XENTRALL AUDIT PLAN 2010/11 – 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 2010/2011 Xentrall Audit Plan as at 1st December, 2010.

Information and Analysis

2. Stockton Borough Council's Annual Audit Plan for 2010/11 is risk based and was approved by SBC's Audit Committee in April 2010. The relevant Xentrall element of the Plan was reported to DBC's Audit Committee in March 2010.

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

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2010/11 Audits previously reported

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	**Management Response**
Xentrall	Transactional HR	Substantial Assurance		
	IS/IT Strategy	Full Assurance		
	Income	Full Assurance		

Audits Presented

Department	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	**Management Response**
Xentrall	Disaster recovery – follow up of previous recommendations	Substantial Assurance	The opinion is based upon the work undertaken by management to date to address the previous audit recommendations made.	

On-going

Department	Audit Assignment	Status	Where Assurance Opinion Less Than Substantial	
			Audit Comment	**Management Response**
Xentrall	Creditors	On-going		
	Agresso	On-going		
	Debtors	On-going		
	Payroll	On-going		
	Internet Firewalls/ E-mail	On-going		
	Network Management/ Remote access	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