

Audit and Governance Committee 10th November 2014



Internal Audit – Implementation of Recommendations

Report of the Strategic Manager, Financial Services

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 second 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 October 2014.
 - 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**
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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 October 2014
Appendix B – Audit Actions completed in the period

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

Source Report	Recommendation Name	Original Target Date	Service Area	Status		Latest Update	Action Updater
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 still in progress. Unfortunately, this has been hampered by access issues which have now been resolved by IT. Testing now to take place in November/December and transfer into live in January due to consultant availability. 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
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 underway of missing v.a.t registration numbers for current suppliers. This work will now be completed by Finance Apprentice on an ongoing basis – target date end November for majority checked and updated.	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	Amber		Cost benefit analysis is in progress. To be treated as a 2015/2016 project if agreed viable subject to growth bid.	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 remove the card from the non-member before they leave	July 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 PAYG customers. The branding of the new cards will soon be agreed and ordered.	Lloyd Hancox

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Source Report	Recommendation Name	Original Target Date	Service Area	Status		Latest Update	Action Updater
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	September 2013	Craven Pool & Fitness Centre	Red		New system is to be purchased (Purchase Order should be sent by week ending 7/9/14). The implementation should take about 8-12 weeks to complete.	Lloyd Hancox
C4/ Craven Pool Follow Up	IA 14/15 128 EPOS Users should be retrained	March 2014	Craven Pool & Fitness Centre	Amber		All but two members of staff have been trained, however the new system (legend) is about to be ordered and sportsoft will be obsolete, but all staff will be trained on the new system.	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		Information sent to audit for comment and awaiting reponse. Property and Leisure Services feel that there are sufficient road signs around the town. However, the college, the academy and Leisure are jointly in the process purchasing signage at the entrance to Aireville Park. This will have to be approved by planning.	Lloyd Hancox
C4/ Review of Belle Vue Square Service Charges	IA 14/15 130 Review of Belle Vue Square Service Charges		Assets & Projects	(none)		Separate report provided as required	Hazel Smith
Report C4 / 14 - Housing Benefits - Priority 2	IA 14/15 140 Redesign the Benefit Assessment Sheet	September 2014	Revenues & Benefits	Amber		This is being reviewed along with other processes - some improvements suggested and team are working with the team leader to refine procedures.	Deborah Davies
Report C4 / 16 - Treasury Management - Priority 2	IA 14/15 143 Refresher training for the ICD portal should be provided	September 2014	Financial Management	Amber		Refresher training scheduled for September 2014 commenced and is ongoing	Nicola Chick
Report C4 / 16 - Treasury Management - Priority 2	IA 14/15 145 An up-to-date listing of staff authorised to make deals on behalf of the Council should be created and distributed	August 2014	Financial Management	Amber		Commenced in August 2014 – to be completed as part of the treasury management policy changes scheduled for November 2014	Nicola Chick

Appendix B – Audit Actions completed in the period

Source Report	Recommendation Name	Original Target Date	Service Area	Status		Latest Update	Updater
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	Green		The interface between Agresso and Bacas went live on the 8th September 2014. Project now completed.	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	Green		Reports are now being checked weekly from Bacas to Agresso for reconciliation and any changes to reports will be made as and when required	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	Green		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. New Financial Procedure Rules approved by Audit & Governance Committee 29 September 2014	Nicola Chick

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Source Report	Recommendation Name	Original Target Date	Service Area	Status		Latest Update	Updater
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	Green		New financial procedure rules approved by Audit Committee Sept 2014. Decision to leave write off at Finance Manager level to ensure separation of duties. Action now completed.	Claire Hudson
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	Green		Complete - now need to maintain and update	Deborah Davies
C4/7 Anti-fraud and corruption strategy - Priority 2	IA 14/15 110 Anti-fraud and corruption strategy	June 2014	Financial Management	Green		Minor amends made. Communication took place in Core Brief September 2014 and updated document has been posted to Internet. Minor updates were made so it was not necessary to report through to Audit Committee for further approval.	Claire Hudson
C4/ 09 Council Tax and Non-Domestic Rates 2013/14	IA 14/15 132 The new operating process surrounding the identification of new property should be consistently applied	December 2014	Revenues & Benefits	Green		Procedure agreed and further training provided. Making more use of Anite so further review may be required in the future	Deborah Davies
C4/ 09 Council Tax and Non-Domestic Rates 2013/14	IA 14/15 133 Reviews of single person discounts, postponed in 2013/14, should be rescheduled	December 2014	Revenues & Benefits	Green		Review now complete - in final stages of tidying up accounts	Deborah Davies
Report C4/13 - Payroll - Priority 3	IA 14/15 136 A new starter checklist should be introduced	August 2014	Financial Management	Green		This was put in place by the end of August in line with deadlines.	Claire Hudson
Report C4/13 - Payroll - Priority 3	IA 14/15 137 A leavers checklist should be introduced	August 2014	Financial Management	Green		This was put in place by the end of August in line with deadlines.	Claire Hudson

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Source Report	Recommendation Name	Original Target Date	Service Area	Status		Latest Update	Updater
Report C4 / 15 - Creditors Priority 2	IA 14/15 161 Provide brief step by step guidance notes at the end of each training course to act as training memoirs	February 2015	Financial Management	Green		Recommendation is not agreed, as well as the training provided there are also how to guides available for all users and staff should be consulting these before calling for assistance. One to one training is being delivered as necessary and additional step by step guidance notes are not required due to how to guides which staff are advised to follow.	Claire Hudson
Report C4 / 15 - Creditors Priority 2	IA 14/15 162 Financial Procedure Rules should be updated as necessary	February 2015	Financial Management	Green		Financial Procedure Rules amended and updated version approved by Audit & Governance Committee 29 September 2014	Nicola Chick
Report C4 / 15 - Creditors Priority 2	IA 14/15 165 Whilst the level of duplicate payments is low (0.9%) staff need to be vigilant when making payments to suppliers and should ensure that the supplier on Agresso and the order always matches to the supplier details on the invoice.	February 2015	Financial Management	Green		Staff processing invoices have been reminded to be vigilant as per the recommendation. Looking also to introduce quarterly additional spot checks.	Claire Hudson
Report C4 / 15 - Creditors Priority 3	IA 14/15 166 The section 151 officer needs to review those currently granted system administration access and reduce this to a more reasonable number, thus protecting the integrity of Agresso	February 2015	Financial Management	Green		Review undertaken and number of staff with Administration Access reduced as appropriate	Nicola Chick
Report C4 / 15 - Creditors Priority 2	IA 14/15 167 Amend the performance statistics so that calculation takes into account the receipt date and not the invoice date when trying to determine whether the payment exceeds the EU 30 day rule	February 2015	Financial Management	Green		Performance statistics will not be amended as discussed with Internal Audit prior to recommendation being made in the report. It is important to track whether we have paid suppliers within their terms as per the current indicator. An additional indicator has been introduced at Q2 monitoring to respond to the audit recommendation to track payments made within 30 days of receipt under the EU rule.	Claire Hudson