



**INTERNAL AUDIT  
ANNUAL REPORT  
2008/09**

**Lynda Baker - Audit Services Manager**

## **1. Purpose**

- 1.1. Production of this report is a requirement under the CIPFA Code of Practice for Internal Audit in Local Government and the terms of reference of the Audit Committee.
- 1.2. The report summarises the activities and achievements of the Internal Audit Service for the year April 2008 to March 2009 and covers both scheduled audit work and special investigations.
- 1.3. The report aims to provide assurance to the Audit Committee and senior management on the control processes being applied within the Council, and to highlight key issues arising from both scheduled audits and special investigations.
- 1.4. The structure of this report is as follows:
  - Introduction (section 2)
  - Audit Opinion (section 3)
  - Effectiveness of the system of Internal Audit (section 4)
  - Audits Completed (section 5)
  - Other Measures (section 6)
  - Key Issues Arising (section 7)
  - Special investigations (section 8)
  - Staffing (section 9)
  - Annex (detail of audit and follow up reports completed)

## **2. Introduction**

- 2.1. The revised Accounts and Audit Regulations (2006) require every local authority to maintain an adequate and effective audit of their financial affairs. The internal audit section undertakes the work required to satisfy this legislative requirement and report periodically to the Audit Committee.
- 2.2. In addition the 2006 Regulations also require that a formal review of the 'effectiveness of the system of internal audit' is conducted. This is reported in Section 4 of this report.
- 2.3. The CIPFA code of Practice for Internal Audit in Local Government published in 2006 requires the Internal Audit Annual Report to include an opinion on the overall adequacy of the effectiveness of the authority's internal control environment (section 3).

### **3. Audit Opinion**

- 3.1. The internal control environment comprises the Council's policies and procedures and operations in place that :
- Establish and monitor the achievement of its objectives
  - Identify, assess and manage the risks to achieving its objectives
  - Facilitate policy and decision making
  - Ensure the economic, effective and efficient use of resources
  - Ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations
  - Safeguard its assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption
  - Ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.
- 3.2. An opinion on the level of assurance is prepared at the conclusion of all audit reviews. The Annex to the report details the work undertaken during the reporting period and the opinions given. In addition to audit reviews, work is also undertaken in response to requests for advice, support, investigative and consultancy services. The findings from this work also assist in the formation of the opinion. All audit reports can be accessed via the internet.
- 3.3. The statement below is based upon audit work undertaken throughout the year and action taken by managers to address the risks identified.

It is my opinion based upon the audit work completed in the period 1 April 2008 to 31 March 2009, that Milton Keynes Council's internal control environment and systems of internal control provide reasonable assurance over the exercise of its functions.

The shortage of permanent staff at Senior Officer levels throughout the year has undermined the control framework to some extent, however permanent positions have either recently been, or will shortly be filled.

In many areas controls around project management have been compromised, however the introduction of the Portfolio Office is helping address many of the concerns.

In respect of those systems that refer to, or are substantially related to, internal financial control, it is my opinion that the controls operated by management are currently adequate.

Any system of internal control can only provide reasonable, rather than absolute, assurance that assets are safeguarded, transactions are authorised and properly recorded and material errors or irregularities are either prevented or would be detected within a reasonable period of time.

Duncan Wilkinson  
Head of Audit and Risk Management

May 2009

3.4. The establishment of adequate control systems is the responsibility of management.

#### **4. Effectiveness of the System of Internal Audit**

4.1. The Accounts and Audit (Amendment) (England) Regulations 2006 require councils to conduct a review of the effectiveness of their system of internal audit at least once a year. The findings of the review should be considered by a Committee of the Council

4.2. The three main options for undertaking the review are:

- An external body at additional cost
- A peer review by a neighbouring authority
- A self- assessment based on the CIPFA Code of Practice

4.3. For the year 2006/2007 a review of Internal Audit was undertaken by the Audit Commission. This concluded that "Internal Audit meet the CIPFA Code requirements in all material respects" and that the Audit Commission "can continue to place reliance on the work of Internal Audit"

- 4.4. For the year 2007/2008 a peer review of the effectiveness of the system of Internal Audit was undertaken by the Head of Internal Audit for Luton Council. This concluded that “there is excellent (approximately 94%) compliance with this standard”.
- 4.5. For the year 2008/2009 Internal Audit have undertaken a robust self assessment of its compliance with CIPFA standards as identified within the CIPFA Code of Practice and have confirmed that it complies with each of the eleven standards.
- 4.6. As the Committee are aware during 2008/9 the issue of Internal Audits access to data considered necessary for the purpose of Audit arose. The detail and issues of this have previously been reported to the Committee however the delay in reaching agreement on access to the relevant data does need to be highlighted. Investigations have now commenced into the issue and continue.

## 5. Audits Completed

- 5.1. In line with the CIPFA Code of Practice, Internal Audit no longer has a 4 year strategic plan, nor a static annual plan. Production of the plan takes into account the principles of ‘LEAN’ and provides a framework highlighting the areas where audit resources are to be targeted. This enables the Section to be much more proactive and able to target our resources to the current risks, areas of concern and priorities of the Council.
- 5.2. We continue to maintain a record of all services and departments within the Council (the audit entity) and record audit work undertaken against these entities (previous areas of audit). Therefore we can still ensure the level of coverage is sufficient to enable us to give an opinion on the Council’s control environment and systems of internal control.
- 5.3. A summary of audits completed during the financial year, categorised by the type of audit is shown in the table below.

	<b>Completed</b>	<b>In progress</b>	<b>Total</b>
<b>Corporate Priorities</b>	4	2	6
<b>Governance</b>	4	1	5
<b>IT Audits</b>	1	3	4
<b>Financial and fundamental</b>	21	11	32
<b>Activity/service based</b>	23	16	49

<b>Schools</b>	50	0	50
<b>Financial Management Standard (FMSiS)</b>	64	0	64
<b>Total</b>	<b>167</b>	<b>33</b>	<b>200</b>

5.4. The detail of the reports issued and audits in progress to date is annexed to this report. The number of reports will not reconcile with the number of audits as some of the reports cover more than one audit area.

## 6. Other Measures

6.1. Other measures focus more on the management of the service and are summarised below. Explanations of each measure follow

	2006/07 actual	Actual Measure for 07/08	Actual Measure for 08/09
Plan completed, in progress or cancelled (as amalgamated in another audit, at client request, or area no longer exists)	90%	95%	80%
Exit meeting to draft report	80% issued within 4 weeks	13 days (general) 56 days (schools)	9 days* (general) 21 days schools
Draft to final report	88% issued within 4 weeks	25 days	24 days (general) 29 days (schools)
Customer satisfaction (internal feedback) General audits	91%	100%	19/20
Customer satisfaction (schools)		50%	14/15
Customer Satisfaction (CIPFA Benchmarking)			Good
Recommendations implemented	90%	76%	87% (general) 81% (schools)
Productivity Ratio	77%	77%	74%
Rate per chargeable day (including recharges) compared to Audit Commission	66%		19%
Rate per chargeable day (excluding recharges)	51%		14%

compared to Audit Commission			
Rate per chargeable day (including recharges) compared to unitary authorities	82%		91%
Rate per chargeable day (excluding recharges) compared to unitary authorities	68%		80%

\*This figure has been calculating excluding 4 audits (each taking over 150 days between exit meeting and draft report issued) that required several discussions at a corporate level.

## 6.2. Completion of Plan

6.2.1. The plan is more flexible and is more able to adapt to changes in demand risks. Of the 266 audits in the plan, at 31<sup>st</sup> March 2009 167 had been completed, 33 were in progress 51 had not been started and 15 had been cancelled. Audits were cancelled either because the area was included within another audit, at the client request or as the audit area no longer exists.

6.2.2. Due to the changing Corporate Priorities no new audits on the previous priorities were started. All other audit areas (5.3) were substantially covered.

6.2.3. Plan completion was disappointing but as highlighted in Section 9 of this report, there has been a high number of vacancy days throughout the year, which have made it impossible to undertake the volume of work that we should be doing to provide the necessary level of assurance.

6.2.4. The audits not completed tended to be the lower risk areas and the majority have been added to this year's plan.

## 6.3. School Audits and FMSiS assessments

6.3.1. A summary of the work in relation to schools is provided in the table below, with the detail provided in the Annex.

	<b>Good or Satisfactory</b>	<b>Limited or Weak</b>	<b>PASS</b>	<b>FAIL</b>	<b>TOTAL</b>
<b>Audits</b>	31	8	n/a	n/a	39
<b>FMSiS</b>	n/a	n/a	37	2	39
<b>FMSiS re-assessments</b>			4	0	4

6.3.2. There has been a great improvement in relation to the school work. The quality has improved and the time to undertake the work has reduced. However, there is still scope to improve this further.

## 6.4. Issue of Reports

- 6.4.1. One of the aims of systems thinking is 'get it right first time' and reducing waste within a process. We identified that much of our 'waste' occurred between the audit work being completed and the final report being issued. This is therefore an area that we have been concentrating on.
- 6.4.2. The previous performance indicator target between the exit meeting and issue of the draft report was 4 weeks for general audits. Since 1<sup>st</sup> April 2008 draft reports for general audits have been issued 9 days after the exit meeting on average. The timing for schools was slightly longer (21 days on average). This is an area we will hope to further improve on in future.
- 6.4.3. The previous performance indicator for issue of the final report was within 4 weeks of the draft. On average the final reports this year were issued 24 days after the draft for general audits and 29 days after the draft for school audits. Again this is another area where we feel there is scope to further improve.
- 6.4.4. Although further improvement on these times can be achieved it should be highlighted that all these measures are favourable in comparison to pre lean-thinking targets of 4 weeks for each.
- 6.4.5. The measures achieved continue to support the fact that by concentrating on improving the service the measures improve automatically. This improvement work continues.

## 6.5. Customer Satisfaction

- 6.5.1. Customer satisfaction has greatly improved since the systems thinking methodology has been introduced. However it is disappointing that very few satisfaction surveys were returned. Disappointingly, only 35 responses in relation to 26 audits (sometimes more than one respondent per audit) were received (13 general and 13 schools), although satisfaction surveys were sent out with every final report. This could indicate that those who have not responded are satisfied. The response rate is an area that we will look to improve on next year.
- 6.5.2. The satisfaction level based on the internal survey responses is currently 95% (19/20) for general audits, in respect of "did the audit provide you with the level of assurance you required?" and "Did the audit deliver what mattered to you?". Of the 20 responses (relating to 13 different audits) received, 4 made suggestions to the question "Can the audit department improve their service. If so, how?" These responses are all being considered and action taken where appropriate.
- 6.5.3. In only one case did the feedback indicate that the audit did not provide the level of assurance and deliver what mattered. However we also received another response for the same audit



where the customer stated that the audit did provide the required level of assurance and did deliver what mattered.

- 6.5.4. Only 13 (a total of 15 responses were received) of the 50 schools audited returned the satisfaction survey. The satisfaction in relation to this was 93% (14/15). This is particularly good as satisfaction for schools last year was only 50% and shows an improvement in the way the FMSiS is being undertaken. In addition to the 'yes' responses there were many occasions where specific favourable comments had been added to the surveys.
- 6.5.5. Again, in only one case did the feedback indicate that the audit did not provide the level of assurance and deliver what mattered. The negative comment related mainly to the bureaucracy surrounding the FMSiS process.
- 6.5.6. In addition to our internal surveys we also participate in a CIPFA benchmarking survey. Customer satisfaction has been included in this since 2005. The chart below gives the summary average score for each area in relation to the previous years. Each area consists of between 4 and 9 subsections.

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Audit services</b>	4.39	4.38	4.46	4.59
<b>Audit staff</b>	4.51	4.33	4.63	4.67
<b>Conduct of audit</b>	4.50	4.21	4.59	4.72
<b>Audit reporting</b>	4.36	4.33	4.56	4.68
<b>Customer service</b>	4.29	4.24	4.74	4.74
<b>Overall satisfaction</b>	4.46	4.27	4.65	4.81

Key 1 Poor 2 Weak 3 Less than adequate  
4 Adequate 5 Good 6 Excellent

- 6.5.7. This is very positive as it shows continual improvement in all areas since 2006.

## 6.6. Recommendations Implemented

- 6.6.1. This measure could be described as the most important measure of Audit effectiveness, as without implementation of recommendations the Audit Service adds no value. It must however be recognised that the service is not in control of whether the agreed recommendations are actually implemented.
- 6.6.2. The basis of this measure is changing from 'implementation at follow up' to 'implementation by agreed date'. Prior to 2007/08 recommendations in progress were included in 'recommendations implemented', however these are now

categorised as 'not implemented'. It would therefore be expected that the percentage would drop initially. Findings are discussed with customers and where possible the recommendations/agreed actions are jointly derived between audit and the customer. This has resulted in a significant increase in recommendations implemented compared to last year.

6.6.3. The percentage of recommendations implemented has risen substantially, and none of the outstanding recommendations, in our opinion, pose significant risks to the Council.

## 6.7. Productivity Ratio

6.7.1. This measure aims to minimise “non-productive” time and maximise “productive” time. Non-productive time is that time allocated by audit staff that does not directly contribute to services to the customer.

6.7.2. Over the year 74% of the time has been productive i.e. specifically work done on routine and special audits (which includes investigations), specials and provision of advice.

6.7.3. This is slightly lower than the 77% achieved last year but is not unexpected as we have recruited several new auditors during the year who have required training.

6.7.4. A breakdown of the time allocation for the year is shown in the table below.

<b>Activity</b>	<b>Days</b>	<b>% of available time</b>
General audits	1409	46
School audits & FMSiS	467	15
Investigation/consultancy	301	10
Provision of Advice	82	3
<b>Total chargeable</b>	<b>2259</b>	<b>74</b>
Study/training (incl. induction)	357	12
Administration	101	3
Recruitment, appraisals	49	1
Information gathering and provision	95	3

Meetings	67	2
Sickness and special leave	85	3
Other unchargeable	52	2
<b>Total unchargeable</b>	<b>806</b>	<b>26</b>
<b>Total available time</b>	<b>3065</b>	<b>100</b>

6.7.5. The number of days spent on training has increased over the last few years: 129 in 06/07, 285 in 07/08; to 357 in 08/09. This is due to the fact that we have lost experienced auditors who have been replaced by inexperienced and unqualified auditors who require training. Due to salary limitations we are rarely able to appoint trained auditors to vacant posts. Therefore, to enable us to attract candidates with good prospects it is important that we offer study packages.

6.7.6. A further 200 days relates to administration and production of information. This is an area we intend to review during the coming year to see if we can strip some of this out of our system.

6.7.7. Although the same number of school audits and slightly more FMSiS assessments were undertaken this year in comparison to last year the number of days taken has reduced from 666 to 467 due to improvements in the process. This has also resulted in improved quality measured by the customer satisfaction responses.

## 6.8. Daily Cost

6.8.1. The Audit Service is shown to represent good value for money when measured against both the Audit Commission and Unitary Authorities, with the cost per chargeable day lower than both comparators.

6.8.2. Even with overheads, which are significantly higher than the comparator Authorities, included in the costs, our costs are lower. This is mainly as a result of the comparatively low salary costs of Milton Keynes Council auditors.

## 7. **Key Issues Arising**

7.1. Key issues highlighted in this section arise from scheduled audits that have been completed during the year.

### 7.2. Systems Audits

### 7.2.1. Risk Management and Business Continuity

The Authority has been developing its approach to risk management and business continuity for several years and over the last two years has focused on embedding the thinking and culture necessary to support it across the Council. Despite the work to date there was little evidence that risk management and business continuity or the necessary supporting culture, understanding and awareness were embedded. Some areas saw the work as additional to day-to-day service delivery and had no business continuity plans in place. There was little evidence of plans integrated between the Authority and its partners. Where risk management and business continuity arrangements were in place they have been developed in isolation and had yet to be tested for effectiveness. Opportunities for efficiencies were being missed with the absence of coordination and testing of risk management and business continuity arrangements. A detailed action plan to address the concerns has been drawn up and the Corporate Leadership Team are actively addressing the issues raised.

### 7.2.2. IT Disaster Recovery

The ability to have in place a robust plan was hampered by the lack of identification of priority systems from the Business Continuity Plan. Despite this, the IT service had identified methods and plans for them to continue to provide a service in the event of a disaster on a large scale, but no testing of these had been carried out despite this being part of the Service Level Agreement. Records of actual failures were being kept but not utilised effectively.

### 7.2.3. Passenger Transport

The ongoing audits of returns submitted by Bus Operators continue to give concerns with some operators. The standard of record keeping is variable and inconsistent or late returns are received from some operators, making it difficult to verify the income due to the Council. This can also have an impact on future tenders for these routes, as accurate information on income is required in order to generate interest from potential bidders

### 7.2.4. Community Language Service

Incorrect charging to customers was identified and audit were unable to gain assurance that checks were undertaken to confirm that interpreters /translators are legally entitled to work in the UK.

### 7.2.5. Windmill Hill Golf Course

Milton Keynes Council did not receive all the income to which it was entitled due to the current systems in place and a lack of robust monitoring on the part of the Council provided no assurance that Milton Keynes are receiving all the income to which they are entitled.

### 7.2.6. Beanhill Surestart Project

The audit identified a lack of clearly defined roles and responsibilities, inadequate governance arrangements, cost evaluation, budget management and controls over changes/variations.

#### 7.2.7. Corporate Priorities

There was a lack of clarity with the previous priorities as to what achievement would look like. Objectives and targets were often set in isolation from the Priority with little communication between members and officers. Responsibilities for actions was often not clear. These issues appear to have been addressed whilst setting the current priorities and underlying action plans. Audit will review this during the forthcoming year.

#### 7.2.8. Implementation of ICS

A new database was installed to comply with the requirements of Department for Children, Schools and families. Due to tight timescales there was insufficient testing of the system before it went live. Difficulties in Social Workers accessing records could have resulted in risks to children's safety. A follow up audit in March 2009 found that the issues raised relating to this had been addressed.

### 7.3. School Audits

#### 7.3.1. General

One of the areas of review for current audits relates to visits and journeys. A total of 106 recommendations were raised in relation to this area for the 39 schools audited. There was no governor approval for visits, no risk analysis or no cost analysis at 64% of the schools audited. In addition 23% of schools audited did not adhere to statutory requirements regarding charging for visits and journeys.

#### 7.3.2. FMSiS

Of the schools assessed 20% had not completed the mandatory Statement of Internal Control and lack of commitment accounting was an issue in 38% of the schools.

## **8. Special investigations (Fraud Consultancy & Standards)**

8.1. This section of the Annual Report sets out an overview of the extent of special investigations undertaken throughout the year. A brief summary of key investigations is also given to provide the Committee with an overview of the control issues these investigations have highlighted.

8.2. Significant investigations undertaken during 2008/9 will be highlighted to the Committee as appropriate but routine reporting of such investigations is not made to the Committee given the confidential nature of these issues including the Councils duty of confidentiality to involved parties, included those accused of improper conduct.

8.3. 55 referrals requiring special investigation were received during the year, broken down as:

- 45 Frauds/disciplinary investigations
- 10 requests for consultancy work

In addition 23 investigations were carried forward from the previous year, 19 of these were completed during the year.

8.4. In total, 52 special investigations were completed during the year, 26 cases are in progress and 2 have not yet started.

8.5. No cases of malicious allegation following investigation were found.

8.6. A total of 427 days were consumed on special investigations during the year – 257 days from the Audit team and 170 from the Corporate Fraud team.

8.7. Where work on specials exceeded 5 days this was charged out to the clients at a rate of £400 per day, thus generating income for the department and often the Council as a whole.

8.8. The Committee may request a detailed and unabridged report on any matter, however, this should be to consider control issues only and cannot consider individuals. The significant cases are summarised below.

#### 8.9. Significant Cases completed

##### 8.9.1. School Irregularity

Bullying, harassment and financial irregularity allegations were made against a head teacher. Following an investigation the head teacher resigned before a disciplinary hearing was held.

##### 8.9.2. Saxon Court Thefts

There had been a series of thefts from Saxon Court over a long period of time. Due to the size of the building and the sporadic nature of the thefts it proved difficult to investigate. However, after tracing calls made from a stolen mobile phone a contractor was identified, the police were informed and the perpetrator was arrested and charged with theft. Several stolen items were recovered.

##### 8.9.3. Housing Fraud

A member of staff was dismissed for obtaining a Council property by deception. Following on from the initial investigation, a further issue regarding another member of staff was identified which resulted in a disciplinary hearing.

#### 8.9.4. Benefits Fraud

A member of staff, employed as a Homecarer was found to have committed 2 separate Housing Benefit frauds. The employee was given a formal caution by the corporate fraud team for the first offence and then successfully prosecuted through Milton Keynes magistrates court for the second offence. A disciplinary hearing was held and the employee was dismissed.

#### 8.10. Deception

An employee resigned during a disciplinary investigation into potential fraud. There was also an allegation that the person lied to the Investigating Officer during a separate disciplinary investigation into another member of staff.

#### 8.11. Mobile Phone

An employee dismissed for misusing his mobile phone in a fraudulent manner.

#### 8.12. Inappropriate IT use

A member of staff was disciplined and dismissed for accessing inappropriate material on a Council computer.

#### 8.13. Teacher

As a result of a previous audit investigation a Teacher was further sanctioned by the General Teaching Council (GTC). The GTC has ruled that the teacher will be banned from working in mainstream schools for life. The Teacher was also struck off of the Scottish Teaching Council register.

#### 8.14. Corruption

An employee was dismissed for corruption and fraud. Further to this, the police arrested and charged the employee who is now on bail waiting to be put on trial for corruption.

### **8.15. 2008/09 Standards Board**

8.15.1. The Standards Board investigations are now being undertaken within the Internal Audit Section. A Senior Auditor handles the majority of these, directly supervised by the Head of Audit and Risk Management.

8.15.2. During the year 2008/2009 21 complaints were received by the monitoring officer of which 14 were referred for local investigation following a review by the Standards Committee.

8.15.3. Of the 14 being investigated locally all are currently in progress

- 3 are awaiting hearing
- 2 are at draft report stage
- 9 are currently under investigation

8.15.4. Of the remaining 7

- 1 was referred to the Standards Board for England
- 1 was withdrawn
- For 5 cases the Standards Committee deemed no further action was required

8.15.5. A full report has been submitted to the Standards Committee on this issue, but the above summary is provided here for completeness.

## **9. Staffing**

9.1. 3 auditor posts were vacant for most of the year. These have now been successfully filled with the auditors starting in post in February. We now have a fully staffed establishment (18 excluding the Head of Audit and Risk Management).

9.2. However, one of the new recruits has now resigned and will be leaving on 31<sup>st</sup> May 2009. The resignation was solely due to the low salary and the offer of a significantly higher salary elsewhere.

9.3. The fully qualified employees in the audit section are the Head of Audit (FCMA), the Audit Services Manager (FCCA, MIIA), a Principal Auditor (MIIA) and 2 Senior Auditors (ACCA & MIIA respectively).

9.4. In addition a further 7 auditors have qualified with the Association of Accounting Technicians (AAT).

9.5. As we have a large number of inexperienced and unqualified staff we are investing in both professional and specific audit- related training to further their development. We currently have 3 members of staff studying for the Association of Accountancy Technicians (AAT), 1 studying for the Institute of Internal Auditors (MIIA) and a further 4 studying for the Association of Chartered Certified Accountants (ACCA). The 3 new auditors all intend to commence formal study in September. This investment in training is highlighted in section 5.11 of this report (resource analysis).

9.6. 10 audits were outsourced to consultants (Haines Watts) and a consultant QC provided support and advice on the school build work.



Payments during the year to consultants in respect of these pieces of work totalled £53,350.

**ANNEX**

**Final general audit reports issued between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2009**

<b>Audit</b>	<b>Opinion</b>
Data Quality Checklist (Interim Audit Report)	Good
Council Tax	Good
VAT	Good
Emerson Valley Community Sports Centre (interim report)	Good
Refuse Collection & Street Cleansing	Good
Salaries & Wages	Good
Sure Start & Community Learning Grants	Good
Client Services to schools	Good
Local Area Agreement	Good
Local Public Service Agreements	Good
Car Parks Pay & Display	Satisfactory
Data Protection, Freedom of Information & Environmental Information Regulations	Satisfactory
General Ledger	Satisfactory
Landscape & Highways Adoptions	Satisfactory
Partnership with the Primary Care Trust	Satisfactory
Income & Cash Management	Satisfactory
Golf Courses (Abbey Hill)	Satisfactory
Passenger Transport (2008)	Satisfactory
Recharges	Satisfactory
Accounts Receivable - Debtors	Satisfactory
Local Area Agreement	Satisfactory
Council Priority 2 - Improve Public Transport	Satisfactory
Empty Properties	Satisfactory
Budget Monitoring	Satisfactory
Music Service	Satisfactory
Budget Planning	Satisfactory
School Funding	Satisfactory
Archiving	Satisfactory
Electoral register/elections	Satisfactory
Council Priority 7 - Support people who need help to live independent lives.	Satisfactory
Benefits - excl overpayments and fraud	Satisfactory
Intermediate care	Satisfactory
In House Home Care	Satisfactory
Building Control	Satisfactory
Corporate Health & Safety	Satisfactory
Statement of Internal Control	Satisfactory
Corporate Governance	Satisfactory

Highways Services	Satisfactory
Highways and Landscape Adoptions	Satisfactory
Passenger Transport (2009)	Limited
Community Language Service	Limited
Benefits - Overpayments	Limited
IT Disaster Recovery	Limited
Records Management	Weak
Golf Courses (Windmill Hill)	Weak
Child Assessment and Protection (ICS)	Weak
Council Priority 6 - Continue to improve school standards.	Weak
Council Priority 4 - Provide affordable housing for those in need.	Weak
Beanhill Surestart Centre	Weak
Risk Management	Weak*
Business Continuity	Weak*

\* These two audits were completed by an external firm who use a different scoring grade. Their categorisation of “poor” is the equivalent of MKC’s “Weak”.

### General Follow ups completed April 1<sup>st</sup> 2008 to 31<sup>st</sup> March 2009

Follow up	Recs	Recs Implemented	%
Music Service	5	5	100
Building Control	8	4	50
In House Home Care	4	2*	50
I Need a Home (voids & Lettings)	18	18	100
Adult Continuing Education	12	12	100
Street Lighting	15	10	66
Benefits	8	6	75
Houses in Multiple Occupation	11	10	91
SAP Security	11	11	100
Schools ICT	2	0	0
Direct Payments	11	11	100
Trading Standards	3	3	100
Landscaping	38	38	100
Waste Management	4	4	100
Council Priority 1 – Improve the Environment	2	2	100
Council Priority 2 – Improve Public Transport	3	3	100
Housing Rents	3	3	100
School Funding	3	3	100
IT Disaster Recovery	10	6	60
Integrated Children's Service Database	16	15	94
Salaries (2007)	2	0	0
Salaries (2008)	1	0	0
External Homecare	4	4	100
Income & Cash Management	12	7	58
Council Tax	18	18	100
Client Services	0	0	100
CP 4 Provide Affordable Housing	4	4	100
CP 6 Improve School Standards	1	1	100
CP7 Support people to lead independent lives	3	3	100
CP 8 - Reduce crime and the fear of crime.	2	2	100
CP 10 Deliver an Excellent Housing Service	1	1	100
<b>Total</b>	<b>235</b>	<b>204</b>	<b>87</b>

\* outstanding recommendations are not due to be implemented until 31/03/2011

**School Audits & Financial Management Standard in Schools (FMSIS)  
Assessments completed April 1<sup>st</sup> 2008 to 31<sup>st</sup> March 2009**

<b>School</b>	<b>Healthcheck Opinion</b>	<b>FMSIS outcome</b>
Newton Blossomville C of E	Good	Pass
Olney Middle	Good	Pass
Middleton Primary	Good	Pass
Knowles Infant	Good	Pass
White Spire	Good	Pass
Willen Primary	Good	Pass
Heronsgate	Good	Pass
Knowles Infant	Good	Pass
Moorland Infant	Satisfactory	Pass
Cold Harbour C of E	Satisfactory	Pass
Christ the Sower Ecumenical Primary	Satisfactory	Pass
Cedars Combined School	Satisfactory	Pass
Penwith	Satisfactory	Pass
Pepper Hill First	Satisfactory	Pass
Portfields Combined	Satisfactory	Pass
Priory Common First	Satisfactory	Pass
Queen Eleanor Primary	Satisfactory	Pass
Rickley Junior	Satisfactory	Pass
Penwith	Satisfactory	Pass
Sherington C of E	Satisfactory	Pass
Southwood	Satisfactory	Pass
St Andrews C of E Infant	Satisfactory	Pass
St Mary & St Giles C of E Aided Junior	Satisfactory	Pass
St Monica's Catholic Primary	Satisfactory	Pass
Giffard Park Primary	Satisfactory	Pass
Giles Brook	Satisfactory	Pass
Greenleys Infant	Satisfactory	Pass
Greenleys Junior	Satisfactory	Pass
Knowles Junior	Satisfactory	Pass
Lavendon Community	Satisfactory	Pass
Loughton	Satisfactory	Pass
The Walnuts	Satisfactory	Pass
Kents Hill	Satisfactory	Pass
Downs Barn First	Limited	Pass
Rivers Infant	Limited	Pass
New Bradwell	Limited	Pass
Meadfurlong	Limited	Pass
Heronshaw	Limited	Pass
Tickford Park	Limited	Pass
Stanton Middle	Limited	Fail

Germander Park	Weak	Fail
<b>Re-assessments from 07/08:</b>		
Chestnuts Primary		Pass
Eaton Mill Primary		Pass
Orchard		Pass
The Radcliffe		Pass

### School Follow up reports issued from 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009

Follow up	Recs	Recs Implemented	%
Abbeys (July 08)	8	8	100
Abbeys (Dec 08)	4	4	100
Ashbrook	9	6	67
Bishop Parker	7	7	100
Bow Brickhill	5	2	40
Brooksward	4	4	100
Caroline Haslett	14	13	93
Castlethorpe	3	2	67
Christ the Sower	14	12	86
Drayton Park	7	7	100
Emberton	4	4	100
Falconhurst	7	5	71
Gatehouse	15	12	80
Germander	38	27	71
Germander - FMSiS	73	35	48
Giffard Park	6	3	50
Glastonbury Thorn	9	8	89
Great Linford	7	6	86
Haversham	8	8	100
Heelands	10	6	60
Holne Chase	5	5	100
Howe Park	9	9	100
Long Meadow	5	5	100
Loughton	12	10	83
Loughton Manor	11	11	100
Monkston	6	5	83
New Bradwell	24	24	100
Olney	12	12	100

Queen Eleanor	3	3	100
Rivers Infant	18	14	78
St Andrews	5	5	100
St Mary & St Giles	3	3	100
St Mary's Wavendon	7	7	100
St Monica's	8	8	100
Shepherdswell	3	3	100
Simpson	10	8	80
Southwood	14	13	93
Stoke Goldington	6	4	67
Two Mile Ash	44	40	91
Wellsmead Infant	6	6	100
Wellsmead Junior	9	6	67
Willows	8	7*	87
Wood End	8	8	100
Wyvern	8	8	100
<b>Total</b>	<b>496</b>	<b>403</b>	<b>81</b>

\*date altered for 1 recommendation.