.26	10.00			F

IBS Automated Systems	3.49	10.00	
Rent Debit	13.13	10.00	
Private Sector Housing	1.58	0.00	C
Disabled Facilities Grant	12.57	15.00	F
Supporting People	0.47	10.00	
Personalisation/RAS	5.60	10.00	
Vocational Training Centre Follow Up	5.16	5.00	F
EPH 2nd Follow Up	2.73	5.00	C
Community Centres	10.70	10.00	F
Stroke Care Grant	3.55	5.00	C
Performance Monitoring / Nis	9.96	10.00	F
BTS Follow Up	4.99	5.00	F
Cash Handling Establishments (F/Up)	4.99	5.00	F
<b>Total</b>		<b>111.58 123.00</b>	
<b>Children &amp; Learning</b>			
Section 17	0.95	0.00	F
Safer Recruitment (Central)	7.93	0.00	F
Safer Recruitment (Schools)	2.94	0.00	F
School Meals	1.95	0.00	F
Follow Up Of Reviews	6.03	0.00	
Lettings	10.60	10.00	F
School Payroll	13.57	15.00	
Schools Audit Work	23.32	10.00	
FMSiS & Combined Audit (Balance Only)	0.25	0.00	
TPA	23.35	25.00	F
Contact Point	1.61	0.00	C
E-Learning Centre	0.07	0.00	C
Ashcroft High	5.49	5.00	F
Beech Hill Primary	4.55	5.00	F
Beechwood Primary	4.99	5.00	D
Bramingham Primary	4.21	5.00	F
Bushmead Primary	4.99	5.00	F
Chantry Primary	5.14	5.00	F
Cheyne Infant	4.47	5.00	F
Crawley Green Infant	4.96	5.00	F
Icknield Primary	4.94	5.00	F
Lady Zia Wernher	4.19	5.00	D
Leagrave Primary	5.23	5.00	F
Maidenhall Primary	8.74	5.00	F
Norton Rd Primary	4.76	5.00	D
Ramridge Primary	4.72	5.00	F
Richmond Hill	3.89	5.00	D
Sacred Heart Primary	5.29	5.00	F
Southfield Primary	4.88	5.00	F
St Martin De Porres	4.62	5.00	F
St Matthews Primary	4.63	5.00	F
Stopsley Primary	4.36	5.00	F
Surrey Street Primary	3.27	5.00	F
Tennyson Rd Primary	6.13	5.00	F
The Meads Primary	6.06	5.00	D
Waulud Primary	5.25	5.00	F
Wigmore Primary	4.99	5.00	F
Woodlands Secondary	5.13	5.00	F

Challney Girls Re-Assessment	2.87	5.00		F
Lealands High Re-Assessment	3.07	5.00		F
Music Service	8.92	10.00		F
Putteridge High School Follow Up	4.96	5.00		F
S52 Year End Balances	6.31	7.00		F
Safer Recruitment In Schools	5.50	5.00		F
School Meals Follow Up	5.01	5.00		F
Lealands Follow Up	3.79	5.00		F
Young Fundz	7.78	10.00		
<b>Total</b>			<b>270.62 247.00</b>	
<b>Environment &amp; Regeneration</b>				
Butterfield Management Contract	11.17	0.00		F
Follow Up Reviews	0.41	5.00		
Trusts	6.65	20.00		
EPP Certification & Year End Review	9.97	15.00		
Luton Gateway Local Delivery Vehicle	7.01	10.00		C
Bus Operators Grants	2.43	5.00		C
Parking Services	14.25	12.00		
Community Safety	0.14			
WTS - Contract Payments	14.98	15.00		F
Payment Of Waste Management Invoices	9.80	10.00		F
WTS Review Of Computerised Systems	4.94	5.00		F
Licensing	19.61	10.00		
GAF 3 Certification	0.99	1.00		C
MFCDT	4.54			
<b>Total</b>			<b>106.87 108.00</b>	
<b>Risk Management</b>				
Corporate Risks	9.36	25.00		F
Departmental Risks	0.14	0.00		
<b>Total</b>			<b>9.50 25.00</b>	
<b>Information Management</b>				
Back up & Recovery Follow Up	3.00	3.00		F
On-Line Payments Follow Up	1.27	3.00		D
Network Infrastructure	15.34	15.00		D
Information Governance	10.20	10.00		D
On-Line Booking Follow Up	3.00	3.00		
Disaster Recovery	10.00	10.00		
Audits Not Commenced	0.27	6.00		
<b>Total</b>			<b>43.08 50.00</b>	
<b>Contract Audit</b>				
Major Contracts	20.00	20.00		F
School Contracts	14.31	20.00		
<b>Total</b>			<b>34.31 40.00</b>	
<b>Special Investigations</b>				
Guru Nanak	5.19	5.00		F
Street Services Invoices	17.96	18.00		F
Special Investigations General	4.22	40.00		
Rent Allegation	6.97	7.00		F
UPVC Windows	2.87	2.00		

WRG Invoices	2.88	3.00			F
<b>Total</b>			<b>40.10</b>	<b>75.00</b>	
<b>Value For Money</b>					
Internal Audit	12.20	10.00			
			<b>12.20</b>	<b>10.00</b>	
<b>Consultancy And Advice</b>					
Consultancy & Advice General	17.58	27.00			
Lex Steering Group	0.03	0.00			C
Departmental Equalities Group	0.17	2.00			
Officers & Members Expenses Follow Up	4.13	5.00			F
Car Lease Reimbursement	5.00	5.00			C
Audit Manual	3.37	5.00			
Shelter At The Vale	3.03	3.00			F
<b>Total</b>			<b>33.31</b>	<b>42.00</b>	
<b>Active Luton</b>					
Audits As Required	41.04	48.00			
<b>Total</b>			<b>41.04</b>	<b>48.00</b>	
<b>Planning And Reporting</b>					
Audit Planning	28.93	15.00			
Audit Reporting	14.77	10.00			
<b>Total</b>			<b>43.71</b>	<b>25.00</b>	
<b>London Luton Airport</b>				<b>97</b>	
LLA Concession Fees	19.16	20.00			F
<b>Total</b>			<b>19.16</b>	<b>20.00</b>	
<b>External Audit Assurance</b>					
Benefits	1.08	0.00			F
Rents	7.37	0.00			F
Treasury Management	0.41	0.00			F
<b>Total</b>			<b>8.86</b>	<b>0.00</b>	
<b>Corporate Assurance</b>					
Annual Governance Statement	16.52	15.00			
NFI	42.54	40.00			
RIC Group	2.81	5.00			
Audits Not Commenced		10.00			
<b>Total</b>			<b>61.87</b>	<b>70.00</b>	
<b>Cultural Trust</b>					
Audits As Required	41.33	40.00			
<b>Total</b>			<b>41.33</b>	<b>40.00</b>	
<b>Total Days</b>			<b>1192.38</b>	<b>1,235</b>	

**PI Summary - for the Period 1 April 2010 to 31 March 2011**

PERFORMANCE INDICATOR	TOTAL for 2010/11	TARGET	2009 / 10 COMPARABLE FIGURES
<b>Reporting</b>			
Number of Audit Reports Issued	136	n/a	136
Percentage of draft audit reports which have been issued to clients within 10 working days of the conclusion of the audit.	87.4%	95%	73%
Percentage of audits completed within budget	88.9%	90%	68%
Percentage of final audit reports which have been issued to clients within 10 working days from the agreement of the draft report.	99.3%	98%	100%
Percentage of audit recommendations that have been accepted	99.6%	98%	99%
<b>Performance</b>			
Percentage of planned days completed	97%	90%	96%
Percentage of productive time compared to total days	66.9%	65%	65%
Sickness absence as a percentage of total days	1.5%	4%	4%
<b>Follow up of recommendations</b>			
<i>For the recommendations followed up in year:</i>			
Percentage of recommendations fully implemented	66%	n/a	76.9%
Percentage of recommendations partially implemented	21%	n/a	16.3%
Percentage of recommendations not implemented	13%	n/a	6.8%

## Summary of Audit Opinions

### 2009-10

#### Audit

#### Opinion

#### External Audit Assurance

Bank Reconciliation

Adequate

Rents

Adequate

Treasury Management

Adequate

Benefits

Adequate

#### Chief Executives

LAA2 Assurance

Adequate

#### Customer & Corporate Services

Trent Data Quality

Limited

Local Land Charges

Adequate

Phone Inventories

Limited

#### Housing & Community Living

Temporary Accommodation

Adequate

#### Children & Learning

Section 17

Adequate

School Meals

Limited

Safer Recruitment (Schools)

Adequate

Safer Recruitment (Central)

Adequate

#### Environment & Regeneration

Butterfield Management Contract

Adequate

#### Active Luton

Audits as required x 1

n/a

#### Culture Trust

Audits as required x 2

n/a

### 2010-11

#### Audit

#### Opinion

#### Corporate Assurance

Annual Governance Statement

Adequate

#### Chief Executive

Partnership Monitoring Follow Up

Adequate

Emergency Planning

Substantial

Electoral Services (Canvas Process)	Substantial
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### **Customer & Corporate Services**

Call Centre Overflow Contract	Adequate
Trent Data Quality Follow Up	n/a
The Mall 2008 & 2009	n/a
LEP procedures for issuing work	Substantial
Main Accounting (Key Controls)	Substantial
Payroll (Key Controls)	Substantial
Council Tax (Key Controls)	Adequate
NNDR (Key Controls)	Adequate
Benefits (Key Controls)	Adequate
Budgetary Control (Key Controls)	Substantial
Bank Reconciliation (Key Controls)	Adequate
Creditors (Key Controls)	Substantial
Debtors (Key Controls)	Adequate
Treasury Management (Key Controls)	Substantial
Duplicate Payments	Adequate
Procurement	n/a
Review of Cashiers Policies	Adequate

### **Housing & Community Living**

BTS Follow Up	Adequate
BTS - Procurement Arrangements	n/a
Disabled Facilities Grant	Substantial
Vocational Training Centre Follow Up	Substantial
EPH Follow Up	n/a
Stroke Care Grant	n/a
National Indicators NI 131	Adequate
National Indicators NI 146	Adequate
Choice Based Lettings	Adequate
Community Centres	Adequate
Cash Handling (Establishments) Follow Up	Limited
Rent Debit (Key Controls)	Adequate

### **Children & Learning**

Lettings	Adequate
Ashcroft High School Lettings	Adequate
Cardinal Newman High School Lettings	Adequate
Foxdell Junior Lettings	Adequate
Beech Hill Primary Lettings	Adequate
Icknield Primary Lettings	Adequate
School Meals Follow Up	Limited
Year end balances -section 52	Substantial
Lealands Follow up	Adequate
Safer Recruitment - Icknield High School	Substantial



Safer Recruitment – The Meads Primary School	Adequate
Putteridge High Follow up	Adequate
Ashcroft High School AUDIT	Adequate
Beech Hill Primary AUDIT	Substantial
Beech Hill Primary FMSIS	Pass
Beechwood Primary AUDIT	Substantial
Bramingham Primary AUDIT	Substantial
Bramingham Primary FMSIS	Pass
Bushmead Primary AUDIT	Adequate
Bushmead Primary FMSIS	Pass
Chantry Primary AUDIT	Adequate
Chantry Primary FMSIS	Pass
Cheyne's Infant AUDIT	Substantial
Crawley Green Infants AUDIT	Adequate
Icknield Primary AUDIT	Substantial
Icknield Primary FMSIS	Pass
Lady Zia Wernher AUDIT	Adequate
Leagrave Primary FMSIS	Pass
Leagrave Primary AUDIT	Adequate
Maidenhall Primary AUDIT	Limited
Maidenhall Primary FMSIS	Fail
Norton Road Primary AUDIT	Substantial
Ramridge Primary AUDIT	Adequate
Richmond Hill AUDIT	Adequate
Sacred Heart Primary AUDIT	Adequate
Sacred Heart Primary FMSIS	Pass
St Martin de Porres Primary AUDIT	Adequate
St Matthews Primary AUDIT	Substantial
St Matthews Primary FMSIS	Pass
Southfield Primary AUDIT	Substantial
Stopsley Primary AUDIT	Adequate
Surrey Street Primary AUDIT	Adequate
Tennyson Road AUDIT	Adequate
The Meads Primary School AUDIT	Adequate
Waulud Primary AUDIT	Adequate
Wigmore Primary AUDIT	Adequate
Wigmore Primary FMSIS	Pass
Woodland Secondary AUDIT	Adequate
Challney Girls FMSIS Re-Assessment	Pass
Lealands High	Adequate
TPA	Substantial
- Ashcroft High	Adequate
- Cheynes Infants	Substantial
- Crawley Green Infants	Substantial
- Icknield High	Substantial
- Lea Manor High	Substantial

- Lealands High	Substantial
- Stopsley High	Substantial
Music Service	Adequate

### **Environment & Regeneration**

GAF 3 Certification	n/a
Luton Gateway Local Delivery Vehicle Grant	n/a
Bus Operators Grant	n/a
Bus Operators Grant Mid-Year	n/a
WTS Contract Payments	Adequate
Payment of Waste Management invoices	Adequate
WTS Review of Computerised Systems	Adequate
MFCDT	n/a

### **Contract Audit**

Major Contracts	Adequate
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### **Risk Management**

Corporate Risks	Adequate
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### **Special Investigations**

Dallow Sikh Temple	n/a
Street Services Invoices	n/a
Rent Allegation	n/a
WRG Invoices	n/a

### **Consultancy & Advice**

Officers and Members Expenses Follow Up	Limited
Shelter at the Vale	n/a

### **London Luton Airport**

Concession Fees	Adequate
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### **Active Luton**

Audits as required x6	n/a
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### **Culture Trust**

Audits as required x4	n/a
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