

XENTRALL AUDIT PLAN 2008/09 – PROGRESS REPORT FROM STOCKTON BOROUGH COUNCIL'S INTERNAL AUDIT SECTION

Purpose of Report

1. To provide Darlington Borough Council's Audit Committee with a progress report on the completion of the 2008/2009 Xentrall Audit Plan.

Information and Analysis

2. Stockton Borough Council's Annual Audit Plan for 2008/09 is risk based and was approved by Stockton's Audit Committee in May 2008. Included in this plan was the audit work to be undertaken on Xentrall, the shared services partnership with Darlington Borough Council
3. The range of audit work to be carried out on the partnership was developed following consultation with the Xentrall Management Board, Audit Services at Darlington Borough Council and the External Auditors of both councils. The detailed scope of each audit assignment is agreed by Stockton Borough Council Internal Audit and Xentrall management prior to the commencement of audit work.
4. Appendix A identifies all audits reported previously and the final five audits now completed. One is given full assurance, three are given substantial assurance and one warranting limited assurance. A short explanation is supplied as to why this was necessary.

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APPENDIX A

Audits previously reported

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Xentrall	Partnership governance	Substantial assurance		
	Environmental controls	Substantial assurance		
	Business continuity	N/A	Audit report formed basis of an action plan.	
	Creditors	Substantial assurance		
	Bank reconciliation	Limited assurance	Problems with completing the full reconciliation process require additional audit work in January 09.	Agreed.
	Cash receipting/ cash in transit	Substantial assurance		
	Interfacing	Full assurance		
	PS Enterprise system	Substantial assurance		
	Debtors	Substantial assurance		
	Network management/ remote access	Substantial		
	Payroll	Substantial		
	Additional bank reconciliation work.	Substantial		
	ISO 17799	Full assurance		

Audits Presented

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Xentrall	Transactional HR	Full assurance		
	Agresso	Substantial assurance		
	E-Commerce (Financial transactions)	Limited assurance	The opinion only relates to the review of access controls and associated authorisations with regard to the Radius	Agreed: to be done April 09.

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
			income/cash receiving system required as part of the ongoing PCI-DSS implementation and therefore does not constitute an opinion on E-Commerce as a whole.	
	Unix	Substantial assurance		
	Internet Firewalls and Email	Substantial assurance		

Opinion Scoring Methodology

Assurance	Definition
FULL ASSURANCE	A sound system of controls is being applied consistently 91 -100% assurance on testing results
SUBSTANTIAL ASSURANCE	Overall, there is a sound system of internal controls, however, the implementation of the agreed recommendations would further strengthen these controls 71 – 90% assurance on testing results
LIMITED ASSURANCE	The system of controls is weak and (either) is not being complied with in some significant areas, or does not cover all areas. 41 – 70% assurance on testing results
NO ASSURANCE	The system of controls is failing and in need of urgent management attention. 0 – 40% assurance on testing results