

**REPORT TO:           AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 13/09/04**  
**REPORT ON:           INTERNAL AUDIT REPORTS**  
**REPORT BY:           CHIEF INTERNAL AUDITOR**  
**REPORT NO:           645-2004**

**1       PURPOSE OF REPORT**

To submit to Members of the Audit and Risk Management Sub-Committee a summary of the Internal Audit Reports finalised since the last Sub-Committee.

**2       RECOMMENDATIONS**

Members of the Sub-Committee are asked to note the information contained within this report.

**3       FINANCIAL IMPLICATIONS**

None

**4.     LOCAL AGENDA 21 IMPLICATIONS**

None

**5.     EQUAL OPPORTUNITIES**

None

**6.     BACKGROUND**

6.1    The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. Broadly, on the completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to Management for a formal response and submission of Management's proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by Management.

6.2    Executive Summaries for the reviews which have been finalised in terms of paragraph 6.1 above are provided at Appendix A. Within each Executive Summary the prime aim is to provide both Members and Management with key information which includes the reason for undertaking the review, summary financial data and statistics, the areas encompassed within the review and specific areas which were excluded, the principal audit objectives, an audit opinion on the adequacy of the systems and control framework of the area reviewed, the key conclusions based on the audit findings and recommendations and a summary of Management's response to the audit report. The full reports are available to Members on request.

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**DEPUTE CHIEF EXECUTIVE (FINANCE)**

**06 September 2004**

**BACKGROUND PAPERS**

None

**Appendix A**

**a) INTERNAL AUDIT REPORT 2003/17**

<b>Department</b>	<b>Finance Revenues</b>
<b>Subject</b>	<b>Benefit Application Forms</b>

<p><b>Introduction</b></p> <p>As part of the planned Internal Audit work a review of the application forms for Housing Benefit and Council Tax Benefit was completed. For financial year 2002/03 Dundee City Council had a caseload of approximately 43,000; 8,000 rent allowances, 12,000 rent rebates and 23,000 council tax benefits. At the time of the audit fieldwork applications for Housing Benefit and Council Tax Benefit were made on either a Department of Works and Pensions (DWP) claim form or a Dundee City Council claim form, of which there were six main types. As the information captured on the DWP form was insufficient in respect of tenancy details, claimants in private rented accommodation were also required to complete a Council form. Various elements of supporting documentation are required to permit the processing of benefits and copies of this are scanned into the Comino Workflow system. Benefits are processed in Iworld.</p> <p>The Housing &amp; Council Tax Benefit Verification Framework is a Central Government initiative designed to detect and prevent fraudulent claims, set a minimum standard of evidence needed for a claim to be assessed and encourage accuracy in calculating claims from the start of a claim. The Revenues Division had scheduled implementation of modules one and two of the Framework for October 2003 with the third module being implemented at a later date. The Council's claim forms were reviewed as part of the implementation programme and a more comprehensive form was issued to claimants from February 2004. At a later date it is intended to introduce 2 shortened forms, one for use by Senior Citizens and the other for use in renewal applications.</p>
<p><b>Scope and Objectives</b></p> <p>The review examined the adequacy of the Council's claim forms in terms of the clarity and comprehensiveness of the information requested from applicants. The various Council claim forms were compared to the 'model' claim form designed by the Department of Works and Pensions to assess the extent to which they meet recognised best practice. The completeness of application forms submitted by claimants and the evidence provided to support claims was also examined.</p>
<p><b>Conclusion</b></p> <p><i>The claim forms which were issued at the time of the audit fieldwork were not up to the standard required by the Benefit Fraud Inspectorate and were incomplete in some cases, although the information required for the processing of claims had been obtained. A revised single form has been issued since February 2004.</i></p> <p>In order to improve systems pertaining to Housing Benefit and Council Tax Benefit applications it is recommended that:</p> <ul style="list-style-type: none"> <li>• The new form and any subsequent revisions should be passed to Benefit Fraud Inspectorate staff for approval to ensure compliance with best practice.</li> <li>• Staff should ensure the completeness of forms where possible in order to minimise delays in processing.</li> <li>• Staff complete the necessary checklists in order to ensure that there is a record of checks made and to assist in speeding up the processing of benefits.</li> <li>• Guidance provided on the Council's website should be updated and consideration given to making the form available online.</li> </ul>
<p><b>Management Responses to the Audit Report</b></p> <p>The audit findings and recommendations were formally reported to the Head of Revenues and appropriate action agreed to address the specific issues raised.</p>

**b) INTERNAL AUDIT REPORT 2003/19**

<b>Department</b>	<b>Social Work</b>
<b>Subject</b>	<b>Ordering, Receipting and Creditor Payments</b>

<b>Introduction</b>	
<p>As part of the planned audit work for 2003/04, a review of the systems operated in relation to ordering, receipting and creditor payments within the Social Work Department was undertaken.</p> <p>The Social Work Department provides a variety of services including Children and Families, Older People, Adults, and Criminal Justice for which the net Revenue budget for 2003/04 was approximately £57.5m. It has numerous establishments across the city and staff at these establishments are issued with order books for the purchase of goods and services. Orders are placed by staff at the establishments in a number of ways, by post, telephone, fax or personal visits to shops. Invoices are received at the establishments, authorised for payment and then sent to Tayside House where they are input to the Creditors system in Powersolve. Approximately 35,000 invoices were processed during financial year 2003/04.</p> <p>In 2002, staff within the establishments were provided with Financial Guidance Notes which detail procedures to be adopted in respect of ordering and receipting of goods.</p>	
<b>Scope and Objectives</b>	
<p>The objective of the review was to provide an opinion on the adequacy and effectiveness of the controls which exist to ensure that goods and services ordered are required for Council purposes, are appropriately authorised and recorded as received. The review also considered the payment process and the systems adopted for recording purchases to permit effective revenue monitoring. Audit fieldwork was carried out at 10 establishments covering a range of services and also within the central payment function. Examination of arrangements for purchases made on Purchase Cards or purchases reimbursed through the petty cash system were not included as part of the review.</p>	
<b>Conclusion</b>	
<p><i>Overall systems operated are satisfactory but there were some areas where improvements could be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"> <li>• Use of the computerised ordering facility within Powersolve at an establishment level should be explored, as should a decentralised payment system. This would facilitate the recording of order information and commitment of expenditure and should help to reduce delays arising through the movement of invoices between locations.</li> <li>• More effective use of the order book will help ensure that only goods and services required for the Council's business are ordered and purchases are properly authorised.</li> <li>• Retention of goods received documentation and up-to-date signatory lists in establishments will provide an improved audit trail.</li> <li>• Obtaining invoice documentation which meets the requirements of Customs and Excise will assist in ensuring that the Council's reclaiming of VAT is maximised and the Department has appropriate supporting documentation.</li> </ul>	
<b>Management Responses to the Audit Report</b>	
<p>The audit findings and recommendations were formally reported to the Director of Social Work and appropriate action agreed to address the specific issues raised.</p>	

### c) INTERNAL AUDIT REPORT 2003/21

<b>Department</b>	<b>Corporate</b>
<b>Subject</b>	<b>Overtime Procedures</b>
<b>Introduction</b>	
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments in relation to overtime was carried out. Dundee City Council's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for the financial year 2003/04 was £187.9m. Overtime costs included within this figure are £1.9m (1%) and actual expenditure to 31 March 2004 totalled £2.2m, i.e. 114% of budgeted expenditure. For the 2002/2003 financial year overtime payments were of the order of £2.3 million, which was 113% of budgeted overtime.</p> <p>Dundee City Council does not have a formal policy on overtime working but Departments strive to minimise overtime working where possible. However, depending on the nature of the service being delivered, there is a requirement for some staff to work overtime. This varies significantly from Department to Department and consequently some Departments have a zero budget for overtime while others have budgets of £300,000 and more.</p> <p>The Finance Department Payroll Section issues a report to every Department on a monthly basis, which shows each member of staff who has earned overtime in excess of 20% of the employee's salary. This report should be used as a management tool by Departments to monitor overtime in order that problem areas can be identified and rectified. It is not clear from the review the extent to which this report is used, as there are areas within the Council where a high level of overtime is continually worked.</p>	
<b>Scope and Objectives</b>	
<p>The aim of the audit was to undertake a high level overview in terms of the documentation and procedures used by Departments in relation to overtime. Areas examined included procedures adopted for permitting overtime to be worked, the documentation used to record overtime working for both monthly and weekly paid staff, the level of checking procedures and the authorisation levels applied by Departments prior to data being input to the ISIS payroll system.</p> <p>On the basis of the work done to establish an overview of procedures adopted within the Council, further audit work was carried out in relation to specific Departments. Findings and recommendations made to improve controls are the subject of individual reports to the Directors/Chief Officers of these Departments.</p>	
<b>Conclusions</b>	
<p><i>The overall conclusion drawn from audit fieldwork is that improvements require to be made to systems operated in respect of overtime.</i></p> <p>The main areas identified where improvements could be made include the following:</p> <ul style="list-style-type: none"> <li>• A formal overtime policy detailing the processes required in respect of agreeing, approving, and authorising overtime should be issued to Departments to ensure that there is tighter control on overtime being worked and that all overtime payments are appropriately verified and authorised.</li> <li>• Departments should be instructed to compile list of staff of a suitable grade to authorise to act as signatories for overtime claims. These staff should ensure that all claims submitted are in line with Council policy, are properly completed and are correctly signed off prior to being passed for payment. This will help to minimise the risk of inappropriate claims being paid.</li> <li>• Documentation for recording and claiming overtime should be reviewed to ensure consistency across the Council where possible.</li> </ul>	

**c) INTERNAL AUDIT REPORT 2003/21 (continued)**

<b>Conclusions (continued)</b>
<ul style="list-style-type: none"><li>• Procedures for dealing with staff with more than one job require to be reviewed to ensure that the correct deductions for National Insurance and Superannuation Contributions are made from all sources of remuneration paid by the Council.</li><li>• Management require to examine and restrict the number of hours overtime worked by staff in some Departments in order to ensure that working practices comply with the Working Time Regulations.</li></ul>
<b>Management Responses to the Audit Report</b>
The audit findings and recommendations were formally reported to the Depute Chief Executive (Finance) and appropriate action agreed to address the specific issues raised.

## d) INTERNAL AUDIT REPORT 2003/22

<b>Department</b>	<b>Economic Development</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Economic Development was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Economic Development's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 was £3.3m. Overtime costs included within this figure are approximately £47,300 (1%) and actual expenditure to 31st March 2004 totalled £118,200, i.e. 250% of budgeted expenditure. Overtime payments were £138,000, 249% of budget, for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. The vast majority of staff falling into this category within Economic Development are employed as firefighters at Dundee Airport. Other staff within the Department working regular overtime include caretakers, receptionists/clerical assistants and surveyors.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed are generally satisfactory there are areas where it is viewed improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Department should update the authorised signatory list and all forms should be signed by personnel on this list. This will minimise the risk of inappropriate overtime claims being paid.</li><li>• The terms of the European Working Time Directive should be adhered to.</li><li>• The budget for overtime working should be increased in line with expenditure to facilitate effective revenue monitoring.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Economic Development and appropriate action agreed to address the specific issues raised.</p>

## e) INTERNAL AUDIT REPORT 2003/23

<b>Department</b>	<b>Education</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Education was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Education's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for the 2003/04 financial year is £75.4m. Actual expenditure on overtime to 31 March 2004 totalled £48,659 whilst for the 2002/2003 financial year overtime payments were of the order of £136,500. An overtime budget for the Department is not separately identified.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. During the 2003/04 financial year there was one member of staff within the Education Department who regularly exceeded this amount.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed were found to be satisfactory there are areas where it is considered that improvements can be made</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Department should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid.</li><li>• The terms of the European Working Time Directive should be adhered to.</li><li>• Employees should be made aware that formal approval is required for spare time remunerative employment and that such requests will only be approved if the terms of the secondary employment do not impact on the employees existing contractual obligations.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Education and appropriate action agreed to address the specific issues raised.</p>

## f) INTERNAL AUDIT REPORT 2003/24

<b>Department</b>	<b>Leisure &amp; Arts</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Leisure &amp; Arts was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Leisure &amp; Arts budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 was £7.7m. Overtime costs included within this figure are approximately £244,000 (3%) and actual expenditure to 31st March 2004 totalled £322,000, i.e. 132% of budgeted expenditure. For the financial year 2002/2003 overtime payments were £276,000, 63% of budget.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. Staff falling into this category within Leisure and Arts includes Lifeguards and Plant Operators employed at Olympia Leisure Centre who are working a high number of hours each week and consistently earn above the 20% threshold</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system</p>
<b>Conclusion</b>
<p><i>This review highlights that there are several areas where it is considered that improvements can be made. It is also disappointing to note that some of the recommendations made in Internal Audit Management Letter 97/13 have not been implemented.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Department should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid.</li><li>• Overtime forms submitted should be appropriately completed, approved and authorised to ensure that all overtime payments made are bona fide.</li><li>• The terms of the European Working Time Directive should be adhered to.</li><li>• The budget for overtime working should be reviewed and if considered appropriate, increased in line with expenditure to facilitate effective revenue monitoring.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Leisure and Arts and appropriate action agreed to address the specific issues raised.</p>

## g) INTERNAL AUDIT REPORT 2003/25

<b>Department</b>	<b>Architectural Services</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity for 2003/04 a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Architectural Services was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for Architectural Services for financial year 2003/04 is £3.3m. Overtime costs included within this figure are approximately £40,000 (1%) and actual expenditure to 31 March 2004 totalled £25,000, i.e. 63% of budgeted expenditure. For financial year 2002/2003 overtime payments were of the order of £21,000 (51% of budget)</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>A review of overtime working was carried out by Internal Audit staff during 1997/98 and it is pleasing to note that the recommendations made in Audit Management Letter 97/9 have since been implemented. Overall the overtime procedures adopted by Architectural Services are satisfactory.</i></p> <p>The only recommendation arising from this review was that staff should be reminded of the times and periods for which overtime is payable in order to ensure that all overtime claims submitted comply with both Council and Departmental policies.</p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the City Architectural Services Officer and appropriate action agreed to address the specific issues raised.</p>

## h) INTERNAL AUDIT REPORT 2003/26

<b>Department</b>	<b>Dundee Contract Services</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Dundee Contract Services was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Dundee Contract Services budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 was £12.2m. Overtime costs included within this figure are approximately £416,800 (3%) and actual expenditure to 31 March 2004 totalled £365,000 i.e. 88% of budgeted expenditure. Overtime payments were £387,000, 108% of budget, for financial year 2002/03.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. Staff falling into this category consists mainly of tradesmen.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed were found to be generally satisfactory there are areas where it is considered that improvements can be made</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• Supervisory staff should be advised that they should sign rather than initial claim forms in order that they can be matched to the specimen signature which they have provided.</li><li>• The terms of the European Working Time Directive should be adhered to.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Dundee Contract Services and appropriate action agreed to address the specific issues raised.</p>

## i) INTERNAL AUDIT REPORT 2003/27

<b>Department</b>	<b>Communities</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Communities was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Budgeted staff costs for Communities for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 is £6.3m. Overtime costs included within this figure are approximately £22,000 and actual expenditure to 31st March 2004 totalled £18,800 i.e. 84% of budgeted expenditure. Overtime payments were £18,400, 75% of budget for financial year 2002/2003.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system</p>
<b>Conclusion</b>
<p><i>The procedures operated by staff in relation to the areas reviewed are overall satisfactory.</i></p> <p>The only area specifically reported upon is that the Department should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid.</p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Communities and appropriate action agreed to address the specific issues raised.</p>

## j) INTERNAL AUDIT REPORT 2003/28

<b>Department</b>	<b>Planning &amp; Transportation</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Planning &amp; Transportation was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Planning &amp; Transportation's (including Car Parks) budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 is £5.3m. Overtime costs included within this figure are approximately £77,000 (1%) and actual expenditure to 31st March 2004 totalled £56,000, i.e. 73% of budgeted expenditure. Overtime payments were £66,000, 107% of budget for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. Staff falling into this category within Planning &amp; Transportation are all based at Gellatly Street Car Park.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed are generally satisfactory there are areas where it is viewed improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The terms of the European Working Time Directive should be adhered to.</li><li>• Overtime worked by staff based at Gellatly Street Car Park should be agreed in advance and recorded through the time recording system.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Planning and Transportation and appropriate action agreed to address the specific issues raised.</p>

## k) INTERNAL AUDIT REPORT 2003/29

<b>Department</b>	<b>Support Services</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Support Services was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Budgeted staff costs for Support Services for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 was £2.9m. Overtime costs included within this figure are approximately £54,000 (2%) and actual expenditure to 31st March 2004 totalled £28,000, i.e. 52% of budgeted expenditure. Overtime payments were £46,000, 87% of budget for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. Staff falling into this category within Support Services are based in the City Chambers.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed are generally satisfactory there are areas where it is viewed improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Department should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid. Overtime forms submitted should be appropriately completed and approved/authorised to ensure that all overtime payments made are bona fide.</li><li>• The Department should introduce a mechanism for staff working overtime or working outwith normal hours to record their presence in Council buildings. This will help to ensure staff safety in the event of an incident and provide a record of overtime worked which can be used for verifying overtime claims.</li><li>• The terms of the European Working Time Directive should be adhered to.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Depute Chief Executive (Support Services) and appropriate action agreed to address the specific issues raised.</p>

## I) INTERNAL AUDIT REPORT 2003/30

<b>Department</b>	<b>Information Technology</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Information Technology was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Information Technology's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 was £3.0m. Overtime costs included within this figure are approximately £20,000 (1%) and actual expenditure to 31st March 2004 totalled £28,000, i.e. 138% of budgeted expenditure. Overtime payments were £29,000, 159% of budget for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year and this highlights one Operator in the Information Technology Department.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed are generally satisfactory there are areas where it is viewed improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Department should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid.</li><li>• The terms of the European Working Time Directive should be adhered to.</li><li>• Employees should be reminded to take an unpaid lunch break when working six or more hours as instructed on the overtime claim form.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Information Technology and appropriate action agreed to address the specific issues raised.</p>

## m) INTERNAL AUDIT REPORT 2003/31

<b>Department</b>	<b>Finance General</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Finance General was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Finance General's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 was £2.9m. Overtime costs included within this figure are £9,000 (0.3%) and actual expenditure to 31st March 2004 totalled £10,600, i.e. 117% of budgeted expenditure. Overtime payments were £11,000 122% of budget for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. No employees from Finance General are included in this report.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed were found to be satisfactory there are areas where it is considered that improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Division should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Division should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid.</li><li>• Employees should be reminded, and as instructed on the overtime claim form, to take an unpaid lunch break when working six or more hours.</li><li>• Staff should be instructed to provide the level of detail required on the overtime claim forms so that the dates and times for which overtime being paid is clear.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Principal Treasury and Investment Officer and appropriate action agreed to address the specific issues raised.</p>

## n) INTERNAL AUDIT REPORT 2003/32

<b>Department</b>	<b>Social Work</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Social Work was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Social Work's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 is £37.3m. Overtime costs included within this figure are approximately £9,500 and actual expenditure to 31st March 2004 totalled £175,000, i.e. 1,842% of budgeted expenditure. Overtime payments were £165,500, i.e. 4,148% of budget, for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. During financial year 2003/04 there was one member of staff who regularly exceeded this amount.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed were generally satisfactory there are areas where it is considered that improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should ensure that claim forms used are based on the corporate proforma and compile a signatory list of staff designated to approve and authorise these forms. This will minimise the risk of inappropriate overtime claims being paid.</li><li>• Authorising signatories within the Department should check overtime claim forms to ensure that the terms of the European Working Time Directive are being adhered to.</li><li>• The budget for overtime working should be more closely aligned with actual expenditure to facilitate more effective monitoring of overtime costs.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Social Work and appropriate action agreed to address the vast majority of issues raised.</p>

## o) INTERNAL AUDIT REPORT 2003/33

<b>Department</b>	<b>Scientific Services</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Scientific Services was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Budgeted staff costs for Scientific Services for Gross Pay, National Insurance Contributions, and Superannuation Contributions and Overtime for financial year 2003/04 is £539,000. Overtime costs included within this figure are approximately £4,900 and actual expenditure to 31st March 2004 totalled £5,300 i.e. 110% of budgeted expenditure. Overtime payments were £6,000, 132% of budget, for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. During financial year 2003/04 there was one member of staff who regularly exceeded this amount.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>Whilst the procedures operated by staff in relation to the areas reviewed were found to be satisfactory there are areas where it is considered that improvements can be made</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation</li><li>• The Department should ensure that claim forms used are based on the Corporate proforma and compile a signatory list of staff designated to approve and authorise these forms. This will minimise the risk of inappropriate overtime claims being paid</li><li>• Overtime worked should be recorded using the time clock in order to facilitate staff who are responsible for approval of overtime</li><li>• Arrangements should be put in place to ensure the safety of staff who are working alone.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Depute Chief Executive (Support Services) and appropriate action agreed to address the specific issues raised.</p>

**p) INTERNAL AUDIT REPORT 2003/34**

<b>Department</b>	<b>Finance Revenues</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Finance Revenues was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>Budgeted staff costs for Finance Revenues for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 is £4.8m. Overtime costs included within this figure are approximately £166,400 and actual expenditure to 31st March 2004 totalled £212,000, i.e. 127% of budgeted expenditure. Overtime payments were £171,000, 107% of budget, for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. During financial year 2003/04 there were several members of staff who regularly exceeded this amount.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>This review highlights that there are several areas where it is considered that improvements can be made.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Revenues Division should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation</li><li>• The Revenues Division should compile a signatory list of staff designated to approve and authorise these forms. Staff with responsibility for approving claims should ensure that they verify claim forms against supporting documentation. This will minimise the risk of inappropriate overtime claims being paid</li><li>• Staff should be instructed that they must use the procedures in place for recording overtime namely the Overtime Log Sheet and the Flexi Time Recording System in order that claims can be verified.</li><li>• Management should review the requirement to work overtime by some staff to ensure that overtime worked is minimised.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Revenues and appropriate action agreed to address the specific issues raised.</p>

## q) INTERNAL AUDIT REPORT 2003/35

<b>Department</b>	<b>Housing</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. Housing was included in the sample of Council Departments whose procedures in relation to overtime working were examined.</p> <p>The Housing Department's budgeted staff costs for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 is £8.3m. Overtime costs included within this figure are approximately £257,300 (3%) and actual expenditure to 31st March 2004 totalled £209,100 i.e. 81% of budgeted expenditure. Overtime payments were £261,000, 131% of budget, for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. During financial year 2003/04 staff within the Housing Department who regularly exceeded this amount included Caretakers, Concierges and staff working within Homeless Services.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Department in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Department prior to input to the ISIS payroll system.</p>
<b>Conclusion</b>
<p><i>This review highlights that there are several areas where it is considered that improvements can be made. It is also disappointing to note that some of the recommendations made in Internal Audit Management Letter 97/12 have not been implemented.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Department should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation</li><li>• The Department should compile a signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid</li><li>• Overtime forms submitted should be appropriately completed and approved/authorised to ensure that all overtime payments made are bona fide</li><li>• The terms of the European Working Time Directive should be adhered to.</li><li>• The Department should review overtime working practices to ensure that all overtime worked is recorded and that the basis of payment represents Best Value</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Housing and appropriate action agreed to address the specific issues raised.</p>

## r) INTERNAL AUDIT REPORT 2003/36

<b>Department</b>	<b>Waste Management</b>
<b>Subject</b>	<b>Overtime Procedures</b>

<b>Introduction</b>
<p>As part of the planned internal audit activity a review of the documentation and the procedures used by Departments within the Council in relation to overtime was carried out. The former Environmental and Consumer Protection Department (ECPD) was included in the sample of Council Departments whose procedures in relation to overtime working were examined. During 2003/04 ECPD was split into two functions, namely Environmental Health and Trading Standards and also Waste Management which includes the former Cleansing DSO. This report relates to procedures used by staff in the newly formed Waste Management function. A separate report has been issued to the Scientific Services Manager/Public Analyst covering issues identified within that Unit.</p> <p>The combined budgeted staff costs for ECPD and Cleansing DSO for Gross Pay, National Insurance Contributions, Superannuation Contributions and Overtime for financial year 2003/04 is £9.9m. Overtime costs included within this figure are approximately £494,000 (5%) and actual expenditure to 31st March 2004 totalled £473,300 i.e. 95% of budgeted expenditure. Overtime payments were £485,000, 103% of budget, for financial year 2002/2003.</p> <p>An overtime report is prepared for Departments on a monthly basis and this highlights staff who have earned 20% or more of their basic salary in the current year. During financial year 2003/04 staff within Waste Management who regularly exceeded this amount included Transport, Operations and Special Collections staff.</p>
<b>Scope and Objectives</b>
<p>The overall aim of the audit was to review the documentation and procedures used by the Division in relation to overtime. This included the documentation used to record overtime for both weekly and monthly paid employees, the level of checking procedures and the authorisation levels applied by the Division prior to input to the ISIS payroll system</p>
<b>Conclusion</b>
<p><i>This review highlights that there are several where it is considered that improvements can be made. It is also disappointing to note that some of the recommendations made in Internal Audit Management Letter 97/11 have not been implemented.</i></p> <p>The principal areas commented upon in more detail in the report are as follows:</p> <ul style="list-style-type: none"><li>• The Division should introduce guidelines to staff involved in the management of overtime to ensure that all overtime worked is appropriate and that all claims are authorised by staff of a suitable designation.</li><li>• The Division should update the signatory list of staff designated to approve/authorise overtime claims and thereby minimise the risk of inappropriate overtime claims being paid.</li><li>• Overtime forms submitted should be appropriately completed and approved/authorised to ensure that all overtime payments made are bona fide.</li><li>• The terms of the European Working Time Directive should be adhered to.</li></ul>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Waste Management and appropriate action agreed to address the vast majority of issues raised.</p>

## s) INTERNAL AUDIT REPORT 2004/01

<b>Department</b>	<b>Communities</b>
<b>Subject</b>	<b>2003/04 Year End Stock/Stores</b>

<b>Introduction</b>
<p>The Final Accounts Year End Memorandum and Guidance is issued by the Finance Department on an annual basis and includes instructions and key dates regarding Stocks/Stores and the associated arrangements for stocktaking. As part of this process the Chief Internal Auditor requires to be formally notified by the due date of the timing and arrangements for stocktaking. A copy of the summarised information is passed to the Council's External Auditor and is used as a basis for planning attendance by Internal/External Audit at stock checks.</p> <p>As part of the planned internal audit work the information relating to departmental stock taking arrangements covering such matters as the location of the stock take, the responsible officer and post, the date(s) of the stock take, the names of the individuals undertaking the stock check and those to be in attendance and an estimate of the value of the stock at the year end was collated. In addition, an exercise was undertaken to obtain copies of the departmental instructions issued to the officer responsible for the stocktaking and also those issued to the stock counters.</p>
<b>Scope and Objectives</b>
<p>The principal aim of this review was to ensure that Departments within the Council adhere to the Final Accounts Year End Memorandum and Guidance in relation to Stock/Stores and to assess whether or not the recommendations detailed in Internal Audit Report No 2003/06 had been implemented.</p>
<b>Conclusion</b>
<p><i>This exercise highlighted that improvements could be made in respect of the year end stock process in terms of ensuring that the arrangements are notified to Internal Audit on a timeous basis and that the recommendation contained in Internal Audit Report No 2003/06, in relation to the drafting of stocktaking instructions, is actioned.</i></p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Communities and appropriate action agreed to address the specific issues raised.</p>

## t) INTERNAL AUDIT REPORT 2004/02

<b>Department</b>	<b>Public Relations</b>
<b>Subject</b>	<b>2003/04 Year End Stock/Stores</b>

<b>Introduction</b>
<p>The Final Accounts Year End Memorandum and Guidance is issued by the Finance Department on an annual basis and includes instructions and key dates regarding Stocks/Stores and the associated arrangements for stocktaking. As part of this process the Chief Internal Auditor requires to be formally notified by the due date of the timing and arrangements for stocktaking. A copy of the summarised information is passed to the Council's External Auditor and is used as a basis for planning attendance by Internal/External Audit at stock checks.</p> <p>As part of the planned internal audit work the information relating to departmental stock taking arrangements covering such matters as the location of the stock take, the responsible officer and post, the date(s) of the stock take, the names of the individuals undertaking the stock check and those to be in attendance and an estimate of the value of the stock at the year end was collated. In addition, an exercise was undertaken to obtain copies of the departmental instructions issued to the officer responsible for the stocktaking and also those issued to the stock counter</p>
<b>Scope and Objectives</b>
<p>The principal aim of this review was to ensure that Departments within the Council adhere to the Final Accounts Year End Memorandum and Guidance in relation to stock/stores and to assess whether or not the recommendations detailed in Internal Audit Report No 2003/06 had been implemented.</p>
<b>Conclusion</b>
<p><i>This exercise highlighted that improvements could be made in respect of the year end stock process in terms of ensuring that the arrangements are notified to Internal Audit on a timeous basis and that the recommendation contained in Internal Audit Report No 2003/06, in relation to the drafting of stocktaking instructions, is actioned.</i></p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Public Relations and appropriate action agreed to address the specific issues raised.</p>

## u) INTERNAL AUDIT REPORT 2004/03

<b>Department</b>	<b>Waste Management</b>
<b>Subject</b>	<b>2003/04 Year End Stock/Stores</b>

<b>Introduction</b>
<p>The Final Accounts Year End Memorandum and Guidance is issued by the Finance Department on an annual basis and includes instructions and key dates regarding Stocks/Stores and the associated arrangements for stocktaking. As part of this process the Chief Internal Auditor requires to be formally notified by the due date of the timing and arrangements for stocktaking. A copy of the summarised information is passed to the Council's External Auditor and is used as a basis for planning attendance by Internal/External Audit at stock checks.</p> <p>As part of the planned internal audit work the information relating to departmental stock taking arrangements covering such matters as the location of the stock take, the responsible officer and post, the date(s) of the stock take, the names of the individuals undertaking the stock check and those to be in attendance and an estimate of the value of the stock at the year end was collated. In addition, an exercise was undertaken to obtain copies of the departmental instructions issued to the officer responsible for the stocktaking and also those issued to the stock counters.</p>
<b>Scope and Objectives</b>
<p>The principal aim of this review was to ensure that Departments within the Council adhere to the Final Accounts Year End Memorandum and Guidance in relation to stock/stores and to assess whether or not the recommendations detailed in Internal Audit Report No 2003/06 had been implemented.</p>
<b>Conclusion</b>
<p><i>This exercise highlighted that improvements could be made in respect of the year end stock process in terms of ensuring that the arrangements are notified to Internal Audit on a timeous basis and that the recommendation contained in Internal Audit Report No 2003/06, in relation to the drafting of stocktaking instructions, is actioned.</i></p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Head of Waste Management and appropriate action agreed to address the specific issues raised.</p>

## v) INTERNAL AUDIT REPORT 2004/04

<b>Department</b>	<b>Housing</b>
<b>Subject</b>	<b>2003/04 Year End Stock/Stores</b>

<b>Introduction</b>
<p>The Final Accounts Year End Memorandum and Guidance is issued by the Finance Department on an annual basis and includes instructions and key dates regarding Stocks/Stores and the associated arrangements for stocktaking. As part of this process the Chief Internal Auditor requires to be formally notified by the due date of the timing and arrangements for stocktaking. A copy of the summarised information is passed to the Council's External Auditor and is used as a basis for planning attendance by Internal/External Audit at stock checks.</p> <p>As part of the planned internal audit work the information relating to departmental stock taking arrangements covering such matters as the location of the stock take, the responsible officer and post, the date(s) of the stock take, the names of the individuals undertaking the stock check and those to be in attendance and an estimate of the value of the stock at the year end was collated. In addition, an exercise was undertaken to obtain copies of the departmental instructions issued to the officer responsible for the stocktaking and also those issued to the stock counters.</p>
<b>Scope and Objectives</b>
<p>The principal aim of this review was to ensure that Departments within the Council adhere to the Final Accounts Year End Memorandum and Guidance in relation to Stock/Stores and to assess whether or not the recommendations detailed in Internal Audit Report No 2003/06 had been implemented.</p>
<b>Conclusion</b>
<p><i>This exercise highlighted that the details of Stock/Stores held by the Housing Department had not been submitted in previous years to Internal Audit per the Final Accounts Year End Memorandum and Guidance. As a result, information on the value of the stock held and year end stock taking arrangements were omitted from the summary passed to the Council's External Auditors.</i></p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Director of Housing and appropriate action agreed to address the specific issues raised.</p>

## w) INTERNAL AUDIT REPORT 2004/05

<b>Department</b>	<b>Finance</b>
<b>Subject</b>	<b>2003/04 Year End Stock/Stores</b>

<b>Introduction</b>
<p>The Final Accounts Year End Memorandum and Guidance is issued by the Finance Department on an annual basis and includes instructions and key dates regarding Stocks/Stores and the associated arrangements for stocktaking. As part of this process the Chief Internal Auditor requires to be formally notified by the due date of the timing and arrangements for stocktaking. A copy of the summarised information is passed to the Council's External Auditor and is used as a basis for planning attendance by Internal/External Audit at stock checks.</p> <p>As part of the planned internal audit work the information relating to departmental stock taking arrangements covering such matters as the location of the stock take, the responsible officer and post, the date(s) of the stock take, the names of the individuals undertaking the stock check and those to be in attendance and an estimate of the value of the stock at the year end was collated. In addition, an exercise was undertaken to obtain copies of the departmental instructions issued to the officer responsible for the stocktaking and also those issued to the stock counters.</p>
<b>Scope and Objectives</b>
<p>The principal aim of this review was to ensure that Departments within the Council adhere to the Final Accounts Year End Memorandum and Guidance in relation to Stock/Stores and to assess whether or not the recommendations detailed in Internal Audit Report No 2003/06 had been implemented.</p>
<b>Conclusion</b>
<p><i>This exercise highlighted that improvements could be made in respect of the year end stock process in terms of ensuring that all the relevant information is notified to Internal Audit and is done so on a timeous basis. It is considered that to facilitate such improvements amendments require to be made to the Final Accounts Year End Memorandum and Guidance and that this be actioned with effect from the 2004/05 year end.</i></p>
<b>Management Responses to the Audit Report</b>
<p>The audit findings and recommendations were formally reported to the Senior Financial Services Officer and appropriate action agreed to address the specific issues raised.</p>

## x) INTERNAL AUDIT REPORT 2004/21

<b>Department</b>	<b>Planning &amp; Transportation</b>
<b>Subject</b>	<b>2003/04 Grant Claim : 20mph Speed Limits Around Schools, Safer Routes to Schools and Home Zones</b>

<b>Introduction</b>
<p>In the 2003/04 financial year Scottish Ministers offered grant assistance to Dundee City Council to enable the Council to pay for in whole or in part the capital costs incurred in work associated with the establishment of 20 m.p.h. speed limits around schools, safer routes to schools schemes and home zones. The grant provision made to the Council for the financial years 2003/04 to 2005/06 inclusive totalled £813,000, of which £152,000 relates to the 2003/04 financial year. It is a requirement of the Conditions of Grant that "the Local Authority shall by 30 June in each Financial Year submit to the Grantor an audit certificate signed by the head of its Internal Audit team (or equivalent)..... showing actual expenditure met from the Grant paid to the Local Authority within the preceding Financial Year."</p>
<b>Scope and Objectives</b>
<p>The overall aim of this review was to enable the Chief Internal Auditor to provide an opinion as to whether or not the entries on the Statement of Expenditure submitted by the Council are fairly stated, the sums claimed are properly due, substantiated with documentary evidence and have been used for the intended purposes in accordance with the terms and conditions under which the claim for grant is made.</p>
<b>Conclusion</b>
<p><i>On the basis of examining the accounts and records of this grant claim, obtaining such explanations and carrying out such tests as considered necessary, it is considered that the entries in the claim form are fairly stated and that the sums claimed are properly due and have been used in accordance with the terms and conditions of the Offer of Grant.</i></p> <p>The only area specifically reported upon was the need for more detailed supporting documentation.</p>
<b>Management Responses to the Audit Report</b>
<p>The audit finding and recommendation were formally reported to the Financial Services Manager and appropriate action agreed to address the specific issue raised.</p>