

Audit & Governance Committee – 29 September 2015



Internal Audit – Implementation of Recommendations

Report of the Strategic Manager Financial Service

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 2015/16.
- 2 **Recommendations** – Members are recommended to:
 - 2.1 Note the contents of *Appendix A – Outstanding Internal Audit Recommendations* where the original target completion date was prior to July 2015 and consider inviting responsible officers to the next meeting where appropriate.
 - 2.2 Note the contents of *Appendix B – Audit Recommendations 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 Recommendations where the original target completion date was prior to June 2015

Appendix B – Audit Recommendations completed in the period

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Appendix A – Outstanding Internal Audit Recommendations where the original target completion date was prior to June 2015

Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Updated/r reviewed by	Date
IT 08-03 - IT Service Support (Dated Feb 09) - Priority 2 C2 06 - IS Procurement - Priority 2 C5 08 - ICT Review of Outstanding Actions - Priority 2	IA 15/16 005 Produce an IT Strategy ensuring that it is documented and appropriately held so as to enable access when necessary	IT 08-03 - Oct 2009 C2 06 - Dec 2012 C5 08 - Dec 2014	Information Services	Amber	A draft IT Strategy has been prepared and is being considered by senior stakeholders, prior to further circulation. When this process has been completed the draft will be shared with the members of this committee.	DM	15/09/15
C2 07 - Data Handling - Priority 2 C5 08 - ICT Review of Outstanding Actions - Priority 2	IA 15/16 044 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	C2 07 - Dec 2012 C5 08 - Dec 2014	Information Services	Amber	The Director of Services has been nominated as Senior Information Risk Owner (SIRO), and we are currently identifying the appropriate senior officers as Information Asset Owners (IAOs).	DM	16/09/15
C2 07 - Data Handling - Priority 1 C5 08 - ICT Review of Outstanding Actions - Priority 1	IA 15/16 059 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	C2 07 - Aug 2012 C5 08 - Mar 2015	Information Services	Amber	An information management strategy is being developed which will be shared with the members of this committee when it has completed an officer-led review.	DM	15/09/15

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C4 12 - Members Expenses - Priority 2	IA 15/16 122 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.	C4 12 - Not specified	Financial Management	Amber		The growth bid has been successful. Implementation to commence during the latter part of 2015/16. A project to roll out self-serve will now commence in January 2016, with an initial options review taking place October - December.	CH	02/09/15
C4 11 - Craven Pool Follow Up - Priority 3	IA 15/16 129 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.	C4 11 - No date specified	Craven Pool & Fitness Centre	Amber		An initial meeting with the College and the Academy has been held. New signage for the main entrance is being proposed. The project is being led by the college and costings are now being awaited. The College have yet to agree the new signage and submit costs	LH	22/07/15
C4 09 - Council Tax and Non-Domestic Rates 2013/14 - Priority 2 C5 12 - Council Tax and Non-Domestic Rates 2014/15 - Priority 2	IA 15/16 131 All procedure notes relating to the recovery process should be made available electronically and centrally stored. Progress as to the documentation of a complete set of up to date procedure notes should continue.	C4 09 - Dec 2014 C5 12 - Dec 2015	Revenues & Benefits	Amber		Council Tax Recovery Procedures have been obtained and will now be saved to a central location where all relevant staff can access them. Work has commenced on the remaining recovery procedures and is to be completed by end quarter three.	SHP	14/09/15
C4 09 - Council Tax and Non-Domestic Rates 2013/14 - Priority 2 C5 12 - Council Tax & Non Domestic Rates 2014/15 - Priority 2	IA 15/16 134 Arrangements should be made for the regular testing of the BCP	C4 09 - Nov 2014 C5 12 - Dec 2015	Information Services	Red		No progress due to changes in personnel within IT. SLT now getting training on Business Continuity and Emergency Planning to ensure a more corporate view is taken.	DD	23/04/15

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C4 03 - Sundry Debtors 2012/13 - Priority 3 C5 03 - Sundry Debtors 2014/15 - Priority 3	IA 15/16 135 The Fair Debt Collection Framework should be reviewed in terms of sundry debt recovery strategy.	C4 03 - Nov 2014 C5 03 - Sep 2015	Financial Management	Amber	Revised timescales for implementation have now been agreed as part of the recent audit. The framework will be reviewed for approval at Policy Committee. An initial redraft of the Framework has been produced for discussion with the revenues and benefits section due to the policy also incorporating recovery of Council Tax/NNDR and Overpaid Benefit debts.	CH	02/09/15
C4 06 - Data Security Standards - Priority 3	IA 15/16 146 ICT Management should update their records to ensure that these reflect actual payment card hardware used Council wide	C4 06 - Jan 2015	Information Services	(none)			
C4 06 - Data Security Standards - Priority 2	IA 15/16 150 The proposed installation of the excess card payment devices at other sites should be carried out as soon as possible	C4 06 - Oct 2014	Financial Management	Amber	Only 1 Council site has been identified as having further requirements for a card payment device. The Civica Account Manager will progress the order and subsequent installation.	CH	02/09/15
C4 08 - Data Protection 2013/14 - Priority 1 C5 08 - ICT Review of Outstanding Actions - Priority 1	IA 15/16 152 The electronic records and the EDRMS phases of the Information Management Project should be progressed	C4 08 - Aug 2014 C5 08 - Dec 2014	Information Services	Amber	This proposal is incorporated within the Information Management Strategy currently being developed. This will be shared with the members of this committee when it has completed an officer-led review.	DM	15/09/15
C4 08 - Data Protection 2013/14 - Priority 1 C5 08 - ICT Review of Outstanding Actions - Priority 1	IA 15/16 153 A Records Management Policy covering all formats, which is clearly owned at an appropriate level, should be produced, approved, appropriately communicated Council wide and training provided. Compliance with the Policy should be monitored	C4 08 - Aug 2014 C5 08 - Mar 2015	Information Services	Amber	A draft revised records management policy has been prepared and is currently being reviewed by senior officers. When this has been completed, the policy will be presented to the appropriate committee.	DM	15/09/15
C4 08 - Data Protection - Priority 2	IA 15/16 154 Procedures should be expanded to include registering, indexing, classifying, security marking and tracking as part of the creation and maintenance of records.	C4 08 - Oct 2014	Information Services	Amber	Although this forms part of the Information Management Strategy, we are currently reviewing the procedures within the Council in the light of the changes to the Government Classification Scheme that was introduced across all central departments in April 2014. When this review has been completed, recommendations will be made suggesting the approach for Craven District Council to adopt.	DM	15/09/15

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C4 08 - Data Protection 2013/14 - Priority 1 C5 08 - ICT Review of Outstanding Actions - Priority 1	IA 15/16 157 A clearly owned information asset inventory should be developed and maintained. Once developed, identified information asset owners should ensure that risks and opportunities are monitored	C4 08 - Aug 2014 C5 08 - Apr/Sep 2015	Information Services	Amber	The process of collecting information for the Council's Information Asset Inventory has commenced and is expected to be completed by the end of the calendar year.	DM	15/09/15
C4 08 - Data Protection - Priority 2	IA 15/16 158 The Retention Guidelines and the Records Transfer, Retrieval and Disposal Procedures should be included in the documents made available on fileshare	C4 08 - Oct 2014	Information Services	Amber	A draft revised records management policy has been prepared and is currently being reviewed by senior officers. When this has been completed, the policy will be presented to committee.	DM	15/09/15
C4 08 - Data Protection - Priority 2	IA 15/16 159 Information risks notified to the Corporate Risk Management Group should also be reported to the SIRO	C4 08 - Oct 2014	Information Services	Amber	This is accepted and will form part of the Information Management Strategy and supporting policies.	DM	15/09/15
C4 15 - Creditors - Priority 2 C5 14 - Creditors - Priority 2	IA 15/16 163 Manual distribution should be avoided where possible; however in those instances where it's unavoidable, care should be taken to ensure that it does not go back to the original Requisitioner. The workflow log and the workflow map should agree. Investigate workflow stages to ensure that the outcome on the workflow map matches to the outcome for the task action (i.e. where the workflow map show the last step to be abort, the action does not show approve, as testing has found it currently does)	C4 15 - Feb 2015 C5 14 - Feb 2015	Financial Management	Amber	Management considered this to be low risk given low error rate identified as part of audit. Some investigation has been undertaken to try and pin point problems more clearly and we are aware of the specific occurrence on 1 workflow. The system is to be upgraded in October and all workflows will be reviewed in preparation for the upgrade.	CH	01/07/15

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C4 15 - Creditors - Priority 2 C5 14 - Creditors - Priority 2	IA 15/16 164 Where a requisition requires amendment, this workflow needs to be reviewed and amended to include an authorisation stage	C4 15 - Feb 2015 C5 14 - Feb 2015	Financial Management	Amber		Management considered this to be low risk given low error rate identified as part of audit. Some investigation has been undertaken to try and pin point problems more clearly and we are aware of the specific occurrence on 1 workflow. The system is to be upgraded in October and all workflows will be reviewed in preparation for the upgrade.	CH	01/07/15
C4 15 - Creditors - Priority 2 C5 14 - Creditors - Priority not specified	IA 15/16 168 All invoices should be addressed to the finance section in Belle Vue Square. Utility bills are by their nature less risky and more complex as such these can be omitted from the recommendation initially and review separately as they may require an alternative solution.	C4 15 - Feb 2015 C4 15 - No specified	Financial Management	Amber		Many suppliers already address invoices to Accounts Payable (e.g. finance) , Belle Vue Square as purchase orders state requirement to do this. Further review of process to take place during October/November.	CH	02/09/15
C5 05 - Officer Expenses - Priority 2	IA 15/16 176 Update the requirements stipulated in the policy with regards to registration documents	C5 05 - Mar 2015	Financial Management	Amber		Policy now redrafted. Options regarding registration document submission discussed. Awaiting final views from health and safety advisor. Finalisation of the Travel and Subsistence Policy pending decision on Member allowances, which forms part of the overall policy.	CH	01/07/15
C5 05 - Officer Expenses - Priority 2	IA 15/16 180 A slight amendment is required to the policy to include a requirement for journey start and end destinations.	C5 05 - Mar 2015	Financial Management	Amber		Policy now redrafted to encompass the requirement. Finalisation of the Travel and Subsistence Policy pending decision on Member allowances, which forms part of the overall policy.	CH	01/07/15
C5 05 - Officer Expenses - Priority 2	IA 15/16 183 The form should have a declaration section whereby the claimant signs to declare that the journeys listed have been undertaken and that they have read the governing rules and that the journeys were authorised business journeys	C5 05 - Jan 2015	Financial Management	Amber		Review of forms is to be aligned with the work to review the expenses policy – see recommendation IA 14/15 180 .	CH	08/04/15
C5 05 - Officer Expenses - Priority 2	IA 15/16 184 Authorisers should be reminded of their responsibilities for the approval of claims	C5 05 - Jan 2015	Financial Management	Amber		Now aligned with the work to review the expenses policy which is underway– see recommendation IA 14/15 180.	CH	01/07/15

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C5 05 - Officer Expenses - Priority 2	IA 15/16 185 Control systems should be updated to ensure liability is covered effectively. The form should include a signed declaration whereby the claimant declares that their licence is valid and that their insurance policy incorporates a clause indemnifying the Council against third party claims arising out of the use of vehicles on official business. Thus devolving responsibility to the car user.	C5 05 - Jan 2015	Financial Management	Amber		Claim forms now redrafted to encompass the requirement. Finalisation of the Travel and Subsistence Policy/claim forms pending decision on Member allowances, which forms part of the overall policy.	CH	01/07/15
C5 02 - Creditor Spend Review 2013 14 - Priority 2	IA 15/16 187 Northgate Information Solutions UK Ltd - a management decision should be made to determine what elements can be outsourced or exemptions needed.	C5 02 - Jun 2015	Financial Management	Amber		Pending further discussion with the new ICT and Transformation Manager and Revenues and Benefits, and any decisions made about future service provision.	CH	02/09/15
C5 02 - Creditor Spend Review 2013 14 - Priority 2	IA 15/16 190 A procurement process should be completed for the spend area 'food and vending supplies at Craven Pool cafe'	C5 02 - Jun 2015	Craven Pool & Fitness Centre	Amber		An Invitation to Quote has now been drafted. We are aiming to complete this work within the first quarter of 2015/16. The final document should be ready for 24/7/15 and will be sent out via the Yortender framework	LH	23/07/15
C5 07 - CDC Parking Management & Civil Parking Enforcement Arrangements since December 2013 - Priority 1	IA 15/16 194 Procedure notes and Performance Monitoring should be strengthened	C5 07 - May 2015	Assets & Projects	Amber		Reporting of income by car park now being undertaken by Parking Services Officer and sent to cashiers to allocate into accounts. Parking income reporting format agreed and ready to feed into CLT & Member reports as necessary - reporting frequency to be quarterly in line with finance monitoring reports to CLT and Policy Committee, to start from Quarter 2 15/16. Cash collection performance monitoring spreadsheet set up and being populated by Parking Officer. Parking service operational procedure notes being drafted by Parking Officer and will be complete within 15/16 Q2 Rolling programme for PPM re lining and signing in car parks will be complete within 15/16 Q2.	HS	09/09/15

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C5 07 - CDC Parking Management & Civil Parking Enforcement Arrangements since December 2013 - Priority 2	IA 15/16 197 A list of car park machine key holders should be maintained. If possible a list should obtained from G4S	C5 07 - Apr 2015	Assets & Projects	Amber	Task begun and action ongoing.	HS	13/07/15
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Appendix B – Audit Recommendations Completed in the Period

Source Report	Recommendation Name	Original Target Date	Service Area	Latest Update	Updated/re viewed by	Date
C2 07 - Data Handling - Priority 2 C5 08 - ICT Review of Outstanding Actions - Priority 2	IA 15/16 049 Management should consider and implement the most appropriate way in which to periodically monitor user understanding	C2 07 - Dec 2012 C5 08 - Dec 2015	Information Services	An awareness package has been developed and tested, and is currently being targeted at new staff, and will be rolled out to more experienced officers. This incorporates a feedback process to monitor user understanding of their responsibilities. An similar awareness package will be developed for elected members.	DM	15/09/15
C4 08 - Data Protection - Priority 2	IA 15/16 160 Staff should be made aware of the ICO's data sharing checklist contained within section 15 of the Data Sharing Code of Practice	C4 08 - Oct 2014	Information Services	This has been done (incorporated in a message to officers in September 2015).	DM	15/09/15
C5 02 - Creditor Spend Review 2013 14 - Priority 2	IA 15/16 189 A procurement process should be completed for the spend area 'tyre supplies'	C5 02 - Jun 2015	Waste Management	The procurement exercise has been completed and there was very little difference between the top three bidders. The Council has elected to remain with one of the three who was an existing supplier.	PF	10/07/15
C5 02 - Creditor Spend Review 2013 14 - Priority 2	IA 15/16 191 A procurement process should be completed for the spend area 'IT systems software support and maintenance'	C5 02 - Jun 2015	Financial Management	A quotation exercise has been carried out for the upgrade and a contractor appointed.	CH	01/07/15

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C5 07 - CDC Parking Management & Civil Parking Enforcement Arrangements since December 2013 - Priority 2	IA 15/16 195 Car park income performance should be reported to Senior Management and Members on a quarterly basis	C5 07 - Mar 2015	Assets & Projects	Reporting template has been designed and agreed. Reporting to CLT and Policy Committee to fit in with Finance Corporate Performance and Budget Monitoring Timetable as last updated 15/6/15	HS	13/07/15
C5 13 - Review of Motor Workshop, Engine Shed Lane, Skipton - Priority 2	IA 15/16 198 Resilience, Capacity and Capability - Consider increasing the level of administrative support provided to see whether there are any further efficiency gains to be realised from relieving the Workshop Manager of any more administrative tasks	C5 13 - Jul 2015	Waste Management	All administration relating to the management of the Operator Licence at the Depot has to be completed by the Transport Manager to comply with VOSA requirements. There is a requirement for additional clerical support to reduce overall pressure within the service.	PF	02/09/15
C5 13 - Review of Motor Workshop, Engine Shed Lane, Skipton - Priority 2	IA 15/16 199 Servicing - Introduce controls to ensure that drivers have cleaned the top side of vehicles as they are required to do (e.g. drivers to certify that they have carried out the clean)	C5 13 - Jul 2015	Waste Management	This has been completed. Drivers now complete this as part of their daily vehicle checks and submit paperwork to the Transport Manager.	PF	13/07/15
C5 13 - Review of Motor Workshop, Engine Shed Lane, Skipton - Priority 2	IA 15/16 200 Servicing - Review the arrangements for cleaning vehicles to see if there is any scope for efficiency gains	C5 13 - Jul 2015	Waste Management	This work is included as part of contractual overtime arrangements with drivers. Existing arrangements will continue	PF	13/07/15
C5 13 - Review of Motor Workshop, Engine Shed Lane, Skipton - Priority 2	IA 15/16 201 Servicing - Consider fitting an Ad Blue top up pump or container outside the Workshop where the HGV drivers can access the top up fluid themselves	C5 13 - Jul 2015	Waste Management	Not financially viable after conducting a cost benefit analysis. Return on investment would take at least 5 years. Existing arrangements to be retained.	PF	13/07/15

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C5 13 - Review of Motor Workshop, Engine Shed Lane, Skipton - Priority 2	IA 15/16 204 Stock Control - Consideration should be given to improving the security arrangements for keeping the stock of vehicle spares	C5 13 - Jul 2015	Waste Management	A lockable tyre container is now in situ. Vehicle spares are kept to a minimum and have little 'street' value. There is no unauthorised access to the area that such parts are stored	PF	13/07/15
C5 03 - Sundry Debtors 2014/15 - Priority 3	IA 15/16 210 The BACAS interface process to Agresso should be documented in a user friendly format and used to deliver training to members of staff at the Crematorium	C5 03 - Sep 2015	Bereavement Services	'How to' notes have been completed and are currently in use. Spot checks are being undertaken to check that staff are complying with the new practices.	MB	10/09/15
C5 03 - Sundry Debtors 2014/15 - Priority 2	IA 15/16 211 An additional control should be introduced in order to evidence an adequate segregation of duties to raise a credit note for Cemetery and Crematorium charges	C5 03 - Jun 2015	Bereavement Services	'How to' notes have been completed and are currently in use. Spot checks are being undertaken to check that staff are complying with the new practices.	MB	10/09/15