

## **Audit Committee – 3 December 2007**

### **Submission of Internal Audit Reports For Scrutiny**

#### **Summary of report:**

This report presents the two reports selected for scrutiny at the Audit Committee meeting on 15 October 2007.

#### **Background papers:**

Internal audit reports/files/working papers.

#### **Recommendation:**

1. To note the contents of the report.



**James Walsh – Assistant Director of Finance (CFO)**

**20 November 2007**

#### **Resource and legal considerations:**

The cost of providing internal audit is charged to services based on audit activity. These projects were included within the annual risk assessed audit programme discussed with managers before the start of the respective financial year.

#### **Citizen impact:**

Report scrutiny assists in demonstrating that the Council and its officers are protected and provides an assurance to stakeholders about the security of the Council's operations.

#### **Environment impact:**

None arising from this report.

#### **Performance and risk management issues:**

Many Audit Committee activities are an important and integral part of the Council's performance/risk management and corporate governance frameworks. In selecting specific reports for detailed scrutiny the Committee is able to ensure that operational and control issues are being dealt with appropriately and that managers' agreed actions are being implemented. The Committee may seek explanation from managers failing to progress agreed actions.

**Vision impact:**

The work undertaken by internal audit contributes towards the council's vision in ensuring we operate a sound control environment and provide excellent customer services.

**Equality Implications:**

None arising from this report

**Consultation:**

The annual audit work programme was discussed with relevant senior managers before the start of the year. Following completion of each audit review, the auditee's agreement to implement the recommendations was sought before issuing the final report. Shortly afterwards, the relevant manager was asked to formally confirm that the agreed action plan recommendations had been implemented.

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**SUMMARY OF REPORTS SELECTED FOR SCRUTINY****Electoral Registration**

A review of the Electoral Registration service was undertaken during June and July 2007 as part of our cyclical planned work. The service is responsible for all electoral registration and the administration and management of all elections within the borough.

The objectives of the audit were to assess the controls operating in relation to the service's administration and financial arrangements, to test the accuracy of records maintained and assess the implementation of previously agreed audit recommendations.

The conclusions detailed in the final report (**Appendix 1**) issued in July 2007 were that:

*'Internal audit is able to give a significant assurance opinion on the system of internal control operating within electoral registration. A number of good practices were noted during the audit, including; documentation of procedures, maintenance of the electoral register, staffing of polling stations and security arrangements. Some areas for improvement have been identified, including checks on completeness of vote reconciliations, sample checking payments made to temporary staff to avoid overpayments being made and ensuring all purchase orders for works, goods or services are raised prior to receipt of the invoice.'*

*Of the 9 actions which remain applicable from the last audit undertaken in December 1998, 7 were found to have been fully implemented. The 2 unimplemented actions have been reiterated in this report, marked (\*) in the action plan. It is acknowledged however, that the previous audit report was completed several years ago during which time managerial changes have occurred which have impacted upon the implementation of previous audit recommendations.*

A total number of 12 actions were agreed, 2 being at high priority. In requesting confirmation of the number of recommendations implemented, the Electoral Services Manager on the, 1 August 2007, advised that 7 actions had been implemented. The 5 remaining actions are due for completion by 1 May 2008.

### New Deal – Economic Regeneration

An audit review of the governance arrangements and associated key processes and systems underpinning the economic development theme of New Deal for Communities (NDC) was undertaken in March 2007 as part of the 2006/07 cyclical audit plan.

The economic development theme within NDC concentrates on the improvement and economic prosperity of the resident population within the Blakenall area (the 'footprint'). Projects that are identified to achieve the economic development vision centre on training and employment creation.

The objectives of the audit were to assess the governance framework and key processes underpinning the delivery of the economic development theme including the testing of financial arrangements and the accuracy of records maintained.

The conclusions detailed in the final report (**Appendix 2**) issued in July 2007 were that:

*The financial and other systems pertaining to the economic development theme of New Deal were found to be of an adequate standard. The audit highlighted a number of good practices, and included the following:-*

- *at a strategic level the thematic approach to planning and delivery continues to provide an effective link to New Deal's overall vision;*
- *the primary outcome targets afford a mechanism to measure tangible improvements in the footprint area;*
- *there is a focussed range of programmes in place to achieve the primary targets and this programme is informed by a range of stakeholders, including residents;*
- *New Deal's economic development has a high profile within the borough being represented notably on the partnership for Walsall enterprise and regeneration (PoWER) and has an ongoing dialogue of arrangements in place with the council. This high profile ensures inclusion and proactive engagement in wider issues including those relating to the local area agreement;*
- *New Deal's profile is further strengthened due to the way it markets and promotes its initiatives to residents. Monthly editions of the ChTatter magazine are made available both on and offline; and*
- *the New Deal website informs visitors to the site of established partners.*

*There are however, a number of areas where there are opportunities for New Deal to strengthen governance arrangements and underlying processes including: the possibility of identifying some existing performance measures to facilitate the direct*

*measurement of progress against the strategic objectives. This would in part compensate for the inherent flaws within the base data that inform the prevailing Primary Outcome targets; taking a more proactive stance in ensuring that protocols are put into place in respect of its various partnership activities so as to mitigate the risks associated with partnership working; the need to put into place as soon as possible an up to date marketing strategy; and addressing how best to deal with the current absence of formal co-ordination of strategic activity with local businesses.*

A total number of 19 recommendations were agreed, 2 being at high priority. In requesting confirmation of the number of recommendations completed, the Performance Manager, on the 19 October 2007, advised that all 19 had been implemented.

**Walsall Council**  
**Internal Audit Service**

**Electoral Registration**

**Audit Report 2007 / 2008**  
**July 2007**

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## **EXECUTIVE SUMMARY**

### **A. Introduction**

1. An audit review of Electoral Registration was undertaken during June and July 2007 as part of the annual audit plan. The Electoral Registration Office is responsible for all electoral registration and the administration and management of all elections within the borough. The service has a gross expenditure budget of £466,311 for the current financial year. There are a total of 177 polling stations within 20 wards throughout the borough of Walsall.
2. The objectives of the audit were to assess the adequacy of controls governing financial and management arrangements, to assess the implementation of previously agreed actions and to seek assurance that:
  - day to day office procedures are recorded in writing, regularly reviewed/updated and are available to all staff;
  - the electoral register is accurate and up to date;
  - there are appropriate staffing arrangements in place with additional staff resources available to cover elections;
  - there is an adequate number of polling stations situated across the borough;
  - there are appropriate reconciliation procedures in place to ensure the count is accurate;
  - postal votes are fully accounted for and properly counted;
  - bank accounts are regularly reconciled;
  - all payments made to all additional support staff employed during the election period are made in accordance with approved rates of pay and payment made through the authority's payroll system where appropriate;
  - all income received is appropriately recorded, banked and reconciled;
  - petty cash is appropriately administered;
  - budget monitoring is of a good standard;
  - procurement is in accordance with the authority's financial and contract rules;
  - staff records e.g car allowance log books, sickness absence records, flexi records and annual leave cards are appropriately maintained;
  - procedures are in place to record the private use of council facilities;
  - security arrangements, including computer security, are of a good standard;
  - an inventory is maintained in accordance with financial and contract rules; and
  - performance management arrangements are appropriate.

3. The scope of the audit is as set out on the contents' page. An overall opinion, points of good practice and an improvement action plan for each of the areas audited are attached. Actions for improvement, in general, are prioritised as high (\*\*\*), medium (\*\*) or low (\*).
4. Within a short period of issuing the final audit report, the head of service will be contacted to formally confirm that the action plan has been implemented as agreed. Managers should be aware that a formal response will be required in all cases and that details of these responses will be included within the internal audit quarterly monitoring report to the Audit Committee.
5. Under the Council's corporate governance arrangements, the outcomes of audits are reported routinely to the Audit Committee. This includes providing an overall report opinion and details of agreed actions successfully implemented.
6. The committee has expressed concern with a failure, in a number of instances, to implement agreed actions. The committee will seek explanation from managers failing to ensure that appropriate action is taken.
7. All audit reviews undertaken include checks that previously agreed actions have been implemented. Due to the disappointing level of overall achievement in this area, executive directors have asked for regular updates on all internal audit reviews undertaken together with details of actions agreed and actually implemented. This is included as a standing item for discussion at all directorate leadership team meetings.

**B. Overall Audit Opinion**

1. Internal audit is able to give a significant assurance opinion on the system of internal control operating within electoral registration as described below:

<b>Overall Audit Opinion</b>		
	Full assurance	Full assurance that the system of internal control is designed to meet the organisation's objectives and controls are consistently applied in all the areas reviewed.
→	<b>Significant assurance</b>	<b>Significant assurance that there is a generally sound system of control designed to meet the organisation's objectives. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk.</b>
	Limited assurance	Limited assurance as weaknesses in the design or inconsistent application of controls put the achievement of the organisation's objectives at risk in the areas reviewed.
	No assurance	No assurance as weaknesses in control, or consistent non compliance with key controls, [could result / have resulted] in failure to achieve the organisation's objectives in the areas reviewed.

2. A number of good practices were noted during the audit, including; documentation of procedures, maintenance of the electoral register, staffing of polling stations and security arrangements. Some areas for improvement have been identified, including checks on completeness of vote reconciliations, sample checking payments made to temporary staff to avoid overpayments being made and ensuring all purchase orders for works, goods or services are raised prior to receipt of the invoice.
3. Of the 9 actions which remain applicable from the last audit undertaken in December 1998, 7 were found to have been fully implemented. The 2 unimplemented actions have been reiterated in this report, marked (\*) in the action plan. It is acknowledged however, that the previous audit report was completed several years ago during which time managerial changes have occurred which have impacted upon the implementation of previous audit recommendations.



4. There are 2 high priority actions, as follows

Section	Action Plan Ref.	Agreed Action
Payments Made	7.1	To help avoid any future overpayments a sample check of amounts calculated for payment by the electoral registration computer system will be made by the electoral services manager and documented prior to payments being authorised and passed to payroll for processing (*).  Additionally, the overpayment of £20 identified will be recovered.
Procurement	11.1	In accordance with the authority's financial and contract rule 8.3 official orders will be raised for all work, materials, goods or services to be supplied to the Council. This should be prior to goods/invoices being received, and not in retrospect.

**C. Summary of Findings**

	Full Assurance	Significant Assurance	Limited Assurance	No Assurance
General Procedures	✓			
Electoral Register	✓			
Staffing/Polling Stations	✓			
Voting Reconciliations		✓		
Cash Held	✓			
Bank Accounts		✓		
Payments Made		✓		
Income		✓		
Budget Monitoring		✓		
Procurement		✓		
Staff Records	✓			
Private Phone Calls/Photocopies/Faxes/Payphone Records		✓		
Security	✓			
Computer Security	✓			
Inventory		✓		
Performance Management		✓		

**D. Acknowledgements**

1. Please thank all officers within electoral registration for their help and co-operation during the audit, particularly for making records available and providing suitable accommodation for the auditor.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**1. General Procedures**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- An office procedure manual is available to all staff.
- Good practice guidance manuals on managing electoral services and managing local government elections published by the electoral commission are available to all staff.
- All Electoral Registration staff have access to the internet and are able to access key information sites including the Association of Electoral Administrators and the Electoral Commission Websites.
- Staff signed to confirm receipt of and confirmation of their intention to comply fully with the office procedure manual in August 2006.
- All presiding officers are issued with the Electoral Commissions Handbook for polling station staff prior to any election.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None			

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**2. Electoral Roll**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- The electoral register is updated on an annual basis.
- All canvass forms are hand delivered.
- Canvassers will only receive payment for returned canvass forms.
- Returned forms are scanned into the computer system.
- From a sample of 10 entries taken from the electoral roll all details agreed to information recorded on canvass forms.
- Additional staff are recruited to undertake canvassing duties.
- Where the first canvass form is not returned a reminder is delivered and up to a further two home visits will be made if no response is received.
- In 2006 electors were able to confirm that there were no changes to details maintained via an automated telephone system or the internet.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**3.     Staffing/Polling Stations**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- For the 2007 May council elections training sessions were held for presiding officers and attendance records maintained.
- Details of personnel to be engaged on election and electoral registration duties are shared with internal audit and human resource managers.
- Each polling station is staffed with a minimum of a presiding officer and poll clerk.
- Staffing structures for elections include a small number of stand by staff who would provide cover in the event of an emergency situation

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**4. Voting Reconciliations**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- All ballot boxes are sequentially numbered.
- The count is supervised at all times.
- Postal votes are held in a sealed box and transferred to the counting hall on election night. Postal vote totals are incorporated into verification documentation completed by count team leaders.
- Presiding officers must complete and return to the counting hall a ballot paper account form. Details on the form are checked and numbers of returned ballot boxes and ballot papers are incorporated on to a verification summary table. This process ensures that all issued ballot boxes and the total number of votes recorded by polling stations are accounted for.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.1	**	From a sample of 10 summary of count sheets completed for the local elections held in May 2007, 2 occasions were noted where summary of count sheets had not been fully completed i.e not signed by team leaders, arithmetic checks not confirmed as undertaken or all total columns not completed.	Errors or omissions may go un-noticed.	Officers responsible for completing summary of count sheets will be reminded that all documentation should be fully completed and signed by appropriate officers. Compliance will be checked by the electoral service manager.	Electoral Services Manager 31 May 2008 (next scheduled election)
4.2	**	From a sample of count documentation held for 10 polling districts a summary of count form could not be located for 1 of the districts.	Voting reconciliation discrepancies are not identified and investigated.	Care will be taken to ensure documentation is correctly filed and therefore easily retrievable in the event of a query. Compliance will be checked by the electoral service manager.	Electoral Services Manager 31 May 2008 (next scheduled election)

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

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**5.     Cash Held**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Cash held is kept in a combination coded safe.
- A change float, totalling £25 is held in the safe; this was checked and found correct at the time of the audit visit.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**6. Bank Accounts**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Copy mandates for all bank accounts maintained by elections officers are retained within the elections office.
- Excel spreadsheets are maintained which document all movements to and from bank accounts.
- Statements for all accounts are filed in numerical order.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
6.1	**	There is no evidence that bank statements are verified by a second/independent officer to manual records maintained by the elections manager.	Inadequate segregation of duties.	Bank statements will be verified to manual accounting records by a senior/independent officer. This check will be documented by the signature and date of the completing officer.	Electoral Services Manager 31 July 2007 (next monthly statement)



**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**7. Payments Made**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Records are maintained within the elections office of all payments made to staff who are temporarily recruited to assist with election duties.
- All staffing payments are made through the authority's payroll system.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
7.1	***	From a sample of 10 payments made, 1 occasion was noted where an overpayment of £20 had been made to a presiding officer (employee number 1710517).	Payments may be made for duties not undertaken.	<p>To help avoid any future overpayments a sample check of amounts calculated for payment by the electoral registration computer system will be made by the electoral services manager and documented prior to payments being authorised and passed to payroll for processing (*).</p> <p>Additionally, the overpayment of £20 identified will be recovered.</p>	<p>Electoral Services Manager 30 November 2007 (next canvass payment)</p> <p>Electoral Services Manager 1 August 2007</p>

(\*) Denotes previous audit recommendation.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**8. Income**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Official Walsall Council receipts are issued for all income received.
- Information is provided only on receipt of appropriate payment.
- Charges for electoral registers are made which are set by Government office.
- Written requests for information must be submitted prior to copy documentation being released.
- All income sampled had been promptly banked.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
8.1	*	From a sample of 12 income receipts, 1 occasion was noted where the written request for information could not be located.	Insufficient documentation held to support income received.	Care will be taken to ensure all documentation to support income received is readily available.	Electoral Services Manager 20 July 2007

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**9. Budget Monitoring**

**AUDIT OPINION**

Significant assurance can be given that controls are in place to meet objectives in this area. For the financial year 2007/8 the profiled budget for the period 1 April 2007 to 31 May 2007 totals £98,442 compared against actual expenditure for the same period of £165,305 a potential overspend of £66,863. However, through discussion with the electoral service manager and financial services (regeneration and neighbourhood services) it is unlikely that there will be an overspend at year end as the majority of expenditure within electoral services occurs as a result of election expenses which was undertaken in May 2007.

Good practice includes:

- Monthly budget management reports are forwarded to the electoral services manager.
- The electoral services manager has signed a budget accountability memo.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
9.1	**	Through discussion with regeneration and neighbourhood services finance team it was identified that the profiled budget has been calculated over a 12 month period rather than in line with election periods.	Incorrect profiling of budgets may hinder decision making process which in turn could compromise manager's ability to exercise good budgetary control.	The budget for electoral registration will be reviewed to ensure that the budget profile accurately reflects the activity undertaken.	Group Accountant (Regeneration and Leisure) 30 September 2007.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**10. Procurement**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Monthly budget management reports are forwarded to the electoral services manager.
- All invoices sampled had been authorised for payment by an appropriate officer.
- There is a segregation of duties between officers raising orders and authorising invoices for payment.
- The electoral services manager has signed a budget accountability memo.
- All invoices sampled had been coded to an appropriate oracle code.
- All invoices sampled had been promptly paid.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
10.1	***	Four occasions were noted from a sample of ten invoices, where an official order had been raised following receipt of the invoice (invoice numbers 23217, 25301, 47187 and ERS011707).	Non compliance with financial and contract rule 8.3.	In accordance with the authority's financial and contract rule 8.3 official orders will be raised for all work, materials, goods or services to be supplied to the Council. This will be prior to goods/invoices being received, and not in retrospect.	Electoral Services Manager 19 July 2007.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
10.2	**	<p>From a sample of ten invoices, two occasions were noted where four written quotations had not been obtained for the supply of goods. Invoice numbers 25301 and ERS011707 totalling £19,943 and £5,567 respectively.</p> <p>It is acknowledged however, that these invoices related to specialist printing and mailing services for election documentation for which it is understood that there are a limited number of companies able to offer the service.</p>	Non-compliance with the authority's financial and contract rule 13.	<p>In accordance with the authority's financial and contract rule 18, written quotations will be obtained from at least four different persons for all goods, materials, services or works whose value is estimated to be £2,500 or greater but less than £50,000.</p> <p>Where it has not been possible to obtain the required number of quotations, a report will be presented to the executive director or assistant director for approval.</p>	Electoral Services Manager 19 July 2007.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

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**11. Staff Records**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- All 3 annual leave cards sampled had been correctly completed and authorised.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**12. Private Phone Calls/Photocopies/Faxes/Payphone Records**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Procedures are in place to record the private use of council facilities.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
12.1	*	A total of £19.49 private telephone call money had been banked on 26 October 2006. However records maintained to support this banking only totalled £7.28.	Income banked cannot be easily reconciled to records maintained.	All private phone call money will be easily reconcilable to records maintained.	Electoral Services Manager 31 July 2007.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

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**13. Security**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- Access to the electoral registration office is restricted via a key coded door entry system.
- The building is alarmed.
- All visitors must report to reception.
- Where appropriate, polling stations have a police presence on election day.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
13.1	**	A safe contents register is not maintained.	Lack of accountability.	A safe contents register will be maintained.	Electoral Services Manager 31 July 2007.



**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**14. Computer Security**

**AUDIT OPINION**

**Full assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- The electoral registration computer system, Eros, is backed up to disc on a daily basis.
- Passwords to computer applications are individual to members of staff and changed as prompted by the system.
- One of the back up discs is removed off site and another is placed in a fireproof safe.
- Anti virus software is installed.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**15. Inventory**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- An office inventory is maintained.
- All inventory items selected for examination were easily located.
- An annual inventory check was completed in March 2007.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
15.1	**	Currently, computer equipment is not incorporated into the office inventory.	Potential weakness in accountability of council assets.	Details of all computer equipment will be recorded within the office inventory to allow annual physical checks to be made (*)	Electoral Services Manager 31 August 2007.

(\*) Denotes previous audit recommendation.

**Electoral Registration  
AUDIT OPINION & ACTION PLAN**

**16. Performance Management**

**AUDIT OPINION**

**Significant assurance can be given that controls are in place to meet objectives in this area.**

Good practice includes:

- There is a service plan for the electoral registration service.
- Staff receive news and views.
- Team meetings are held to discuss planning issues.
- A key activity planning chart is on view to all staff.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
16.1	**	From a sample of 4 employee personal files, no evidence of return to work interview documentation could be located for periods of sickness.	Non adherence to council policies.	Return to work interview documentation will be completed and returned to human resources for inclusion on employees' personal files.	Electoral Services Manager 31 July 2007.
16.2	**	Team planning meetings are held and key activities are recorded on a planning chart. There is however, no evidence that key actions that do not need to be recorded on the planning chart, but which are discussed, have been recorded. Additionally, as news and views is cascaded to staff at meetings such as this there is no evidence that staff have had the opportunity to feed back comments on issues raised.	Staff may not be aware of their roles and responsibilities.	This audit finding is not agreed. Current practices are considered sufficient.	N/A

**Walsall Council**  
**Internal Audit Service**

**New Deal – Economic Development**

**Audit Report 2006/2007**  
**June 2007**

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- 2. Strategic work programme
- 3. Arrangements underpinning partnership working
- 4. Financial planning and performance management
- 5. Marketing

## **EXECUTIVE SUMMARY**

### **A. Introduction**

1. An audit review of the governance arrangements and associated key processes and systems underpinning the economic development theme of New Deal for Communities (NDC) was undertaken in March 2007 as part of the 2006/07 cyclical audit plan.
2. The economic development theme within NDC concentrates on the improvement and economic prosperity of the resident population within the Blakenall area (the 'footprint'). Projects that are identified to achieve the economic development vision centre on training and employment creation.
3. The objectives of the audit were to assess the governance framework and key processes underpinning the delivery of the economic development theme including the testing of financial arrangements and the accuracy of records maintained.
4. The scope of the audit is as set out on the contents' page. An overall opinion, points of good practice and an improvement action plan for each of the areas audited are attached. Audit recommendations, in general, are prioritised as high (\*\*\*), medium (\*\*) or low (\*).
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**B. Overall Audit Opinion**

1. The financial and other systems pertaining to the economic development theme of New Deal were found to be of an adequate standard, as described below:

<b>Overall Audit Opinion</b>		
	Good	Controls are in place and operating satisfactorily. Reasonable assurance can be given that the system, process or activity should achieve its objectives safely and effectively.
→	Adequate	There are some control weaknesses but most key controls are in place and operating effectively. Some assurance can be given that the system, process or activity should achieve its objectives safely and effectively.
	Poor	Controls are in place but operating poorly or controls are inadequate. Only limited assurance can be given that the system, process or activity will achieve its objectives safely and effectively.
	Unsatisfactory	Controls are failing or not present. No assurance can be given that the system, process or activity will achieve its objectives safely and effectively.

2. The audit highlighted a number of good practices, and included the following:-
- at a strategic level the thematic approach to planning and delivery continues to provide an effective link to New Deal's overall vision;
  - the primary outcome targets afford a mechanism to measure tangible improvements in the footprint area;
  - there is a focussed range of programmes in place to achieve the primary targets and this programme is informed by a range of stakeholders, including residents;
  - New Deal's economic development has a high profile within the borough being represented notably on the partnership for Walsall enterprise and regeneration (PoWER) and has an ongoing dialogue of arrangements in place with the council. This high profile ensures inclusion and proactive engagement in wider issues including those relating to the local area agreement;
  - New Deal's profile is further strengthened due to the way it markets and promotes its initiatives to residents. Monthly editions of the ChTatter magazine are made available both on and offline; and
  - the New Deal website informs visitors to the site of established partners.

3. There are however, a number of areas where there are opportunities for New Deal to strengthen governance arrangements and underlying processes including: the possibility of identifying some existing performance measures to facilitate the direct measurement of progress against the strategic objectives. This would in part compensate for the inherent flaws within the base data that inform the prevailing Primary Outcome targets; taking a more proactive stance in ensuring that protocols are put into place in respect of its various partnership activities so as to mitigate the risks associated with partnership working; the need to put into place as soon as possible an up to date marketing strategy; and addressing how best to deal with the current absence of formal co-ordination of strategic activity with local businesses.
4. This is the first audit review of NDC economic development and consequently there are no prior year recommendations to follow up.
5. There are two high priority recommendations as follows:-

Section	Action Plan Ref.	Recommendation
Financial planning and performance measurement	4.1	To compensate for the inherent flaws in the base data that informs the measurement of Primary Outcome targets, New Deal should, as mentioned in 1.1, introduce a range of high level local indicators which will provide a mechanism for management to effectively assess, at a given point in time, overall progress in a way that is meaningful.
Marketing	5.1	The revised communications strategy, together with the associated marketing plan, should be put into place as soon as possible and made available to all relevant staff. The strategy should be subject to regular review and update, e.g. annually.

**C. Summary of Findings**

	<b>Good</b>	<b>Adequate</b>	<b>Poor</b>	<b>Un-satisfactory</b>
Terms of reference	✓			
Strategic work programme	✓			
Arrangement underpinning partnership working		✓		
Financial planning and performance management		✓		
Marketing		✓		

**D. Acknowledgements**

1. Please thank the performance manager, economical development manager, finance manager and the communications manager their help and co-operation during the audit, particularly for making records available and providing suitable accommodation for the auditors.



**New Deal – Economic Development 2006/2007  
AUDIT OPINION & ACTION PLAN**

**1. ECONOMIC DEVELOPMENT THEME OBJECTIVES**

**AUDIT OPINION**

**Procedures are of a good standard.**

Good practice includes:

- The thematic approach to planning and delivery continues to provide an effective link to New Deal's overall vision.
- As part of New Deal's annual corporate planning process a thematic delivery plan is produced for each area of activity that New Deal is engaged in. This includes the employment and economic development theme. The plans follow a consistent format across all themes and include an overall vision underpinned by high level strategic objectives.
- Previous external reviews of New Deal, notably by the Government Office, have concluded positively on its objectives and delivery mechanisms.
- The Thematic Plan sets out 3 primary outcome targets. These targets allow the measurement of tangible improvements "on the ground" (e.g. "reduce the number of households with no one of working age in employment...")

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
1.1	* *	There is currently no direct alignment within the thematic delivery plan between the specific performance measures set out within the individual project quarterly monitoring returns and the strategic objectives. Whilst it is recognised that the current arrangements meet Government Office requirements in full, best practice suggests that specific performance measures assigned to strategic objectives enhances accountability and provides management with high level indication of progress at a strategic level.	New Deal is unable to fully adjudge effectively holistic progress against the overarching thematic objectives. This in turn could compromise the effectiveness and timeliness of remedial planning at a strategic level.	To enhance existing arrangements, New Deal may wish to consider highlighting a range of performance measures, informed by those already in place, to measure progress of individual projects that will allow high level progress against the strategic objectives to be measured.	New Deal is reviewed annually by GOWM and part of that review is to monitor performance data. Our current arrangements meet with GOWM approval and have done for the past 3 years.  This will be reviewed in our next GOWM performance management review.	Programme manager / finance manager  31/03/08

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<b>Ref</b>	<b>Priority</b>	<b>Finding</b>	<b>Risk Exposure</b>	<b>Recommended Action</b>	<b>Response</b>	<b>Responsibility &amp; Timescale</b>
1.2	* *	While it is possible to link the primary outcome targets to three of the strategic objectives it is not entirely clear within the thematic plan how strategic objective 4 (relating to self employment) is to be measured.	The absence of complete transparency in the measurement of strategic objectives may adversely affect both how effectively progress is managed and how New Deal can fully demonstrate accountability.	The thematic delivery plan should explicitly set out, in the absence of a directly attributable primary outcome, how it intends to measure tangible achievements in respect of the self employment strategic objective.	This measurement is traditionally by VAT registration, however this is probably inappropriate in the New Deal area and therefore the measure would be registration as self employed with Inland Revenue or VAT registration. The theme leader will pursue these measures and report them to the theme group.	Theme leader  30/06/07

## **2. STRATEGIC WORK PROGRAMME**

### **AUDIT OPINION**

#### **Procedures are of a good standard.**

Good practice includes:

- The thematic delivery plan sets out the programme of work in place to achieve the Primary Outcomes.
- The programme of work comprises specific projects (interventions) that are identified following the annual performance management review (PMR). The PMR involves consultation with residents to ensure that the proposed interventions are relevant to residents.
- 'Self employment' and 'encouraging new business start up' are seen by the Local Strategic Partnership (LSP) as an important contributor to addressing the borough-wide local area agreement "worklessness" target. This echoes New Deal's specific interventions around addressing the informal economy and therefore affords the possibility of joint working across the borough.
- New Deal has spent a lot of time and effort to place itself in all the critical sections of the WBSP on the basis that it is willing to share the lessons learnt from community led regeneration
- The strategic work programme for the forthcoming year is approved by the New Deal Board – this is a representative forum that includes partner organisations and residents.
- The performance management review that informed the 2006 thematic delivery plan resulted in the identification of areas requiring greater attention, notably the informal economy and debt counselling.
- Projects with cross thematic linkages are included within the thematic delivery plan, notably the key stage 4 transition project which links economic development and education.
- Upon completion of a project, New Deal will produce a formal exit strategy.
- New Deal has been recognised as an "excellent" organisation in the view of the DELC where good joint working is a key aspect of the assessment.

### **ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
2.1	* *	<p>New Deal is represented on the local strategic partnership's economic development "arm" – the partnership of Walsall enterprise and regeneration (PoWER). A review of PoWER minutes highlighted the following:</p> <ul style="list-style-type: none"> <li>• an awareness and</li> </ul>	The absence of formal protocols underpinning the joint working arrangement with PoWER represents less than sound governance and could, for	In accordance with good governance and to address concerns raised by PoWER itself, and to mitigate risks of joint working that New Deal faces, the possibility of formulating and putting into place a joint	<p>The point that is made about formal protocol is new and innovative for this kind of reciprocal learning and I have indicated that we will take it up through the WBSP Director to institute it across all pillars and other networking arrangements.</p> <p>There is no evidence that the</p>	Immediate set up of processes with WBSP to produce formal protocol across the partnership.

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		<p>acknowledgement of the risk over duplication of effort within the borough and the importance of effective exchange of information; and</p> <ul style="list-style-type: none"> <li>PoWER is overseeing the “Building Tomorrows Businesses” initiative.</li> </ul> <p>In respect of both of these aspects, there are no formal arrangements or protocols in place other than representation on PoWER, as to how New Deal is to link its own interventions relating to the informal economy within the borough-wide self employment initiative(s). Whilst it is recognised that such protocols are the collective responsibility of all partners New Deal itself has yet to raise the issue over the extent to which arrangements need to be formalised.</p>	<p>example, result in tensions amongst partners in addressing disagreements and disputes.</p>	<p>working protocol should be considered by New Deal. Such a protocol would define the respective roles and responsibilities of New Deal and PoWER in respect of projects which could potentially overlap.</p>	<p>learning New Deal is sharing through its partnership arrangements is not been heard by partners, the question is as to whether partners are using that learning. We will therefore be looking to include "evidence of one" in the protocol when they are set up.</p> <p>Because of the partnership link that we have there is no risk of duplication of effort in the New Deal area. The only risk to New Deal in these arrangements is that we have wasted staff time in sharing our knowledge and although formal protocol will enhance this we will be starting from a comparatively high level.</p> <p>I feel that this response highlights the inadequacies of audit opinion and action plans approach to some issues and does not lend itself to analysis of complex partnership matters.</p> <p><u>Risk Analysis</u></p> <p>This is a high risk strategy from New Deals point of view as we are only one amongst many who will need to sign up to this process. It would be pointless to</p>	
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					<p>attempt to introduce the protocol on a piecemeal basis and their introduction across the WBSP may raise capacity issues for them.</p> <p>Other partners will have to be persuaded at a high level that the introduction of the protocol will be of significant benefit to the partnership.</p> <p>As this is a council audit report the idea of the protocol will have to be endorsed and championed by the Regeneration Directorate.</p>	
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AUDIT OPINION & ACTION PLAN**

**3. ARRANGMENT UNDERPINNING PARTNERSHIP WORKING**

**AUDIT OPINION**

**Procedures are of an adequate standard.**

Good practice includes:

- New Deal has a high profile within the borough and is represented on a number of working groups and forums. The economic development theme is represented notably on the partnership for Walsall enterprise and regeneration (PoWER), the retail academy, the Walsall lifelong learning alliance and the Darlaston one stop shop steering group.
- The New Deal economic development theme team leader has ongoing dialogue with the council's regeneration manager (Economic). This is important given the council's wider role as the accountable body for the local area agreement.
- PoWER meeting notes identify that a greater emphasis is to be placed on seeking client employment from a large number of small entities rather than a single large company. This reduces the risk of large scale unemployment occurring upon the closure of a firm.
- New Deal has developed relations with a range of diverse businesses and these are listed within the thematic delivery plan.
- There are established strategic level liaison arrangements in place between New Deal and key partners, notably the council and the urban regeneration company. These arrangements take the form of informal one to one meetings and formal management meetings.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
3.1	* *	A review of the PoWER meeting minutes identified that the council is a partner of the British Franchise Association (BFA). Investigations have identified that there are a large number of fellow partners to the BFA. New Deal is aware of the BFA and the links via this to an expanded range of potential business partners; however, it has yet to fully consider how this opportunity can be fully exploited in order to further the list of its own business partners for projects support purposes.	Resources that lead to additional project support are not exploited. The rate of progress towards achieving theme objectives together with the overall quantity of outputs may therefore not be fully effective.	Consideration should be given to the opportunity to widen the partnership links that are available to New Deal via the association of the council with the BFA.	Franchising normally starts at £50k investment which is way beyond the capacity of most business people in the New Deal area but the theme leader will explore widening links with business partners.	Theme leader  30/06/07

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**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
3.2	* *	Discussions with the council and New Deal indicated that the joint working arrangements at an operational, day-to-day level between the two organisations are largely informal. The council acknowledges that formalisation of arrangements would be beneficial particularly with regard to data sharing requirements. Notably, the forthcoming City Strategy Submission (being compiled by the council on behalf of the worklessness steering group) will require New Deal, together with other organisations, to share employment related data with the council in order for the submission to be completed.	The absence of formalised arrangements may delay / cause confusion where information sharing is required at short notice.	New Deal and the council should consider formalising current liaison arrangements to cover areas such as requests for information and response timeframes.	<p>Although there are formal links between the council and the New Deal board, at chief executive and director level and through the accountable body agreement we recognise that more formal protocol at all levels would be beneficial to New Deal and the council.</p> <p><u>Risk</u> That the regeneration directorate does not see the introduction of the protocol as a high priority. These may be capacity issues for the directorate.</p>	The chief executive of New Deal will open discussion with the director of regeneration on the practical aspect of introducing reciprocal protocols. This will take place immediately after we receive the final copy of the audit report. If there is agreement to go ahead it will take up to three months to formally adopt arrangements.

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Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
3.3	* *	Discussions with the council's regeneration manager (economic) highlighted a lack of full awareness of the detailed objectives of the individual interventions.	Incomplete awareness of respective objectives increases the risk of initiative overlap and/or not fully exploiting the knowledge and experience of New Deal.	Formalisation of joint working arrangements would require a clear articulation and understanding of respective objectives, aims and targets. This in turn would facilitate more effective joint working.	As 3.2 above  I have spoken to the officer concerned and she is of the view that her regular contact with the theme leader, his attendance at PoWER meetings and her attendance at the New Deal theme meetings is sufficient for the prevention of overlap and transferring learning from New Deal. The discussion on protocol will address this issue.	Chief executive / performance manager  Time as per 3.2
3.4	* *	Observation of the Darlaston one stop shop steering group inaugural meeting highlighted that a formal terms of reference had not been discussed.	The respective roles and responsibilities of members and what they make "bring to the table" may be unclear. This could increase the risk of meetings being unfocussed and ineffective.	New Deal should ensure that its participation in steering group meetings is supported by a formal terms of reference for those groups.	This is another area where we are offering advice and assistance at a very low level of staff time. We will be take the issue to the steering group but it will be their decision as to whether they go ahead with the development of a terms of reference. We will take a view on our staff input when the matter is decided.	Theme leader / performance manager  To be introduced at the next steering group meeting on 6 <sup>th</sup> September 2007.



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Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
3.5	* *	The inaugural meeting of the Darlaston one stop shop steering group focussed upon the positive experiences of the one stop shop project in the New Deal area. Difficulties and leaning issues were not discussed in any detail.	Potential barriers to successful delivery may not be raised and mapped out at project inception stage. This could result in difficulties being experienced in meeting project timetables.	Issues encountered in developing the one stop shop intervention within the footprint area should be formally shared with the Darlaston one stop shop steering group.	As 3.4	As 3.4
3.6	* *	The inaugural meeting of the Darlaston one stop shop steering group raised a concern over difficulties in engaging local businesses. Existing business partners may potentially be under utilised.	Employment related initiatives may not be delivered in an effective manner if local businesses are not fully engaged. Existing and potentially influential business partners may not fully utilised representing a potential weakness in sound partnership working.	New Deal and its partners should consider how best to utilise pre existing relationships with significant business partners.	As 3.4	As 3.4

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**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
3.7	*	The council is currently developing a sustainability standard (the “standard”) which is aimed at ensuring that partners involved in regeneration and employment initiatives within the borough adopt certain criteria in developing and/or procuring service delivery agents. These criteria cover social and environmental factors as well as economic. The plans have yet to be formally shared with New Deal although it is acknowledged that development of the standard is currently in its early stages.	Best practice developed by the council may not be proactively shared with New Deal. Conversely, any learning issues that New Deal encountered from the development of its own similar strategies (e.g., diversity) may not conveyed to the council in a timely manner and in a way that can constructively assist the compilation of the standard.	New Deal should ensure that it is party to any developments being made by the council in respect of developing the standard.	As 3.2  We are not sure why this has appeared in this report as our expectation is that the council will consult with us in a timely manner on this issue.	Performance manager  Time- when the council consults on the matter we would normally expect to implement within six months

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**4. FINANCIAL PLANNING AND PERFORMANCE MANAGEMENT**

**AUDIT OPINION**

**Procedures are of an adequate standard.**

Good practice includes:

- Project submission forms (PSF) are completed to assist the identification of the most appropriate project.
- In the event of a gap being noted, theme leaders are charged with responsibility to propose projects to close the gap.
- PSFs are signed by an appropriate New Deal manager to authorise the commencement of the project.
- PSFs include a risk assessment of the proposed project, together with a rating of the risk and the means of control or management of the threat.
- There are robust financial management arrangements in place.
- PSFs are structured to facilitate the assessment of alternative projects. Stated alternatives are reviewed and a conclusion made by senior managers.
- The PSF includes a specific section that requires a description of how the project relates to the delivery plan together with how the project will contribute to other projects in the same area.
- New Deal has recognised the need to engage and attract a greater level of match funding. This is identified within the service delivery plan as an area for improvement.

**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
4.1	***	<p>A review of the delivery plan has noted that “hard” objectives (i.e. primary outcomes) have been established. However, discussions with the theme manager have identified that there are significant difficulties in monitoring the progress of those objectives due to the following factors;</p> <ul style="list-style-type: none"> <li>• The data used to facilitate a comparison with for example, the proportion of people of working age in employment census;</li> <li>• National statistics and MORI data is</li> </ul>	<p>The use of nationally derived base data, which is inherently out of data and variable in its source, may result in the inability to adequately monitor the progress towards stated objectives at a given moment in time.</p>	<p>To compensate for the inherent flaws in the base data that informs the measurement of Primary Outcome targets, New Deal should, as mentioned in 1.1, introduce a range of high level local indicators which will provide a mechanism for management to effectively assess, at a given point in time, overall progress in a way that is meaningful.</p>	<p>See response to 1.1</p>	<p>As 1.1</p>

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		<p>released every two years. Measures based on these statistics are therefore inherently out of date;</p> <ul style="list-style-type: none"> <li>• Data is obtained from different sources, causing problems comparing data.</li> <li>• Achievements attained in local objectives set by New Deal are not mirrored in National Statistics due to use of different increments, for example; as improvement of 3% in the proportion of people of working age in employment would not be reflected nationally if the increments used were 5%.</li> </ul>				
4.2	* *	<p>Financial support, human resources and other benefits in kind are provided by partners to support the delivery of an intervention. Budgetary monitoring ensures that financial support is received as stated in initial undertaking by the partner. With regard to the other support elements, there are no monitoring arrangements in place to ensure that the nature of the support provided is in accordance with the original understanding.</p>	<p>Projects are entered into on the basis that adequate resources will be made available. Subsequent variations to the level of support may hinder the ability of the project to continue and reach it final objective.</p>	<p>Monitoring arrangements should be implemented to ensure that human resources and other benefits in kind are supplied as stated in the initial agreement. Such an arrangement would be consistent with the processes in place for the monitoring of financial input.</p>	<p>New Deal stipulate to all project sponsors, (through project development work and monitoring requirements), the importance of measuring, reporting and evidencing any in kind and other funding contributions.</p> <p>A reminder will be sent to relevant staff.</p>	<p>Finance manager</p> <p>30/06/07</p>

## **5.     MARKETING**

### **AUDIT OPINION**

#### **Procedures are of an adequate standard.**

Good practice includes:

- New Deal publishes two monthly publications, 'ChTatter and Youth ChTatter', that provide details of events within the New Deal footprint.
- The latest New Deal website has been developed and is due for launch Friday 30<sup>th</sup> March 2007. The website includes external links to partners' websites together with details of New Deal projects.
- The recruitment drive for Asda is being undertaken via Walsall College (with assistance from New Deal). New Deal therefore has access to data which will assist the monitoring of the success of footprint applicants.
- The interest that Asda has expressed in opening a town centre store has prompted New Deal to provide a range of services to assist recruitment. A selection of services is available for firms to select from to ease their recruitment campaign such as free transportation for applicants and locations to hold interviews.
- Both ChTatter publications are available for download from the New Deal website. Historic and current editions can be downloaded in PDF, providing an up to date and cost free means of distribution.
- TK Maxx relocated operations to Walsall. However there was a failure in obtaining jobs for individuals on New Deal programmes. Lessons learnt from this failing have been applied to the Asda programme. The professional relationship that has developed between New Deal and Asda is expected to increase the success of future employment.
- Marketing campaigns are developed by project managers and submitted to the communications manager for review. The evaluation ensures that the appropriate logos and contact details are included on all advertisements.

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**ACTION PLAN**

Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
5.1	***	Discussions with the communications manager have identified that at the time of the audit there was an absence of an up to date, formal communications strategy. However, it is acknowledged that New Deal recently commissioned an independent review of its approach to communications and the results of this are currently being agreed including a proposed action plan and the finalisation of a revised communications strategy.	The absence of a formal marketing strategy means that marketing may be undertaken on an ad hoc basis. This method may require additional resources and fail to effectively and efficiently contribute to the achievement of long term objectives.	The revised communications strategy, together with the associated marketing plan, should be put into place as soon as possible and made available to all relevant staff. The strategy should be subject to regular review and update, e.g. annually.	As 5.2	Performance manager  As 5.2
5.2	**	Discussions with the communications manager have identified that reviews are undertaken of marketing campaigns that are not specifically related to New Deal. Such work is undertaken on marketing campaigns of project partners who do not have the capacity to deliver their own campaigns and is therefore done as part of New Deal's proactive engagement with partners.	New Deal is not fully accounting for the time spent by its staff on the various projects. The amount of resources expenses on assisting partners is not fully known which in turn may compromise the quality of management decisions.	New Deal should, as part of its internal management accounting mechanism, monitor the amount of time spent by New Deal staff on assisting the marketing of external projects. The results of this should be reviewed by management to ensure that staff time is being used effectively and efficiently.	The evaluation of the communications project is nearing completion and this audit report will be considered in conjunction with the evaluation.	Performance manager  31/07.07

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Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
5.3	*	A review of the latest New Deal website has identified that the monthly magazine, ChTatter, is available for download. The website provider, Shark, provides an administration interface that will show users how many times ChTatter has been downloaded. However, discussions with the communications manager has identified that the control panel function is not currently used.	Failure to review the website statistics means that the effectiveness of the website and information contained on it are not known. There is a risk therefore those resources are targeted inefficiently.	The administration interface should be reviewed in a timely manner; findings should be noted and used to allocate website resources effectively.	The web statistics are now being monitored.	Performance manager  Implemented
5.4	*	Discussions with the economic development manager have identified that details relating to New Deal's economic development theme have been uploaded to the PoWER website, "Walsall.com". A review of the site has shown that these details can only be found by searching the website, as there is no direct link.  In addition, a link to the New Deal website has not yet been uploaded.	Details pertaining to the economic development theme in the footprint area are not easily accessible to the target audience of PoWER. Potential "recruits" to projects and business partners may not be fully aware of the New Deal projects.	The Walsall.com site should include a direct link to both the wider economic development agenda of PoWER and a link to the specific related work of New Deal.	These links have now been set up.	Performance manager  Implemented

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Ref	Priority	Finding	Risk Exposure	Recommended Action	Response	Responsibility & Timescale
5.5	* *	A review of the PSF has identified that a disproportionate amount of effort and input is devoted to the development and identification of a marketing plan within the PSF (section 7.e).	The promotion of the project may not be adequately considered. The target audience is unaware of the existence of the project.	Consideration should be made to extend the PSF document to include a marketing proposal for example; <ul style="list-style-type: none"> <li>o Signage;</li> <li>o web promotion; and</li> <li>o magazine advertisement campaigns.</li> </ul>	It must be noted that the PSF document completion “boxes” will stretch to accommodate more text; therefore, the initial size is irrelevant.  The lead heading on section 7e has been changed to accommodate suggestions.	Finance manager  Implemented
5.6	* *	Discussions with the theme manager highlighted that the business park coordinator for Leamore Enterprise Park visited local businesses twice every year. This visit facilitated the building of professional relationships with local enterprises. This position is, however, now vacant and coordination with businesses in respect of both Leamore and the wider “economy” is now less formal resulting in a level of engagement that is not as intense or active as it could be and in Leamore’s case, as was previously.	The absence of a staff member to build on relationships with local enterprises may result in a loss of local business involvement. This in turn may hinder the objective to encourage small local businesses to employ New Deal clients.	New Deal should consider how best to formalise strategic coordination activity with local businesses across the “footprint” area. As part of this it may wish to review the respective skills, capacity and capabilities of itself and its business partners in order to determine how such a strategic role may be delivered most effectively and efficiently.	This post has now been filled .The theme leader will draw up an action plan to co-ordinate activity with local businesses in the New Deal area.	Theme leader  31/07/07



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<b>Ref</b>	<b>Priority</b>	<b>Finding</b>	<b>Risk Exposure</b>	<b>Recommended Action</b>	<b>Response</b>	<b>Responsibility &amp; Timescale</b>
5.7	* *	Discussions with the theme manager has identified that the current package of services provided by New Deal to assist recruitment of local staff to the new Asda has yet to be actively marketed to other companies that have the potential to relocate to Walsall and therefore provide employment. There is the intension to promote this package on Walsall.com.	An opportunity to attract businesses to the locality is not fully exploited. This in turn could make the achievement of both borough-wide worklessness targets and footprint objectives relating to employment more difficult.	The services that have been made available should be presented in the form of a package that can be promoted to relevant firms. This should be undertaken as soon as possible to maximise the potential benefits.	The package will be developed by the Theme Leader.	Theme leader  31/07/07