GEDLING BOROUGH COUNCIL

Internal Audit Progress Report

Audit Committee

18 December 2018

RSM

CONTENTS

1 INTRODUCTION

The internal audit plan for 2018/19 was approved by the Audit Committee on 20 March 2018. Below provides a summary update on progress against that plan and summarises the results of our work to date. Please see chart below for current progress with the plan.
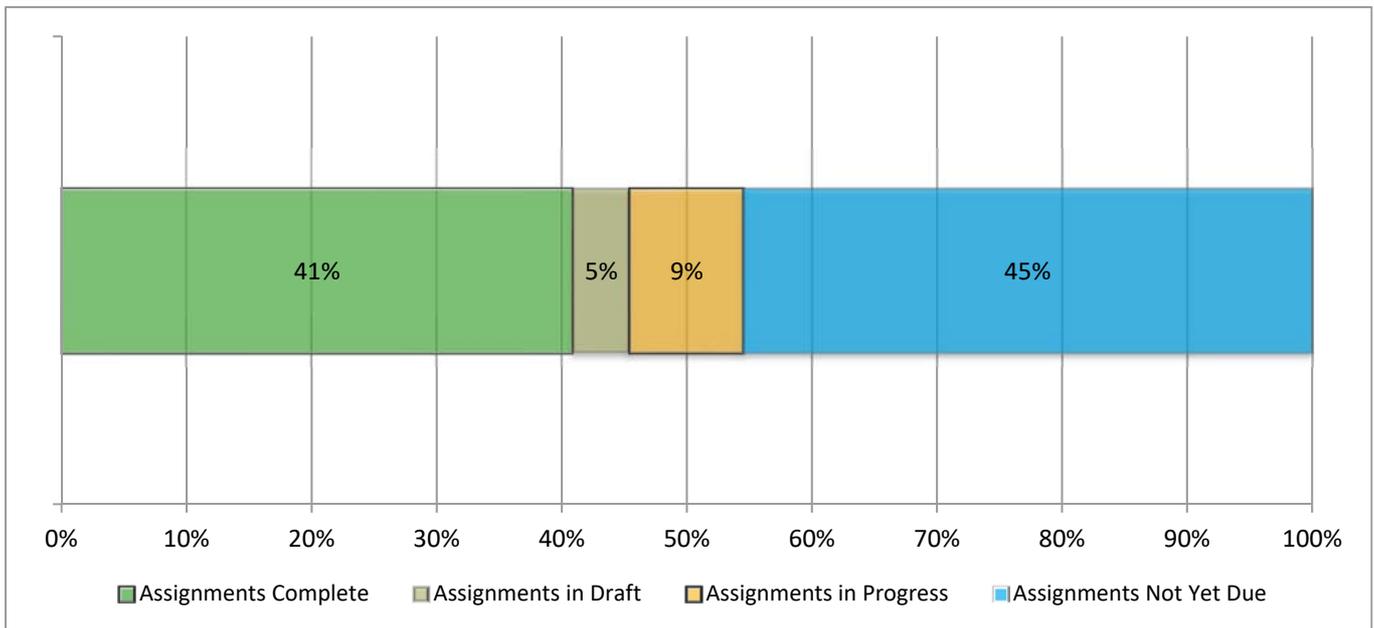
2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Audit Committee held. The Executive Summary and Key Findings of the assignments below are attached to this progress report.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
Gedling Country Park Visitor Centre (3.18/19)	Final	Substantial assurance	0	0	1
Community Centres (4.18/19)	Final	Reasonable assurance	0	4	1
Reconciliations (5.18/19)	Final	Reasonable assurance	0	2	6
Follow Up 1 (6.18/19)	Final	Reasonable assurance	0	1	4
Main Accounting System (7.18/19)	Final	Substantial assurance	0	0	2
Corporate Governance (8.18/19)	Final	Substantial assurance	0	1	2
Payroll and Expenses (9.18/19)	Final	Substantial assurance	0	0	1

2.1 Impact of findings to date

Gedling Park Visitor Centre (03.18/19)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, one low priority action was identified, and the management action was agreed in respect of this finding.

Community Centres (04.18/19)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, four medium and one low priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority findings relate to:

- Safeguarding documents were not maintained up to date for all user groups of the Community Centres, as the newest user group had not yet provided their documentation, and older user groups had not had their documents checked since their initial submission;
- There is no separate Lone Working Policy and the provision of Skyguards is incomplete;
- Risk Assessments were not maintained up to date due to a change in system, meaning they will be reviewed at a later date; and
- Promotions, whereby the Brickyard Community Centre had been on constant price promotion for four years.

Reconciliations (05.18/19)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, two medium and six low priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority findings relate to:

- Delays and/or missing signatures were noted in the review of Sundry Debtors.
- Housing Needs Rental Reconciliations are not being signed by the relevant preparer and reviewer. At the time of audit, the quarter one 2018/19 reconciliation had not yet been prepared and completed.

Follow Up (06.18/19)

Conclusion: Reasonable Progress

Impact on Annual Opinion: Positive

As a result of testing, one medium and four low priority actions were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- A review of the partnerships register has not been completed. Consideration is required to identify if this register should be reported to Audit Committee.

Main Accounting System (07.18/19)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, two low priority actions were identified, and the management actions were agreed in respect of these findings.

Corporate Governance (08.18/19)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one medium and two low priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- The staff were last provided with training in 2012 on the Non-Executive Officer Decision Making - Guidance on the Openness of Local Government Bodies Regulations 2014.

Payroll and Expenses (09.18/19)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, one low priority action was identified, and the management action was agreed in respect of this finding.

3   LOOKING AHEAD

Assignment area	Timing per approved IA Plan 2018/19	Status	Target Audit Committee
NNDR	Quarter 3	Draft report issued	18 December 2018
Health and Safety	Quarter 4	In progress	19 March 2019
IT Review - Phishing	Quarter 2	In progress	19 March 2019
Ground Maintenance, Parks and Open Spaces	Quarter 3	In progress	19 March 2019
Development Management	Quarter 2	14 January 2019	19 March 2019
Landlord Licensing	Quarter 4	14 January 2019	19 March 2019
GDPR Post Implementation Review	Quarter 4	21 January 2019	19 March 2019
Follow Up 2	Quarter 3	24 January 2019	19 March 2019
Risk Management	Quarter 3	28 January 2019	19 March 2019
Anti-Fraud Review	Quarter 4	4 February 2019	19 March 2019
Contract and Procurement	Quarter 3	11 February 2019	19 March 2019
Property – Investment, Miscellaneous Properties and Facilities Management	Quarter 4	11 February 2019	19 March 2019
Cash and Banking	Quarter 3	18 February 2019	19 March 2019

4   OTHER MATTERS

4.1 Changes to the audit plan

There have been no changes made to the audit plan.

4.2 Quality Assurance and Continual Improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of: Ross Wood (Manager, Quality Assurance Department) with support from other team members across the Department. All reports are reviewed by James Farmbrough as the Head of the Quality Assurance Department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

4.3 Post Assignment Surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each product (current option);
- Monthly / quarterly / annual feedback request; and
- Executive lead only, or executive lead and key team members.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Report previously seen by the Audit Committee and included for information purposes only:

Assignment	Status	Opinion issued	Actions agreed		
			H	M	L
Mail Room (1.18/19)	Final		0	0	3
Customer Services and One Stop Shop Areas (2.18/19)	Final		0	0	1

FOR FURTHER INFORMATION CONTACT

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GEDLING COUNTRY PARK VISITOR CENTRE - EXECUTIVE SUMMARY

1.1 Background

A review of the Gedling Country Park Visitor Centre was undertaken as part of the approved internal audit periodic plan for 2018/19.

Gedling Country Park is a unique site within Nottinghamshire that is home to an abundance of important wildlife species. It is situated on the former Gedling Colliery Site, and since its opening in March 2015, it has attracted significant visitor numbers. Gedling Country Park is set across 580 acres of open space and is home to the Café 1899 Visitor Centre.

The Visitor Centre was created as part of a £1.5m project which commenced its first day of trading on 12 June 2017. Café 1899 has a bespoke menu catering to a wide audience, offering hot and cold drinks, food as well as being a fully licensed bar. Current staff include a Chef Manager, one main supervisor and four catering staff.

Gedling Borough Council entered in to a service concession contract with Nottingham City Council on 8 June 2017 for the management of the Gedling Country Park Visitor Centre. The agreed duration of the concession contract is five years. Eat Culture is a part of Nottingham City Council's commercial catering venture designed to provide customer focused catering services across the city.

The first year of trading had just been completed at the time of audit. The total Income for the first year of trading was £188,727, with total expenditure amounting to £186,644. The service concession fee at the year-end paid by Nottingham City Council to Gedling Borough Council was £1,055.

1.2 Conclusion

There is an appropriate control framework in place for governing the Gedling Country Park Visitor Centre. Our review concluded that key controls are being applied adequately and effectively. We have raised one low priority management action relating to the reporting of Visitor Centre performance information to the Senior Leadership Team.

Internal audit opinion:
Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.
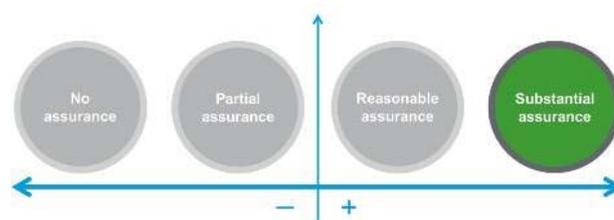
1.3 Key findings

The key findings from this review are as follows:

- A Service Concession contract is in place between Gedling Borough Council and Nottingham City Council for the management of the Gedling Country Park Visitor Centre. The contract commenced on 8 June 2017. The agreed duration of the contract is five years;

- Both Gedling Borough Council and Nottingham City Council have allocated dedicated Contract Managers charged with monitoring the performance of the Visitor Centre service concession contract;

- Quarterly monitoring meetings are held with the dedicated Contract Managers from both Gedling Borough Council and Nottingham City Council. An on-going action log is in place which is reviewed at each meeting to ensure sufficient action has been taken to rectify any previously identified issues;

- Nottingham City Council produce a quarterly performance report which is provided to Gedling Borough Council in relation to the Visitor Centre.

- Nottingham City Council have performance measures in place, which are reported internally and reviewed. A suite of Key Performance Indicators has been developed within the Pentana system which relate to the Visitors Centre;

- Supervisors at the Visitor Centre maintain a repair and maintenance issue log. Any logged issues are communicated to the Facilities Maintenance Technician at Gedling Borough Council;

- An open book accounting record is maintained by the Nottingham City Council, from which the current position in relation to forecasts are reported to Gedling Borough Council on a quarterly basis;

- Review of the open book accounting records confirmed accurate calculation and payment of the service concession fee by Nottingham City Council to Gedling Borough Council in accordance with the concession contract;

- Based on our sample testing the expenditure and income, including personnel costs were found to be valid with supporting documentation being maintained on file;

- A wide range of reporting channels have been made available to capture customer feedback. Customer satisfaction is monitored, and any identified issues or trends are addressed;

- A daily cash-up process is completed by Visitor Centre staff. Banking figures are then uploaded to the Oracle finance system which is reconciled to the relevant bank account by the Nottingham City Council finance team; and

- First year trading figures have now been produced to allow for adequate comparisons. As a result, a formal performance report is currently being compiled which will be periodically communicated to the Senior Leadership Team.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non Compliance with controls*		Agreed management actions		
					Low	Medium	High
Failure to maintain service standards, customer satisfaction, and/or meet customer expectations (Risk Register: 10)	0	(11)	1	(11)	1	0	0
Total					**1**	**0**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

COMMUNITY CENTRES - EXECUTIVE SUMMARY

1.1 Background

An audit of Community Centres was undertaken as part of the approved internal audit periodic plan for 2018/19. Our review was undertaken to ensure processes are in place to maintain service standards, customer satisfaction and meet customer expectations.

Across the Borough, the Council are responsible for the maintenance of six Community Centres:

- Burton Road;
- Brickyard;
- Haywood Road;
- Killisick;
- Pond Hills Lane; and
- Westdale Lane.

Our audit focused on the Brickyard and Pond Hills Lane Community Centres, although aspects of the review, such as the booking process, is applicable across all sites. There are a Team of eight Caretakers who are responsible for the day to day maintenance of each site. The Team is managed by the Community Centre Manager – Community Relations who reports to the Service Manager – Community Relations.

One-off bookings can be made via the Customer Services Team, whereas regular bookings are arranged via the Community Centre Manager – Community Relations.

The total income from Community Centres in 2017/18 was £105,645. The Council is currently pursuing a policy of community asset transfer. In this case, this is where the Council gives control of a Community Centre to a voluntary, community or other statutory organisation to facilitate community activities.

1.2 Conclusion

Our testing confirmed that there are controls in place for Community Centres which are consistently applied and operating effectively, but with five areas of concern having been identified for management action. The issues raised consisted of four 'medium' priority actions and one 'low' action, as detailed in section two of the report.

Internal audit opinion:
Taking account of the issues identified, the Council can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).
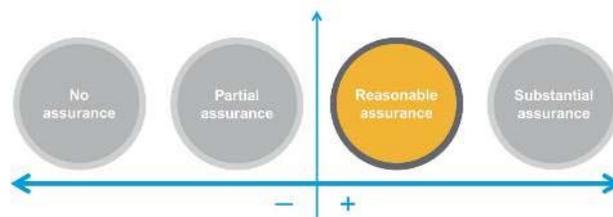
1.3 Key findings

The key findings from this review are as follows:

- Terms and Conditions are in place for all hirers of the Community Centres to adhere to;

- There are a range of publicity methods for the Community Centres, including utilising noticeboards, ensuring the information on key websites are maintained up to date and are easily available on Google and advertising in the Council's Contacts magazine;

- Consistent booking and payment methods are in place across each site, with different methods in place for one-off and regular bookings;

- Caretakers are consistently undertaking their responsibilities i.e. undertaking Health and Safety tests on a weekly basis and completing their timesheets;

- Invoices were being raised in a timely manner and the recovery of debt was being monitored;

- An incident form and process were in place to keep a log of and investigate any incidents and accidents which may happen while on site;

- Legionella, COSHH, and Asbestos documentation was in place and processes followed;

- There were key Health and Safety information and equipment displayed in the Community Centres and visitors were given a Health and Safety induction on arrival;

- The buildings were kept secure overnight, with gates and shutters in place, and the keys to access and lock up the buildings were held securely; and

- Reports are sent regularly to Finance to monitor the financial performance of the Community Centres.

We have however agreed four 'Medium' priority actions with management and these relate to:

- Safeguarding documents were not maintained up to date for all user groups of the Community Centres, as the newest user group had not yet provided their documentation, and older user groups had not had their documents checked since their initial submission;

- There is no separate Lone Working Policy and the provision of Skyguards is incomplete;

- Risk Assessments were not maintained up to date due to a change in system, meaning they will be reviewed at a later date; and

- Promotions, whereby the Brickyard Community Centre had been on constant price promotion for four years.

In addition, we have also raised one 'Low' priority management action.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non Compliance with controls*		Agreed management actions		
					Low	Medium	High
Failure to maintain service standards, customer satisfaction, and/or meet customer expectations (Risk Register: 10)	0	(22)	5	(22)	1	4	0
Total					**1**	**4**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2   DETAILED FINDINGS

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
Risk: Failure to maintain service standards, customer satisfaction, and/or meet customer expectations (Risk Register: 10)								
2	Safeguarding documents from users of the Community Centres are in place and maintained on file. All new users of the Community Centres are required to submit their safeguarding documents when they start. Guidance from the Council can be provided if required.	Yes	No	The Community Centre Manager – Community Relations confirmed that all regular groups who use the Community Centres must have their own safeguarding documents in place. Newcomers are requested to present their safeguarding documents to the Council when they start. If they do not have them in place, the Council can provide templates as guidance. Between the Brickyard and Pond Hills Lane Community Centres, there has only been one newcomer since the start of the financial year who is yet to present this paperwork,	Medium	We will review and maintain on file updated safeguarding documents from all user groups of the Community Centres and streamline this process. We will introduce a review of these documents to be conducted every three years. Once guidance on vulnerable adults has been received, this will be reflected in all future relevant safeguarding materials.	31 March 2019	Community Centre Manager – Community Relations

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				although adequate chasing has been documented. There is also no reference to the safeguarding of vulnerable adults contained within the documentation, however this is because the Community Relations Team are awaiting guidance from the Council on what needs to be included. Furthermore, the safeguarding documentation previously submitted had not been checked to ensure it was still fit for purpose since then. There is an increased that safeguarding incidents may occur if appropriate documentation is not put in place, distributed amongst relevant users of the Community Centres and maintained up to date to reflect best practice.				
3	There is a Caretakers' Meeting every six to eight weeks to ensure the Caretakers are kept up to date with relevant information and issues can be brought to light and addressed. Between these meetings, the Community Centre Manger – Community Relations will arrange to see each Caretaker on	Yes	No	Review of the calendar and relevant notes confirmed that there is a six to eight week meeting for all Caretakers and managers to discuss any issues which have come to light, and notices which need to be given. This ensures that key messages are put across consistently to facilitate good communication within the Team. Between these meetings, the Community Centre Manger – Community Relations confirmed they will arrange to have a one to one meeting on site with each Caretaker roughly every other three weeks to	Medium	We will create a lone working risk assessment for the whole service area as part of a separate Lone Working Policy. Consideration will be given to how to bridge the gap in Skyguard provisions.	31 January 2019	Service Manager – Community Relations

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	site every other three weeks. While lone working, the Caretakers will wear a piece of personal protective equipment called a Skyguard to ensure their wellbeing is monitored while on shift.			ensure no pressing issues are going unnoticed. The Service Manager confirmed that there is a gap in the Lone Working Policy, as there is not a separate one for lone workers or a risk assessment for the whole service area. When lone working, the Caretakers wear a personal protective piece of equipment called Skyguard, which is a 24/7 device to monitor their personal safety. However, there is only one Skyguard allocated to each Community Centre, rather than being specifically allocated to a member of staff. Community Centres attended by more than one Caretaker will have a Skyguard stored securely overnight. However, this leaves the Caretaker exposed when unlocking and locking up, increasing their risk of harm at these times.				
4	General risk assessments are in place for Community Centres and are approved by the Community Centre Manager – Community Relations and maintained on file.	Yes	No	Testing a sample of 10 general risk assessments for Community Centres confirmed that, while they had all been fully completed and signed off by the Community Centre Manager – Community Relations, only one had been reviewed within the last year. This was due to a change in system to AssessNET, whereby, going forward, all risk assessments will be stored on a portal. The Council are still in the	Medium	We will review and update the general risk assessments for Community Centres to ensure they are maintained on file, accessible to staff, and still fit for purpose. Going forward, we will also implement an annual review of them to maintain an audit trail.	31 October 2018	Community Centre Manager – Community Relations

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				process of changing over to this system.				
5	An annual pricing report is sent to the Portfolio Holder for Community Development, who approves it by setting it up on Modern.Gov. This automatically uploads to the Council's website. Prices, including promotional offers, are then set to be consistent across all Community Centres and reviewed annually, based on the pricing report.	Yes	No	We obtained and reviewed the annual report to the Portfolio Holder for Community Development dated 19 February 2018, which helps inform pricing for the year. The Service Manager – Community Relations confirmed that informal monthly meetings with the Corporate Director and Portfolio Holder take place. Decisions are approved and made in these meetings and are then published internally on Modern.Gov, which automatically publishes it online on the Council's website. Review of the promotional offers confirmed that there was a significant reduction in the prices being billed for use of the Community Centres. For instance, the standard weekly evening price per hour for the Brickyard and Burton Road Community Centres would normally be charged at £21.50, but while on promotion it is only £12.90. It was confirmed by the Service Manager – Community Relations that the Brickyard Community Centre had been on constant price promotion for four years. There is a risk that users of the Community Centres will become	Medium	We will review prices for Brickyard and Burton Road Community Centres with a view to implementing a pricing strategy more tailored to those sites.	31 December 2018	Service Manager – Community Relations

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				accustomed to the lower prices, to the extent that it becomes the de facto price. This will in turn increase the risk to the Council of losing their custom if they were to reverse the price, leading to financial loss.				

RECONCILIATIONS - EXECUTIVE SUMMARY

1.1 Background

An audit of Reconciliations was undertaken at Gedling Borough Council as part of the approved internal audit periodic plan for 2018/19.

The Financial Procedure Rules detail the roles and responsibilities for accounts management as well as the key controls for ensuring the accuracy of transaction records. Individual departments are responsible for maintaining procedure notes for carrying out their relevant reconciliations.

Reconciliations of key accounts are prepared monthly by the Accountancy and Finance Team.

Council Tax, NNDR and Debtors are processed through the Civica System. Payroll is processed through the Northgate System. Creditors, Cash and Bank as well as VAT are all processed through the Agresso System.

In instances where the Council receives unidentified income this is placed into a suspense account until the correct account can be identified and the income allocated. At the time of audit, the current position of the Unidentified Income account was £1,375.45.

The review concentrated on the following key reconciliations relating to feeder systems of the Council's general ledger system: bank, creditors, debtors, payroll, cash receipting, council tax, NNDR, rents and VAT.

1.2 Conclusion

The review of reconciliations has identified that overall the control framework is well designed. However, weaknesses in compliance with the established control framework have been identified which has resulted in two medium and six low priority management actions being raised and agreed.

Internal audit opinion:
Taking account of the issues identified, the Council can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk.
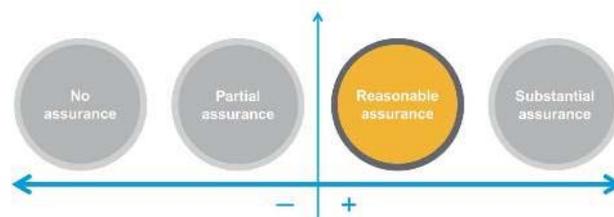
1.3 Key findings

The key findings from this review are as follows:

- The Financial Procedure Rules form part four of the Council's Constitution and were last updated on 27 March 2018. The Financial Procedure Rules detail the roles and responsibilities for accounts management, and key controls for ensuring the accuracy of transaction records;

- The Council uses one suspense account to hold unidentified income, which can be accessed by all staff in order for them to identify any listed items. Once an item is properly identified it is allocated to the relevant account;

- The Unidentified Income account is reviewed and reconciled as part of the month end processes and evidence maintained on file to confirm that any balances have been investigated and identified. At the time of audit, the current position of the Unidentified Income account was £1,375.45;

- Testing of the Leisure Centre Cash Reconciliations completed from January 2018 to June 2018 identified that leisure centre cash had been reconciled and independently reviewed in all six months. No discrepancies were identified;

- Testing of the Bank Reconciliations completed from January 2018 to June 2018 identified that the bank account had been reconciled and independently reviewed in all six months. No discrepancies were identified;

- Testing of the Creditors Reconciliations (Payments and Aged Debts) completed for the last 10 weeks identified that reconciliations had been completed for all payment runs and had been independently reviewed in all instances. No discrepancies were identified; and

- Testing of the Payroll Reconciliations completed from January 2018 to June 2018 identified that payroll had been reconciled and independently reviewed in all six months. No discrepancies were identified.

However, we identified the following exceptions with the Council's established control framework:

- Procedure notes for the preparation of reconciliations are not available for all reconciliations performed across the Council;

- Best practice would suggest the maintenance of a rolling schedule be in place to confirm the production, authorisation and timing of key reconciliations during the financial year;

- Review of the Sundry Debtors Payments Cash Reconciliations found two instances where the Revenues and Welfare Support Service Manager had not reviewed and approved monthly reconciliation (February 2018 and April 2018);

- Delays and/or missing signatures were noted in the review of Debtors, Council Tax, Sundry Debtors and NNDR reconciliations;

- Housing Needs Rental Reconciliations are not being signed by the relevant preparer and reviewer. At the time of audit, the quarter one 2018/19 reconciliation had not yet been prepared and completed; and

- No management information is currently being communicated regarding reconciliations.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non Compliance with controls*		Agreed management actions		
					Low	Medium	High
Failure to maintain financial integrity	1	(16)	8	(16)	6	2	0
Total					**6**	**2**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 DETAILED FINDINGS

Categorisation of internal audit findings	
Priority	**Definition**
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
Risk: Failure to maintain financial integrity								
5	Sundry Debtors Reconciliations. Reconciliations are completed on a quarterly basis. All reconciliations are completed in a timely manner, balanced to zero, with all reconciling items being identified and supporting documentation kept on file. There is evidence to identify which officer prepared the	Yes	No	Reconciliations are completed on a quarterly basis and are prepared by Principal Finance Business Partner. Quarterly reconciliations of Sundry Debtors for the period January 2018 to June 2018 were obtained and reviewed. Testing found the following: • The end of quarter three 2017/18 (January 2018) reconciliation had not been produced and completed; • The year-end reconciliation for 2017/18 had not been independently reviewed; and	Medium	Quarterly Sundry Debtors Reconciliations will be prepared, independently reviewed and approved in a timely manner.	31 August 2018	Principal Finance Business Partner

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	reconciliation and that the completed reconciliation has been subject to timely review by an independent officer.			• At the time of audit, the quarter one 2018/19 reconciliation had not yet been produced and completed. If reconciliations are not prepared and independently reviewed, there is a risk that any errors or discrepancies are not identified and rectified in a timely manner.				
8	Rents - Housing Needs Reconciliations. Reconciliations are completed on a quarterly basis. All reconciliations are completed in a timely manner, balanced to zero, with all reconciling items being identified and supporting documentation kept on file. There is evidence to identify which officer prepared the reconciliation and that the completed reconciliation has been subject to timely review by an independent officer.	Yes	No	Reconciliations are prepared by the Assistant Finance Business Partner. Quarterly reconciliations of Sundry Debtors for the period January 2018 to June 2018 were obtained and reviewed. Testing found the following: • The end of quarter three 2017/18 (January 2018) and the year-end reconciliation for 2017/18 reconciliations had not been signed and dated by the relevant preparer and reviewer; and • At the time of audit, the quarter one 2018/19 reconciliation had not yet been produced and completed. If reconciliations are not prepared and independently reviewed, there is a risk that any errors or discrepancies are not identified and rectified in a timely manner.	Medium	Housing Need Rents Reconciliations will be completed in a timely manner as well as being signed and dated by the relevant preparer and independent reviewer.	31 August 2018	Principal Finance Business Partner
9	**Missing Control**	No	-	Discussion with the Principal Accountant and Principal Finance	N/A	See management action 2.	N/A	N/A

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	Timely management information regarding the completion of key reconciliations is communicated.			Business Partner confirmed that no management information is currently being communicated regarding reconciliations. However, a process is currently being developed to provide assurance to Management on a quarterly basis that key reconciliations (Council Tax, NNDR, VAT, etc.) are being completed. Without sufficient management reporting regarding the completion of key reconciliations, there is a risk of lack of oversight, resulting in reconciliations not being completed in a timely manner.				

FOLLOW UP 1 - EXECUTIVE SUMMARY

1.1 Introduction

As part of the approved internal audit periodic plan for 2018/19 we have undertaken a review to follow up progress made by you to implement the previously agreed management actions. The audits considered as part of the follow up review were:

- 12.17/18 Enforcement;

- 15.17/18 Debtors and Debt Recovery;

- 16.17/18 Partnerships and Voluntary Sector Grant Aid;

- 20.17/18 Capital Accounting and Asset Management;

- 22.17/18 Treasury Management;

- 23.17/18 Housing Needs; and

- 24.17/18 Follow Up 2.

The 16 management actions considered in this review comprised of three 'Medium' and 13 'Low'. The focus of this review was to provide assurance that all actions previously made have been adequately implemented.

1.2 Conclusion

Taking account of the issues identified in the remainder of the report, in our opinion Gedling Borough Council has demonstrated **reasonable progress** in implementing management actions agreed to address internal audit management actions.

We have reiterated management actions where these have not yet been implemented. In addition, we have made new/revised management actions where appropriate; these are detailed in section 2 of this report.

The following graph highlights the progress made on the actions that have been followed up:

1.3 Action tracking

Action tracking enhances an organisation's risk management and governance processes. It provides management with a method to record the implementation status of actions made by assurance providers, whilst allowing the Audit Committee to monitor actions taken by management. Gedling Borough Council's management maintain an audit recommendation log for internal tracking.

1.4 Progress on actions

Implementation status by review	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
12.17/18 Enforcement	1	0	1	0	0	0	0
15.17/18 Debtors and Debt Recovery	1	1	0	0	0	0	1
16.17/18 Partnerships and Voluntary Sector Grant Aid	5	1	2	1	1	0	2
20.17/18 Capital Accounting and Asset Management	1	1	0	0	0	0	1
22.17/18 Treasury Management	1	1	0	0	0	0	1
23.17/18 Housing Needs	4	4	0	0	0	0	4
24.17/18 Follow Up 2	3	2	0	1	0	0	2

Implementation status by management action priority	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
Low	13	8	2	2	1	0	9
Medium	3	2	1	0	0	0	2
Totals	16	10	3	2	1	0	11

2   FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Each action followed up has been categorised in line with the following:

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
2	**16.17/18 Partnerships and Voluntary Sector Grant Aid** A review of the partnerships register will take place to ensure that only current partnerships are included. Consideration will be made into whether the level of reporting currently undertaken is appropriate and whether the register needs to be reported to audit committee / members as well.	30 May 2018	Medium	The Service Manager - Community Relations confirmed that, due to staffing issues, a review of the partnerships register has not yet finished but is due to be completed by the end of next month (October 2018). As such, consideration still needs to be given on whether to report on the partnerships register to the Audit Committee, which will happen with the Senior Leadership Team after the review.	2	A review of the partnerships register will take place to ensure that only current partnerships are included. Consideration will be made into whether the level of reporting currently undertaken is appropriate and whether the register needs to be reported to Audit Committee / members as well.	Medium	31 October 2018	Service Manager - Community Relations

MAIN ACCOUNTING SYSTEMS - EXECUTIVE SUMMARY

1.1 Background

A review of the Main Accounting System was undertaken at Gedling Borough Council ('the Council') as part of the approved internal audit periodic plan for 2018/19. The main objective of the audit was to ensure that the accuracy, authorisation and timeliness of financial activity within the Council is in check.

The Accountancy and Finance Team within The Council use "Agresso" as their main accounting system. The platform is used for the administration of the general ledger, which includes the payroll system, journal postings, purchase and sales ledgers.

The General Fund budget totalling £12,145,200 was approved by the Council in March 2018. The Council's proposed General Fund budget sets out the financial strategy and framework for overall financial control and administration for the Council.

The Accountancy and Finance Team are responsible for and not limited to ensuring that the opening budgets and ledger balances at the start of each financial year are accurately recorded on Agresso; maintaining the Chart of Accounts; ensuring; key control accounts are reconciled at month end and are subject to independent review; and processing and approval of journals and virements.

1.2 Conclusion

We have identified that overall there is a suitable control framework in place in relation to the Council's main accounting system. Our review concluded that in most instances key controls are being applied adequately and effectively. However, we have identified some areas for improvement which have resulted in the agreement of two low priority management actions.

Internal audit opinion:
Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.
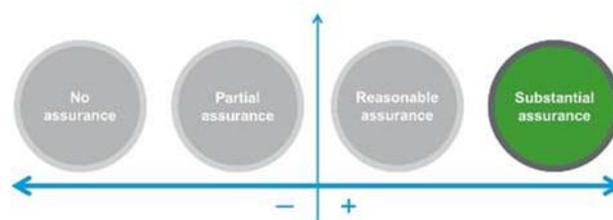
1.3 Key findings

The key findings from this review are as follows:

- Financial regulations have been established and are maintained up to date;

- Relevant financial procedures are in place for the management of the main accounting system and are available to relevant staff via the shared network;

- The Finance Department has an 'Information Asset Register' in place which records the retention periods finance documentation is held for and how it should be disposed of;

- Access to Agresso is restricted to employees based on their job role and business need;

- Year-end closing balances from 2017/18 have been accurately brought forward to the current financial year and posted correctly into Agresso;

- The Council's budget for 2018/19 was approved in March 2018 and accurately entered into Agresso;

- A Chart of Accounts is maintained and requests for additions and amendments are appropriately authorised and uploaded; and

- Quarterly reporting of financial information to Senior Management is carried out.

However, testing highlighted two low priority issues:

- From testing a sample of 20 journals it was identified that in one instance there was no countersignature on the journal; and

- From testing a sample of 20 virements it was identified that there were five instances where an input date for the virement was not recorded; two instances where there was no "prepared by" signatures, however, the relevant senior management signatures were present; and two instances there was no date of signature provided by the Corporate Director/Service Manager.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non Compliance with controls*		Agreed management actions		
					Low	Medium	High
Failure to maintain financial integrity (Risk Register: 2)	0	(13)	2	(13)	2	0	0
Total					**2**	**0**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

CORPORATE GOVERNANCE - EXECUTIVE SUMMARY

1.1 Background

A review of Corporate Governance was undertaken at Gedling Borough Council as part of the approved internal audit periodic plan for 2018/19.

Gedling Borough Council has 41 Councillors. Councillors are democratically accountable to the residents of their ward. The business of the Council is dealt with by Councillors meeting to democratically discuss and vote on decisions for the Borough. The Full Council generally meets seven times a year.

There are some decisions that are reserved for Council, which cannot be delegated to Committees or Officers, for example amendments to the Constitution, setting the Council's budget and approving the level of Council Tax. The Full Council is also responsible for appointing Councillors to Committees.

The Cabinet is responsible for most day-to-day decisions. Meetings of the Cabinet are open to the public to attend except where exempt or confidential matters are to be discussed.

A number of Committees are set up to facilitate closer scrutiny of specific areas, including an Overview and Scrutiny Committee, Audit Committee, Planning Committee, Environmental and Licensing Committee and Standards Committee.

The Council's Constitution is currently going through a comprehensive review which will not be completed and approved until the end of the 2018/19 financial year.

1.2 Conclusion

This review has confirmed that Gedling Borough Council has in place adequate controls surrounding Corporate Governance and that these controls are sufficiently complied with. However, we identified some weakness in the controls and have agreed one 'medium' and two 'low' category management actions. The medium category management action is in relation to staff training on the guidance on the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and the Openness of Local Government Bodies Regulations 2014.

Internal audit opinion:
Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.
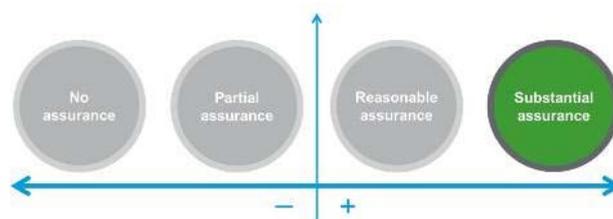
1.3 Key findings

The key findings from this review are as follows:

- A Constitution is in place which was last subject to amendment by Council in January 2018. The Constitution is published on the Council's website and includes the Council Procedure Rules, Codes and Protocols, Members' Allowance Scheme, Contract Procedure Rules, and the Financial Procedure Rules to provide guidance and transparency to staff and members of the public on how the Council conducts its affairs.

- A Scheme of Delegation is included in the Constitution to outline the roles and responsibilities of Committees.

- The Terms of Reference (ToR) detail the roles and responsibilities of each Committee. The Committee structure and membership details are published on the Council's website.

- A Council calendar is published on the Council's website and sets out when the Council, Cabinet and the Council's Committees meet.

- A quorum is defined within the Constitution to specify the minimum attendance required for each Committee meeting. Testing of a sample of 15 meetings confirmed that all met the minimum attendance requirements.

- On review of a sample of 10 reports made to Council, Cabinet, Audit Committee, Overview and Scrutiny Committee, Planning Committee and Licensing Committee it was noted that adequate and detailed information was provided in the reports to allow the members to make informed and timely decisions.

- On review of the reporting structure and by review of the Council, Cabinet and Committee papers it was confirmed that an appropriate reporting structure is in place to support the Council in fulfilling its responsibilities.

However, the 'medium' category finding is regarding:

- Whilst guidance on the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and Openness of Local Government Bodies Regulations 2014 is updated and re-issued to Service Managers on an annual basis, staff were last provided with training in 2012 on the 2012 Regulations. There is a risk that decision making may not be carried out in accordance with the legislation and if carried out may not be in accordance to the guidance.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non-Compliance with controls*		Agreed management actions		
					Low	Medium	High
Non-compliance with Corporate Governance requirements.	0	(12)	3	(12)	2	1	0
Total					**2**	**1**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

2 DETAILED FINDINGS

Categorisation of internal audit findings	
Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
Risk: Non-compliance with Corporate Governance requirements.								
1	The Council has a Constitution in place. The Council's Constitution is currently going through a comprehensive review which will not be completed and approved until the end of the 2018/19 financial year.	Yes	No	The Constitution is currently under review and it is anticipated that the updated Constitution will be in place by the time of the elections on May 2019 next year. A benchmarking exercise was undertaken with South Kesteven District Council and Bassetlaw District Council. The benchmarking exercise identified that: Gedling Borough Council have the following included in the Constitution which is not included in the Bassetlaw District Council and/or	Low	a) The Council will consider the areas identified by the benchmarking exercise and where appropriate will incorporate into the Constitution; b) The frequency of the Council, Cabinet and Committee meetings will be documented in the Constitution; and c) The quorum for the Cabinet will be included in the Constitution.	31 March 2019	Director of Organisational Development and Democratic Services

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				South Kesteven District Council Constitutions:				
				a) Joint Arrangements;				
				b) Review and revision of the Constitution;				
				c) Members Allowance - includes revision of the scheme, part year entitlement and backdating, payments and claims, repayment of allowances, and double payment; and				
				d) Petitions.				
				The following is included in the Bassetlaw District Council and/or South Kesteven District Council Constitutions and is not included in the Gedling Borough Council Constitution:				
				a) Suspension of the Constitution (limit, procedure, rules, interpretation of suspension;				
				b) Anti-Fraud and Anti-Bribery Strategy and Policy;				
				c) Members Allowance - does not includes the amounts and does not make reference to where this information is available; and				
				d) The frequency of meetings is not documented for the Committees. There is a risk that the Constitution does not provide all the information.				

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
2	Terms of Reference (ToR) are in place and include roles and responsibilities and are subject to regular review.

The Committees and their ToR are detailed within the Constitution. The ToR include the roles and responsibilities of each Committee and this part of the Constitution is reviewed and approved on a regular basis. | Yes | No | The Council has three Executive Committees: The Overview and Scrutiny Committee; the Audit Committee; and the Standards Committee.

Testing established that for all three Committees Terms of Reference were in place and are included in the Council's Constitution. The Council has seven non-executive Committees. Testing established that roles and responsibilities are documented for the Committees in the Constitution. The Constitution includes the delegations and the officer delegations.

The Constitution is currently undergoing a full review and it is anticipated that the review will be completed, and the revised Constitution will be approved and published by the end of the current financial year.

On review of the Terms of reference it was noted that the quorum for the Cabinet is not documented.

There is a risk that if the minimum number of members who must be present for the Council business to be done the minority may commit the Council in taking undemocratic actions. | - | See control 1 for management action. | 31 March 2019 | Director of Organisational Development and Democratic Services |
| 3 | The frequency of the Committees is detailed on the Calendar for | Yes | No | A Committee Schedule is in place for 2018/19. This lists all the meetings to held during the year | - | See control 1 for management action | 31 March 2019 | Director of Organisational Development and |

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	2018/19. The Calendar is updated as the meetings are agreed. The Calendar is available on the Council's website			2018/19. This is also made available on the Council's website. The Calendar can be viewed by week, by month or by event. The Constitution does not state at what frequency the Council, Cabinet and the Committee meetings are required to be held. There is a risk that the required number of meetings may not be held, and this may result in the Committee not being effective in meeting its the Terms of Reference.				Democratic Services
4	Training on: a) Non-Executive Officer Decision Making - Guidance on the Openness of Local Government Bodies Regulations 2014; and b) Executive Decision Making --Guidance on the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is provided to all the relevant staff.	Yes	No	As part of the audit, interviews were held with two members of staff on non-key decision making. Both members of staff confirmed that: a) They were aware of the guidance; b) The training had been provided a number of years ago; and c) One member of staff did not have an understanding of the areas where non-key decisions are required for their function. The other member of staff was aware of the areas within their function where non-key decisions would be required to be made and who the decision maker would be. On discussion the Director of Organisational Development and Democratic Services also advised	Medium	Training on the 2012 and 2014 Regulations will be: a) Tailored with specific examples for the department; and b) Will be provided to all staff and regular refresher training will also be provided going forward.	31 March 2019	Director of Organisational Development and Democratic Services

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				that the training was last provided in 2012. There is a risk that decisions may not be made in accordance with the legislation and guidance where staff are not provided with training/ refresher training on the guidance.				
5	Where non-key decisions are required to be made, the information is recorded onto Modern.gov. Details recorded include: the reference, the purpose, whether this is a key decision, the name of the decision maker, the decision, the reason for the decision, the alternatives options considered, any conflicts of interests, the publication date and the date of the decision.	Yes	No	The Council uses Modern.gov software package for managing the Corporate Governance meetings and information. When a decision is required to be made this will be input onto Modern.gov. It was noted Modern.gov requires a record to be made if there is any conflict of interest declared by any executive member who is consulted by the officer which relates to the decision is made. This is by exception. For the sample of 15 decisions reviewed there were no conflicts of interest declared. Currently the conflict of interest box is only required to be completed if a conflict of interest is identified. As conflict of interest inclusion is by exception, there is a risk that conflict of interest may not be considered.	Low	The Council will investigate if the Modern.gov software can be amended to remove the reporting of conflict of interest by exception and require a record to be made that conflict of interest has been considered.	31 March 2019	Director of Organisational Development and Democratic Services

PAYROLL AND EXPENSES - EXECUTIVE SUMMARY

1.1 Background

We carried out an audit of Payroll and Expenses processing as part of the agreed internal audit periodic plan for 2018/19.

The Council's payroll is managed using the 'Resource Link' system provided by Northgate, which has been in place for some years. 'Resource Link' is an integrated system, including both a Human Resources and a Payroll module. Standard forms have been developed for use by staff members, including new starter and leaver forms. The majority of the Council's employees have access to 'My View', providing electronic access to payslips and allowing amendments to personal details to be processed as and when required. Segregation of duties is maintained, with forms authorised by an appropriate officer prior to processing by the Payroll Department. In addition, full details of all new starters and leavers is provided by the Personnel Manager and payroll processing staff take no part in the personnel function. Over 600 employees are processed every month.

The payroll function is overseen by the Senior Assistant Accountant (Exchequer Management) with the day-to-day processing carried out by the Assistant Accountant (Payroll Management) and the Payroll Assistant. In addition to processing the Council's payroll, the processing of payrolls on behalf of Rushcliffe Borough Council is carried out and a formal Service Level Agreement is in place between the two authorities. Separate payrolls are produced for over 300 employees at Rushcliffe Borough Council.

1.2 Conclusion

Our audit testing confirmed that an established procedure is in place which results in accurate and timely payroll processing. Our testing of payroll outputs, including exception reports and BACS authorisations confirmed that there is an appropriate review process that ensures segregation of duties and independent authorisation of the completed payroll. One low management action has been raised as a result of an expense claim submitted via the expenses portal incorrectly which should have been claimed via petty-cash.

Internal audit opinion:
Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the Council relies to manage the identified area are suitably designed, consistently applied and operating effectively.
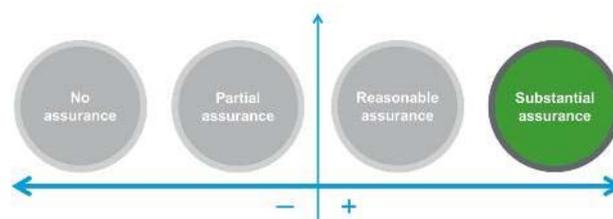
1.3 Key findings

The key findings from this review are as follows:

- Detailed procedure notes are in place providing staff with guidance on how to process expenses claims, overtime and the payroll data.

- Access to the Resource Link system is restricted to authorised personnel and through testing a sample of 10 member of staff it was confirmed they were all current employees with access rights deemed adequate for their job role.

- Starters and leavers checklists are completed for all employees joining or leaving the Council with built in checks and segregation of duties to ensure accurate and timely processing. Starters and leavers were authorised in line with delegated authorities with no issues identified.

- Any monies identified during the leavers process are recovered, testing a sample of 15 leavers identified no instances where monies were owed to the Council.

- A sample of 15 amendments to payroll (e.g. overtime) was tested and confirmed in all instances a notification form had been completed and authorised prior to payment, and the amounts were traces to employee's payslips.

- Testing a sample of 15 involuntary and 15 voluntary deductions identified in all instances these were processed on receipt of appropriate notification and retained on file.

- For all BACS payments completed during the current financial year, it was confirmed an exception report had been produced and reviewed and the BACS had been authorised in line with delegated authorities with segregation of duties apparent.

- Exception reports are produced each month which identifies variances to the previous months payroll. Variances are investigated, and it was confirmed for the six months tested in the current financial year, this report had been produced and signed as evidence of review.

However, the following control weakness was identified:

- Sample testing 15 expense claims confirmed all instances were appropriately authorised with supporting documentation maintained on file and checking to the payslip confirmed the amount matched. However, it was identified in one instance the expense claim should have been processed in petty cash due to its nature (key safe) instead of through payroll. It was noted through further investigation that 10 other expense claims from the individual included items which should not have been processed through payroll.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Area	Control design not effective*		Non-Compliance with controls*		Agreed Management Actions		
					Low	Medium	High
Procedural Documentation	0	(4)	0	(4)	0	0	0
Starters	0	(3)	0	(3)	0	0	0
Leavers	0	(3)	0	(3)	0	0	0
Amendments	0	(1)	0	(1)	0	0	0
Deductions	0	(2)	0	(2)	0	0	0
Expenses	0	(1)	1	(1)	1	0	0
Payments	0	(3)	0	(3)	0	0	0
Total					**1**	**0**	**0**

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.