

Audit and Governance Committee Report 9 March 2011



Report of **Audit Manager**
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To: Audit and Governance Committee
DATE: 9 March 2011

Report No. 114/10

Wards Affected
All

Internal audit activity report quarter four 2010/2011

Recommendation

That members note the content of the report

Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Adrianna Partridge, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

Strategic Objectives

3. To assist the Council to manage its business effectively by providing an assurance framework to monitor the overall adequacy and effectiveness of the internal control environment.

Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the Council's objectives. It assists the Council by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

Full Assurance: There is a sound system of internal control designed to meet the system objectives and the controls are being consistently applied.

Satisfactory Assurance: There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

Limited Assurance: There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

Nil Assurance: Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

High Risk: Fundamental control weakness for senior management action

Medium Risk: Other control weakness for local management action

Low Risk: Recommended best practice to improve overall control

2010/2011 Audit Reports

7. Since the last Audit and Governance Committee meeting, the following audits and follow up reviews have been completed:

Completed Audits

Full Assurance: 0

Satisfactory Assurance: 2

Limited Assurance: 2

Nil Assurance: 0

	Page Ref	Assurance Rating	No. of Recs.	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Housing & Council Tax Benefit Annual Assurance 10/11	N/A	Satisfactory	3	0	0	0	0	3	3
1. Leisure Centres (WHTLC) 10/11	10	Limited	9	5	5	2	2	2	2
2. Health and Safety 10/11	21	Limited	14	1	1	6	6	7	7
NNDR	N/A	Satisfactory	1	0	0	1	1	0	0

Follow Up Reviews

	Page Ref	Original Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
3. Handling of Postal Cash and Cheques	35	Limited	2	1	1	0	0

8. **Appendix 1** of this report sets out the key points and findings relating to the completed audits which have received limited or nil assurance, and satisfactory or full assurance reports which members have asked to be presented to this Committee.
9. Members of the committee are asked to seek assurance from the internal audit report and/or respective managers that the agreed actions have been or will be undertaken where necessary.
10. A copy of each report has been sent to the appropriate service manager, the relevant strategic director, the Section 151 Officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the Council intranet and work is progressing to alert committee members when reports are published.
11. Internal Audit continues to attempt to carry out a six month follow up on all non-financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

Financial Implications

12. There are no financial implications attached to this report.

Legal Implications

13. None.

Risks

14. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE
AUDIT MANAGER

1. LEISURE CENTRES (WHITE HORSE TENNIS & LEISURE CENTRE)

2010/2011

1. INTRODUCTION

- 1.1 The fieldwork for this audit was undertaken between August and October 2010 and the final report was issued on 25 January 2011.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- the leisure centre is operating in accordance with agreed terms and conditions;
 - appropriate monitoring arrangements are in place;
 - management information is effectively utilised and is prompt and accurate;
 - comments and complaints are appropriately managed, recorded and resolved;
 - memberships are managed in accordance with agreed terms;
 - health and safety and insurance requirements are being adequately addressed;
 - cash is handled appropriately;
 - income is analysed and appropriately recorded.

2. BACKGROUND

- 2.1 VWHDC are responsible for five leisure centres, of which DC Leisure (contractor) is responsible for White Horse Tennis and Leisure Centre (WHTLC) only. However, the operation of this centre has been subcontracted to Active Nation, which operates as a charitable trust.
- 2.2 The council monitoring team consists of four individuals, the shared leisure manager, the shared development officer (leisure), shared leisure facilities officer and the shared leisure co-ordinator, who collectively are responsible for the monitoring of all leisure contracts for both South Oxfordshire District Council (SODC) and VWHDC.

3. PREVIOUS AUDIT REPORTS

- 3.1 WHTLC were audited in March 2008. Four recommendations were raised, and a limited assurance opinion was issued. A follow-up of the report was undertaken in March 2009. One recommendation was not implemented and has been incorporated in this audit.

4. 2010/2011 AUDIT ASSURANCE

- 4.1 **Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

- 4.2 Nine recommendations have been raised in this review. Five High risk, Two Medium risk and Two low risk.

5. MAIN FINDINGS

5.1 Contract

- 5.2 From review Internal Audit (IA) can confirm that the existing contract for White Horse Tennis and Leisure Centre is comprehensive, and up-to-date. The contract and the additional deed of variation for WHTLC are both signed and dated by appropriate individuals. IA can confirm that the variation of the contract for WHTLC extends the existing contract from 2012 to 2014 and provides an income of £265,000 to the council. This is currently being paid quarterly in arrears at £15,000 per quarter. No recommendations have been made as a result of our work in this area.

5.3 Monitoring Arrangements

- 5.4 The procedures to carry out health and safety (h&s) inspections are not documented by the council monitoring team. From work undertaken, IA noted procedures for example those relating to CRB checks and pool tests are not as robust as they should be. The council's monitoring team carry out quarterly h&s and monthly cleanliness inspections. IA noted that no quarterly h&s inspections have been carried out since January 2010 due to resources available within the council's leisure team, however quarterly h&s inspections have since restarted in September 2010. One recommendation has been made as a result of our work in this area.

5.5 Management Information

- 5.6 Management reports are produced by Active Nation and presented to the council monitoring team in monthly contractor meetings. Management information includes usage figures, customer comments and compliance to statutory maintenance items. Accident report forms for April 2010, May 2010 and June 2010 had not been reviewed and signed in a timely manner by the leisure centre staff. Active Nation (WHTLC) provides the council with information on the three most frequent accidents each month, and IA noted some improvement in the level of detail provided for June 2010 accident information with the implementation of an accident trend analysis. Active Nation produces an annual business plan which is reviewed by the council's monitoring teams. No recommendations have been made as a result of our work in this area.

5.7 Comments/Complaints

- 5.8 Active Nation has a comprehensive customer charter which details the process of dealing with customers making complaints. IA noted from the monthly 'comments/complaints summary log' sheets, that detail of the resultant action/outcome and date the issues arising are not regularly recorded. One recommendation has been made as a result of our work in this

area.

5.9 Memberships

5.10 From testing undertaken all membership details for new joiners, cancellations and renewals were found to be accurate and up to date. No recommendations have been made as a result of our work in this area.

5.11 Health and Safety

5.12 Instances were noted of leisure staff not having the required CRB checks. It was further noted health and safety monitoring sheets are not fully completed by leisure staff, including those relating to the swimming pool. Details of insurance claims are not reviewed by the council's monitoring team. Six recommendations have been made as a result of our work in this area.

5.13 Cash Income

5.14 IA observed an individual cashing up by themselves. This is in non-compliance with the contractor's own procedures. IA is concerned with claims made by the temporary finance assistant based at WHTLC regarding the accuracy of the financial data (cashing up sheets) at the leisure centre. IA was unable to substantiate these claims due to the till receipts being stored off site. IA is of the opinion that the general manager (GM) should verify and confirm that the cashing up process arrangements which support the statement of accounts is satisfactory. One recommendation has been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

MONITORING ARRANGEMENTS

1. Council - Monitoring Arrangements

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> To ensure a robust monitoring system, the health and safety (h&s) monitoring process should be documented to reflect the checks made and the procedures to follow.</p> <p><u>Findings</u> The procedures for carrying out quarterly h&s and monthly cleanliness inspections is not documented.</p> <p><u>Risk</u> If the monitoring process and</p>	<p>All monitoring arrangements and procedures should be documented. This should include detailed guidance on how to carry out the checks and the documentary evidence required to confirm compliance.</p>	<p>Shared Leisure Co-ordinator</p>

procedures are not documented there is a risk that staff may not be aware of the process to follow. This may also lead to an ineffective monitoring system.		
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle Requirements for monitoring are documented and a standard template is used for both health and safety inspections and monthly monitoring checks. However, it is acknowledged that it would be beneficial to write formal processes to ensure consistency.</p> <p>Management Response: Shared Leisure Manager</p>		April 2011

COMMENTS AND COMPLAINTS

2. Contractor - Complaints Procedure

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Detail of complaint and resultant action/outcome and date issues arising should be documented. Comprehensive and accurate information should be provided to the council.</p> <p><u>Findings</u> Summary comments/complaints log sheets provided to the council are not fully completed with the detail and the date of action/outcome was missing.</p> <p><u>Risk</u> There is an insufficient audit trail to confirm that all complaints are responded to appropriately and in a timely manner as per contract.</p>	The comments/complaints summary log sheets should be fully completed, this should include both the date and the detail of action/outcome.	DC Leisure/Active Nation
Management Response		Implementation Date
<p>Recommendation is Agreed Contract Manager to pre-check completeness of comments/complaints log prior to release to – and discuss with the Council at monthly monitoring meeting.</p> <p>Management Response: Contract Manager (DC Leisure)</p>		Immediate

HEALTH & SAFETY

3. Contractor - H&S Operating Manuals

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Procedure review sheet should show when operating manuals have been reviewed and when they are next due for review.</p> <p><u>Findings</u> Whilst all h&s operating procedure manuals have been reviewed it was not documented when procedures are next due for review.</p> <p><u>Risk</u> There is a risk that h&s manuals are not reviewed periodically and updated to include changes in Health and Safety legislation. Staff may be unaware of procedures to follow.</p>	<p>The dates when manuals are reviewed and when they are next due for review should be documented on the procedure review sheet or the manual itself.</p>	<p>DC Leisure/Active Nation</p>
Management Response		Implementation Date
<p>Recommendation is Agreed H&S manuals are systematically & formally reviewed once every quarter as part of the organisation's Group Structure, monitoring, review and audit work programme (available for inspection upon request); Group Health & Safety Coordinator will insert document review date on the manual(s).</p> <p>Management Response: Contract Manager/Group Health & Safety Coordinator</p>		<p>Immediate</p>

4. Contractor - Accident Report Forms

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Accident report forms should be reviewed in a timely manner to prevent re-occurrence of the accident. They should be dated accurately as they can be used as evidence in subsequent legal or insurance cases.</p> <p><u>Findings</u> At 28th July 2010 no accident</p>	<p>Accident report forms should be signed, reviewed and presented to the council in a timely manner.</p>	<p>DC Leisure/Active Nation</p>

<p>report forms for June 2010 had been observed as signed by the H&S Co-ordinator or the GM at WHTLC.</p> <p>From observation IA can confirm the GM incorrectly dated all accident report forms for May 2010 retrospectively on 28 July 2010.</p> <p><u>Risk</u> Accident report forms are not reviewed in a timely manner to prevent reoccurrence. Any reoccurrence of the above findings may result in information not being provided to the council in a timely manner.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>The Contract Manager dealt with a backlog of Accident Report forms - caused as a consequence of the former Contract Manager not signing them off prior to handover to the new Contract Manager.</p> <p>Contract Manager to review and sign-off accident report forms within one week of the following month – prior to compiling accident trend analysis report (for client officers at monthly monitoring meeting).</p> <p>Anything requiring remedial action or fast-track follow-up investigation etc., after an accident, is dealt with at the time of accident/incident in accordance with Active Nation’s protocols and standards.</p> <p>Management Response: Contract Manager/Site Health & Safety Coordinator</p>		<p>Immediate</p>

5. Contractor - Monitoring Sheets

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Leisure centres should ensure that all h&s monitoring sheets are completed in accordance with all relevant h&s guidance.</p> <p><u>Findings</u> Daily pool water test sheets which denotes testing of chlorine levels, PH levels and air</p>	<p>All h&s monitoring sheets should be fully completed by leisure centre staff in accordance with relevant h&s guidance and active nation’s own procedures.</p>	<p>DC Leisure/Active Nation</p>

<p>temperature; and the headcount and life guard rotation sheet which denotes the quota of lifeguards to swimmers is not regularly completed.</p> <p><u>Risk</u> There is a risk that the leisure centres may be in non-compliance with h&s legislation. This may lead to the council being held liable if any issues/concerns arise regarding public safety leading to financial penalties and reputational damage.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed Monitoring sheets are in place. Staff are instructed and trained to manually check & take required tests for disinfectant and pH levels in accordance with the HSE document 'Managing Health & Safety in Swimming Pools'.</p> <p>The organisation's standard is for pool water to be tested prior to use and every two hours thereafter through to closing. Compliance with this standard is periodically assessed internally – and audited by the Head Contractor.</p> <p>Duty Managers and Technical Manager to be briefed about this initially – with further induction, information, instruction as necessary.</p> <p>Management Response: Contract Manager/Group Health & Safety Coordinator/Site Health & Safety Coordinator</p>		Immediate

6. Contractor - Criminal Records Bureau (CRB) Checks

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The council has a legal and moral responsibility to provide a duty of care to all children, young people and vulnerable adults.</p> <p><u>Findings:</u> Five employees confirmed as life guards and an external trampoline instructor did not have the required CRB check.</p> <p>Two employees who did not have</p>	<p>All relevant employees should have an up-to date CRB check which should be renewed every five years. Furthermore the GM should maintain an accurate list of all employees who require a CRB check to ensure individuals are monitored.</p>	<p>DC Leisure/Active Nation</p>

<p>a CRB check were not on the Employee CRB check list maintained by the GM and therefore were not being monitored.</p> <p><u>Risks</u> There is a risk that inappropriate individuals may have access to children and vulnerable adults. Furthermore if CRB checks are not renewed periodically new convictions may go undetected or unnoticed since the previous CRB check, putting the safety of vulnerable people at risk.</p>		
<p>Management Response</p>	<p>Implementation Date</p>	
<p>Recommendation is Agreed Organisation is reviewing its CRB checking system at Group level- in light of Government announcements made recently (22 October) about the national review of the Vetting & Barring Scheme and Criminal Records Regimes.</p> <p>Specific training has been planned for key staff – including NSPCC Child Protection Awareness, Safeguarding Children and “Safe in Sport” training.</p> <p>Contract Manager reviewing CRB records on-site (and with CRB checking company) to identify and remedy any gaps identified.</p> <p>Management Response: Contract Manager/Personnel Assistant/Group Health & Safety Coordinator</p>	<p>Immediate</p>	

7. Contractor - Risk Assessments

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All risk assessments should be reviewed formally. Mitigating actions should be carried out to prevent the reoccurrence of the accident.</p> <p><u>Findings</u> A risk assessment was completed for an insurance claim involving trampoline equipment however this was carried out recently and was advised to be at least two years after the date of the accident.</p>	<p>Risk assessments should be reviewed by the council’s monitoring team to ensure they are adequate and carried out in a timely manner.</p>	<p>DC Leisure/Active Nation</p>

<p><u>Risk</u> All risk assessments should be reviewed formally and any necessary risk assessment to prevent re-occurrence of the accident should be carried out.</p>		
<p>Management Response</p>		<p>Implementation Date</p>
<p>Recommendation is Agreed in Principle Risk assessments are undertaken by the organisation in accordance with its standards and monitoring/review mechanisms.</p> <p>Client Officers have reviewed these assessments – as part of the Quarterly H+S checks although we believe that the Risk Assessment (and review) requirement is a matter for the operator/occupier.</p> <p>Risk assessments – and review – arrangements are audited by the Head Contractor.</p> <p>Management Response: Contract Manager/Site Health & Safety Coordinator and Shared Leisure Services Manager/Development Officer (Facilities)</p>		<p>Immediate</p>

8. Contractor - Insurance

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Insurance claims should be reviewed formally and any necessary risk assessment to prevent re-occurrence of the accident.</p> <p><u>Findings</u> Three insurance claims had been submitted in the past two years including an insurance claim by an employee. IA note that whilst the council's monitoring team review monthly accident information; the insurance claims following the accidents are not reviewed.</p> <p><u>Risk</u> There is a risk additional lessons are not being learned to prevent re-occurrence of the accident in the future.</p>	<p>Details of insurance claims should be reviewed by the council's monitoring team.</p>	<p>DC Leisure/Active Nation</p>

Management Response	Implementation Date
<p>Recommendation is Agreed Client Officers have not reviewed (nor requested) insurance claims – but this matter is discussed at the monthly client/contractor meetings.</p> <p>Client Officers are briefed of any/all insurance related matters if they potentially affect the Council, its liability, etc</p> <p>Management Response: Contract Manager/Site Health & Safety Coordinator and Shared Leisure Services Manager/Development Officer (Facilities).</p>	<p>January 2011</p>

CASH INCOME

9. Contractor – Cashing up Arrangement

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Income is processed accurately, transparently and in accordance with the contractors own procedures.</p> <p><u>Findings</u> IA noted an individual cashing up by themselves. Discussions with the finance assistant confirmed that a second person is not usually present during the cashing up process</p> <p>Discussion with a junior finance assistant incorrectly indicated that the finance manager advised that if discrepancies cannot be resolved then the officer should modify accounting information on the electronic banking sheets to agree to the physical cash.</p> <p><u>Risk</u> If accurate accounting records are not maintained the contractor may be in non-compliance of its contractual obligations which are: ‘The company shall maintain and provide complete and accurate operational and financial records’</p>	<p>The GM should verify and confirm that the cashing up arrangements are satisfactory and include:</p> <ul style="list-style-type: none"> • A second person to be present during the cashing up process • Information to be accurately recorded on the daily banking sheets and any discrepancies in cashing up should be investigated and appropriately recorded in a timely manner. <p>In addition, the council’s CFO states that falsifying primary records is a breach of the council’s financial regulations and is a breach of accounting controls. The council’s CFO recommends that the contractor should reprimand any staff who fails to properly reconcile and account for income.</p>	<p>DC Leisure/Active Nation</p>

Management Response	Implementation Date
<p>Recommendation is Agreed</p> <p>The organisation has internal control systems in place and standards for banking – including the requirement for two people to cash-up.</p> <p>Cash discrepancies are not “zeroed off” – and our accounting records clearly show overs/unders of monies actually received against the cash register total.</p> <p>Contract Manager & Finance Manager to reissue appropriate Finance Manual Operating Standards – and arrange appropriate induction, information and instruction as necessary (on a 1:1 basis).</p> <p>If cash handling processes are breached, formal disciplinary procedures would be commenced against the staff involved as a breach of Active Nations financial procedures.</p> <p>Management Response: Contract Manager/Finance Manager</p>	<p>Immediate</p>

2. HEALTH AND SAFETY 2010/2011

1. INTRODUCTION

- 1.1 The fieldwork for this audit was undertaken between October and December 2010 and the final report was issued on 24 January 2011.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- the council has an appropriate health and safety policy that is reviewed and updated regularly;
 - members of staff are aware of and have received appropriate health and safety training;
 - the council is compliant with the health and safety legislation;
 - risk assessments and health and safety audits have been/ are being carried out with regards to the council buildings and within the work area to minimise the health and safety risk to the members of staff;
 - the council has an effective monitoring system in place to oversee implementation of health and safety practices by all contractors;
 - the council has an appropriate process for reporting incidents, which are reviewed and dealt with by senior management.

2. BACKGROUND

- 2.1 The Health & Safety at Work Act 1974 places overall responsibility for health and safety with the employer. Health and Safety is currently in the process of being harmonised at both VWHDC and South Oxfordshire District Council (SODC), and a joint health and safety policy was recently approved by the executive in September 2010. The council's health and safety adviser is responsible for the management of health and safety at both councils.

3. PREVIOUS AUDIT REPORTS

- 3.1 A follow up report was produced in April 2008 which confirmed that ten recommendations had been implemented and seven were ongoing at that time. Two of the seven ongoing recommendations have been implemented and the remaining five are no longer considered relevant following changes to processes and the harmonisation with VWHDC.

4. 2010/2011 AUDIT ASSURANCE

- 4.1 **Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk
- 4.2 Fourteen recommendations have been raised in this review. One high risk, six medium risk and seven low risk.

5. MAIN FINDINGS

- 5.1 **Health and Safety Policies**

5.2 Internal Audit (IA) note the joint health and safety policy to be comprehensive and sufficiently detailed, however the policy is not available to staff via the intranet. IA further noted that some health and safety (h&s) policies, for example the council's Display Screen Equipment policy and Violence to Staff policy, have not been reviewed since 2006. In addition terms of reference for the council's Health and Safety Review Board (HSRB) and the Safety Action Group (SAG) are available on the intranet, but were found not to have been reviewed since 2006. Two recommendations have been made as a result of our work in this area.

5.3 **Health and Safety Training**

5.4 The shared HR business partner (Learning and Development) has produced a training programme which includes a directory of all courses the council offers to its employees. IA noted that previously h&s training was not included as part of corporate induction and was limited to key staff and councillors. However, during the audit IA noted that the shared h&s adviser and the shared HR business partner have included h&s training within the harmonised corporate induction programme. Health and safety training is currently provided by an external company, OSTAS, with courses being arranged once a sufficient number of employees have registered for the course. The council should consider providing general h&s training via the intranet for new employees, in conjunction with localised h&s training provided by the employee's line manager to save resources and to ensure h&s training is provided in a timely manner. Induction check-lists which confirm whether staff have received essential h&s training relating to fire emergency and first aid procedures are not regularly returned to human resources (HR). The h&s adviser is no longer a member of the Chartered Institute of Occupational Safety and Health (IOSH). Four recommendations have been made as a result of our work in this area.

5.5 **Health and Safety Legislation**

5.6 IA noted the Display Screen Equipment Assessments (DSE) policy was last reviewed in January 2006. DSE assessments for relevant council employees are not up-to-date, furthermore no DSE assessments are recorded as having taken place after August 2009. The responsibility for first aid has not yet been assigned to an officer, leading to instances of overpayments in first aid allowances to staff. Due to the recent management restructure a number of first aid personnel are due to leave the council's employment with no replacements identified. The council should review whether sufficient first aid personnel are available at VWHDC buildings to meet current first aid legislation. The facilities team and the shared h&s adviser should be aware of all hazardous chemicals used within council buildings. IA acknowledges that only a small part of h&s legislation which affects the council has been reviewed in this audit. Six recommendations have been made as a result of our work in this area.

5.7 **Risk Assessments**

5.8 The council's 'Safety Standard on Risk Assessment' was last reviewed in

January 2006. Generic risk assessment forms, for example officer risk assessments and general risk assessment for lone working on site, are available on the intranet for managers to complete. The facilities department is currently working with the shared h&s adviser to ensure that adequate risk assessments are carried out for all VWHDC buildings. IA note risk assessment training is available for relevant officers, however no risk assessment training is recorded as having been provided after December 2007. One recommendation has been made as a result of our work in this area.

5.9 Contractor Monitoring

The council has in place guidance notes for contractors working at VWHDC buildings which detail the legal duties owed to contractors, however the document was last reviewed in January 2006. The h&s adviser does not receive assurance that council monitoring processes for contractors are effective. Health and safety issues noted in the recent leisure centre audit 2010/2011 indicate that h&s monitoring checks are not as robust as they could be. The Verdant Group are waste contractors for both councils and provide h&s training to the council's shared waste team. One recommendation has been made as a result of our work in this area.

5.10 Incident Reporting

5.11 Incident reporting procedure notes are available to all staff via the intranet, and this details the importance of carrying out investigations in order to comply with legal requirements. IA can confirm the document to be comprehensive and sufficiently detailed. Incident report forms are currently in the process of being harmonised. Discussion with the h&s adviser confirmed that the process to report and investigate accidents will follow current SODC procedures. No recommendation has been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

HEALTH AND SAFETY POLICIES

1. Review of Health and Safety Policies

(Low Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> All health and safety (h&s) policies and procedures should be reviewed periodically to ensure compliance with h&s legislation.	All h&s policies should be reviewed periodically and in accordance with the council's h&s procedures.	Health and Safety Adviser
<u>Findings</u> The following policies were last reviewed in January 2006:		

<ul style="list-style-type: none"> • the safety standard for the 'Selection and Control of Contractors' • 'Incident Reporting' procedures • DSE Assessment policy • Violence to Staff policy <p>IA noted that the joint h&s policy is not available on the intranet.</p> <p><u>Risk</u> If policies are not regularly reviewed there is a risk staff may not be aware of the most up to date practices to follow. This may lead to the council being in non-compliance with current h&s legislation.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed The Vale health and safety adviser was responsible for reviewing health and safety policies. Once the decision was made for joint working between South and Vale, reviewing existing policies would not be the best use of time (especially if there had been no changes in legislation) as all the health and safety procedures would have to be harmonised.</p> <p>Management Response: Health and Safety Adviser</p>		31 March 2012

2. Terms of Reference

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Terms of reference should be up-to-date and available to all staff.</p> <p><u>Findings</u> Terms of reference (TOR) for the Health and Safety Review Board (HSRB) and the Safety Action Group (SAG) were last reviewed on January 2006 and do not reflect the current staffing structure.</p> <p>The shared head of health and housing has not attended the quarterly SAG meeting in February 2010, May 2010 and</p>	<p>a) Terms of reference for the Health and Safety Review Board and the Safety Action Group should be kept up to date to ensure relevant members are aware of their h&s duties and responsibilities.</p> <p>b) Heads of service should ensure there is representation for their service at all SAG meetings.</p>	<p>Health and Safety Adviser</p> <p>Heads of Service</p>

<p>September 2010 and a representative has not been in attendance.</p> <p><u>Risk</u> Failure to ensure clarity with regards to the TOR for h&s review groups could result in staff not being aware of their roles or responsibilities in improving the effectiveness of the HSRB and SAG.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>The SAG was adopted as a joint group in July 2009 and the first meeting of the joint HSRB was in November 2010. Terms of reference for HSRB were updated in Sept 2009 and again in November 2010. The terms of reference for the safety action group will be reviewed in January and then placed on the intranet. We will set up a link from the Vale intranet to the South health and safety page. A reminder will be sent to heads of service regarding attendance at the safety action group.</p> <p>Management Response: Health and Safety Adviser</p>		<p>28 February 2011</p>

HEALTH AND SAFETY TRAINING

3. Employee Training List

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Officers who require h&s training are identified and registered.</p> <p><u>Findings</u> From a sample of seven employees, two were not included in the employee training List (ETL). Furthermore individuals who have left the council's employment remain on the list. IA note that the process to update the ETL is not as robust as it can be.</p> <p><u>Risk</u> If all relevant employees are not included in the ETL there is a risk that employees are not being monitored and therefore may not receive the required h&s training.</p>	<p>HR 'admin team' should ensure that the employee training list (ETL) is kept up-to-date and includes details of all employees with regards to h&s training. Furthermore a monthly reconciliation should be carried out with the establishment list to remove employees who have left.</p>	<p>HR Business Support Manager</p>

Management Response	Implementation Date
<p>Recommendation is Agreed in Principle The recent lapse in the maintenance of the employee training list has been due to lack of resources within HR administration. With the recent recruitment of the HR Business Support Manager, the list should be updated monthly.</p> <p>Management Response: HR Business Partner (Learning and Development)</p>	<p>31 May 2011</p>

4. Casual Staff

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All staff should receive adequate h&s training.</p> <p><u>Findings</u> HR and the HR business partner (learning and development) does not receive assurance that h&s training is provided to casual staff, as induction checklists for new employees are not regularly returned to HR.</p> <p><u>Risk</u> If adequate training records are not maintained for all employees there is a risk the council may be in non-compliance with h&s legislation. Furthermore training records are not reviewed to confirm whether adequate/refresher training is provided/needed.</p>	<p>Induction checklists should be returned to HR for all employees. HR to remind all service managers.</p>	<p>HR Business Support Manager</p>
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle It will be investigated as to whether it is practical to add casual employees onto the employee training list, so their training can be tracked in the same way as permanent staff</p> <p>Management Response: HR Business Partner (Learning and Development)</p>		<p>31 July 2011</p>

5. Health and Safety Training

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All h&s training should be provided in a timely manner.</p> <p><u>Findings</u> H&s training was limited to key staff. From review of the employee training list it was confirmed that only 43 employees and 27 councillors are recorded as having received h&s training since 2003 and the most recent recorded date was February 2009.</p> <p>Courses are only provided once sufficient new starters have registered for the course. This results in significant delays.</p> <p><u>Risk</u> If training is not provided in a timely manner, staff may not be aware of the processes to follow. This may lead to the council being in non-compliance with current h&s legislation and avoidable risks are not addressed.</p>	<p>A process should be in place to ensure that all staff receive h&s training in a timely manner. Consideration should be given to providing h&s courses via e-learning.</p>	<p>HR Business Partner (Learning and Development)</p>
Management Response		Implementation Date
<p>Recommendation is Agreed The policy at Vale had been to only train key staff and councillors in H&S. Since taking on the shared roles, the HR Business Partner (Learning and Development) and H&S Advisor have incorporated H&S training as compulsory training onto the harmonised corporate training programme.</p> <p>Management Response: HR Business Partner (Learning and Development)</p>		<p>30 June 2011</p>

6. IOSH Membership

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The h&s adviser should have the relevant experience and qualifications to carry out their duties effectively.</p>	<p>The h&s adviser should review with management whether membership of the Chartered Institute of Occupational Safety and</p>	<p>Health and Safety Adviser</p>

<p><u>Findings</u> From discussion with the h&s adviser it was confirmed that their membership of the Chartered Institute of Occupational Safety and Health (IOSH) has lapsed. Members of IOSH are kept informed of any changes to h&s legislation and best practice.</p> <p><u>Risk</u> If the officer responsible for h&s is not a member of a recognised body they may not be aware of the changes in legislation. The council may be at risk of non-compliance with h&s legislation by not receiving up-to-date advice.</p>	<p>Health (IOSH) is a necessary requirement for the role of h&s adviser.</p>	
<p>Management Response</p>		<p>Implementation Date</p>
<p>Recommendation is Agreed Health and safety adviser has now rejoined IOSH.</p> <p>Management Response – Health and Safety Adviser</p>		<p>Immediate</p>

HEALTH AND SAFETY LEGISLATION

7. DSE Assessments

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All staff should receive Display Screen Equipment (DSE) assessment in a timely manner. Ideally this should be carried out as part of the induction process.</p> <p><u>Findings</u> From review of the employee training list IA observed that 71 employees were not recorded as having received a DSE assessment. Furthermore no DSE assessments were recorded as having been carried out after August 2009.</p> <p><u>Risk</u> If DSE assessments are not carried out the council may be at</p>	<p>Line managers must ensure that all relevant staff receive a display screen equipment (DSE) assessment in a timely manner.</p> <p>Accurate records for staff DSE assessments should be maintained by the h&s adviser and HR consultants.</p>	<p>Heads of Service</p> <p>Health and Safety Adviser/HR consultants</p>

risk of non-compliance with current h&s legislation. This may lead to penalties and/or fines.		
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle</p> <p>The Vale had an online DSE assessment process which all staff had to complete – some staff never completed them even after several reminders. It is the managers responsibility to ensure staff complete an on line assessment. There has been very little recruitment since joint working therefore we would not expect many on line assessments to have been completed. DSE assessments are carried out electronically at Vale and by trained assessors at South, a decision needed to be made as to which system would be adopted which has also caused a delay in carrying out DSE assessments. A decision has now been made to adopt the system used at South.</p> <p>Due to all the restructures and office moves managers were advised that the reviewing of DSE assessments except for staff experiencing any health problems could wait until everyone was settled in their final destination. Reviewing of DSE assessments has now commenced.</p> <p>Management Response: Health and Safety Adviser</p>		31 December 2011

8. Manual Handling

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Guidance for manual handling should be comprehensive and sufficiently detailed.</p> <p><u>Findings</u> Generic advice titled 'moving office and relocation' is available to employees. The guidance notes are insufficiently detailed and not specific to council roles and responsibilities.</p> <p><u>Risk</u> If manual handling procedures are not sufficiently detailed staff may not be aware of the process to follow. This may lead to injury and/risk of fine.</p>	Manual handling guidance should be specific to the VWHDC, detailing the roles and responsibilities of staff and any necessary training the council offers.	Health and Safety Adviser
Management Response		Implementation Date
Recommendation is Agreed in Principle		31 December

When the manual handling policy is harmonised it will be specific to both councils. Management Response: Health and Safety Adviser	2011
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9. Lone Working System

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Ensure all relevant employees are registered on the lone working system (Forest Care).</p> <p><u>Findings</u> From testing undertaken it was confirmed that not all relevant staff are registered on the council's lone worker system (Forest Care).</p> <p><u>Risk</u> If staff are not registered on the lone worker system, they are not adequately monitored; this may lead to employees being at risk of harm. Furthermore the council may be at risk of non-compliance with current h&s legislation.</p>	A process should be in place to ensure all relevant staff are registered with the council's lone worker system (Forest Care).	Heads of Service
Management Response		Implementation Date
<p>Recommendation is Agreed The lone worker policy has been out to consultation and will be sent out by the end of February which covers the above.</p> <p>Management Response: Health and Safety Adviser</p>		28 February 2011

10. First Aid Allowances

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Payroll should be notified in a timely manner when first aid certificates have expired.</p> <p><u>Findings</u> Payroll had not been notified of the following:</p> <p>An individual whose first aid certificate expired in February 2010 was paid the monthly first aid allowance for a further three</p>	Payroll should be informed in a timely manner by HR when monthly first aid allowances become due or are no longer appropriate. Furthermore recovery of any overpayments should be instigated.	HR Business Partner (Learning and Development) and HR Business Support Manager

<p>months.</p> <p>One individual whose first aid certificate expired in July 2010 was paid the monthly first aid allowance for a further two months.</p> <p><u>Risk</u> If payroll is not notified in a timely manner there is a risk inappropriate payments may be made leading to financial loss for the council.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle A robust process needs to be agreed between the HR Business Partner (Learning and Development) and HR Business Support Manager</p> <p>Management Response: HR Business Partner (Learning and Development)</p>		31 March 2011

11. First Aid Courses

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Current legislation requires employers to provide adequate 'first aid personnel' and inform employees of the location of first aid personnel.</p> <p><u>Findings</u> Responsibility for managing the provision of first aid has not been assigned to an officer. Furthermore first aid certificates are not checked by HR/h&s adviser.</p> <p>Of a list 13 first aid personnel for all VWHDC buildings, six are due to leave the council's employment by December 2010 with no replacements identified.</p> <p>In two instances first aid courses were booked after the expiry date of first aid certificates leading to increased costs to the council as</p>	<p>Adequate monitoring arrangements should be in place to ensure VWHDC is in compliance with first aid legislation and that responsibility for first aid is assigned to an appropriate officer.</p>	<p>H&S Adviser, HR Business Partner (Learning and Development) and HR Business Support Manager</p>

<p>a refresher course is cheaper.</p> <p><u>Risk</u> If accurate information for first aid is not held there is a risk that the council may be in non-compliance with first aid legislation.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle</p> <p>The Vale do have an appropriate number of first aiders, due to staff moving to different locations or leaving the organisation we need some more volunteers. We now have a list of volunteers who will be trained shortly. Due to the Vale training officer moving to Cornerstone – some first aid certificates did expire without reminders being sent.</p> <p>There is no written first aid procedure for the Vale – this will be rectified when the first aid arrangements are harmonised.</p> <p>Responsibilities for the whole process of monitoring the number of first aiders and ensuring records are up to date needs to be agreed between the H&S Adviser, HR Business Partner (Learning and Development) and HR Business Support Manager</p> <p>Management Response: HR Business Partner (Learning and Development) and Health and Safety Adviser.</p>		31 March 2011

12. Hazardous Substances

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The h&s adviser and the shared facilities manager (SFM) should be aware of all hazardous chemicals used in VWHDC buildings.</p> <p><u>Findings</u> The h&s adviser/SFM does not maintain a centralised list of hazardous chemicals contained within VWHDC buildings.</p> <p><u>Risk</u> If the h&s adviser/SFM is not aware of all hazardous chemicals at all VWHDC buildings then Control of Substances Hazardous to Health (COSHH)</p>	<p>Heads of service should provide a list of all hazardous chemicals within their service area to the shared h&s adviser and the relevant facilities officer for review.</p>	<p>Heads of Service</p>

assessments may not be carried out. Furthermore in the event of a fire, hazardous chemicals may not be identified quickly.		
Management Response		Implementation Date
Recommendation is Agreed A reminder will be sent to heads of service. Management Response: Health and Safety Adviser		30 December 2011

RISK ASSESSMENTS

13. Risk Assessment (guidance notes)

(Low Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> Risk assessments should be reviewed periodically and updated when necessary. <u>Findings</u> The council's guidance notes 'safety standard for risk assessment' was last reviewed in January 2006. <u>Risk</u> If guidance notes for risk assessments are not reviewed periodically there is a risk hazards may not be identified.	Guidance notes for risk assessments should be reviewed periodically.	Health and Safety Adviser
Management Response		Implementation Date
Recommendation is Agreed See comments in section 1. Risk assessment policy and associated guidance was one of the priority policies to be reviewed. All documentation has been updated and is being reviewed by management team prior to going out to consultation. Management Response: Health and Safety Adviser.		30 June 2011

CONTRACTORS

14. Contractor Monitoring

(Medium Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> The council should have a policy in place for the monitoring of all contractors. The policy should	Managers must ensure that employees and contractors are adhering to the councils h&s guidelines and seek	Health and Safety Adviser and heads of service

<p>define roles and responsibilities.</p> <p><u>Findings</u> The council has in place 'selection and control of contractors' however this policy refers to contractors who are located onsite at the council.</p> <p>The h&s adviser does not receive assurances that contractors i.e leisure centres, waste contractors are monitored effectively and that h&s checks by the council monitoring teams are robust.</p> <p>During the recent leisure centre audit IA noted monitoring processes for carrying out CRB checks and pool tests are not as robust as they can be.</p> <p><u>Risk</u> If contractors are not monitored effectively there is a risk the council may be held liable for any non-compliance with current h&s legislation.</p>	<p>advice from the council's h&s adviser when necessary. A periodic review of contractor's compliance with h&s guidelines should be carried out by the h&s adviser.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>At the Vale an approved list of contractors were used for minor works that have all had the necessary checks. The main contracts, waste, leisure, grounds maintenance were monitored and records kept by the Vale health and safety adviser. These checks ceased when he left the council. We need to ensure that the appropriate officers are monitoring the contracts from a health and safety perspective. The HSE would not expect the council to monitor every single aspect of the health and safety management system of the contractor; we do not have the resources nor the detailed expertise in some cases. They would expect the council to provide evidence of periodic monitoring and checks. For example, meetings where health and safety issues are discussed, receiving accident statistics, monitoring the outcome of investigations and actions for serious incidents, site visits to check compliance with contract and health and safety, etc. A reminder will be sent to heads of service regarding the importance of the selection and monitoring of contractors.</p> <p>Management Response: Health and Safety Adviser</p>		<p>31 March 2012</p>

FOLLOW UP – HANDLING OF POSTAL CASH AND CHEQUES 2010/2011

1. INTRODUCTION

- 1.1 The fieldwork for this audit was undertaken in February 2011 and the final report was issued on 23 February 2011.

2. INITIAL AUDIT FINDINGS

- 2.1 The final report made two recommendations and both recommendations were agreed. A limited assurance opinion was issued.

3. FOLLOW UP MAIN FINDINGS

- 3.1 The review found that one recommendation has been implemented and one recommendation was partly implemented. Internal Audit is satisfied that adequate evidence is available to support the implementation of one recommendation.
- 3.2 All service areas that regularly receive cash and cheques through the post, apart from LSP, now have two officers opening the post. LSP only has one officer opening the post. It takes the LSP officer on average 2 hours a day to open the post, while it takes on average 1-2 hours a week for other service areas. Internal Audit still considers that for the service areas which receive cash and cheques through the post, best practice is for two officers to be present. Internal Audit does not consider such practice to be inefficient as two officers opening the post rather than one should take half the time. Evidence to support the implementation of the agreed recommendations was gathered by both Internal Audit and the Personal Assistant to Management Team.

FOLLOW-UP OBSERVATIONS

POST OPENED SECURELY AND PROMPTLY

1. Two Officers Opening Post

(High Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> At least two officers are present when post is opened.	All service areas should be reminded that at least two officers are present when opening the post.	Shared Facilities Manager/ Appointed Officer to Print/ Post Room Vacancy
<u>Findings</u> From a review of five service areas, Internal Audit established that two areas only had one officer opening the post.		
<u>Risk</u> A single officer could be		

tempted to steal income without any witness present. Also, if an applicant should query missing documents (i.e. original birth certificates and passports) the Council and staff are more vulnerable if there isn't a witness to the receipt (or non-receipt) and handling of sensitive documents.		
Management Response		Implementation Date
Recommendation is Agreed		31 October 2010
Management Response: Shared Facilities Manager		
Follow-Up Observations		
All service areas that regularly receive cash and cheques through the post, i.e. Development Management and Policy, now have two officers opening the post apart from LSP. LSP still only have one officer opening post. The service areas with two officers opening and processing the post, take on average one to two hours a week to open the post. It takes on average two hours a day or ten hours a week for LSP to open and process the post.		Partly Implemented

POSTAL CASH AND CHEQUES DEALT WITH APPROPRIATELY

2. Recording of Cash and Cheques

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The post opening process is in line with best practice guidance.</p> <p><u>Findings</u> From the review of the post opening within service areas, Internal Audit established that the process is not in line with best practice guidance. The results were:</p> <ul style="list-style-type: none"> • cheques were found left in the post room, after the post is opened; • in some service areas, cash and cheques were not written in a register and signed appropriately. 	<p>a) A review of the current post opening process should be carried out to improve the controls for opening post and ensure best practice is followed in all areas such as not leaving cheques or cash unattended.</p> <p>b) A reminder should be sent out to all service areas opening post to record all cash and cheques in a register; the officers opening the post and an officer from LSP confirming the receipt of cash and cheques should sign the register as stated in the Handling</p>	<p>Shared Facilities Manager/ Appointed Officer to Print/ Post Room Vacancy</p>

<p>Risk All income must be held securely to prevent loss or theft. A complete audit trail is necessary to account for all income, to help resolve errors and to trace any missing money. If a review of the post opening process is not carried out, and best practice identified and implemented there is a financial and reputational risk to the council due to inappropriately managing cash and cheques.</p>	<p>Cheques or Cash Received in the Mail work instructions. c) Management should remind staff of the importance of complying with cash instructions and financial regulations and should take disciplinary action against persistent offenders.</p>	
<p>Management Response</p>		<p>Implementation Date</p>
<p>Recommendation is Agreed To be implemented once new structure is in place. Management Response: Shared Facilities Manager</p>		<p>31 December 2010</p>
<p>Follow-Up Observations</p>		
<p>A review of the post opening process has taken place. Facilities Services now receive all post and sort it into pigeon holes for each service area. If post only states 'Vale of White Horse District Council', it will be opened by Facilities Services and then re-sealed and put in the service areas pigeon hole. All service areas must make their own arrangements in opening post. If any cash and cheques are received through the post, it should be recorded and taken down to LSP. Internal Audit reviewed the post opening process in each cash and cheque relevant service area, and is satisfied the cash and cheques are being registered appropriately.</p>		<p>Implemented</p>