

Improvements in the Internal Control Environment

Progress report to Executive 7th July 2006

	Actions	Officer	Progress to 20 June 2006
(a)	The full implementation of the Debt Strategy, which is essential to achieving and maintaining robust control over debt [owed to the Council]		
i.	Formal approval of the Strategy	Strategic Director (SB)	Done (July 2005)
ii.	Training of key officers	SD (SB)	Done (August 2005)
iii.	Strategy came into force on 1 April 2006	SD (SB)	Done
iv.	Strategic action 1: Cashiers to promote direct debit arrangements to Council Tax and Business Rate payers in March and April.	Deputy Director (OD & S)	Done
v.	Strategic action 2: Prominently display direct debit forms in cash offices	DD (OD & S)	Done
vi.	Strategic action 3: Publish direct debit promotional feature and form in 'Vale Views'	DD (OD & S)	o/s
vii.	Strategic action 4: Transfer live debts for bed & breakfast and temporary rents to the new Housing Rents system	SD (SB) & Assistant Director (Housing)	Done
viii.	Strategic action 5: Monthly housing system debt reports should be sent to the SD (SB) for monitoring	AD (Housing)	o/s
ix.	Strategic action 6: Invoice requisitions to be sent by service areas to Finance and invoices raised - all within 5 working days	All	Being achieved by most service areas. SD (SB) addressing non-complying areas.
x.	Strategic action 7: Service areas to check bad debtor record and cease/withhold further goods and services until debt is repaid (where statutorily permitted to do so)	All	o/s (service areas to generate their own bad debtor records using the outstanding debt reports and notification of write-offs)
xi.	Strategic action 8: Agree prompt payment arrangements with other public sector bodies	SD (SB)	o/s (significant arrears evidenced in Feb 06 audit testing)

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xii.	Strategic action 9: Sundry Debtor Section to achieve 98% recovery rate for live debts (excluding benefit overpayments)	SD (SB)	Not achieved to date. Contractual remedies available when sundry debts transferred to Capita
xiii.	Strategic action 10: Produce monthly outstanding debt reports for service areas to check and to withhold further services (as per strategic action 7)	SD (SB)	Outstanding debt reports are sent to service areas for checking. No evidence of non-compliance.
xiv.	Strategic action 11: Old low value debts to be written off and credit balances to be transferred out of live debts	SD (SB)	Done
xv.	Strategic action 12: Shorten the Council's standard payment terms to 14 days	SD (SB)	Done
xvi.	Strategic action 13: Engage an external agency to trace debtors who have left the area	SD (SB)	Done
xvii.	Strategic action 14: Engage an external debt recovery agency to recover old debts	SD (SB)	Done - over £50k recovered to date
xviii.	Strategic action 15: Produce monthly outstanding benefit overpayment reports to the Benefits Section to identify potential attachments to benefit	SD (SB)	Done
xix.	Strategic action 16: Insert into the Council's standard contract of employment the agreement to deduct from salary any outstanding debts to the Council	SD (SB) & Head of HR	o/s
xx.	Strategic action 17: Produce regular printouts of written-off debts for service areas to check. And, service areas to check written-off debt records withholding further goods and services until debt is repaid (where statutorily permitted to do so)	SD (SB) All	o/s
xxi.	Strategic action 18: Produce work instructions covering the requisition of invoices and the issuing of debtor accounts	All	Done
xxii.	Strategic action 19: Introduce useful local performance indicators to monitor debt recovery processes	SD (SB)	Done
xxiii.	Strategic action 20: Monthly debt monitoring reports should be sent to the SD (SB) for monitoring	Sundry Debtor Section	Done

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xxiv.	Review effectiveness after 6 months, including the exceptions suggested by service areas and, if necessary, recommend changes to the Strategy.	SD (SB)	o/s (planned for Oct 06)
xxv.	Instruct relevant staff to take more proactive approach (as per para 4.2.7 of internal audit report on Sundry Debtors)	SD (SB)	o/s
(b)	Review of the Council's risk registers following the senior management restructure and the production of business continuity plans		
i.	The strategic risk register should be reviewed by the Strategic Management Group twice a year	SD (TS)	Done (last updated May 06)
ii.	Risk registers to be realigned under new organisational structure by 31 Aug 06	Senior Management Team	o/s
iii.	The guidance notes and template for the monthly Asst Director-Portfolio Holder meetings should be amended to include a 'watching brief' of risk registers.	Principal Performance Management Officer (PPMO)	Done
iv.	Risk registers should be kept under review at the monthly Asst Director-Portfolio Holder meetings.	All	Done
v.	The guidance notes and template for the half-year service review report and service area annual report should be amended to include a formal review of risk registers.	PPMO	Done
vi.	Risk registers should be formally reviewed by the AD/DD as part of the half-year service review report and service area annual report.	All	Done (as evidenced by April 06 internal audit)
vii.	Business Continuity - as an interim measure produce a risk assessment for the district's ability to respond to potential major incidents in the county	Emergency Planning Officer (EPO)	Done (Nov 05)
viii.	Appoint EPO Assistant	Deputy Director (Commercial Services)	o/s
ix.	Fully address the business continuity planning requirements of the Civil Contingencies Act and the Council's own disaster recovery planning needs in liaison with deputy directors.	DD (CS)	o/s
(c)	Improvements in reconciliation of income and the resolution & ownership of discrepancies		
i.	Introduce 'global' bank reconciliation and perform monthly	Accountancy Manager	Done

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ii.	<p>Introduce monthly monitoring process for the Chief Finance Officer to review and sign off the Council's key reconciliations, including:</p> <ul style="list-style-type: none"> • Bank reconciliation • Cash book • Miscellaneous cash • Council Tax cash • Business Rates cash • Sundry Debtors • Mortgages • Housing rents • Treasury management income • Top 6 income streams 	Accountancy Manager & SD (SB)	Done
iii.	<p>The cash office should balance their takings of cash and cheques each day to their receipting system. Continual unders and overs should be looked at in respect of competency, with perhaps more training provided. Daily balances will help to ensure that the money sent to the bank is correct and the correct amount appears on the bank statement. (Accountancy Manager's response to May 05 Main Accounting audit action plan)</p>	DD (OD & S)	o/s
iv.	<p>Provide full year-end supporting papers for the Collection Fund and Control Account reconciliations - to the satisfaction of the external auditor.</p>	Accountancy Manager	(To be confirmed at annual audit - July/Aug 06)