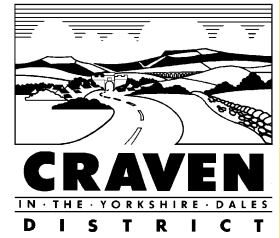


**Audit & Governance Committee – 5 April 2016****Internal Audit – Implementation of Recommendations**

Report of the Strategic Manager Financial Services.

Ward(s) affected: All

- 1 **Purpose of Report** – To update committee members on priority one internal audit recommendations outstanding.
- 2 **Recommendations** – Members are recommended to:
  - 2.1 Note the contents of *Appendix A – Outstanding Priority One Internal Audit Recommendations* and consider inviting responsible officers to the next meeting where appropriate.
  - 2.2 Note the contents of *Appendix B – Priority One 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.
  - 2.2 Note the contents of *Appendix C – Priority 2 and Priority 3 Audit Recommendations currently Outstanding*.
- 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**

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 Priority One Internal Audit Recommendations  
Appendix B – Audit Recommendations Completed in the Period  
Appendix C – Priority 2 and Priority 3 Audit Recommendations Currently Outstanding

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**Appendix A – Outstanding Priority One Internal Audit Recommendations**

Priority 1 Recommendations relate to significant gaps in the Internal Control Framework. Recommendations are included where the original completion date was prior to March 2016.

Source Report	Recommendation Name	Original Target Date	Service Area	Status	Latest Update	Updated by	Date
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 A&G Nov 15 - Dec 2015	Information Services	Amber	The Information Management and Governance Strategy now completed and awaiting member approval. It includes arrangements for a review of all data sharing arrangements operated by the Council. A data sharing protocol with NY has been signed by Craven DC, which puts a framework around new arrangements for information sharing with partners in the County. All staff have been made aware of the ICO's data sharing checklist. This recommendation will be cleared as soon as member approval of the Information Management and Governance Strategy is obtained.	DRN	17/03/16
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 A&G Nov 15 - Dec 2015	Information Services	Amber	An inventory has been developed, and has been referred to the identified Information Asset Owners for completion and return. It is anticipated that the project will be completed in April 2016.	DRM	17/03/16

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C6 02 - Transparency - Priority 1	IA 15/16 217 An Information Management Strategy should be in place to establish how information is managed, published, stored / disposed and used. As part of this a standard data publishing process with nominated officer/s responsible for publishing data should be included.	C6 02 - Dec 2015	Information Services	Amber		The Information Management and Governance Strategy and related Delivery Plan have been prepared. This recommendation will be cleared as soon as member approval of the Information Management and Governance Strategy is obtained.	DRN	17/03/16
C6 01 - Building Control - Priority 1	IA 15/16 227 A replacement for the Fast Control system should be timetabled for implementation as soon as possible	C6 01 - Feb 2016	Planning & Building Control	Amber		Recruitment to the project manager role is underway. Once an appointment is made there will be a lead in time of approximately 18 months before the new system is fully introduced.	DM	15/03/16
C6 04 - Bereavement Services - Priority 1	IA 15/16 239 The procedure for raising, recording and approving credit notes should be consistent and staff reminded of the process	C6 04 - Jan 2016	Bereavement Services	Amber		Staff training commenced in December. A new management report has been devised and introduced to highlight all accounts with credits or zero invoices. These are then checked by the Bereavement Services Manager. The reports are then retained on file. Training will be completed by the end of June.	MB	10/03/16
C6 04 - Bereavement Services - Priority 1	IA 15/16 240 Credits on the BACAS cremation and burial records should be approved with an adequate segregation of duties and record a reason for the credit. In order to evidence this, management should introduce an internal credit note request form to attach to the printed BACAS invoice summary sheet.	C6 04 - Jun 2016	Bereavement Services	Amber		Segregation of duties is covered in procedure notes. We are now able to ensure that these processes are being followed following the introduction of additional management checks. Credit request notes have been introduced as recommended but we are now introducing a 'checklist label' as an improvement. The label system should be in place by the end of April.	MB	10/03/16
C6 04 - Bereavement Services - Priority 1	IA 15/16 245 Access levels should be set up on the BACAS system	C6 04 - Jan 2016	Bereavement Services	Amber		We are currently working with BACAS to achieve this. Access levels as appropriate should now be introduced by the end of March.	MB	10/03/16

**Appendix B – Audit Recommendations Completed in the Period**

Source Report	Recommendation Name	Original Target Date	Service Area	Status		Latest Update	Updated by	Date
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 A&G Nov 15 - Dec 2015	Information Services	Green		A Records Management policy has been introduced, and where appropriate, electronic records are maintained in addition to paper documents. The new facilities manager has undertaken a review of Council archives and these are being rationalised. Arrangements have been introduced to centralise all requests for information made under the DPA. A full suite of information-related policies and guidance is being developed, which will mitigate the risks originally identified in the audit recommendation. No further action is recommended at this time.	DRN	17/03/16
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 A&G Nov 15 - Nov 2015	Information Services	Green		The Records Management Policy has been approved and is available on the Council's intranet. Information rights awareness training is being undertaken for new staff, and we are reviewing the arrangements for existing officers. Compliance with the policy will be monitored on an on-going basis, and compliance activities have been covered in the Strategy Delivery Plan.	DRM	17/03/16

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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	Green		All workflows have been reviewed and updated as part of the Agresso upgrade. Errors of this nature should not occur in future.	CH	06/01/16
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	Green		All workflows have been reviewed and updated as part of the Agresso upgrade. Errors of this nature should not occur in future.	CH	06/01/16
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	Green		Many suppliers already address invoices to Accounts Payable (e.g. finance) , Belle Vue Square as purchase orders state requirement to do this. Facility for suppliers and for internal staff to email electronic invoices to a centralised accounts payable address has also been introduced. Post room procedures have also been reviewed to limit invoices being sent directly to departments.	CH	06/01/16
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	Green		All existing Revenues and Benefits Contracts with Northgate Information Solutions have been reviewed and consolidated into one revised contract for a 2 year 31st August 2015 to 1 Sept 2017, with a revised contract value of c£83,000 over the 2 year period. This has been subject to an exemption under the Council's Contract Procedure Rules due to the current competitive dialogue process taking place for the future provision of the revenues and benefits service.	CH	25/01/16

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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	Green		Reporting of income by car park now being undertaken by Parking Services Officer and sent to cashiers to allocate into accounts. Parking income reporting now in place and being reported to CLT & Policy Committee on a quarterly basis. Cash collection performance monitoring spreadsheet set up and being populated by Parking Officer. Parking service operational procedure notes to be picked up and reviewed/finalised by new Parking Manager who started mid January 2016. Rolling programme for PPM re-lining and signing in car parks is complete, and subject to review by the new Facilities Manager, underway and to be completed by end March 16, having slipped due to further completion of full condition surveys.	HS	07/03/16
C5 12 - Council Tax & Non Domestic Rates 2014 15 - Priority 2	IA 15/16 215 Arrangements should be made to identify those staff with access to the system living and/or having a business interest in the District, so that system restrictions can be applied to prevent access to their own account(s)	C5 12 - Council Tax & Non Domestic Rates 2014 15 - Oct 2015	Revenues & Benefits	Green		In Q2 a declaration of business interest form was issued to all Northgate users with access to NDR, the form also includes information regarding benefits and Council Tax Interests. All forms returned and user data checked and records updated to prevent users from accessing any accounts or claims on Northgate that they may have an interest in. New process has worked well in Q3.	DBC	12/01/16
C6 02 - Transparency - Priority 3	IA 15/16 221 Best practice would be to provide a link from the Open Data webpage of the Craven District Council website to YORtender and / or Contracts Finder upcoming tender opportunities web page/s to provide real time data to the customer. This is not mandatory for the Transparency Code but the use of the Contracts Finder website is a new requirement under the EU procurement rules.	C6 02 -Jan 2016	Financial Management	Green		Link to YOR Tender and Contracts Finder now included on the Council's Website Open Data Pages	CH	25/01/16
C6 02 - Transparency - Priority 3	IA 15/16 222 For efficiency purposes a summary can be provided for the purpose of the procurement card expenditure rather than a detailed narrative	C6 02 - Apr 2016	Financial Management	Green		Narrative now simplified in published data	CH	25/01/16

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C6 01 - Building Control - Priority 1	IA 15/16 226 Cabinets containing application files should be locked as appropriate	C6 01 - Feb 2016	Planning & Building Control	Green		The keys have been located and the cabinets are now locked as required.	AA	09/03/16
C6 01 - Building Control - Priority 1	IA 15/16 228 System restrictions should be put in place so that an officer carrying out the reconciliations check cannot also input/amend the payment screen	C6 01 - Feb 2016	Planning & Building Control	Green		Original Management Comment:- Extra control to be introduced whereby the Senior Building Control Surveyor will check and sign off draft and final reports. Audit Comment:- Alternative procedure considered acceptable as compensatory control.  ----- The alternative procedure is now in place.	AA	21/03/16
C6 01 - Building Control - Priority 1	IA 15/16 229 Decisions on variations from the expected fees should be made only with an additional agreement from Management and evidence of this agreement recorded	C6 01 - Feb 2016	Planning & Building Control	Green		This is now in place. The Senior Building Control Officer is now checking a representative sample of fees charged to ensure expected fees have been charged and variations have been approved.	AA	09/03/16
C6 01 - Building Control - Priority 1	IA 15/16 233 Write offs should be agreed by the Senior Building Control surveyor	C6 01 - Feb 2016	Planning & Building Control	Green		The Senior Building Control Officer is now checking and approving write offs as recommended.	AA	09/03/16



## Appendix C – Priority 2 and Priority 3 Audit Recommendations Currently Outstanding

Service Area	Priority 2			Priority 3		
	Amber	Red	No Update	Amber	Red	No Update
Assets & Projects	1					
Craven Pool & Fitness Centre	1			1		
Financial Management	6			1	1	
Information Services	5	1	1			1
Partnerships & Communications			1			
Revenues & Benefits	3	1				
Waste Management	1					
<b>Totals</b>	17	2	2	2	1	1