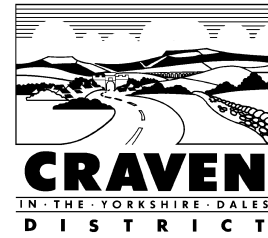


Audit & Governance Committee – 29th September 2014



Internal Audit – Implementation of Recommendations

Report of the Corporate Head, Financial Management

Ward(s) affected: All

- 1 **Purpose of Report** – To update committee members on internal audit recommendations outstanding and report on those that were completed in the first quarter of 2014/15.
- 2 **Recommendations** – Members are recommended to:
 - 2.1 Note the contents of Appendix A – Outstanding Internal Audit Actions where the original target completion date was prior to July 2014 and consider inviting responsible officers to the next meeting where appropriate. (Value for Money Clinics were not held for quarter one and therefore no referrals have been made.)
 - 2.2 Note the contents of Appendix B – Audit Actions completed in the period and approve the contents of that Appendix. Recommendations will not be archived before this approval is received together with that of the Principal Auditor, Shared Audit Service.
- 3 **Implications**
 - 3.1 **Financial and Value for Money (vfm) Implications** – as highlighted for individual recommendations in Internal Audit Reports
 - 3.2 **Legal Implications** - None
 - 3.3 **Contribution to Council Priorities** – Not applicable
 - 3.4 **Risk Management** – as highlighted for individual recommendations in Internal Audit Reports
 - 3.5 **Equality Analysis** – Not applicable
- 4 **Consultations with Others**
CLT and Senior Managers/Action Owners
- 5 **Access to Information: Background Documents**
None
- 6 **Author of the Report**
Rebecca Steel, Performance Management Officer
Telephone: 01756 706215 e-mail: rsteel@cravenc.gov.uk
Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.
- 7 **Appendices** –
Appendix A – Outstanding Internal Audit Actions where the original target completion date was prior to July 2014
Appendix B – Audit Actions completed in the period

Appendix A – Outstanding Internal Audit Actions where original target date was prior to July 2014

Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Action Updater
Report IT 08-03 IT Service Support (Dated Feb 09) - Priority 2 Report C2/6 - IS Procurement - Priority 2	IA 14/15 005 Produce an IT Strategy ensuring that it is documented and appropriately held so as to enable access when necessary	Originally 31 Oct 09 but revised to 31 May 2011 Revised 31 May 2012 Revised Dec 2012	Information Services	Amber	IT Strategy created and awaiting to go to CLT for first approval.	Graeme Thistlethwaite
Report C1/2 - Sundry Debtors 2010/11 - Priority 2 Report C2/4 - Sundry Debtors 2011/12 - Priority 2 Report C3/3 - Sundry Debtors 2012/13 - Priority 2 Report C4/3 - Sundry Debtors 2013/14 - Priority 2	IA 14/15 014 Progress should continue to be made to interface BACAS with Agresso.	November 2011 Report C3/3 - Deadline revised to November 2013 Report C4/3 - Deadline revised to November 2014	Bereavement Services	Amber	Final changes to the interface were put in place on the test Agresso system mid July. Further final testing is taking place and minor changes in the set up on Bacas now need to be put in place by the end of August by Bereavement Services staff. The interface will be transferred to the 'live' Agresso for use on 8th September. This is slightly behind August deadline due to consultant availability.	Michael Brown Claire Hudson
Report C1/2 - Sundry Debtors 2010/11 - Priority 2	IA 14/15 015 Develop the daily BACAS and Agresso reconciliation reports to ensure that they can be produced easily and are inclusive of all charging information required	August 2011 Deadline revised to June 2012	Bereavement Services	Amber	Currently reviewing reports which are available within the bacas system any changes to reports should be completed by the end of September.	Michael Brown
Report C2/4 - Sundry Debtors - Priority 3 Report C3/3 - Sundry Debtors - Priority 3	IA 14/15 036 Amend Financial Procedure Rules to reflect 25/7/07 Policy decisions on Corporate Head - Financial Management's authority to write off bad debts in prescribed circumstances	December 2012 Revised to November 2013	Financial Management	Amber	The Financial Procedures Rules (FPRs) are currently being updated, and the required change will be incorporated alongside other amendments. The revised FPRs will be submitted to committee for member approval by the end of September 2014. First phase of update completed. Updates currently being reviewed for accuracy & "fit for purpose" with intention to reduce size from 60+ pages.	Nicola Chick

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Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Action Updater
Report C2/7 - Data Handling - Priority 2	IA 14/15 044 Management should examine the current staffing structure and consider how the Senior Information Risk Owner and Information Asset Owner roles and responsibilities could be appropriately provided for	December 2012	Information Services	Amber	The SIRO has now been identified as Graeme Thistlethwaite. No further work done since last updated in January 2014	Graeme Thistlethwaite
Report C2/7 - Data Handling - Priority 1	IA 14/15 045 The ICT Manager should continue to investigate the suitability of available technical products providing control over shared information and consider the feasibility of use at Craven	December 2012	Information Services	Amber	We have trialled a product called Egress for the safe transit of emails in the Housing Service. Now need to work out who else in the Council would need this solution. This piece of work needs to be done by September 2014.	Graeme Thistlethwaite
Report C2/7 - Data Handling - Priority 1	IA 14/15 059 A strategy should be compiled as to the most appropriate way in which to carry out a Council wide review of all data sharing, and arrangements put in place to promptly address this to ensure compliance with the guidelines	August 2012	Information Services	Amber	An information sharing protocol has been formulated by Deborah Davies as part of the office move to BVS. No further work has been done on this recently.	Graeme Thistlethwaite
C3/3 Sundry Debtors - Priority 2 C4/3 Sundry Debtors - Priority 2	IA 14/15 084 The Agresso legal debt recovery module should be implemented subject to available resources	November 2013 C4/3 Sundry Debtors - Priority 2 - revised to November 2014	Financial Management	Amber	Testing currently taking place with major work to recommence on this project 3 September 2014. It is anticipated the module will be in use from mid September. Legal Debt recovery work on sundry debtors is still taking place and significant debt being recovered. The legal debt recovery module will aid the process in the future for reminders and commencing any court proceedings.	Claire Hudson
C3/3 Sundry Debtors - Priority 3 Report C4/3 - Sundry Debtors 2013/14 - Priority 3	IA 14/15 086 The recommendation made by the Policy Committee on 25/7/07 to amend the FPRs in relation to delegated authority by the Corporate Head of Financial Management to write off bad debts should be implemented	November 2013 Revised to November 2014	Financial Management	Amber	This is currently under consideration and will be implemented once the Financial Procedure Rules are updated and approved by Policy in September 2014	Claire Hudson

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Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Action Updater
Report C3/7 - Council Tax and Non Domestic Rates - Priority 2 Report C4/9 - Council Tax and Non-Domestic Rates 2013/14 - Priority 2	IA 14/15 093 Once all the Register of Interest forms have been received from staff, the planned system access restrictions should be progressed	November 2013 Revised to September 2014	Revenues & Benefits	Amber	The Control Team are updating the Register of Interest; there are still some forms outstanding which will be chased up. When the list is complete the Technical Team will ensure users are denied access to relevant accounts.	Deborah Davies
C3/6 IS Service Desk - Priority 2	IA 14/15 107 Update Support Work Procedures to reflect officers roles	November 2013	Information Services	Amber	No update on this	Graeme Thistlethwaite
C3/6 IS Service Desk - Priority 2	IA 14/15 109 Consider options available for workload coverage in the absence of the Technical Analyst/Applications & Development	November 2013	Information Services	Amber	Currently looking at options with a strategic partner, NYCC or internal restructure to address this situation.	Graeme Thistlethwaite
C4/2 Contract Management - Priority 2	IA 14/15 112 The VAT numbers for new suppliers set up between November 2011 and September 2013 should be verified on the HMRC website	June 2014	Financial Management	Amber	Review of underway ready for upload in September 2014.	Claire Hudson
Report C4/3 - Sundry Debtors 2012/13 - Priority 3	IA 14/15 135 The Fair Debt Collection Framework should be reviewed in terms of sundry debt recovery strategy	November 2014	Financial Management	Amber	Currently being drafted.	Claire Hudson
C4/7 Anti-fraud and corruption strategy - Priority 2	IA 14/15 110 Anti-fraud and corruption strategy	June 2014	Financial Management	Amber	Minor amends made. Communication now to take place in Core Brief September 2014. Report to A&G in September as necessary.	Claire Hudson
C4/12 Members Expenses	IA 14/15 122 Craven District Council moves to using Trent for all mileage and subsistence claims, thereby ensuring that a) The declaration has to be signed otherwise the claim cannot be submitted b) All areas of the claim have to be completed. c) Claims can be completed on a daily basis and submitted at any time.	Not specified in review	Financial Management	Not started - not yet required	Cost benefit analysis to take place by September 2014. To be treated as a 2015/2016 project if agreed viable.	Claire Hudson
C4/ Craven Pool Follow Up	IA 14/15 126 Investigate whether the day passes can be restricted to 1 day only. If this is not possible, introduce a control whereby the Gym Duty Officer has to	Jul 2013	Craven Pool & Fitness Centre	Amber	New system to be purchased (Purchase Order should be sent by week ending 7/9/14). This will include installing access controls to ensure it controls	Lloyd Hancox

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Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Action Updater
	remove the card from the non-member before they leave					
C4/ Craven Pool Follow Up	IA 14/15 127 Sportsoft's on-line booking system should be introduced for all Pay As You Go customers	Sep 2013	Craven Pool & Fitness Centre	Red		Lloyd Hancox
C4/ Craven Pool Follow Up	IA 14/15 128 EPOS Users should be retrained	Mar 2014	Craven Pool & Fitness Centre	Amber		Lloyd Hancox
C4/ Craven Pool Follow Up	IA 14/15 129 The signage around the town and especially that at the entrance to the site should be drastically improved so as to sell the site, especially to Pay As You Go Members or holidaymakers. Any cost incurred in making these improvements should be repaid through additional income generated from new members as a result.	No date specified	Craven Pool & Fitness Centre	Amber		Lloyd Hancox
C4/ Review of Belle Vue Square Service Charges	IA 14/15 130 Review of Belle Vue Square Service Charges		Assets & Projects		Periodic reports will be separately submitted	

Appendix B – Audit Actions completed in the period (including two superseded actions)

Source Report	Recommendation Name	Original Target Date	Service Ares	Latest Update		Status	Action Updater
Report 0/01 - Sundry Debtors - Priority 2	IA 14/15 010 Consider amending the Fair Debt Collection Policy to provide clearer guidance	December 2012	Financial Management	Superseded by IA 14/15 135 The Fair Debt Collection Framework should be reviewed in terms of sundry debt recovery strategy.		Superseded Audit Action	Claire Hudson
Report 0/01 - Sundry Debtors - Priority 2 Report C2/4 - Sundry Debtors - Priority 2	IA 14/15 011 Amend debt collection procedures (to include how debts beyond the 2nd reminder stage should be treated and further recovery action required for items that are still owed after court order obtained)	Revised in C2/4 report to December 2012	Financial Management	Superseded by IA 14/15 135 The Fair Debt Collection Framework should be reviewed in terms of sundry debt recovery strategy.		Superseded Audit Action	Claire Hudson
Report C2/4 - Sundry Debtors - Priority 2	IA 14/15 032 Updated debtor processing procedures should be fully completed and circulated to all staff	December 2012	Financial Management	A variety of how to guides have been made available and these are reviewed and updated on a continuous basis as necessary. How to Guide for adding a new debtor, setting up an address and searching for a debtor have recently been produced/ updated and relevant users notified.		Green	Claire Hudson
Report C3/11b -- Payroll H.R. Priority 1	IA 14/15 098 Disclosure and Baring Service (DBS) checks must be undertaken for all posts that fall within the DBS eligibility requirements	August 2013	Human Resources	All relevant people have now been checked with DBS or under the Disclosure Scotland Scheme. A designated officer is now responsible for ensuring that the correct procedure is followed for existing and new staff.		Green	Jacque Hodgson
C3/5 Data Handling (members) - Priority 1	IA 14/15 104 The means of enabling Members to use appropriately encrypted equipment should be pursued	December 2013	Information Services	Rollout of tablets to members will be finished by 31 July 2014 and no Craven DC emails will be forwarded to Members after that date.		Green	Graeme Thistlethwaite
C3/5 Data Handling (members) - Priority 1	IA 14/15 106 Ensure that personal and/or sensitive information is handled securely by members	December 2013	Information Services	Training and awareness given to Members and secure tablet devices to be rolled out August 2014		Green	Graeme Thistlethwaite

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C3/6 IS Service Desk - Priority 2	IA 14/15 108 Explore use of systems solutions section to build up knowledge base	November 2013	Information Services	Knowledge base in Service Desk system is now being used. All Members of staff instructed to add fixes to the Work Log in the Service Desk to help with fixes in future		Green	Graeme Thistlethwaite
C4/2 Contract Management - Priority 3	IA 14/15 111 The format of the repairs log should be revised so that only essential information for the management of the repairs and maintenance contract is required to be input. The log should therein be fully completed.	June 2014	Assets & Projects	Repair log has been amended to pick up the requirements for more effective monitoring as identified.		Green	Hazel Smith
C4/12 Members Expenses	IA 14/15 113 Finance should write a report to Policy Committee requesting approval in principle to the agreement of 1 set of mileage and subsistence rates for Members and Officers to enable clarity when expenses are being reimbursed	April 2014	Financial Management	This action is no longer required. Member allowances are currently under review by the Remuneration Panel. Officers have recommended to the panel that subsistence rates are aligned, however that mileage is paid at the HMRC rate.		Green	Claire Hudson
C4/12 Members Expenses	IA 14/15 119 For all mileage claims submitted that relate to attendance at a Council Meeting, these should be matched these entries to either the signing in records or the minutes to ensure that the claim is not fraudulent	April 2014	Financial Management	Democratic Services are now providing records to Payroll staff in the Financial Management Team to enable checks to take place prior to processing.		Green	Claire Hudson
C4/12 Members Expenses	IA 14/15 121 Both the mileage and subsistence claim forms need to be amended to reflect stronger wording on the signed declarations	Jan 2014	Financial Management	Mileage forms have been updated and circulated to Members in April. Subsistence to be amended and circulated in due course post Remuneration Panel review		Green	Claire Hudson
Report C4/13 - Payroll - Priority 2	IA 14/15 138 An end date should be applied to all honoraria payments on Trent	June 2014	Financial Management	This action was not agreed with and will not be put in place as it would bring other complexities due to the way the Itrent system works and may present increased risk of error. It is considered that other control proceses regarding honoraria payments are sufficient.		Green	Claire Hudson

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Report C4 / 14 - Housing Benefits - Priority 2	IA 14/15 139 Refresher training in how to complete the Benefit Assessment sheet	September 2014	Revenues & Benefits	Officers have been given advice and training where appropriate; team leader to monitor for improvement		Green	Deborah Davies
Report C4 / 16 - Treasury Management - Priority 2	IA 14/15 142 On exception where an investment does not fully comply with the Strategy, the decision should be documented on the file to demonstrate that the calculated risk had been considered	November 2014	Financial Management	Staff have been instructed on procedures to undertake if an investment is not going to comply with the Treasury Management Policy. In addition the Treasury Management Policy is sheduled for review which will remove this risk.		Green	Nicola Chick