XENTRALL AUDIT PLAN 2009/10 – 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 against the 2009/2010 Xentrall Audit Plan cumulative to 1st March, 2010.

2. To notify Members of the proposed plan for 2010/11.

Information and Analysis

3. Stockton Borough Council's Annual Audit Plan for 2009/10 is risk based and was approved by SBC's Audit Committee in May 2009. The relevant Xentrall element of the Plan was reported to DBC's Audit Committee in March 2009.

4. 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.

5. Appendix A identifies the previously reported audits, the completed audits in this period and those currently classed as on-going.

6. Appendix B is the proposed Internal Audit planned work for next year.

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2009/10 Audits previously reported

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	**Management Response**
Xentrall				
	Design & Print	Full Assurance		
	Income	Substantial		
	New systems implementation – PSE migration	Full Assurance		
	Network Management	Substantial		
	Transactional HR Absence management	Substantial		
	Transactional HR Recruitment/ Employee contracts.	Full Assurance	Follow-up on previous audit recommendations; all implemented.	

Audits Presented

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	**Management Response**
Xentrall	Xentrall Governance	Full		
	Bank reconciliation	Full		
	Creditors	Substantial		
	Debtors	Substantial		
	E-commerce	Substantial		

On-going

Department	Audit Assignment	Status	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Xentrall	Windows NT & I WORLD	On-going		
	Payroll	On-going		
	Business continuity	On-going		
	Agresso	On-going		
	Disaster recovery	On-going		
	Environmental controls	On-going		

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

2010/11 PROPOSED ANNUAL AUDIT PLAN — Appendix B

		RF	Interval	2008/09	2009/10	2010/11	2011/12	2012/13
	SLAs and Management			**5**	**10**	**5**	**5**	**5**
	Advice and Guidance			**5**	**15**	**5**	**5**	**5**
Core Systems								
	Bank Reconciliation	*5.5*	*12*	15	10	5	5	5
	Business continuity				5		5	
	Creditors	*5.8*	*12*	16	17	10	20	10
	Debtors	*5.6*	*12*	11	15	10	10	15
	Design & Print				5			
	Governance					10	10	10
	Income	*5.1*	*12*	7	7	7	7	7
	Payroll	*5.8*	*12*	18	15	15	20	15
	Transactional HR - Absence Management	*5.1*	*12*		6	6	6	6
	Transactional HR - Recruitment / Employee Contracts	*5.1*	*12*	10	3	10	10	10
ICT Systems								
	Agresso	*5.1*	*12*	15	20	10	20	15
	Disaster Recovery	*3.9*	*24*	4	5		5	
	E-Commerce Controls	*3.5*	*24*	10	5			
	I WORLD	*3.3*	*24*		10		10	
	ICT Environmental Controls	*4.7*	*24*	9	15	15		15
	Information security			15	5			
	Interfacing	*0.0*	*120*	8				
	Internet Firewalls / Email	*3.8*	*24*			8		8
	Network Management / Remote Access	*3.6*	*24*	10	5	8		8
	New systems management				10			
	PS ENTERPRISE			23		15		15
	UNIX			15			15	
	Windows NT				15		15	
	Adhoc Contingency			**10**	**15**	**7**	**7**	**7**
	Total			**206**	**213**	**136**	**165**	**146**