

**HEREFORDSHIRE COUNCIL  
AUDIT PLAN 2009-10**

<b>AUDIT AREA</b>	<b>Status</b>	<b>Audit Opinion</b>
<b>a. FUNDAMENTALS</b>		
Bank Reconciliation	Work In Progress	
Creditors	Work In Progress	
Payroll (Corporate and Education)	Work In Progress	
<b>b. NON-FUNDAMENTALS</b>		
<b>Deputy Chief Executive</b>		
Out of Hours Payments - Corporate	Draft with Manager	
<b>Resources Directorate</b>		
Industrial Estate Income	Work in progress	
<b>Children Services Directorate</b>		
The Hereford Academy - Transfer of Assets	Final	Satisfactory
<b>Environment and Culture Directorate</b>		
Waste Contract Management-PFI	Final	Satisfactory
Trade and Domestic Waste	Final	Marginal
<b>c. GOVERNANCE AND ANTI-FRAUD</b>		
Travel and Subsistence	Draft with Client	
National Fraud Initiative Creditor Matches	Work in progress	
National Fraud Initiative – Payroll/V.A.T/Other	Work in progress	
Annual Governance Statement	On going	
Procurement and Contract Procedures – Resources	Final	Marginal
Staff Loans	Draft with Manager	
<b>d. OTHER KEY SYSTEMS</b>		
Section 75 Agreements	Draft With Client	
Audit & Corporate Governance Committee	Ongoing	
Member Allowances/Register of Interests and Gifts( 2008/09)	Final	Satisfactory
Members Expenses (April to July 2009)	Final	Satisfactory
ISIS Payments	Work in progress	
<b>e. ICT PROTOCOLS AND CONTROLS (COUNCIL-WIDE)</b>		
ISO 27001 Technical Compliance	Work in progress	
ISO 27001 Physical Security	Final	Full - Compliance
ISO 27001 3 <sup>rd</sup> Party Management	Final	Full - Compliance
ISO 27001 Business Continuity	Final	Minor Non Compliance
Frameworkki System	Work in progress	
<b>f. ESTABLISHMENT VISITS</b>		
Llangrove Primary School	Final	Unsound
<b>Schools Establishment Audits (DCSF Standard)</b>		
Weobley Primary School	Draft with client	
Pembridge C.E Primary School	Draft with client	FMSiS Conditional
Wigmore High/Primary School	Draft with Manager	
Lady Hawkins High School DCSF Toolkit	Final	FMSiS Met
Leominster Junior School	Final	FMSiS Awaiting SIC
Bodenham St. Michaels C.E Primary School	Draft with Manager	
Burley gate C.E. Primary School	Draft with client	FMSiS Conditional
Eardisley C.E. Primary School	Final	FMSiS Met

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Goodrich C.E. Primary School	Draft with Client	FMSiS Conditional
St. James' C.E Primary School	Draft with Client	
Wellington Primary School	Draft with Client	
Canon Pyon C.E. Primary School	Draft with Manager	
Kimbolton St. James Primary School	Draft with Manager	FMSiS Conditional
Ewyas Harold Primary School	Final	FMSiS Met
Garway Primary School	Final	FMSiS Met
Brookfield Special School	Final	FMSiS Conditional
Kingsland C.E Primary School	Final	FMSiS Conditional
Kingstone & Thrupton Primary School	Draft with Manager	
Luston Primary School	Draft with client	FMSiS Conditional
Gorsley Goffs Endowed Primary School	Draft with client	FMSiS Conditional
St. Martin's Primary School	Draft with Manager	
Leintwardine Endowed Primary School	Final	FMSiS Met
Ashperton Primary School	Draft with client	FMSiS Conditional
Marden Primary School	Draft with client	FMSiS Conditional
Goodrich	Draft with client	FMSiS Conditional
Orieton Primary School	Final	FMSiS Conditional
<b>g. VERIFICATION AND PROBITY</b>		
Good Environmental Management(GEM)	Final	Minor Non Compliance
Corporate Impacts - Procurements	Work In progress	
<b>h. RECOMMENDATION FOLLOW UP</b>		
Waste Management Contract	Work In progress	
<b>i. PERFORMANCE MANAGEMENT</b>		
National Indicator 181 Housing Benefit/Council Tax Right Time Indicator	Final	Satisfactory
National Indicator 135 Carers Receiving Needs Assessments	Final	Unsatisfactory
LPSA Target no.5	Final Draft	

**Quantification and Classification of Internal Control Levels**

System and Establishment Audits

Opinion	Definition
<b>Good</b>	A few minor recommendations (if any). No material risk identified.
<b>Satisfactory</b>	Minimal risk; a few areas identified where changes would be beneficial.
<b>Marginal</b>	A number of areas have been identified for improvement.
<b>Unsatisfactory</b>	Unacceptable risks identified, changes should be made.
<b>Unsound</b>	Major risks identified; fundamental improvements are required.

The Audit Opinion is based on a number of factors including the number of Level 1 and, to a lesser extent, Level 2 recommendations. Weighting is given to different aspects of the Audit e.g. a higher weighting for budgetary control. It is expected that larger systems and establishments will receive higher numbers of recommendations and allowance is made for this.

**Compliance Audits**

Opinion	Definition
<b>Full-Compliance</b>	Areas reviewed met requirements
<b>Minor Non-Compliance</b>	Areas reviewed failed to meet requirements in some non-critical areas or opportunities for improvement were identified.
<b>Major Non-Compliance</b>	Areas reviewed failed to meet requirements in some critical areas

Many audits are tests of whether a standard or part of a standard has been met. Examples are GEM audits and ISO27001. Majority of compliance audits will find minor compliance.

**DCSF FMSiS Standard - Toolkit Assessments**

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<b>Opinion</b>	<b>Definition</b>
<b>FMSiS Met</b>	The Standard has been met
<b>FMSiS Awaiting SIC</b>	The Standard will be met when the Statement of Internal Control has been signed by the Head Teacher and Chair of Governors.
<b>FMSiS Conditional</b>	The Standard is expected to be met in the short term
<b>FMSiS Not Met</b>	The Standard is not expected to be met in the short term

Schools are expected to reach a standard of financial management (FMSiS - Financial Management in Schools). The assessment reaches a conclusion of meeting the standard or not. In addition, the DCFS allow a conditional pass that means a small number of issues need addressing before a pass is issued. This is the normal status before a full pass is confirmed.

“Awaiting SIC” - Some schools wait until the assessment is finished before signing the SIC. This is sensible and any schools in this status will be given a pass shortly.