REPORT OF THE AUDIT MANAGER
TO THE AUDIT & GOVERNANCE COMMITTEE
30 JUNE 2008

Internal Audit Activity Report Quarter 1 2008/2009

1.0   Introduction and Report Summary

1.1   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.

1.2   The Contact Officer for this report is Adrianna Penn, Audit Manager for South Oxfordshire District Council and Vale of White Horse District Council, telephone (SODC) 01491 823544 and (VWHDC) 01235 547615.

2.0   Recommendations

that Members note the content of the report.

3.0   Relationship with the Council's Vision, Strategies and Policies

    (a)   Vision strands A and C.
    (b)   No specific strategy.
    (c)   Anti Fraud and Corruption Policy; and all Policies indirectly.

4.0   Background

4.1   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 Councils' objectives. It assists the Councils 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.

4.2   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.

4.3   Each recommendation is given one of the following ratings:
High: Fundamental control weakness for senior management action
Medium: Other control weakness for local management action
Low: Recommended best practice to improve overall control

5.0   2007/08 Audit Reports

5.1.1 Since the last Audit and Corporate Governance Committee meeting, the following planned audits have been completed:

Planned Audits

Full Assurance: 3
Satisfactory: 8
Limited: 5
Nil: 0

	Assurance Rating	No. of Recs	High Recs.	No. Agreed	Medium Recs.	No. Agreed	Low Recs.	No. Agreed
Creditor Payments	Limited	**18**	3	2	7	7	8	8
Treasury Management	Full	**0**	0	N/A	0	N/A	0	N/A
Elections	Satisfactory	**6**	0	N/A	4	4	2	2
Main Accounting	Satisfactory	**5**	0	N/A	0	N/A	5	5
Capital Accounting	Satisfactory	**1**	0	N/A	0	N/A	1	1
White Horse Tennis & Leisure Centre	Limited	**4**	0	N/A	3	2	1	0
Abingdon LSP	Satisfactory	**11**	0	N/A	9	9	2	2
Data Protection	Limited	**7**	4	3	3	3	0	N/A
Concessionary Fares	Satisfactory	**6**	0	N/A	2	2	4	4
Land & Property	Limited	**5**	1	1	4	4	0	N/A
ICT	Satisfactory	**11**	0	N/A	4	3	7	6
Community	Full	**0**	0	N/A	0	N/A	0	N/A

Grants								
Affordable Housing	Satisfactory	**5**	0	N/A	3	2	2	1
NNDR	Limited	**7**	0	N/A	6	2	1	1
Agresso	Full	**0**	0	N/A	0	N/A	0	N/A
Housing & Council Tax Benefits	Satisfactory	**6**	0	N/A	5	5	1	1

Follow Up Reviews

	Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Refuse Collection & Street Cleansing	Satisfactory	8	3	2	3	0
Recycling	Satisfactory	12	5	3	4	0
Excess Charges	Good (now Full)	2	2	0	0	0
Health & Safety	Satisfactory	17	10	5	2	0
Insurance	Satisfactory	5	1	0	4	0
Cash	Satisfactory	9	7	0	2	0
Environmental Protection	Good (now Full)	4	3	1	0	0
SOLL Leisure	Satisfactory	6	6	0	0	0

Appendix 1 of this report sets out the key points and findings relating to the completed audits

5.2 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.

5.3 A copy of each report has been sent to the appropriate Service Manager, the relevant Strategic Director, the relevant Section 151 Officer and the relevant Member Portfolio Holder.

5.4 A 6 month follow up is undertaken on all audits undertaken to establish the implementation status of agreed recommendations.

ADRIANNA PENN
AUDIT MANAGER

CREDITOR PAYMENTS 2007/2008

1. INTRODUCTION

1.1   Final issued on the 11th March 2008.

1.2   The following areas have been covered during the course of this review:

- Implementation of agreed recommendations from previous audits
- Procedures
- Review performance against BVPI 8
- Verify that refunds are dealt with appropriately
- Verify that invoices are bona fide and contain all relevant details
- Verify that VAT is being dealt with appropriately
- Verify the procedures relating to duplicate payments

2. BACKGROUND

2.1   The Council spends £millions each year buying in goods and services from a wide range of suppliers and contractors, some of whom are local and others national. As a major player in the local and regional marketplace the Council has a responsibility to pay its suppliers on time. The Government has consistently applied pressure on local authorities to pay its (undisputed) invoices on time, i.e. within the time limits agreed with individual suppliers or where there are no such agreed time limits, 30 days.

2.2   The Department for Communities and Local Government (DCLG) has monitored local authorities' performance in paying suppliers on time by way of a Best Value Performance Indicator (BVPI 8). The Council's Performance Plan for 2007 – 2010 reported outturn for BVPI 8 as 94.76% for 2006/07 and set a target of 95.94% for 2007/08.

2.3   In April 2007 the Ridgeway Shared Service Partnership (RSSP) and its financial services provider (contractor), Capita, implemented a new financial management system (Agresso version 5.5) at both Councils. Agresso is a fully integrated computerised financial management system, incorporating electronic processing of suppliers' invoices.

2.4   Implementation of the Agresso system has not been without problems associated with the introduction of the 'workflow' arrangements, resulting in a number of suppliers being paid more than once and some having to wait a considerable time for payment. As a result of the implementation problems VWHDC BVPI 8 performance has deteriorated.

3. PREVIOUS AUDIT REPORTS

3.1   Creditor Payments was last subject to an internal audit review in February 2007 and nine (9) recommendations were raised. A satisfactory opinion was issued.

4. 2007/08 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   Eighteen (18) recommendations have been raised in this review: Three High, seven Medium and eight Low.

5. MAIN FINDINGS

5.1   **Previous Audit Recommendations**

5.2   Two recommendations agreed following the 2006/2007 audit have not been fully implemented. The areas covered by the recommendations are BACS rejections and User IDs. The recommendations have been re-drafted to reflect the implications of the financial services contract with Capita. Two recommendations have been made as a result of our work in this area.

5.3   **Procedures**

5.4   Implementation of the new Agresso financial management system represented a major change at VWHDC, and introduced electronic 'workflow' comprising the raising of requisitions and purchase orders and approval and authorisation of invoices.

5.5   Internal Audit found that neither the Council nor Capita had produced documented procedure guidance notes to accompany the implementation of Agresso 5.5. This is compounded by the Council's Financial Regulations being out of date. Although the Council's Intranet carries a link to Guidance Notes for Payments - Accounts Payable, there are no guidance notes available. Four recommendations have been made as a result of our work in this area.

5.6   **BVPI 8**

5.7   The Council published its 2006/2007 BVPI 8 outturn in its 2007 – 2010 Performance Plan, as having paid 94.76% of its suppliers' invoices (undisputed) within 30 days or within payment terms agreed with individual suppliers.

5.8   The Council has acknowledged that BVPI 8 outturn will deteriorate in 2007/2008 due to the problems associated with the implementation of the Agresso 5.5, but had accepted Capita's monthly outturn data as correctly stated. Internal Audit found that the outturn reported by Capita to the Council for October 2007 is flawed and potentially over-stated by almost 10% (72.27% to 66.47%), arising from items being included in the calculation that the BVPI 8 definition requires to be excluded. Five recommendations have been made as a result of our work in this area.

5.9   **Refunds**

5.10   Internal Audit has two areas of concern regarding the procedures for processing refunds using Agresso 5.5. Firstly, due to the problems with the Agresso system staff are unable to see transactions within Agresso and the workflow progress to confirm when refunds are generated. Secondly, Internal Audit noted that individual BACS payments over £10,000 are bypassing the counter-signatory process. Two recommendations have been made as a result of our work in this area.

5.11   **Bona Fide Invoices**

5.12   Internal Audit noted that the well-documented Agresso 5.5 implementation problems had affected the efficiency and effectiveness of invoice handling, resulting in delays between invoice registration and authorisation. Walk-through testing by Internal Audit noted that copies of invoices, requested by officers or sent in by suppliers, were being scanned as original documents, thus creating the potential for duplicate payments.

5.13   Internal Audit is concerned that under the current Agresso 5.5 workflow arrangements, an officer raising a Requisition Note is able to approve it and the Purchase Order that is subsequently generated. This undermines internal control. Two recommendations have been made as a result of our work in this area.

5.14   **VAT**

5.15   Internal Audit noted that the Council has recently had a VAT Control visit from HMRC that found no anomalies relating to Creditor Payments.

5.16   During a review of documentation used to request payments involving transactions pre-Agresso, i.e. not already registered within the Creditor Payments system, Internal Audit noted potential weaknesses in the way that Capita records the checks it carries out. One recommendation has been made as a result of our work in this area.

5.17   **Duplicate Creditors and Payments**

5.18   Internal Audit noted that inadequate checks for duplicate payments are being made. In the light of the Agresso 5.5 implementation problems, Internal Audit would expect Capita to introduce additional checks for possible duplicates to demonstrate to the Council that the checks are being undertaken on a weekly basis.

5.19   Internal Audit considers that periodic review of the supplier database would assist and minimise the capacity for duplicate or erroneous payments. Two recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

PREVIOUS AUDIT RECOMMENDATIONS

1. BACS Rejections (Low)

Recommendation	Rationale	Responsibility

Capita should draft a procedure note requiring Capita to notify the Financial Assistant (Accountancy) at the earliest opportunity if the bank has identified a BACS rejection.	Best Practice As soon as a BACS rejection is identified the appropriate members of staff should be alerted. Findings The Finance Assistant (Accountancy) indicated that she still does not receive notification from Capita of BACS rejections. Risk Additional work is created in identifying amounts received in the Council's bank account as a result of a rejected BACS payment and suppliers do not get paid.	Capita
Management Response		**Implementation Date**
Recommendation is **Agreed** Capita are currently documenting all the procedures for Creditors. The requirement to notify Accountancy regarding BACS rejections will be a part of these procedures.		In progress – completion due April 2008.

2. User IDs   (Low)

Recommendation	Rationale	Responsibility
Capita should introduce a procedure whereby User IDs are rendered invalid as soon as possible after a member of staff leaves Capita's employment.	Best Practice As soon as a member of staff leaves employment with Capita their User ID is rendered invalid. Findings Capita regularly reviews user ids, and removes anyone that has left. The only exception to this at the moment is the Agresso Project Manager (N Carrelli) who left Capita employment in September 2007, as it is his User ID that is running all the automatic proposals. This is unsatisfactory. Risk There is a potential risk that an ex-member of staff could continue to have access to the Council's data after employment has ceased.	Capita
Management Response		**Implementation Date**
Recommendation is **Agreed in Principle** The recommendation should be extended to cover Capita staff and Council staff. However, it is acknowledged that there continues to be one Capita user ID left open since this is where the reports run from. Once the recovery plan is		At completion of the recovery plan – April 2008.

complete this will be reviewed to ensure that all the reports running through this user ID are changed.	

PROCEDURES

3. Designated Officer   (Medium)

Recommendation	Rationale	Responsibility
The Chief Accountant at VWHDC should be appointed as contact and custodian of VWHDC's Creditor system to enable both Councils to adopt consistent arrangements for monitoring the creditors function with Capita.	<u>Best Practice</u> A designated officer should be given responsibility to liaise with Capita to discuss any issues arising. <u>Findings</u> During the course of the review Internal Audit noted differences in the reporting arrangements operating at both Councils. SODC has appointed the Chief Accountant as the custodian of the creditors function, however Internal Audit noted that an equivalent officer has not been identified for the VWHDC. <u>Risk</u> No designated officer is appointed that could escalate issues, and therefore the appropriate action is not taken.	Chief Accountant
Management Response		**Implementation Date**
Recommendation is **Agreed.**		Implemented 14th February 2008.

4. Financial Regulations   (Medium)

Recommendation	Rationale	Responsibility
The Council's Financial Regulations should be updated to reflect the operational changes resulting from the implementation of the Agresso financial management system.	<u>Best Practice</u> Financial Regulations should be accurate and up to date reflecting operational changes associated with both the commencement of the Ridgeway Shared Services Partnership (RSSP) and implementation of the Agresso Financial Management system. <u>Findings</u> The Agresso financial management system has been in operation since November 2002 however no reference is made to the Agresso system, the current workflow	Monitoring Officer

	arrangements or best practice in the Council's Financial Regulations. Risk Staff do not know the correct procedures, therefore inconsistencies in treatment may occur.	

Management Response	Implementation Date
Recommendation is **Agreed** Following the recovery plan and the full implementation of the system it will be possible to identify how and where the Financial Regulations need to be amended. Areas particularly for review will be 12. Orders for Work, Goods and Services, 13. Payment of invoices. Accountancy will need to review and propose the new wording for approval by the monitoring officer.	Post April completion of recovery plan. By July 2008.

5. Creditors Function (Medium)

Recommendation	Rationale	Responsibility
Procedures relating to the Creditors function including requisitions, purchase orders and payment of supplier invoices should be documented, updated and expanded as necessary to reflect the operational changes resulting from the implementation of the Agresso financial management system.	Best Practice Staff have access to up-to-date and comprehensive operational procedures to facilitate consistent and effective working practices. Findings Capita staff have user notes to assist them in delivering the creditors system. Internal Audit found that these notes are inadequate. Internal Audit noted that the Council's Intranet indicates a link within Financial Services to Guidance Notes for Payments – Accounts Payable. When activated the link refers to guidance notes but there are none. Risk Staff are not aware of the correct procedures therefore inconsistencies in treatment may occur.	Capita/ Chief Accountant

Management Response	Implementation Date
Recommendation is **Agreed** All documentation is being updated as per the recovery plan. Draft documents around control and raising purchase requisitions have been distributed for comment by the Council.	By conclusion of recovery plan – April 2008.

6. Authorised Signatories   (Low)

Recommendation	Rationale	Responsibility
The authorised signatory listing/Agresso Approval List are updated and matched to show the correct and appropriate financial limits for those who approve orders and supplier invoices**.**	Best Practice All invoices are validated against the authorised signatory and appropriate approval levels. Findings Internal Audit noted that this recommendation is outstanding from previous Accounts Payable audit. The recovery plan acknowledges that this is one of the areas that need to be developed and corrected due to the problems associated with coding and approval. Risk Payment could be made without the appropriate approval.	Accountancy/Capita

Management Response	Implementation Date
Recommendation is **Agreed in Principle** Such a list has been superseded by workflow and online controls. All payments over £10k have to be authorised by a second approver in Finance.	Implemented

BVPI 8

7. Local Performance Target   (Low)

Recommendation	Rationale	Responsibility
For 2008/2009 the Client should require Capita to report outturn against a Local Performance Target for the payment of suppliers' invoices.	Best Practice Suppliers' invoices should be paid promptly, within a 30-day period. Findings The government has announced plans to replace BVPIs with National Indicators from 1 April 2008. There is no corresponding National Indicator for BVPI 8. Risk Suppliers may withdraw credit facilities if the Council is late in making payments.	Client Manager & Capita

Management Response	Implementation Date
Recommendation is **Agreed** Local performance targets are still to be agreed following the withdrawal of BVPI8. Capita have been reporting against this PI to date but discussions are in progress to	May 2008

agree on new performance targets.	

8. Supporting Data   (Medium)

Recommendation	Rationale	Responsibility
Capita should be required to provide the Client with the data that support each month's BVPI 8 outturn.	<u>Best Practice</u> The Client should be provided with a copy of the monthly data that support Capita's outturn. <u>Findings</u> Despite reminders Capita had not supplied monthly data to the Client Manager to support BVPI 8 outturn reports. Incorrect data have been included in the calculation of the monthly outturn for October 2007. <u>Risk</u> The Council could be embarrassed by having to publish corrections to prior year outturn reports.	Client Manager & Capita
Management Response		**Implementation Date**
Recommendation is **Agreed** This data is now being distributed.		Implemented - Ongoing basis.

9. Use of Correct Dates   (Medium)

Recommendation	Rationale	Responsibility
The Client should check a sample of invoices from the BVPI 8 data to confirm that the correct dates have been applied.	<u>Best Practice</u> The Client is able to test check monthly data to verify the outturn reported by Capita. <u>Findings</u> Incorrect data have been included in the calculation of the monthly outturn for October 2007. <u>Risk</u> The Council could be embarrassed by having to publish corrections to prior year outturn reports.	Client Manager
Management Response		**Implementation Date**
Recommendation is **Agreed** This data is now being provided to Paul Howden. Random checks are possible to be made on accuracy of the data. Review of the PI's to be used will need to ensure that access to data is available.		Implemented 19th March 2008 – ongoing basis.

10. Definition   (High)

Recommendation	Rationale	Responsibility
The Client should require Capita to apply the criteria set out in the BVPI 8 definition and to re-calculate the monthly 2007/2008 BVPI 8 outturn for the year to date.	<u>Best Practice</u> There is a prescribed definition that should be applied. <u>Findings</u> Incorrect data have been included in the calculation of the monthly outturn for October 2007. Internal Audit found it to be 66.47 but the declared figure was 72.27. The October outturn is incorrect; it is over-stated. <u>Risk</u> The Council could be embarrassed by having to publish corrections to prior year outturn reports.	Client Manager & Capita

Management Response	Implementation Date
Recommendation is **Agreed**	Implemented.

11. 2006/07 Outturn   (High)

Recommendation	Rationale	Responsibility
The Client should require Capita to provide evidence to confirm that the declared outturn for 2006/07 for BVPI 8 is fairly stated.	<u>Best Practice</u> The Council has to publish annual BVPI 8 outturn in a local newspaper. <u>Findings</u> Incorrect data have been included in the calculation of the monthly outturn for October 2007. Capita took over responsibility for providing BVPI 8 outturn with effect from 1 August 2006. It is possible that the outturn for 2006/07 is not fairly stated. <u>Risk</u> The Council could be embarrassed by having to publish corrections to prior year outturn reports.	N/A

Management Response	Implementation Date
Recommendation is **Not Agreed** Capita have said they could do this if required. The data on this year would be pre-Agresso – Powersolve and Civica. Consequently, this would be a very time consuming piece of work and the diversion of scarce resource into this activity	N/A

would not be in the best interests of the Council given the need to complete the recovery plan as a priority.	

REFUNDS

12. Agresso (Low)

Recommendation	Rationale	Responsibility
Training is provided to assist officers to track refunds transactions through the Agresso system.	Best Practice Officers should be able to track refunds through the Agresso system. Findings Due to the problems with the Agresso system, service area staff are unable to see transactions within Agresso after authorisation and therefore are unable to confirm when refunds are generated. Risk Refunds could be made more than once.	Accountancy/Capita

Management Response	Implementation Date
Recommendation is **Agreed** Training is being provided as a part of the recovery plan.	In progress

13. Payments Over £10,000 (Medium)

Recommendation	Rationale	Responsibility
Capita should produce a weekly report which denotes all payments over £10,000 (£10k) to enable the designated officer to review and validate transactions over £10k.	Best Practice Each payment in excess of £10k should be countersigned by an appropriate officer. Findings Staff with the responsibility for the weekly creditors run have been unable to provide a report that lists all payments/refunds over £10k. Internal Audit noted that for suppliers who received an email remittance for their £10k payments, the designated officer receives no supporting documentation which would assist him in validating the payment. Risk Payments in excess of £10k may be made without the appropriate approval.	Capita/ Accountancy

Management Response	Implementation Date
Recommendation is **Agreed** Capita currently provide a full list of payments made which is checked by the appropriate officer for payments over £10k. Capita have been requested to highlight those payments over £10k in the same way that is currently being done for SODC.	March 2008.

BONA FIDE INVOICES

14. Accompanying documentation (Low)

Recommendation	Rationale	Responsibility
Each document that accompanies a supplier's invoice should be date-stamped and scanned at the time of receipt.	<u>Best Practice</u> Each invoice and any supporting document that accompanies it should be date-stamped at receipt and scanned on to the Agresso system immediately. <u>Findings</u> Generally, only invoices are date-stamped, although accompanying documents are subsequently scanned. Internal Audit noted that for some invoices the background information provides clarification of the amounts due. <u>Risk</u> The process could be held up if documents are not kept together physically and electronically and therefore late payments could be made.	Capita staff

Management Response	Implementation Date
Recommendation is **Agreed** All documents should be date stamped on receipt. Scanning timetables are to be agreed as a part of the Service Level Agreement.	In progress

15. Segregation of Duties (High)

Recommendation	Rationale	Responsibility
It is recommended that the person approving a Requisition should not approve the Purchase Order to which the Requisition relates in order to maintain segregation	<u>Best Practice</u> There should be segregation of duties in the Requisition and Purchase Order processes so that the same person cannot approve and authorise the same transaction. <u>Findings</u> During a walk-through test Internal	Chief Accountant/ Service Area

| | Audit noted that the person approving the Requisition can also approve the related Purchase Order

Risk
Lack of internal control and no segregation of duties can result in expenditure being incurred without authority. | |
|---|---|---|

Management Response	Implementation Date
Recommendation is **Agreed in Principle**
Need to clarify to what extent this process is necessary following the introduction of workflow.	April 2008

VAT

16. Payment Documentation   (Low)

Recommendation	Rationale	Responsibility
Within the 'Capita Use Only' section of documents used for Accounts Payable purposes, the narrative should show the nature of the task being undertaken and the name of the person undertaking the task as well as their initials and date.	Best Practice
It should be easily recognised what task has been performed by reference to the certificate provided within the 'Capita Use Only' section. It would be good practice to have the task (i.e. input/authorised/checked, etc.) and the name of the member of staff identified.

Findings
Payment Vouchers and similar documents used to make payments have provision for Capita staff to insert the transaction number, initial & date the document. It is not clear, i.e. whether capita is checking, authorising or otherwise signing for data input, what function is being performed by Capita in this regard.

Risk
Controls may be duplicated and as a result resource time could be wasted. | Capita |

Management Response	Implementation Date
Recommendation is **Agreed**
Capita staff have been reminded to complete the transaction number box on all occasions. This may require a re-design of the form since the transaction number had been entered in the top right hand side of the form for easy access once filed.	Immediate

DUPLICATE CREDITORS AND PAYMENTS

17. Checking Process
(Medium)

Recommendation	Rationale	Responsibility
To prevent duplicate payments Capita should be required to provide evidence that demonstrates that embedded checks are in place at the Remittance Proposal/Confirmation stage prior to each creditor's payment run.	Best Practice The Client should have confidence that embedded checks are in place to prevent duplicate payments. Findings There is no evidence that adequate checks are being carried out for duplicate payments other than checking the Agresso screen, no weekly listing is produced against which checks can be made and signed off. Risk Duplicate payments could be made if checks are not properly carried out and recorded.	Capita

Management Response	Implementation Date
Recommendation is **Agreed** Documented procedures have been distributed and are awaiting comments. Capita are actively chasing duplicate payments.	In progress

18. Duplicate Suppliers
(Low)

Recommendation	Rationale	Responsibility
Capita should undertake periodic reviews of suppliers in conjunction with service areas to maintain a robust database and minimise the risk of erroneous or duplicate payments.	Best Practice The client should have confidence that the supplier's database is reviewed periodically. Findings There is no current process undertaken to review possible duplicate creditors/suppliers, although Capita recognise that this should be undertaken on a periodic basis. Risk Suppliers may be duplicated or incorrectly stated.	Capita

Management Response	Implementation Date
Recommendation is **Agreed** As a part of the control documents that Capita have distributed includes the maintenance of the supplier database.	In progress.

TREASURY MANAGEMENT 2007/2008

1. INTRODUCTION

1.1   Final issued on the 11th March 2008.

1.2   The following areas have been covered during the course of this review:

- Previous Audit Recommendations
- Review the Council's Treasury Management Strategy regarding the investment of funds
- Regular Monitoring of Treasury Management Performance
- Sampling of Transactions
- Adherence to CIPFA Code of Practice
- Access Controls to Computerised Systems
- Adequate Separation of Duties

2. BACKGROUND

2.1   The Treasury Management Policy, agreed by the Council in December 2001, requires the approval of an annual Treasury Management and Investment Strategy before the beginning of each financial year. This sets the borrowing limits, investment objectives approved organisations for investment, guidelines and the performance criteria for the in-house operation.

2.2   In accordance with the Chartered Institute of Public Finance and Accounting (CIPFA) code of practice and the Office of the Deputy Prime Minister (ODPM) guidance under section 15 of the Local Government Act 2003, a report went to the Executive Committee in March 2007 giving details of the Treasury Management and Investment Strategy for 2007/2008.

2.3   Treasury Management falls under the remit of the Strategic Director (S151 Officer). He is ultimately responsible for ensuring that the Authority obtains the optimum return on investments consistent with the risks and policies laid down in the Treasury Management Policy. The Head of Asset Management (now Principal Accountant – Technical since the 1 January 2008) has day to day responsibility for the management of the whole of the Authority's assets and for ensuring adequate resources are available in order to implement and maintain this procedure. The Principal Accountant (now Accountant since the 1 January 2008) has responsibility for operating within the Treasury Management Strategy and for ensuring that activities relating to Treasury Management are carried out in accordance with documented quality system requirements.

3. PREVIOUS AUDIT REPORT

3.1   Treasury Management was last subject to an internal audit review in December 2006. No recommendations were made from this audit review.

4. 2007/2008 AUDIT ASSURANCE

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

No recommendations have been made from this audit review.

5. MAIN FINDINGS

5.1   **Previous Audit Recommendations**

5.2   The previous Internal Audit report was issued in December 2006. The Management Summary states 'All recommendations from previous audits have been implemented and there are no recommendations for improvement arising from this audit review.'.

5.3   **Review the Council's Treasury Management Strategy**

5.4   A copy of the current strategy 2007/2008 was obtained from the Head of Asset Management. Review of this documentation affirmed that the Council has established an Investment Strategy and Policy. This was presented to the Executive 2nd March 2007 and approved at that meeting.

5.5   Each of the staff involved in Treasury Management – Strategic Director, Head of Asset Management and each of the Principal Accountants (3) are aware and have access to the Strategy and Policy documentation.   No recommendations have been made.

5.6   **Regular Monitoring of Treasury Management Performance**

5.7   Management and Members are provided with details of In-House Investment Performance, External Fund Mangers Performance and an Investment Income Review with conclusions and summary of the year's activities. Internal Audit obtained and reviewed the Activities Report to the Executive dated 13th July 2007. The content of the report established that all areas of the Treasury Management are reported and published. The information contained within the document also identified that poor returns are reported along with any borrowing that has taken place during the period covered since the last report.

5.8   Internal Audit is satisfied that there is regular monitoring and reporting of the Treasury Management investment performance. No recommendations have been made.

5.9   **Adherence to CIPFA Code of Practice**

5.10   A copy of the Council's current Treasury Management Policy was requested and obtained from the Head of Asset Management. Examination of the documentation together with copies of the CIPFA Code of Practice and Cross-Sectoral Guidance Notes and the Guidance for Smaller Public Service Organisations on the Applications of the CIPFA Code of Practice for Treasury Management in the Public Services, indicates that the Treasury Management Policy is drawn up and operating in accordance with the CIPFA Code of Practice for Treasury Management in Public Services. No recommendations have been made.

5.11   **Sampling of Investment Transactions**

5.12　　The files containing the documentation to support the temporary investment of funds for the months of August and September 2007 and the Call Account for April and May 2007 were extracted and examined. Following review of this sampling, Internal Audit was able to confirm that adequate documentation is maintained to record investment activity, the transactions had been accurately recorded, and the correct interest and principal sums had been received by the Authority at the appropriate time. The records reviewed in the sampling were complete and accurate.

5.13　　It is the opinion of Internal Audit that the Treasury Management function for the placing and monitoring of funds for investment is well organised and managed. The files and documentation are well maintained with a good management and audit trail. No recommendations have been made.

5.14　　**Access Controls to Computerised Systems**

5.15　　It was established and confirmed by Internal Audit that back up of the systems takes place daily. The 'Financial Director' system automatically backs up data on to the hard disk at close down each day. The following day the data is backed up on to the main frame. This also includes the excel spreadsheets maintained by the Principal Account which contains the daily transaction information.

5.16　　Review of the documentation and speaking with staff within the service area, Internal Audit are of the opinion controls, systems, and procedures are in place to protect data from unauthorised access, and data is backed up regularly and held securely. No recommendations have been made.

5.17　　**Adequate Separation of Duties**

5.18　　Internal Audit review of the operation of the service is of the opinion that there is adequate separation of duties between those with responsibility for the day-to-day operations, monitoring performance, checking and authorising transactions and reconciliation.

5.19　　Review of the International Standards Organisation (ISO) documentation and the working practices and procedures within Treasury Management, it is the opinion of Internal Audit that adequate separation of duties are in place, and that these are clearly documented and defined. No recommendations have been made.

ELECTIONS 2007/2008

1. INTRODUCTION

1.1   Final issued on the 17th March 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that adequate procedures and monitoring arrangements are in place to ensure that any electoral registration process is conducted in accordance with the relevant legislation.
- To ensure that roles and responsibilities are clearly clarified in relation to the Electoral Registration and Returning Officer and his/her clerks, presiding officers at polling stations and polling/counting agents.
- To ensure that the Council agreed a scale of payments for the Electoral Registration and his/her agents in fulfilling their statutory duties at the May 2007 district elections.
- To ensure that appropriate recharges were made following the May 2007 district election to the necessary individual parish councils for administering their elections.
- To ensure that a clear budget for the May 2007 district elections was established and that the cost of and accounting arrangements for the elections were documented, signed off and reported appropriately.
- To ensure that the Electoral Registration and Returning Officer conducted a post-elections performance review, and developed an action plan to address areas of improvement for future elections.

2. BACKGROUND

2.1   The Council has a statutory duty under a range of acts including the Local Government Act 1972, the Electoral Administration Act 2006 and the Representation of the People Act 1983 to maintain a Register of Electors and conduct Parliamentary, European, District and Parish elections as and when required. Each Council is required to appoint an officer of the Council to be the Returning Officer for all elections.

2.2   The Electoral Registration Officer is the official with responsibility for the preparation and maintenance of the register of electors and list of absent voters within their area. The appointment of the Electoral Registration Officer is prescribed in Section 8 of the Representation of the People Act 1983, in England every Council is required to appoint an officer of the Council to be the Electoral Registration Officer. The Returning Officer Head of Democratic Services and the Electoral Services Manager all take joint responsibility for managing the elections function on behalf of the Council.

2.3   At the time of the audit, the Election section currently have three members of staff, an Election Services Manager, an Election Services Officer and one part time Election Services Officer, all officers demonstrated considerable knowledge and experience within this area of work.

3. PREVIOUS AUDIT REPORTS

3.1   Elections were last subject to an internal audit review in July 1995 and no

recommendations were raised.

4. 2007/2008 AUDIT ASSURANCE

4.1 **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.

4.2 Six recommendations have been raised in this review. Four Medium and Two Low.

5. MAIN FINDINGS

5.1 **Procedures**

5.2 Internal Audit considered that Electoral Services are well versed in the legislation that informs their procedures and work instructions. Whilst Internal Audit acknowledges that modifications are required to the internal procedures, the service area rely mainly on the Electoral Commission published guidance to ensure their working arrangements are compliant with legislation. Internal Audit has made one recommendation as a result of the work undertaken in this area.

5.3 **Roles and Responsibilities**

5.4 Internal Audit having reviewed the roles and responsibility of the various posts attached to the Election process has no concerns regarding this area of the review. Officers have clarity in terms of their tasks, duties and responsibilities attached to the election services; furthermore they offer guidance and training to Presiding Officers and Poll Clerks which enables elections to be carried out in an efficient manner. No recommendations have been made as a result of the work undertaken in this area.

5.5 **Electoral Registration**

Internal Audit can conclude from the review of the arrangements regarding electoral registration that the procedures in place are adequate. However Internal Audit has identified that Elections Services are not compliant with the arrangements already in place throughout the Council to request petrol receipts to support travel claims and the Council's VAT claim. To accommodate this requirement Internal Audit has recommended that the election mileage form be amended to reflect this requirement and for Election Services to capture receipts where necessary.

5.6 Internal Audit has also noted the arrangements regarding the non payment of tax for election duties and would advocate that official HMRC documentation is obtained and supplied to the appropriate election staff prior to any elections. Distribution of the appropriate form could be incorporated as part of the training process undertaken by all officers. Two recommendations have been made as a result of the work undertaken in this area.

5.7 **Recharges**

5.8   Internal Audit is aware of problems with the Agresso system following the upgrade to Agresso in April 2007. At the time of the election in May 2007, Election Services dealt with problems relating to duplicate payment and unpaid invoices, these issues have since been resolved and cheques returned where necessary. However the authorising process has only recently been resolved. All these issues have been detailed in the Agresso recovery plan and it is anticipated that they will be resolved fully by the end of March 2008.

5.9   Internal Audit has confirmed that the arrangements regarding the calculation of recharges to the parishes for the May 2007 election were adequate, accurate and supported by an extensive range of invoices and appropriate charges. Furthermore the recharges were issued in a timely manner together with a comprehensive breakdown of the charges to enable the Parish Councils to agree the charge and discharge the payments swiftly. The Election team has experienced difficulties in authorising the recharge invoice for Abingdon Town Council, which resulted in a delay in the issue of the invoice until 8th February 2008. All other recharge accounts relating to the May 07 elections have now been settled fully. One recommendation has been made as a result of the work undertaken in this area.

5.10   **Budget Arrangements**

5.11   Internal Audit was able to confirm from the review that the budget and monitoring arrangements for the May 2007 election were executed thoroughly and in a timely manner. However Internal Audit noted the requirement to present accounts for all parliamentary elections which are dully approved and signed off by the Department for Communities and Local Government. Internal Audit is of the view that to assist with best practice this process of approval could be adopted for local elections. The election team maintains the election records in a manner which support the production of final accounts; however consideration should be given to an appropriate officer to carry out this task. One recommendation has been made as a result of the work undertaken in this area.

5.12   **Post Election Review**

5.13   The Chief Executive confirmed that a post election review was conducted with key election staff directly after the conclusion of the election on 7th June 2007. Internal Audit has noted that the feedback received stated that the May 2007 election was considered by all involved in the process to have gone well with only minor criticisms being levied; however Internal Audit would advocate a formal review process is adopted to assist in demonstrating accountability with regards to the election process. One recommendation has been made as a result of the work undertaken in this area.

5.14   **Proactive Fraud and Anti Corruptions Arrangements**

5.15   Internal Audit considers that Election officers are proactive in identifying possible fraud cases and furthermore that adequate arrangements are in place to escalate cases should they be identified as potential fraudulent cases. No recommendations have been made as a result of the review

carried out in this area.

OBSERVATIONS AND RECOMMENDATIONS

PROCEDURES AND MONITORING ARRANGEMENTS

1. Procedures   (Low)

Recommendation	Rationale	Responsibility
All procedures relating to Electoral Services should be updated and expanded as necessary to reflect changes in legislation. Furthermore officers should operate a system of version control to denote when revisions to procedures have been made.	Best Practice Procedures should be reviewed regularly to reflect changes in legislation; furthermore the introduction of version control should assist in identifying when the review process should take place to facilitate a review timetable. Findings Internal Audit noted that only one of the six procedures obtained denoted that the procedure had been reviewed and updated. The procedures do not reflect revision dates. Risk If procedures are not in accordance with relevant legislation then they may not comply with legislation covering Human Rights and Data Protection	Electoral Services Manager
Management Response		**Implementation Date**
Recommendation is **Agreed**		Implemented 29/02/2008

ELECTORAL REGISTRATION

2. Scale of Fees   (Medium)

Recommendation	Rationale	Responsibility
The Election Section should review whether petrol receipts should be acquired to support mileage claims/vat reimbursement for all staff employed to carry out election duties. Claim forms should be amended to reflect this requirement.	Best Practice That all mileage claims are supported by a VAT receipt, which also supports the Council Vat claim. Findings The Council VAT officer has stated that a vat receipt should be produced to support mileage claims. Internal Audit considers that the Council may be required to state on the mileage claim form that petrol receipt should be obtained where possible to support the	Electoral Services Manager

| Furthermore this information should be documented and conveyed to all staff prior to an election. | reclaiming of VAT.

Risk
The Council VAT claim could be considered invalid as it is not supported by the appropriate documentation. | |

Management Response		**Implementation Date**
Recommendation is **Agreed**		Implemented for recent by-election 13/03/2008

3. Tax Documentation (Low)

Recommendation	Rationale	Responsibility
Election staff should ensure adequate supplies of tax forms are available to distribute, furthermore election staff should be informed of the requirement to complete the relevant tax documentation before the election to enable the information to be captured in a timely manner.	Best Practice The official HMRC tax forms should be obtained prior to the Elections with a view to distributing and informing election staff of the requirement to ensure the relevant tax documentation is completed and sent to the Tax office. Findings Internal Audit noted there had been some confusion regarding the issue and control of the relevant tax forms at the time of the May elections. There are two forms that could be used in these circumstances a P527 and P528, Internal Audit noted that the Election office had put together their own version of these forms; (Election/Referendum earnings certificate of taxable income). Internal Audit would advocate that they use the official HMRC forms. Risk Failure to ensure election staff are supplied with the appropriate tax forms could result in erroneous election payments being made.	Electoral Service Manager

Management Response		**Implementation Date**
Recommendation is **Agreed**		Implemented for recent by-election 13/03/2008

RECHARGES

4. Outstanding Debtors Reports (Medium)

Recommendation	Rationale	Responsibility

The Election Services Manager should undertake training to enable her to review the outstanding debtors report on a monthly basis to enable her to assist with debt recovery for election purposes.	Best Practice Election staff should review the outstanding debtor reports on a regular basis with a view to assisting with debt recovery where possible. Findings Internal Audit highlighted difficulties that staff have in tracking debtor's invoices on the Agresso system, the absence of regular outstanding debtor's reports has also impacted on Election staff not being able to resolve invoice queries. Risk If debts are not recovered promptly then the Council may incur inappropriate costs.	Electoral Services Manager
Management Response		**Implementation Date**
Recommendation is **Agreed**		June 2008

BUDGET ARRANGEMENTS

5. Accounting Arrangements   (Medium)

Recommendation	**Rationale**	**Responsibility**
That final accounts similar to those presented for parliamentary elections should be prepared for District elections and signed off by a designated officer to support all expenditure relating to such elections.	Best Practice That final accounts similar to those prepared for the Parliamentary elections are prepared, reviewed and signed off following closure of an election. Findings The Election Services Manager stated that final accounts are prepared for the parliamentary elections as they are required to be sent off to the Dept of Communities and Local Government for scrutiny and approval. The same process of account approval does not occur for the local elections. Staff considers it would be helpful to have a formal process for the signing off of the accounts relating to local elections, the information is retained in a format that supports the presentation of final accounts. Risk Failure to review the budget following closure of an election could result in variances not being identified or	Electoral Services Manager/ Head of Democratic Services/ Returning Officer

	explained so they could be replicated in future years with a detrimental effect on the Council's reputation.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		Agreed for next District Election or By Election.

POST ELECTION REVIEW

6. Post Election Review   (Medium)

Recommendation	Rationale	Responsibility
It is recommended that following each election a formal post audit review report should be drafted with a formal action plan, this process will assist in demonstrating accountability with regards to the lection process.	Best Practice Formal post election review and action plan are drafted to inform and assist with the development of any future elections. Findings The Chief Executive confirmed that his office doesn't retain formal documentation of these post election meetings, however the Election Services Manager stated that notes of the meetings had been taken by the Democratic Services Manager. Risk Failure to review the election process can result in issues not being addressed for future elections. Therefore mistakes could be replicated in future years with a detrimental effect on the Council's reputation.	Electoral Services Manager/ Head of Democratic Services
Management Response		**Implementation Date**
Recommendation is **Agreed**		Review meeting held on the 17/03/2008 and notes taken for recent by-election. All future elections review to be held within 2 weeks of election

MAIN ACCOUNTING 2007/2008

1. INTRODUCTION

1.1   Final issued on the 20th March 2008.

1.2   The following areas have been covered during the course of this review:

- Previous Audit Recommendations
- Financial Information and Feeder Systems
- Accuracy of Coding
- Journal Transfers
- Bank Reconciliation
- Suspense and Holding Accounts

2. BACKGROUND

2.1   The main accounting system should provide complete and accurate data for the production and publication of the annual accounts and financial returns. The system should be geared to meet statutory accounting requirements, recommended accounting practices and the requirement for financial returns. The final accounts should be prepared and presented in a form which follows the accounting recommendations as published by the appropriate body.

2.2   The Vale of White Horse District Council and South Oxfordshire District Council entered in to a shared service agreement for their respective Financial Services on the 1st October 2007. At the time of the audit the revised structure had not been fully implemented. Prior to the shared service agreement Accountancy at the Council consisted of seven staff; a Chief Accountant, four Principal Accountants, and two Finance Assistants.

3. PREVIOUS AUDIT REPORTS

3.1   Main Accounting was last subject to an internal audit review in December 2006 with the final report issued February 2007. Three recommendations were made in the action plan and agreed.

4 AUDIT ASSURANCE 2006/2007

4.1   **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.

4.2   Five recommendations have been raised in this review each with a rating of low.

5. MAIN FINDINGS

5.1   **Previous Audit Recommendations**

5.2   Three recommendations were made in the previous audit report 2006/2007. The Chief Accountant, who is new in post since the last audit, acknowledged

that the recommendations had been reviewed. Whilst the recommendations made in the previous audit report are not fully implemented or fully operational, they are in-hand and will move forward within the Ridgeway Shared Service Partnership. No recommendations have been made as a result of our work in this area.

5.3   **Financial Information And Feeder Systems**

5.4   Financial records are maintained and are operated in accordance with CIPFA, current legislation requirements and in compliance with Financial Regulations. However, the conversion to Agresso 5.5 has resulted in a number of issues being highlighted. Accountants are currently providing budget information on excel spreadsheets rather than budget holders having direct and prompt access to their budgets. Due to these circumstances Internal Audit has not been able to fully scrutinise the system. It is anticipated that this area will be reviewed again at the time of follow-up. No recommendations have been made as a result of our work in this area.

5.5   **Accuracy Of Coding**

5.6   Following a review of the coding documentation for main accounting and discussions with the Accountancy staff, it was confirmed that codes are in place for all services of the Council. Systems, controls and procedures are in place should a new code or a new attribute be required with these requests authorised by a senior member of the finance team. Budget holders are provided with codes relevant to their service provision which should avoid any error with coding.

5.7   Prior to the Shared Service Arrangement Accountancy had International Standards Organisation (ISO) accreditation which meant that all of their processes, procedures, work instructions and forms were recorded and held in a central file. With the joint working arrangement ISO is no longer operational. However, it is the opinion of Internal Audit that processes, procedures, work instructions and forms should be drafted and held on file for all staff to refer, if and when required. One recommendation has been made as a result of our work in this area.

5.8   **Journal Transfers**

5.9   Two journal files were obtained from Accountancy covering the period 2007/2008. File one contained numbers 2000,301 and ongoing. File two 'miscellaneous' contained numbers 1000,000 and on going. Six records were selected at random from each file and the documentation inspected. Examination of these records confirmed that all of the necessary information and documentation was held to support the journal transfer.

5.10   The balance sheet notes and documentation to support the end of year closure of accounts and brought forward balances were obtained from the Chief Accountant and Head of Asset Management. A review of the end of year documentation would indicate that the correct procedures in accordance with CIPFA guidance had been followed. No recommendations have been made as a result of work in this area.

5.11   **Bank Reconciliation**

5.12   Internal Audit obtained the bank reconciliation documentation for the period June, July and August 2007 and examined the records. From review of the documentation and processes in place for bank reconciliation, Internal Audit can confirm that regular reconciliations take place. Monthly reconciliation schedules with the documentation to support this process are passed to the Chief Accountant thereby providing an independent check.

5.13   Reconciliation documentation should also be submitted to the Chief Accountant from particular service areas following each month end. The file containing these monthly 'Reconciliation Reports' was obtained and three months reviewed; June, July and August 2007. Of the three months examined, it was noted that returns were not on file for all of the services identified on a summary sheet. It could also not be confirmed that the summary sheet and the list of required documentation is up-to-date. Three recommendations have been made as a result of our work in this area.

5.14   It was stated during the audit by one of the Finance Assistants (Accountancy) that since the move to Agresso 5.5, it has been more difficult to trace and identify coding errors on the new system due to the way items are collectively coded. One recommendation has been made as a result of our work in this area.

5.15   **Suspense And Holding Accounts**

5.16   To verify that there are processes and procedures in place for the monitoring and clearing of Suspense and Holding Accounts, reports for the period 2006/2007 & 2007/2008 were obtained from the Agresso system. The reports identified that on 'Unposted' items 2006/2007 a balance of - £1,735,458.12 was shown. Information was given that this amount relates to ten transactions which should have been posted in 2007/2008 and will be amended.

5.17   Examination the documentation for suspense and holding account balances confirmed that these accounts are kept under review. No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

CODING STRUCTURE

1. Accuracy of Coding – Administration Documentation   (Low)

Recommendation	Rationale	Responsibility
Processes, procedures, work instructions and forms for Accountancy should be drafted and held on file for staff to refer. This could be of	<u>Best Practice</u> Policies, procedures, work instructions and documentation for the administration of the service should exist, be current and accessible to all staff. <u>Findings</u>	

| assistance with the implementation of new accounting system where changes have occurred and clarification or confirmation may be required on specific practices. | As a result of this audit, Internal Audit became aware that procedure and work instructions were not current. Prior to the Shared Service Arrangement and the upgrade to Agresso 5.5 Accountancy had International Standards Organisation (ISO) accreditation. All processes, procedures, work instructions and forms were recorded and held in a central file, which all staff had access to. With the merger of the services ISO is no longer operational.

Risk
Staff may not be aware of the revised documentation and would not have a central source of reference should they require clarification or confirmation on specific documentation or practices. | |

Management Response	Implementation Date
Recommendation is **Agreed**
Processes and procedures relating to the work transferred to Capita are in progress and are due to be completed by the end of the recovery programme. Once their roles are clarified then Accountancy can review and update its own procedures and it is envisaged that this can be done over the summer period.	By end August 2008

RECONCILIATIONS

2. Bank Reconciliation (Low)

Recommendation	Rationale	Responsibility
The situation whereby the revised coding structure has resulted in a more lengthy process for identifying and amending anomalies and/or coding errors should be reviewed with the possibility of a more straightforward method of tracing and amending these, whilst still maintaining a full management/audit	Best Practice
The main accounting system data should have a coding structure which permits individual transactions on the system to be easily identifiable.

Findings
Since the move to Agresso 5.5 it has been more difficult to trace and identify coding errors on the system due to the way in which items are collectively coded.

Risk
Unnecessary time and manpower may be spent on rectifying | N/A |

	trail.	anomalies and/or coding errors.	

Management Response	Implementation Date
Recommendation is **Agreed in Principle** The new method of bank reconciliation requires all transactions to be individually loaded to Agresso to permit the electronic matching of data. This increases the clarity in the system. Bank reconciliations done by Capita are now being signed off by Steve Bishop.	Implemented

SERVICE AREA RECONCILIATIONS

3. Service Area Reconciliations   (Low)

Recommendation	Rationale	Responsibility
Late returns of the month-end reconciliation documentation should be monitored and chased actively to ensure that officers assigned with responsibility for submitting returns do so promptly thereby ensuring that any anomalies are investigated and amended correctly and promptly.	<u>Best Practice</u> Reconciliation documentation should be reviewed regularly and agreed by a senior finance officer. <u>Findings</u> Monitoring of the reconciliation documentation from services areas has recently transferred from the Strategic Director to the Chief Accountant. The file containing the monthly 'Reconciliation Reports' was obtained and three months reviewed; June, July and August 2007. It was observed from review of the documentation that monthly returns were not on file for all of the services as listed on the summary sheet. <u>Risk</u> Unless some independent check is carried out on the reconciliation process and at regular intervals, errors would not be identified and corrected promptly.	

Management Response	Implementation Date
Recommendation is **Agreed** The entire process of reconciliation requires to be reviewed following the implementation of bank recs on Agresso. A review of the summary sheet and required recs will be started after Easter.	June 2008

4. Service Area Reconciliations   (Low)

Recommendation	Rationale	Responsibility
A review of the layout and content of the	<u>Best Practice</u> A receipt date should be recorded	

| 'Reconciliation Summary' monitoring sheet for the service areas monthly returns should be undertaken with consideration given to including a date recorded in the end column rather than a tick. This would provide better management and monitoring information. | on the 'Reconciliation Summary' sheet to provide better management and monitoring information.

Findings
The 'Reconciliation Summary' sheet has a tick placed in the column next to the name of the person with responsibility for submitting the end of month return therefore there is no way of knowing the date of receipt of the documentation.

Risk
The officer with responsibility for monitoring the monthly returns would be unable to establish the receipt date/s and any constant time delays which require to be pursued to avoid continuous time delays thereby any errors not be identified and corrected promptly. | |

Management Response	**Implementation Date**
Recommendation is **Agreed** This change will be implemented as a part of the review of the reconciliations.	June 2008

5. Service Area Reconciliations (Low)

Recommendation	Rationale	Responsibility
Following the change in service provision the contact officer names listed on the reconciliation monitoring sheet should be reviewed to ensure that these officers still have responsibility for submitting the returns, and should include the current contact number for each of these officers.	Best Practice Contact officers with responsibility for submitting monthly reconciliations should be affirmed and include their contact number. Findings With the outsourcing of some of the Council services it is not known whether the names on the summary sheet are still the names of the people with responsibility for submitting the monthly reconciliation returns. Risk Changes in personnel could take place without the transfer of responsibility being notified to officers who require to be kept informed of any alteration to roles	

	and responsibilities. This could result in reconciliations being overlooked, causing delays in the process with errors not being identified and corrected promptly.	
Management Response		**Implementation Date**
Recommendation is **Agreed** This change will be implemented as a part of the review of the reconciliations.		June 2008

CAPITAL ACCOUNTING 2007/2008

1. INTRODUCTION

1.1   Final issued on the 7th April 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that agreed recommendations from the previous audit have been implemented and are being adhered to.
- To ensure that the Council has established and keeps up to date a capital financing strategy and asset management plan to enable it to develop and manage its capital programme.
- To ensure that the Council is monitoring its capital contracts against approved budgets.
- To ensure that the Council's capital accounting arrangements adopt CIPFA best practice and comply with the Council's Financial Regulations and Contract Standing Orders.
- To ensure that there is adequate authorisation of additions, disposals, write-offs, transfers and amendment of the Asset Register.
- To ensure the Asset Register is periodically reconciled against other sources.
- To ensure that management has processes in place to pro-actively identify any evidence of fraud and corruption within their business area.

2. BACKGROUND

2.1   The Council prepares annual financial statements that are subject to external audit by the Audit Commission. The financial statements include details of the Council's capital assets and related capital expenditure. Capital expenditure is generally the expenditure approved by the Council for inclusion in the approved capital programme and includes funding that the Council receives by way of developers' contributions agreed under Section 106 Agreements via the Planning development system. The Head of Finance is responsible for producing the Council's Medium Term Financial Strategy which incorporates the Council's planned capital budgets for a 3-4 year period.

2.2   A key element of the financial statements involves the data held on the Council's Asset Register which are related to the Council's land and property portfolio. CIPFA's Capital Accounting for Local Authorities (Consolidated Guidance Note - July 2003) provides good practice guidance on the scope and nature of Asset Registers and who should maintain them. The Head of Asset Management is responsible for monitoring the Council's capital programme. The Head of Property Services is the Council's Corporate Property Officer and as such is responsible for managing the Council's land and property portfolio.

2.3   As part of the government's initiative to get local authorities to take a more proactive role in managing its assets, in 2003 the Council was required to produce a Capital Strategy and Asset Management Plan (AMP). At that time the requirement to produce the two documents was dependent on an assessment by the Department for Communities & Local Government (DCLG)

(then the ODPM). Once the Council attained a 'Good' report from the DCLG the requirement lapsed. Thereafter, it was perceived as good practice that the two documents should be updated annually.

2.4   The Council achieved a 'Good' report and has reviewed and updated both the Capital Strategy and the AMP. The Council is currently undertaking a Corporate Property Review.

3. PREVIOUS AUDIT REPORTS

3.1   An audit of Capital Accounting was completed in March 2007 as part of the Vale of White Horse District Council's Internal Audit plan for 2006/2007. Two (2) recommendations were made in the audit report. A Satisfactory Assurance audit opinion was given.

4. 2007/2008 AUDIT ASSURANCE

4.1   **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.

4.2   One (1) Low priority recommendation has been raised in this review.

5. MAIN FINDINGS

5.1   **Previous Audit Recommendations**

5.2   An audit of Capital Accounting was completed in March 2007 as part of Vale of White Horse District Council's (VWHDC) Internal Audit plan for 2006/2007. Two (2) recommendations were made and agreed. One recommendation concerned performance indicators whilst the other was concerned with the provision of a single asset database.

5.3   Internal Audit noted that national property indicators have been adopted as an interim measure until the issues relating to the single asset database are resolved. The Head of Asset Management told Internal Audit that a Co-ordinator within the ICT Project Team has been appointed to complete the single asset database project. Internal Audit confirmed that data regarding individual records for land and property have been identified and that the single asset database project is due to be completed by the end of April 2008. No recommendations have been made as a result of our work in this area.

5.4   **Capital Financing Strategy and Asset Management Plan**

5.5   The Head of Asset Management and the Head of Property Services jointly review the Capital Strategy as part of the budget setting process which takes place in January/February each year. No changes were made to the Capital Strategy when it was last reviewed in 2007 other than to update the Appendices to reflect the timetable for the proposed capital projects to be undertaken during 2007/08.

5.6   The Council has an Asset Management Group comprising Two Members, the

Chief Executive, a Strategic Director, the Principal Legal Officer, the Head of Property Services and the Head of Asset Management. The Group meets every two months to determine strategy for the land & property portfolio and considers acquisitions, disposals and other major initiatives affecting that portfolio. No recommendations have been made as a result of our work in this area.

5.7 **Monitoring Capital Contracts**

5.8 The Head of Asset Management is responsible for managing the Council's assets to achieve corporate and service objectives. Asset management comprises the capital programme, assets, cash, property information and risk management. The Head of Property Services is required to report on progress towards achievement of Council objectives on property matters including acquisitions and disposals of land and significant capital projects.

5.9 The Head of Property Services provides the Council with strategic direction regarding its land and property portfolio. Property Services staff project manage many of the contracts that comprise the Council's capital programme. No recommendations have been made as a result of our work in this area.

5.10 **CIPFA Best Practice and Compliance**

5.11 The Audit Commission's Annual Governance report for 2006/07 confirmed compliance with applicable laws and regulations and the Statement of Recommended Practice (SORP) on Local Authority accounting.

5.12 The Council's constitution contains Financial Procedure Rules and Standing Orders for the award of Contracts. Both of these refer to compliance with laws and regulations. The Constitution is reviewed periodically. No recommendations have been made as a result of our work in this area.

5.13 **Acquisitions and Disposals of Assets**

5.14 Internal Audit obtained a copy of the Asset Register as at 31 March 2007 and was advised by the Head of Asset Management that he updates the Register throughout the year. The formal year-end close-down arrangements require him to update the Asset Register as part of the procedure for the preparation of the Council's financial statements.

5.15 Internal Audit confirmed that Members' approval is sought for major acquisitions, disposals or other transactions associated with the Council's land and property portfolio. As an independent check on the integrity of the Asset Register Internal Audit selected three transactions for 2007/2008 for verification; these were one acquisition and two disposals. Internal Audit confirmed that adequate audit (management) trails exist to support the transactions. No recommendations have been made as a result of our work in this area.

5.16 **Reconciling the Asset Register**

5.17 Reconciling the Asset Register is a fundamental part of the close-down

procedure for the annual financial statements. The Head of Asset Management and the Accountancy Team are responsible for preparing the Council's capital accounts as part of the financial statements procedure. The Head of Asset Management has prepared a Capital Accounts – Annual Closure guidance note as an aide for those preparing the capital accounts. The Head of Asset Management takes responsibility for ensuring that the ledger values agree with those of the Asset Register and take account of the Valuation report produced by the Head of Property Services.

5.18   Internal Audit noted during the audit that the Council has signed s.106 Agreements, (Developers Contributions) for works of art, e.g. FO41Timbmet Site (Chawley Works) Cumnor Hill, that provide, inter alia, for works of art to be provided. Internal Audit raised the subject of works of art with the Head of Asset Management who acknowledged that the Asset Register does not include such items. One recommendation has been made as a result of our work in this area.

5.19   **Anti-Fraud Initiatives**

5.20   The Head of Asset Management acknowledged his responsibilities regarding identifying and mitigating risks associated with fraud & corruption and that although he carries out various checks as a routine measure neither the checks nor the results are documented.

5.21   The Head of Asset Management reviews business risks as part of the annual corporate risk register review but unless specifically identified as an area requiring further attention the risks and mitigating actions relating to fraud & corruption are not being documented. Internal Audit acknowledged that a separate audit of pro-active anti-fraud measures is included in the Council's 2007/2008 Internal Audit plan. No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

ASSET REGISTER

1. Asset Register   (Low)

Recommendation	Rationale	Responsibility
The Head of Asset Management should liaise with the Arts Development Manager with a view to determining the implications for the Asset Register of works of art already commissioned or in the pipeline.	Best Practice Works of art funded by developers' contributions should be classed as assets and included within the Asset Register. Findings Some works of art have been funded by developers' contributions but the Head of Asset Management has not included them in the Asset Register. Risk	Head of Asset Management

	Unless properly recorded as Council assets, any works of art funded by developers' contributions could be overlooked and potentially lost.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		1 September 2008

White Horse Leisure & Tennis Centre 2007/2008

1. INTRODUCTION

1.1   Final issued on the 17th April 2008.

1.2   The following areas have been covered during the course of this review:

- The contract is being carried out in accordance with the terms of the contract.
- The client officer is adequately monitoring the contract and undertaking adequate checks where required.
- Any issues/queries are being promptly investigated by the client officer and promptly resolved with the contractor.
- Health and Safety and Insurance issues are being adequately addressed.
- That adequate management information is produced, analysed and utilised.

2. BACKGROUND

2.1   The White Horse Leisure and Tennis Centre was officially opened on 25th March 2002. The Council entered into a contract with DC Leisure Management Ltd to operate from 1st April 2002 for a ten year period, it was decided that a management company would be engaged by DC Leisure to run the new centre and that this would be achieved via a Charitable Trust. This enabled benefits to the Council in terms of the VAT cost to be saved as well as savings on Business Rates. This is the Council's first Leisure facility to be managed in this way.

2.2   The contract has been in operation for six years; however it should be noted that the income received through the Charitable Trust is required to be reinvested in the Trust but not explicitly in the White Horse Leisure and Tennis Centre. The Council is provided with financial accounts at the appropriate time to support these arrangements. The contract is due for renewal in April 2012 and initial discussions have commenced regarding the procurement arrangements for the next contract.

3. PREVIOUS AUDIT REPORTS

3.1   The White Horse Leisure and Tennis Centre was last subject to an internal audit review in January 2003, however the audit was never finalised. Internal Audit has attempted to review some of the areas highlighted in the previous audit review.

4. 2007/2008 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   Four recommendations have been raised in this review. Three Medium and One Low.

5. MAIN FINDINGS

5.1 **Adherence to Contract Terms**

5.2 Internal Audit has surmised from conversations with the Leisure Facilities Manager and the Deputy Director (Contracts and Procurement) that they believe that the contract is being monitored in accordance with the terms of the contract, supported by the information recorded from the monthly and quarterly meetings. Internal Audit found it difficult to acquire documentary evidence to support some performance aspects of service delivery. For example: that appropriate CRB checks have occurred, appearance and staffing levels and an assurance on the quality of service. However the site visit on 7 March 2008 did confirm that service delivery information is collated, but has not always been presented to the Council to support an assurance process. Internal Audit has subsequent to the audit been informed that further procedures have been adopted to improve the monitoring arrangements regarding the White Horse Leisure and Tennis Centre.

5.3 Internal Audit has been made aware that an attempt to recruit an officer to improve the monitoring arrangements has only recently been satisfied. The Parks Officer has agreed to carry out this role in addition to his existing duties. However Internal Audit considers that to assist the contractor to demonstrate adherence to contract terms, a recommendation relating to the introduction of an assurance framework is proposed under the paragraphs headed management arrangements.

5.4 **Monitoring Arrangements**

5.5 Internal Audit confirmed that the monitoring arrangements in terms of site inspections regarding maintenance issues and follow up action plans are comprehensive and well documented. Internal Audit also acknowledges that service delivery for other aspects of the service are evident; however Internal Audit considers that there is insufficient documentary evidence to provide the Council with assurance that support these arrangements. The Leisure Centre has the required processes in place to capture the information, however much of the information is not being passed to the Council to satisfy adherence to the contract terms. A related recommendation has been made to address this issue within the paragraphs headed management arrangements.

5.6 **Queries, Comments and Complaints**

5.7 Internal Audit acknowledges and can confirm from the testing that adequate measures are in place to deal with comments and complaints swiftly and effectively. Internal Audit has recommended that copies of the Comments Register, monthly summary sheet of complaints and any statistical analysis of the Comments and Complaints Register are provided to the Leisure Facilities Manager to facilitate the production of management statistics regarding this area of the Contractor's performance. This should ensure that the monitoring officer receives information to confirm the full range of issues regarding comments and complaints. Internal Audit has made one recommendation as a result of the work undertaken in this area.

5.8 **Health and Safety and Insurance**

5.9 Internal Audit can conclude that the health and safety arrangements are adequate, procedures are clear and staff are fully aware of their responsibilities to ensure health and safety is well exercised. Furthermore a review process is in place to ensure that the health and safety process is constantly reviewed and modified when necessary. Internal Audit also fully supports the introduction of the Council's health and safety inspection checklist/programme by the Leisure Facilities Manager which will further endorse the health and safety arrangements. Internal Audit has concluded therefore that health and safety is well administered and has not made any recommendation as a result of the work undertaken in this area.

5.10 Internal Audit also found that the insurance documentation was valid and up to date and the necessary employers' liability insurance was fixed at the appropriate levels.

5.11 **Management Information**

5.12 Internal Audit acknowledges that overall the Leisure Centre is operating well and perceived as a success, however it appears that very few management reports are produced which provide assurance of service delivery requirements. Internal Audit has recommended that improvements are required to provide a better framework to enable the contractor to provide the assurance on all aspects of the service as prescribed by the terms of the Contract and the Leisure Facilities Manager. This would form the basis of a formal reporting structure to Chief Officers and Members to allow the Council to formulate an opinion regarding the contractor's performance and service delivery for the White Horse Leisure and Tennis Centre. Internal Audit has made two recommendations as a result of the work undertaken in this area.

5.13 **Proactive Fraud and Corruption Measures**

5.14 Internal Audit found it difficult to gather any evidence to support what measures/processes were in place to pro actively identify evidence of fraud and corruption within the White Horse Leisure and Tennis Centre, other than a verbal assurance given by the Contract Manager. Internal Audit has given a copy of the Council's draft anti-fraud and corruption policy statement to the Leisure Facilities Manager in order to inform the Contractor as to the Councils position with regards to fraud and corruption measures, this should ensure that the contractor's arrangement do not conflict with those of the Council.

5.15 Internal Audit advocates that the Leisure Facilities Manager should satisfy himself that the White Horse Leisure and Tennis Centre Contract Manager has processes in place to pro-actively identify fraud and corruption, including an adequate anti fraud and corruption policy and a risk register. Internal Audit anticipates that assurance regarding anti-fraud and corruption measures should also be incorporated in the assurance assessment as detailed in Management Information above.

OBSERVATIONS AND RECOMMENDATIONS

COMMENTS AND COMPLAINTS

1. Comments and Complaints Register   (Low)

Recommendation	Rationale	Responsibility
That the Contractor should be requested to supply a copy of the Register for Comments and Complaints, the monthly Customer Comments summary sheet and statistical analysis of the comments and complaints register to the Leisure Facilities Manager at the Management Meetings to assist in formulating management information regarding comments and complaints.	<u>Best Practice</u> The Comments and Complaints Register should be supplied to inform the Council of all types of comments and complaints to assist with future service delivery initiatives. <u>Findings</u> Internal Audit confirmed that the Register is not currently been supplied or reviewed by the Leisure Facilities Manager. <u>Risk</u> Failure to provide the Comments/Compliant Register would result in the Council being unaware of any major or recurring issues regarding the centre and its operations, furthermore these issues could affects its image and reputation.	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed** Managers feel that the current monitoring arrangements provide satisfactory information on customer complaints and that access to the complaints register is unrestricted and has been monitored by the client officer as necessary. The monthly client meetings have a standing agenda item on customer complaints when officers are briefed by the centre managers and are able to investigate at greater depth if required on all complaints made in the preceding month. The existing systems have allowed officers to identify issues and agree resolutions with the contractor in a timely and effective manner. The centre management team adhere to the complaints procedure identified in the contract document. If additional or more in depth monitoring is required then additional resources will be required to undertake this work.		N/A

MANAGEMENT INFORMATION

2. Assurance Framework   (Medium)

Recommendation	Rationale	Responsibility

That a formal assurance framework is devised whereby the WHTLC is required to produce an annual self assessment statement providing evidence of compliance with the terms of the contract. This should be reviewed, evaluated and commented on by the Council's client officers as part of a formal report to be presented to Members and officers with responsibilities for the delivery of Council services.	Best Practice Formal documentary evidence is provided to support an assurance framework regarding the key aspects of the service delivery. Findings There is limited documentation in place to evidence that DC Leisure Management Ltd are operating White Horse Leisure and Tennis Centre in accordance within the terms of the contract. Both the Deputy Director and Leisure Facilities Manager view is that the service is operating well, however Internal Audit would like to suggest some improvements to formally acquire assurance that the service is being delivered in accordance with the terms of the contract. Risk The Council is unable to assess the Contractors performance and will be unaware of whether it is performing satisfactorily and in accordance with the Council objectives.	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed** There are robust monitoring processes in place to ensure performance is maintained including the delivery of an annual business plan, benchmarking against Sport England criteria, other county wide leisure facilities. In addition there are periodic strategic reviews and monthly review meetings on a wide range of service issues. Ultimately the regular monthly monitoring and reporting on the service introduced in December 2007 provides real time performance measurement covering the key service sectors.		N/A

3. Management Reporting   (Medium)

Recommendation	Rationale	Responsibility
That the representatives of the WHTLC management are requested to attend a meeting with the Council's Executive as determined by the Council's authorised	Best Practice Council Members are kept informed to establish public opinion on the Leisure centre activities and the service provided by the Contractor. Findings This does not take place at present, albeit it is a requirement of the Contract	Leisure Facilities Manager

officer to report on and answer questions on the delivery of service under the contract.	that the contractor should be required to attend meetings of the Executive members to report upon and answer questions on the delivery of the service under the contract. Risk The Council would not be fulfilling the conditions within the contract, furthermore they would not be kept informed of, or raise with the contractor issues, problems or successes.	
Management Response		**Implementation Date**
Recommendation is **Agreed in Principal** Management are happy to ask the portfolio holder and/or the Executive members if they require such a meeting and this will be raised at the next portfolio meeting.		Portfolio holder will be asked on 18th April 2008. If accepted timetable will be agreed to commence in 2008.

PRO-ACTIVE ANTI FRAUD & CORRUPTION MEASURES

4. Pro-Active Anti Fraud & Corruption Measures   (Medium)

Recommendation	Rationale	Responsibility
The Leisure Facilities Manager should satisfy himself that the WHTLC Contract Manager has processes in place to pro-actively identify fraud and corruption, including an adequate anti fraud and corruption policy and a risk register.	Best Practice Management should have sufficient information to confirm that adequate arrangements are in place to proactively identify fraud and corruption, which include an anti fraud and corruption policy and risk register. Findings The Leisure Facilities Manager was unable to comment on what measures the WHLTC have in place to proactively identify any evidence of fraud and corruption within their business area. Risk Fraud and corruption is not identified leading to significant financial, operational, legal and reputational implications.	Leisure Facilities Manager
Management Response		**Implementation Date**
Recommendation is **Agreed** The introduction of this aspect of audits within the Council is new to this service area and as yet the Council does not have a		Subject to the Council's own

policy in place. This is why officers could not comment on the CLS Measures. Officers accept that this is an area for development but in order to establish that the contractor has sufficient safeguards in place, will require the Council's own policy to be implemented so that officers have a benchmark to evaluate what they will need to consider when monitoring others. Once this policy is known resources can be assessed against the additional depth of monitoring required as it should be noted that whatever checks are undertaken will need to be applied consistently to the other leisure contract where the risk is potentially greater as we support that contract financially which is not the case with this arrangement. A copy of the Council's draft policy has been given to the Contractor.	policy being introduced and analysis of the level of monitoring, 2009/2010

ABINGDON LSP 2007/2008

1. INTRODUCTION

1.1   Final issued on the 21st April 2008.

1.2   The following areas have been covered during the course of this review:

- Adequate documentation is held detailing the processes, procedures and working practices for the functions within the service area.
- All income is processed using officially approved documentation, is coded correctly and promptly reconciled.
- All Postal Remittances should be identifiable as belonging to the organisation with procedures in place for the receipt and disbursement of cheques.
- Security arrangements are in place, limiting access to key personnel to restricted areas, computer systems and safe.
- Encashment of cheques and refunds are clearly defined and adhered to.
- Stock items have control records and are reconciled at regular intervals.
- Adequate segregation of duties exist.

2. BACKGROUND

2.1   The Abingdon Local Service Point (ALSP) was formed in 2002 following the re-organisation of the cash office and reception. The objective of the revised provision of service being that customers would be able to have any and/or all of the Council's services dealt with by one team at front of house, providing a more customer focused service.

2.2   The team consists of seventeen staff made up by; Local Service Point Manager, two Team Leaders and thirteen Customer Service Assistants (part and full time) who are responsible for the day to day operation of the service.

3. PREVIOUS AUDIT REPORTS

3.1   Abingdon Local Services Point was last subject to an internal audit review in 2003. Limited assurance was given and 76 recommendations were made within the report. A follow-up review of the recommendations made was not undertaken during this audit, due to the significant changes being made to the service provision.

4. 2007/2008 AUDIT ASSURANCE

4.1   **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.

4.2   Eleven recommendations have been raised. 9 Medium and 2 Low.

5. MAIN FINDINGS

5.1   **Policies And Procedures**

5.2 Comprehensive documentation is mainly in place detailing the processes, procedures and working practices of the ALSP. It could be evidenced that regular reviews of the documents are undertaken and amendment dates are recorded. However, it was noted that a policy is currently not in place for telephone payments. One recommendation has been made as a result of our work in this area.

5.3 **Income**

5.4 Adequate income reconciliation processes are in place between the cash receipting system and the bank statements. However, Internal Audit noted that any amendments/alterations made to income documents do not currently record the date and officer making the amendment. It was also evidenced that monitoring arrangements have lapsed for collections by the Council's security company. Three recommendations have been made as a result of our work in this area.

5.5 **Postal Remittances**

5.6 Adequate arrangements are in place to ensure that postal cheques are processed on a daily basis. However, weaknesses were identified in the system for handling cash received by post. Two recommendations have been made as a result of our work in this area.

5.7 **Security Arrangements**

5.8 Internal Audit examined the security arrangements covering; staff security, access to the ALSP office and safe, key holding arrangements, computer access and users, insurance cover, data protection awareness and risk management. Internal Audit considers that the access and arrangements for the safe and safe key need to be reviewed and a procedure for dealing with a security emergency within the cash office should be implemented. It was also noted that the risk register is not up to date. Three recommendations have been made as a result of our work in this area.

5.9 **Encashment Of Cheques And Refunds**

5.10 ALSP have been authorised within the Financial Regulations to en-cash cheques which fall under specified categories. From sample testing, it was identified that in some circumstances supporting documentation was not always in place and the correct authorisation had been obtained. One recommendation has been made as a result of our work in this area.

5.11 **Stock Control**

5.12 Limited stock is now held by the ALSP, and adequate arrangements are in place to monitor controlled stationary used by the cash office. Internal Audit acknowledges that a full review of stock control within the Council is to be undertaken in 2008/2009. No recommendations have been made as a result of our work in this area.

5.13   **Segregation Of Duties**

5.14   Good arrangements are in place within the ALSP to ensure that separation of duties exists between the various services which are provided by the team. However, it was identified that nine ex-employees of the Council remain registered as users of the cash receipting system. One recommendation has been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

POLICIES AND PROCEDURES

1. Telephone Payments   **(Medium)**

Recommendation	Rationale	Responsibility
The process and procedures in regard to payments taken by telephone should be documented in a work instruction.	<u>Best Practice</u> All types of income service should be documented for staff to refer in case of a query in relation to a particular process. <u>Findings</u> ALSP take payment by telephone on behalf of Environmental Services. Other service areas in Abbey House; Excess Charges, Sports Development and Licensing also take card payments over the 'phone from customers. However there is no procedure covering telephone payments. <u>Risk</u> Incorrect procedures may be followed resulting in incorrect processes and errors.	Contact Services Manager
Management Response		**Implementation Date**
Recommendation is **Agreed**		31.05.08

INCOME

2. Amendments and Alterations   **(Medium)**

Recommendation	Rationale	Responsibility
Any amendments or alterations to figures and/or amounts on the 'Balancing and Banking' sheets should be dated and initialled by the responsible officer.	<u>Best Practice</u> Any amendments or alterations to figures on financial documentation should record the officer making the amendment. <u>Findings</u> Review of a sample of income and	Contact Services Manager

	reconciliation documentation for the period October, November and December 2007 showed that where alteration and corrections had been made to figures these had not been signed or initialled by the member of staff who had corrected the mistake. Risk If staff making amendments are not clearly identified, queries may be difficult to resolve and amendments may be made by inappropriate officers.	
Management Response		**Implementation Date**
Recommendation is **Agreed** All staff have been reminded.		28.03.08.

3. Paying-In Books   (Low)

Recommendation	Rationale	Responsibility
Cashiers should ensure that paying-in slips are completed in sequential order in accordance with the ALSP working instructions.	Best Practice Paying-in slips should be used in sequential order. Findings It was noted that paying-in slips were not always used in sequential order. Risk If controlled stationary is not used in sequential order, it is more difficult to monitor appropriate usage of the official recorded stationary.	Contact Services Manager
Management Response		**Implementation Date**
Recommendation is **Agreed** All staff have been reminded.		28.03.08

4. Income Collection Monitoring   (Medium)

Recommendation	Rationale	Responsibility
The monitoring, recording and recovery of payment for the late collection of income by the Council's security company should be re-established with the roles and responsibilities for this duty clearly	Best Practice Regular monitoring of late collections of income by the security company should take place to ensure that the cost of any missed collections is recovered. Findings Examination of the log for late and/or non collection of income by the security company showed that	Head of Administration

defined.	there was very little information recorded for 2007/2008. The Head of Administration stated that since implementation of Agresso 5.5 it would appear that no one has been monitoring or recording the late collections and obtaining the credits from the security company for these non collections. Risk The Council are holding more funds than covered on our insurance policy, and are not recovering the cost from the security company for missed collections.	
Management Response		**Implementation Date**
Recommendation is **Agreed** Corporate Administration to monitor.		01.04.08

POSTAL REMITTANCES

5. Cash in Post – Documentation   (Medium)

Recommendation	Rationale	Responsibility
All cash received in the post should be recorded in the ALSP 'Cash Received In Post Form', clearly identifying the amount, income details, date received, by whom and whether a receipt was issued.	Best Practice All cash received by post and past to ALSP for processing should be recorded on the 'Cash Received In Post Form' promptly after receipt. Findings Of the twenty two cash (22) items received in the post room for the period 2007/2008 only 6 (six) items were recorded on the ALSP 'Cash Received In Post Form' for the same period, and not all elements of the form was completed. Risk If cash income is not recorded and done promptly could lead to errors going undetected, with an opportunity for the misappropriation of funds.	Contact Services Manager
Management Response		**Implementation Date**
Recommendation is **Agreed** All staff have been reminded.		28.03.08

6. Cash in Post Administration Process   (Low)

Recommendation	Rationale	Responsibility

Recommendation	Rationale	Responsibility
A procedure should be implemented to ensure that cash is not returned in the post to the customer.	Best Practice Cash should never be returned in post. Findings The ALSP log has an entry which states: receipt 82 'Posted Back'. Risk Funds could get lost or misappropriated.	Head of Administration and Contact Services

Management Response	Implementation Date
Recommendation is **Agreed**	31.05.08

SECURITY

7. Access to Secure Areas (Medium)

Recommendation	Rationale	Responsibility
Access to the safe and security of the safe key should be reviewed, to ensure that stringent controls and back-up arrangements are in place.	Best Practice Access to secure areas should be controlled appropriately. Findings The combination to the safe is not changed at regular intervals. There is no key register to record and list keys held by whom. There is no back-up key for the safe or a record kept of the make and model of the safe and the key number reference. Risk If adequate safe arrangements are not in place there is a risk of fraud and mis-appropriation of funds.	Contact Services Manager

Management Response	Implementation Date
Recommendation is **Agreed**	31.05.08

8. Security Protocol (Medium)

Recommendation	Rationale	Responsibility
The Cashiering Manual should include a section on cash office security protocol and dealing with an emergency in the cash office.	Best Practice Staff should be made fully aware of the controls that are require to maintain a safe and secure working environment and the risk factors when these are not adhered to. Findings A review of the 'cashiering work instructions and cashiering manual' identified that no reference is made	Contact Services Manager

	to security arrangements whether these be procedure in the case of an emergency or general office safe security.
	Risk Staff would not be aware of security procedures to adhere to in the case of an emergency or in the day to day operation of the service.
Management Response	**Implementation Date**
Recommendation is **Agreed**	30.09.08

9. Risk Register (Medium)

Recommendation	Rationale	Responsibility
The Service Area Risk Register should be reviewed to ensure that all risks are properly identified and accessed with an action recorded for each of the risks identified.	**Best Practice** Regular risk reviews, assessments and evaluations should be undertaken by management to ensure that staff are working in a safe and secure environment. **Findings** The Risk Assessment Register for the Service Area was reviewed and it was dated the 27th October 2004. **Risk** Risk exposures will not be identified and documented, and the necessary mitigating action may not be taken.	Contact Services Manager
Management Response		**Implementation Date**
Recommendation is **Agreed**		30.09.08

ENCASHMENT OF CHEQUES AND REFUNDS

10. Supporting Documentation (Medium)

Recommendation	Rationale	Responsibility
All documentation relating to the encashment of cheques should be held by the ALSP, to evidence appropriate authorisation and that payment has been made and received correctly.	**Best Practice** Records should contain all of the required documentation, including the full date, be legible and held in the relevant file. **Findings** A sample of 20 encashments were reviewed and it was noted that 2 did not have all the supporting documentation in place correctly and 1 did not have the appropriate	Contact Services Manager

	authorisation.	
	Risk Records would not contain all of the required details making it difficult to establish the actual payment date and to verify if procedures have been followed correctly and fully.	

Management Response	Implementation Date
Recommendation is **Agreed** All staff have been reminded.	28.03.08.

SEPARATION OF DUTIES

11. System Access   (Medium)

Recommendation	Rationale	Responsibility
The ALSP Manager should review the current users on the cash receipting system, to ensure that they are all current employees, each member of the team only has one user name and they only have the level of access that is required to perform their role.	**Best Practice** Regular reviews should be undertaken of users on the system to ensure that only current employees are registered as users. **Findings** From inspection of the report provided by ICT of users and levels of access to the cash receipting system, it would appear that ex-employees are still shown as live users, one member of staff is on the system twice, and all staff have the highest level of access. **Risk** Access and information is available to unauthorised officers, which could lead to a risk of fraud and misappropriation.	Head of Organisational Change and Contact Services Manager

Management Response	Implementation Date
Recommendation is **Agreed** However, the recommendation should be the responsibility of the Head of Organisational Change as an ICT issue.	To be agreed.

DATA PROTECTION 2007/2008

1. INTRODUCTION

1.1   Final issued on the 24th April 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that current legislation as detailed in the Data Protection Act 1998 is being adhered to.
- To ensure that the Council has the appropriate registration.
- To ensure that adequate policies and procedures exist.
- To ensure that data protection enquires are managed, recorded and monitored appropriately.
- To ensure requests for disclosure of personal data have been processed correctly.

2. BACKGROUND

2.1   The Council has a statutory duty under the Data Protection Act 1998 to register with the Information Commissioners Office (ICO) and also to renew the registration annually. It is the responsibility of the Council to ensure that it abides by the Eight (8) Principles of Data Protection and that members of staff are aware of their responsibilities under the Act.

3. PREVIOUS AUDIT REPORTS

3.1   Data Protection was last subject to an internal audit review in October 2004. Twelve Recommendations were raised and a Limited level of opinion was issued.

4. 2007/2008 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   Six (6) recommendations have been raised in this review. Three [3] High and Three (3) Medium.

5. MAIN FINDINGS

5.1   **ADHERENCE TO DATA PROTECTION ACT 1998**

5.2   In the area of adherence to the Data Protection Act 1998 the Council is registered with the appropriate authority Information Commissioner Office (ICO). However, there is currently confusion on who the Data Protection Officer of the Council is and the Data Protection Group has not been active since the chairman of the group left the services of the Council in 2004. In addition, training on data protection issues has not been provided to staff. Three recommendations have been made as a result of the work undertaken in this area.

5.3 **APPROPRIATE DATA PROTECTION REGISTRATION**

5.4 VWHDC first registered with the Information Commissioners Office (ICO) on the 22nd April 2002. The registration was most recently renewed on the 17th September 2007, expires on the 21st April 2008 and records Sarah Commins as the contact officer. The appropriate Data Protection Officer will be registered with the ICO once the Council has decided. No recommendations have been made as a result of our work in this area.

5.5 **POLICIES AND PROCEDURES.**

5.6 VWHDC has a documented Data Protection Policy in place but this is not up to date. The Data Protection Policy should also include staffing and reporting arrangements, guidance on managing enquiries, expectations on data quality processes in the Council and guidance on disclosure to the third parties. One recommendation has been made as a result of the work undertaken in this area.

5.7 **DATA PROTECTION ENQUIRIES.**

5.8 There is no data enquiries management procedure in place and the inflow and outflow of information is not recorded. One recommendation have been made as a result of the work undertaken in this area.

5.9 **REQUESTS FOR DISCLOSURE**

5.10 There is no procedure in place detailing how to handle requests for disclosure. In addition, officers within each service area have not been designated to handle requests and liaise with the Data Protection Officer on all data protection issues. One recommendation has been made as a result of work undertaken in this area.

OBSERVATIONS AND RECOMMENDATIONS

ADHERENCE TO DATA PROTECTION ACT 1998

1. Data Protection Officer   **(High)**

Recommendation	Rationale	Responsibility
The nominated Data Protection Officer should be clarified by: a. Official confirmation of the name of the Data Protection Officer and circulation of same to all members of staff in the Council. b. Updating the registration of the	Best Practice A clearly nominated Data Protection Officer is expected to be in place and known to all officers. Findings There is currently confusion as to who the Data Protection Officer of the Council is. Risk Members of staff are not aware of the Council's Data Protection Officer which may lead to confusion or	Head of Legal Services

data protection officer with ICO.	embarrassment to the Council.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		
The Data Protection Officer for the time being is Tim Treuherz, Head of Legal Services. Rather than boldly announce this to all staff, an item will be placed in the Horse's Mouth once the Data Protection Group has met for the first time and agreed a way forward. This will be reviewed on the appointment of the new Strategic Director. Target date for THM: June 2008		June 2008
The current registration will be renewed (and the name of the officer provided) by the renewal date of 21 April.		April 2008
A review of the registration will subsequently be carried out.		December 2008

2. Training (Medium)

Recommendation	Rationale	Responsibility
a. Data Protection Training should be included within the induction courses arranged for new starters**.** b. There should be a training plan in place to annually update members of staff on new developments in data protection**.** c. Data protection Training should be incorporated into the Council's annual Corporate Training Programme**.** d. Data protection responsibilities of members of staff should be stated in their letter/contract of employment.	<u>Best Practice</u> A written comprehensive Training Plan/ Programme should be in place with both Human Resources and the Data Protection Officer detailing how members of staff will be updated on new developments in data protection and also the arrangements for training new starters. <u>Findings</u> It was found during the audit review that a Data Protection Training/Workshop was not available for members of staff. Data Protection training / briefing is not included in induction courses available for newly employed members of staff. <u>Risk</u> Members of staff are not aware of their responsibilities under the Data Protection Act 1998 which may lead to litigation or embarrassment to the Council.	Head of Legal Services Human Resources Manager
Management Response		**Implementation Date**
Recommendation is **Agreed** a. The principle of staff training is accepted. Whether training		September 2008

as such should be included within induction courses will be raised with HR. It may simply be appropriate to provide a brief introduction to what Data Protection means and to what the roles and responsibilities of staff are.

b. Again, the principle of training is accepted. Whether an annual update on new development is appropriate will be raised with HR. Many new developments in Data Protection are technical in nature and do not always apply to small local authorities such as the Vale.

c. Again, the principle of training is accepted and this will be raised with HR.

d. Again, this will be raised with HR.

3. Data Protection Committee (High)

Recommendation	Rationale	Responsibility
a. The Data Protection Group should be reconstituted with the power to start from where the last group stopped. b. Members of the old Data Protection Group that are still available in the Council should be co-opted into the new group for continuity purpose.	Best Practice A Data Protection Committee is expected to be in place with the responsibilities of preparing and implementing the Council's Data Protection Policy and resolving any data protection problems that might be encountered Findings There is no Data Protection Committee in place and no group to manage and resolve data protection issues. The data Protection Group in place was technically dissolved when the Chairman of the group left the services of the Council in 2006. Risk A data protection policy will not be produced and implemented. Data protection issues will not be managed and resolved by an appropriate committee.	Head of Legal Services
Management Response		**Implementation Date**
Recommendation is **Agreed**		June 2008

POLICIES AND PROCEDURES

4. Data Protection Policy (High)

Recommendation	Rationale	Responsibility

a. The Data Protection Policy of the Council should be reviewed, revised and updated. b. The Policy should also include staffing and reporting structures. c. The revised Policy should be made available to all members of staff.	Best Practice A Data Protection Policy should be in place and it should be accessible to all members of staff. To ensure the Policy is effective, there should be a reporting structure to enable staff to be aware of who to consult and how to resolve data protection issues. This should include the steps required before responding to a request and quality procedures to ensure only appropriate information is disclosed and distributed. Findings There is a Data Protection Policy in place but it is not up to date. The Policy is on the intranet but most staff are not aware of it. The Policy does not include staffing and reporting procedures and it needs to be updated/ reviewed. Risk The Council does not have an up to date Data Protection Policy in place leading to a lack of aims and objectives relating to Data Protection and possible confusion in dealing with requests	Head of Legal Services. Head of Organisational Change
Management Response		**Implementation Date**
Recommendation is **Agreed** The most appropriate place to make the policy available to all members of staff would appear to be the intranet.		March 2009

DATA PROTECTION ENQUIRIES

5. Data Protection Enquiries Procedure   **(Medium)**

Recommendation	**Rationale**	**Responsibility**
a. A documented procedure showing a step by step approach to management of enquiries should be in place. b. A single data request register, should be implemented for recording information	Best Practice A documented procedure detailing how to process enquiries should be in place to guide staff. A data request register should be in place to record the inflow and outflow of requests Findings There is no documented procedure for the management of enquiries detailing the way in which enquiries should be managed, recorded and monitored.	Head of Legal Services.

the inflow and out flow of enquiries (either hard copy or electronically) for the Council c. All requests should pass through the data protection officer to enable monitoring of the accuracy and correctness of the disclosures.	There is no register to record both the inflow and outflow of enquiries. Records of access and disclosures are not kept. <u>Risk</u> If there is no Data Protection Policy in place governing data enquiry management, It is not possible to monitor both inflow and out flow of requests and how they are processed and managed. This could result in the Council not Fulfilling their responsibilities, adequately in accordance with the Data protection Act 1998	

Management Response	**Implementation Date**
Recommendation is **Agreed in Principle** The role of the Data Protection Officer is considered to be one of developing corporate policy. There is clearly a need for support from officers who are acquainted with data protection in general and depending on the workload; an additional resource will need to be identified.	December 2008

PROCESSING OF REQUESTS FOR DISCLOSURE OF PERSONAL DATA

6. Disclosure of Personal Data   (Medium)

Recommendation	**Rationale**	**Responsibility**
Each service area should have a designated officer for dealing with request for disclosure and this officer should pass all requests through the Data Protection Officer.	<u>Best Practice</u> An officer designated for disclosure should be in place in each service area. This officer should liaise and seek advice from the Council's data protection officer on any issues that may arise. This officer should also update the Council's data protection officer in relation to received requests. <u>Findings</u> Two service areas were consulted (HR and Revenues & Benefits) and both confirm that there is no officer designated within their service area to manage data protection issues and report them to the Council's Data Protection Officer <u>Risk</u> Staff may not know who to contact and what to do with request for data, which	Head of Legal Services. Head of Organisational Change

	could lead to delays in responding to a request or uncoordinated approach and Council not fulfilling its obligations in accordance with the Data Protection Act 1998	
Management Response		**Implementation Date**
Recommendation is **Agreed** This will be raised with the Data Protection Group.		October 2008

CONCESSIONARY FARES 2007/2008

1. INTRODUCTION

1.1   Final issued on the 6th May 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that Agreements are in place for all bus operators the Council makes payment to;
- To ensure that claims are received from the bus operators in accordance with the terms of the Agreement;
- To ensure that invoices received from the bus operators are supported by documentary evidence of journeys made and reimbursement due;
- To ensure that payments made reconcile to the invoices;
- To ensure that all claim/ticket enquiries are raised with the appropriate bus operator, and are investigated and dealt with appropriately.

2. BACKGROUND

2.1   The Council has a statutory duty under the Transport Act 2000 and the Transport Act 1985 to operate a Concessionary Fares Scheme to residents of the District aged 60 years and over and disabled residents. The statutory minimum requirements applicable to all registered local bus services offered free travel within the boundaries of the District at all times on Saturday, Sunday and bank holidays and between 9.30 and 11 pm on all other days. The Regulation also provided further enhancements to the scheme which can extend free travel beyond the District.

2.2   The Vale of White Horse District Council's scheme offers free travel on all services which start, finish and run entirely within the District, including single and return services to Oxford, Swindon, Didcot, Witney and Newbury. Journeys on the Park and Ride within the boundary of Oxford city were not included from 15 October 2007. The scheme has subsequently been amended at 1st April 2008 to the national bus pass scheme meaning anyone over 60 or eligible disabled will enjoy free off-peak travel on local buses anywhere in England. The Council has chosen to change the start time from the discretionary 9.00am to the statutory 9.30am as travel prior to 9.30am has to be funded from Council Tax income. Due to budget restraints the Council has decided it cannot afford to continue with an earlier start time. In addition the Council offers free travel to companion where needed as identified on the Assisted Travel Pass.

3. PREVIOUS AUDIT REPORTS

3.1   Concessionary Fares was last subject to an internal audit review in October 2002, at that time a Bus Token Scheme was in operations which has since been withdrawn. Due to the significant changes in legislation governing Assisted Travel Schemes and its application to the Council's Concessionary Fares scheme Internal Audit has not followed up any previous recommendations made.

4. 2007/2008 AUDIT ASSURANCE

4.1 **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.

4.2 Six recommendations have been raised in this review. Two Medium and Four Low.

5. MAIN FINDINGS

5.1 **Bus Operator Agreements**

5.2 Internal Audit can confirm that the agreements for the Bus Companies have been reviewed and subsequently amended to reflect changes in legislation. It is anticipated that agreements are to be subject to an annual review process to ensure they are kept up to date. Agreements were found for four Commercial Bus Operators who provide services under the Councils Assisted Travel Scheme. Seven agreements remain outstanding. Agreements for the Community Buses are in the process of review and will be brought in line with the agreements applicable to the Commercial Bus Companies.

5.3 Internal Audit acknowledges that the Council does not have an explicit policy regarding the Assisted Travel Scheme but feels that the Agreement is sufficiently comprehensive to cover all areas of the Concessionary Fares scheme. However Internal Audit did note that the job description for the officers with responsibility for the administration of the concessionary fares scheme are inconsistent and therefore has recommended that the job description are reviewed and amended to reflect these duties. Two recommendations have been made as a result of the work undertaken in this area.

5.4 **Bus Operator Claims**

5.5 Internal Audit can confirm that the Bus Operators claims are formulated where possible, in accordance with the format specified in the Concessionary Fares agreement. Furthermore Internal Audit acknowledges that claims are issued by the bus operators promptly and processed by the Council in a timely manner. However Internal Audit did note that there are currently no written procedures governing this area of work which could assist in training all Revenues and Benefits Client Officers to undertake duties in relation to the Concessionary Fares Scheme and therefore improve resilience relating to this aspect of service delivery.

5.6 Internal Audit has also noted that no follow up action has taken place to ensure the Council is in receipt of the certificate of accuracy from the Bus Operators and therefore would suggest the Revenues and Benefits Client team should introduce of a checklist to record the receipt of this information and/or to serve as a prompt if the certificates are not received within a prescribed timetable. Internal Audit has made two recommendations as a result of the work undertaken in this area.

5.7 **Bus Operators Invoices**

5.8   Internal Audit can confirm that adequate arrangements are in place to capture the documentary evidence of journeys made from the Bus Operators, however only a small number of Bus Operators are able to comply with this requirement to supply details of journeys to support their claims. Internal Audit would advocate that periodically a standard letter is sent to the Bus Operators to determine whether their situations have change sufficiently to enable them to provide the Council with the necessary details of journey made to support their claims. The Revenues and Benefits Client Officer is carrying out the necessary checks to the claims to alert her to any discrepancies which require correction. Internal Audit has made one recommendation as a result of the work undertaken in this area.

5.9   **Reconciliation**

5.10   Internal Audit noted that a thorough validation process for claims/invoices occurs before payment are authorised and this is considered adequate for the purpose. Furthermore a monthly reconciliation of the budget attached to the Assisted Travel Scheme is undertaken by the Revenues and Benefits Client Manager in which expenditure is reviewed against the budget provision to alert officers to errors in budget allocation and/or significant overspends against budget which is in turn reported to management. Therefore no recommendations have been made as a result of the work undertaken in this area.

5.11   **Claims/Ticket Enquiries**

5.12   Internal Audit noted a two tiered approach to dealing with issues arising for the Assisted Travel Scheme, claims and ticket enquiries are dealt with by the Revenues and Benefits Client team with comments and complaints correspondence being directed to the Strategic Director for response.
        Internal Audit noted that all correspondences and queries relating to the Assisted Travel Scheme are investigated and dealt with in a timely manner.

5.13   A significant increase in correspondence was generated arising from modification of the Assisted Travel Scheme in October 2007 all of which have been satisfactorily resolved. A performance assessment of the Assisted Travel Scheme will be reported to Members for 2007/08 in June/July 2008, it is anticipated that this will become part of the annual report timetable for Assisted Travel together with a review of the cost of providing the scheme.
        Internal Audit considers the arrangements relating to resolving claims and ticket enquiries to be satisfactory and therefore has not made any recommendation as a result of the work undertaken in this area.

5.14   **Proactive Anti-fraud and Corruption Arrangements**

        Internal Audit found it difficult to gather evidence to confirm that Management have adequate arrangements in place to proactively identify fraud and corruption within their business area including an up to date risk register.
        Therefore Internal Audit has made one recommendation as a result of the work undertaken in this area.

OBSERVATIONS AND RECOMMENDATIONS

BUS OPERATOR AGREEMENTS

1. Bus Operator Agreements   (Medium)

Recommendation	Rationale	Responsibility
That the Concessionary Fare Deed of Agreement should be obtained for all Commercial Bus Operators to ensure the service is conducted within the terms of a current agreement. Furthermore the Community Bus agreements should be consistent with those of the Commercial Bus operators.	**Best Practice** That all bus companies have a current agreement which assists with ensuring the assisted travel scheme is operated within the specified terms of the agreement. **Findings** Internal Audit confirmed with the Revenues and Benefit Client team that only 4 agreements have been signed by the Bus Operators with a remaining 6 agreements outstanding. **Risk** Failure to ensure that the appropriate agreements are in place could result in the Bus Companies not being aware of the parameters of the Council's Assisted Travel Scheme.	Senior Revenues and Benefits Client Officer

Management Response	Implementation Date
Recommendation is **Agreed**	31 May 2008

2. Job Descriptions   (Low)

Recommendation	Rationale	Responsibility
The job descriptions of the Senior Revenues and Benefits Client officer and the Revenues and Benefits Client officers should be reviewed to reflect their responsibility for the Assisted Travel scheme.	**Best Practice** That the job description for all officers with responsibility for the Assisted Travel Scheme is clearly stated to ensure officers have clarity with regards to their duties. **Findings** Internal Audit reviewed copies of the job descriptions of the Senior Revenues and Benefits Client Officer and the Revenues and Benefits Client Officer and noted that only the Revenues and Benefits Client Manager has a stated responsibility for the Assisted Travel Scheme within his job description. **Risk** Failure to ensure officers have the	Revenues and Benefits Client Manager / Senior Revenues and Benefits Client Officer

appropriate and correct job description could result in officers not being fully conversant in their responsibilities.	
Management Response	**Implementation Date**
Recommendation is **Agreed**	31 May 2008

BUS OPERATOR CLAIMS

3. Procedures   (Low)

Recommendation	Rationale	Responsibility
That procedure should be written to cover all aspects of work connected with the Assisted travel scheme, including the task of validating claims from the Bus Operators. This would ensure resilience in processing of claims and could assist in ensuring that claims are processed in a timely manner.	Best Practice That procedures are available to staff to assist with all duties connected with the Assisted Travel Scheme, furthermore procedures could be used for training purposes, improve resilience in service delivery and ensure claims can be processed in a timely manner. Findings Internal Audit confirmed that there are no written procedures relating to the process of checking and validating the payments of claims from the Bus Operators. Risk Failure to ensure adequate procedure are available to staff could result in payments being made which are not processed in accordance with the stated terms of the agreement.	Revenues and Benefits Client Officer
Management Response		**Implementation Date**
Recommendation is **Agreed**		1 September 2008

4. Certificate of Accuracy   (Low)

Recommendation	Rationale	Responsibility
That the Revenues and Benefits Client team should devise a checklist to track the return of the annual certificates of accuracy from the Bus Operators, non receipt of the certificates should prompt follow up action to ensure the certificates are captured in a timely	Best Practice: That the Revenues and Benefits Client team have a process in place to track the return of the annual certificates of accuracy in a timely manner. Findings: Internal Audit selected a sample of 10 bus operators to confirm that the annual certificate of accuracy had been presented to the Council for 2006/07. Internal Audit noted that four certificates had been supplied according to the terms and conditions of the contract	Revenues and Benefits Client Officer

manner.	agreement. Furthermore the Revenue and Benefits Client Officer had no procedure for dealing with any follow up actions arising and no chasing of the outstanding certificates had been carried out. Risk: There is no documentary evidence to support Council expenditure which could result in unauthorised payments being paid.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		Implemented

BUS OPERATORS INVOICES

5. Bus Operators Invoices   (Low)

Recommendation	Rationale	Responsibility
That a standard letter should be devised and issued to the Bus Operators encouraging them to provide details of journeys in support of their Concessionary Fares claim.	Best Practice: That each claim/invoice is supported by accurate data to support all Council expenditure. Findings: Not all the Bus Operators are able to provide details of journeys. A standard letter should be devised and issued to the Bus Operators encouraging them to provide these details. Risk: Failure to ensure invoices are supported by accurate data could result in an invoice not being classified as bona fide and the Council incurring expenditure which has not been validated.	Senior Revenues and Benefits Client Officer
Management Response		**Implementation Date**
Recommendation is **Agreed**		1 September 2008

ANTI FRAUD AND CORRUPTION ARRANGEMENTS

6. Anti Fraud and Corruptions Arrangements   (Medium)

Recommendation	Rationale	Responsibility
That Management should ensure that adequate arrangements are in place to proactively identify fraud and corruption within their	Best Practice: An annual review of the internal control arrangements should be undertaken to identify the key risk areas. This could assist with identifying any evidence of fraud and corruption within their business area, to minimise it to a	Revenues and Benefits Client Manager

business area including an up to date risk register.	tolerable level. <u>Findings:</u> Due to other priorities management has not been able to undertake an annual review of the internal control arrangements within their business area to ensure they are operating effectively and as expected and the risk of fraud is minimised to a tolerable level. <u>Risk</u> Fraud and corruption is not identified leading to significant financial, operational, legal and reputational implications.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		1 December 2008

LAND AND PROPERTY 2007/2008

1. INTRODUCTION

1.1   Final issued on the 5th June 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that the Council has a Corporate Strategy and Asset Management Plan in place.
- To ensure that Council Policies include objectives focusing on the acquisition, use, rental, maintenance and disposal of land and property assets.
- To ensure that re-valuation and depreciation are accurately and completely reflected in financial accounting policies and financial statements.
- To ensure that the data concerning the Council's Land and Property is complete, accurate and secure.
- To ensure that Land and Property budgets are set and adequately monitored.
- To ensure that licenses, leases and agreements involving the Council's land and property transactions are fit for purpose, competitive, valid, accurate and reviewed periodically.

2. BACKGROUND

2.1   The Council has a statutory duty under Section 123 of the Local Government Act of 1972 not to 'dispose of land…. for a consideration less than the best that can reasonably be obtained'. This duty ensures that officers rigorously achieve commercially satisfactory terms of sale/rent and the documents of sale/lease are fit for purpose.

2.2   At the time of the audit, the staff dealing with Land and Property in Legal Services currently had one staff vacancy filled by temporary cover and the post has been difficult to fill.

3. PREVIOUS AUDIT REPORTS

3.1   Land and Property Audit was last subject to an internal audit review in July 2004 and eleven [11] Recommendations were raised. However, the report was never finalised and no opinion was issued.

4. 2007/2008 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   Five recommendations have been raised in this review. One High and Four Medium.

5. MAIN FINDINGS

5.1 **Corporate Strategy and Asset Management Plan**

5.2 Internal Audit confirmed that both the Corporate Strategy and Asset Management Plan are clear and comprehensive. It includes the roles of the Chief Property Officer, Planning and Consultation, Data Management, Planned Maintenance, Programme Development, Performance Monitoring & Measurement. Both documents are up to date and accessible to all staff. No recommendations have been made as a result of our work in this area.

5.3 **Policies Procedures and Objectives**

5.4 The Council has adequate working procedures in place. In addition, an Asset Management Group is in place, serving as a steering group for the effective administration of the Council's land and property holdings. No recommendations have been made as a result of our work in this area.

5.5 **Adequacy and Accuracy of Revaluation and Depreciation**

5.6 Adequate arrangements are in place for the revaluation and calculation of depreciation of the Council's assets. Depreciation is currently calculated when due on a spreadsheet implemented by the Head of Asset Management. A revaluation programme is in place stating the frequency at which assets should be re-valued. However, it was noted that the IDOX-Uniform estates module procured to ensure accurate and efficient calculation of both depreciation and revaluation is not being utilised. One recommendation has been made as a result of the work undertaken in this area.

5.7 **Property Database**

5.8 Internal Audit noted that some work remains outstanding to validate the data which is already recorded on Uniform and to transfer data from paper documentation onto the database. Therefore, the database is not currently complete and it cannot be confirmed that it is accurate. A database procedure has not yet been drafted. Three recommendations have been made as a result of the work undertaken in this area.

5.9 **Budget Monitoring**

5.10 There is currently a documented property income forecast in place and an expenditure / expenses budget approved annually and monitored by the Principal Accountant. Reports include variance analysis and the budgets appear to be set and adequately monitored. No recommendations have been made as a result of the work undertaken in this area.

5.11 **Licenses, Leases and Agreements**

5.12 Internal Audit confirmed that licences, leases & agreements are fit for purpose, valid, accurate, reviewed periodically and renewed appropriately. All documents are held securely with restricted access.

5.13 It was noted that one of the goals of the Land Registration Act 2003 was to pave the way for a system of conveyancing that is wholly electronic and therefore entirely registered. The government through the auspices of the

Land Registry are recommending to all large land owners to pursue a policy of registering all outstanding unregistered land. The Council are yet to complete this process fully. One recommendation has been made as a result of the work undertaken in this area.

OBSERVATIONS AND RECOMMENDATIONS

ADEQUACY AND ACCURACY OF DEPERICIATION AND REVALUATION

1. IDOX-Uniforms Estates Module (Medium)

Recommendation	Rationale	Responsibility
a. The Head of Asset Management should implement usage of the IDOX-Uniform estates module for the calculation of depreciation and valuation of the Council's land and property. b. The IDOX-Uniform estates module project group should draft an implementation timetable indicating a completion date.	<u>Best Practice</u> A Fixed Asset Register should be in place, preferably electronic software, that is able to update accurately records on revaluation and calculate depreciation as and when due. <u>Findings</u> The software is in place but is not currently being utilised. Depreciation is computed with the aid of a spreadsheet. <u>Risk</u> If an uncoordinated & inconsistent valuation and depreciation system is in place it may make the information in the Councils' financial report unreliable.	a. Head of Asset Management b. Property Data Manager
Management Response		**Implementation Date**
Recommendation is **Agreed**		End of September 2008

LAND AND PROPERTY DATABASE

2. Database Procedure (Medium)

Recommendation	Rationale	Responsibility
A comprehensive written procedure for the IDOX-Uniform estates module should be drafted.	<u>Best Practice</u> A database procedure should be in place to assist users in updating the database. <u>Findings</u> There is currently no database policy or procedure in place. <u>Risk</u> The Land and Property database could be inaccurate which may lead	Head of Property Services / Head of Legal Services / Property Data Manager

	to inadequate information and make the Council's database information an unreliable.	
Management Response		**Implementation Date**
Recommendation is **Agreed** This will involve Legal Services and Property Services.		End of September 2008

3. Training (Medium)

Recommendation	Rationale	Responsibility
a. A training workshop should be arranged for all users of the IDOX-Uniform estate module to improve efficiency. b A training plan should be implemented to update users knowledge periodically.	<u>Best Practice</u> A comprehensive training programme should be in place to ensure that members of staff are efficient in using such important software. <u>Findings</u> Only the System Supervisor has been trained on the software 3 years ago. Other users are yet to be trained. <u>Risk</u> Members of staff are not aware of their responsibilities which may lead to inefficiency and an unreliable database.	Business Analyst (Projects Office)
Management Response		**Implementation Date**
Recommendation is **Agreed**		End of September 2008

4. Database Information (Medium)

Recommendation	Rationale	Responsibility
Work should be completed to validate all the data currently held on the database and transfer the outstanding paper documentation onto the database.	<u>Best Practice</u> The database should be adequately maintained, accurate and complete. <u>Findings</u> There is currently work which needs completing in order to ensure the database is complete and accurate. <u>Risk</u> The Land and Property database could be inaccurate which may lead to inadequate information and make the Council's database information an unreliable.	Property Data Manager
Management Response		**Implementation Date**
Recommendation is **Agreed**		End of October 2008

LICENCES, LEASES AND AGREEMENTS

5. Land Registration (High)

Recommendation	Rationale	Responsibility
All Council's unregistered land should be voluntarily registered with HM Land Registry to protect the Council's best interest, and then uniquely identified on the database.	<u>Best Practice</u> All Council owned land and property should be appropriately registered. <u>Findings</u> Some of the Council's land remains unregistered. <u>Risk</u> If the Council's Land and Property remains unregistered this could lead to loss of ownership.	Head of Legal Services
Management Response		**Implementation Date**
Recommendation is **Agreed** The implementation date may need to be reviewed at the time of follow-up.		Provisionally end of December 2008

1. INTRODUCTION

1.1   Final issued on the 7th May 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that policies and procedures are in place to guide the use of all IT related systems.
- To ensure that there are adequate access and security measures in place to control the inward and outward flow of network data.
- To ensure that the Council has the necessary software licenses in place.
- To ensure that user management processes are operating effectively.
- To ensure that internet and e-mail usage is appropriately controlled.

2. BACKGROUND

2.1   IT and IT Support are managed by Organisational Change's ICT Operations Team. All PC's, servers and Network Support are managed by this team, with Web Applications having moved to the Communications Team in November 2006.

2.2   This team has a wide remit within the Council and since most projects have at least an element of electronic requirement, they tend to have some role with most of the Council's targets.

3. PREVIOUS AUDIT REPORTS

3.1   ICT was last subject to an internal audit review in September and October 2005. This particular review concentrated upon the ICT Security Plan and was completed in conjunction with the Head of Organisational Change. Due to the specific nature of this review and the time and changes that have since occurred, it was considered to be of limited use in relation the current audit review and its findings have been ignored.

4. 2007/2008 AUDIT ASSURANCE

4.1   **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.

4.2   Eleven recommendations have been raised in this review, four medium and seven Low.

5. MAIN FINDINGS

5.1   **Policies And Procedures**

5.2   Internal Audit were shown the repository of internal procedures and a sample of ten were selected for review. All appeared comprehensive, concise with version number and dates clearly shown. The procedures and general

guidance available to all officers on the Intranet were also examined and all appeared in order. No recommendations have been made as a result of our work in this area.

5.3 **Access And Security**

5.4 The Council has an Uninterruptible Power Supply (UPS) through which the power supply to the servers is constantly channelled. Fluctuations in the power are evened out by the UPS and several short term breaks in supply have been successfully reported by the UPS since its installation in early 2007. The unit has been tested in conjunction with the power outages undertaken by Facilities Management. No recommendations have been made as a result of our work in this area.

5.5 Application administration is considered to be a user function and wherever possible, administration of such applications is not handled by ICT. We were concerned that the working procedures, log-ons etc may not be available in the event of staff not being available. We therefore consider it prudent for ICT to request that they are provided with copies of working procedures for all such systems. One recommendation has been made as a result of our work in this area.

5.6 **Software Licenses**

5.7 It was ascertained during the audit review that work is currently ongoing to compare the software data captured by Spiceworks to that captured by Phoenix during their review. Whilst we acknowledge that management are aware of the requirement, it is considered that an up to date and accurate software register should be available to ensure the Council has an appropriate number of licenses for the software in use. One recommendation has been made as a result of our work in this area.

5.8 **Management Processes**

5.9 The Spiceworks software program provides a register for software and there is an asset database for high value items such as PDA's. A review of the schedule revealed that only a small number if items had been allocated an asset tag number and in addition the badge number has not been entered onto the asset database. This results in difficulties in identifying the location of the equipment and if it is missing. One recommendation has been made as a result of our work in this area.

5.10 Users should only be granted the minimum necessary access privileges to allow them to undertake their role effectively. However, testing identified instances where the access privileges have been set too high for the officer in question and they need to be reviewed and amended. One recommendation has been made as a result of our work in this area.

5.11 Internal Audit was informed that there is no timetable for checking for redundant users on the network, rather is undertaken on an ad-hoc basis. HR is aware of the need to notify ICT of all joiners and leavers. As a back up, all service areas aware of the need to notify ICT of all new members of staff prior to their commencement and equally before they leave.

We consider that ICT should request a regular report from HR detailing leavers and that this report should be routinely checked against access on the network. One recommendation has been made as a result of our work in this area.

5.12 Internal Audit was informed that there is a facility on the network named 'Active Directory' which can create a log of all changes made to the network. However, this facility is not currently set to record any changes and therefore an audit trail is not available thereby making it more difficult to 'roll-back' changes. In addition, because no trail exists, we could not undertake any testing relating to changes made on the network. One recommendation has been made as a result of our work in this area.

5.13 A review of the procedure for 'Co-op Daily Cash Download' revealed that this particular procedure note was dated 26/3/03 and contained references to an ex-employee as being the ICT Team Leader. This requires updating. One recommendation has been made as a result of our work in this area.

5.14 Internal Audit examined a Spiceworks report identifying unrecognised software on PC's. The report was discussed with the ICT Support Team Leader who stated that the report was useful for identifying potentially unauthorised software installations. The report is now being looked at in greater detail by the ICT Team. We advocate this report being regularly run and reviewed and in addition, employees should be reminded of the Internet and email policies regarding downloading and/or installing software.

5.15 **Internet And Email Usage**

5.16 A log of internet usage was provided to Internal Audit. Due to the number of 'pop-ups' listed, but not necessarily requested by the user, it was not possible to gain an opinion as to the appropriateness of the sites. It was ascertained that the Council does not approve regular or systematic monitoring of internet activity, which would provide management with an assurance that the usage is appropriate, as this could be deemed in contravention of the Human Rights Act. One recommendation has been made as a result of our work in this area.

5.17 As with Internet usage, email usage is not monitored. Reports can be provided to a manger if they have concerns but this is clearly reactive rather than pro-active. One recommendation has been made as a result of our work in this area.

5.18 An automatic disclaimer is appended to the end of all outgoing emails, however, Internal Audit noticed some spelling errors which may cause embarrassment to the council. One recommendation has been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

ACCESS AND SECURITY

| **1. Backup of Procedures** | **(Low)** |

Recommendation	Rationale	Responsibility
Where officers outside of the ICT team manage the day to day system administration of systems, ICT request that they are provided with copies of up to date procedure manuals for said systems in the event of the systems requiring to be rebuilt and managed by different officers.	<u>Best Practice</u> Where systems are managed by officers outside the ICT Team, it should be ensured that ICT have in their possession all relevant procedures to run the system in the event of a disaster. <u>Findings</u> ICT do not have copies of procedures for systems that they do not manage. <u>Risk</u> Without having full back up procedures available, in the event of an emergency the expertise/documentation may not be available to run the system.	Head of Organisational Change

Management Response	Implementation Date
Recommendation is **Agreed**	Request sent to SMT 2 May 2008

SOFTWARE LICENSES

2. Reconciliation of Licenses   (Low)

Recommendation	Rationale	Responsibility
The ongoing work to compare the software data captured by Spiceworks to that captured by Phoenix during their review is finalised so that it can be confirmed that the Council has an appropriate number of licences for all software in use.	<u>Best Practice</u> The Council should always be able to provide evidence that is has sufficient licenses for its software installations. <u>Findings</u> The data collected by Spiceworks comparing software installations to licenses has not been reconciled to the data captured by Phoenix <u>Risk</u> The Council may not have sufficient licenses and would be guilty of software theft.	ICT Support Team Leader

Management Response	Implementation Date
Recommendation is **Agreed**	By end May 2008

3. Checking of PC's   (Medium)

Recommendation	Rationale	Responsibility
Each PC should be checked to ensure that the correct user	<u>Best Practice</u> It should not be possible for end users to install any software onto their desktop	ICT Support Team Leader to lead in rolling out new

setting is in place to prevent any end user installations.	PC's. Findings Internal Audit identified instances where software has been installed onto various PC's throughout the network Risk Without controls in place to prevent end user installations, illegal and/or malicious software may be installed onto desktop PC's.	PCs and removing existing Administrator permissions.
Management Response		**Implementation Date**
Recommendation is **Agreed**		End June 2008

MANAGEMENT PROCESSES

4. Appropriate Access   (Low)

Recommendation	Rationale	Responsibility
The account held by the the Property Data Manager should be reviewed to ensure that the access granted is appropriate to their role.	Best Practice Users should only be granted the minimum necessary access privileges to allow them to undertake their role effectively. Findings Instances were identified where it is likely that the access privileges of users is inappropriate. Risk If a user has inappropriate access privileges, they may be able to both see data that is inappropriate and also undertake actions that are inappropriate or even harmful to the network.	ICT Support Team Leader
Management Response		**Implementation Date**
Recommendation is **Agreed**		By end May 2008

5. Starters and Leavers   (Low)

Recommendation	Rationale	Responsibility
The ICT team request a regular report from HR detailing the starters and leavers and this report be routinely checked against the access on	Best Practice The ICT Team should be informed by HR of all users who are required or no longer require a network presence. Findings There is no regular review of starters	Head of Organisational Change

| the network | and leavers to the network. Risk Without regular review, there is a risk that a leaver may remain on the network and without their access being disabled, make unauthorised access to the network more viable. | |

Management Response		Implementation Date
Recommendation is **Agreed in Principle** It is the view of ICT that as HR are aware if the need to inform ICT of starters and leavers, they should be requested to provide daily a reports of any starters and leavers. There is an identified risk that HR are not notified of the employment of temporary staff. A possible solution is that the New User Form also identify the dates for temporary staff.		HR requested to provide daily starters and leavers list 2 May 2008. New user form updated and personnel notified.

6. Audit Trail of Network Changes   (Medium)

Recommendation	Rationale	Responsibility
The 'Active Directory Changes' facility on the system should be utilised to provide an audit trail of the changes made to the network. In addition, the audit trail report should be periodically reviewed to ensure the changes have been made in accordance with starter forms and other associated documents.	**Best Practice** All changes to the network should be tracked for future reference in case of a problem occurring that requires a previous change to be rolled back. Findings There is no audit trail of changes made to the network. Risk Without a record of changes made to the network, if a previous change is required to be rolled back, it will need to be established what work was previously undertaken and there is a risk that this may be done incorrectly.	ICT Support Team Leader

Management Response		Implementation Date
Recommendation is **Agreed in Principle** Setting the audit trail function produces an inordinate amount of data which cannot be left to accumulate in Active Directory and includes mostly data that is not relevant to the requirement. This data has to be manually pulled off daily and stored elsewhere. This is resource and storage intensive		End September 2008

7. Co-op Daily Cash Download   (Low)

Recommendation	Rationale	Responsibility
The procedure for	Best Practice	ICT Operations,

'Co-op Daily Cash – Download' is reviewed and updated to reflect the current officers in post.	All procedures should be accurate and up to date. All references to officers should be current. Findings The procedure for 'Co-op Daily Cash – Download' is out of date and refers to an officer who is no longer employed by the Council. Risk Officers may inadvertently use incorrect information resulting is errors and potential embarrassment to the Council.	Organisational Change via ICT Support Team Leader
Management Response		**Implementation Date**
Recommendation is **Agreed**		May 2008

8. Identification of Downloaded Software   (Medium)

Recommendation	Rationale	Responsibility
The Spiceworks downloaded software report is generated and reviewed regularly to ensure that all downloaded software is identified and dealt with accordingly. In addition, employees should be reminded of the Internet and E-mail Policy regarding the downloading or installation of software and the consequences of failing to adhere to the policy.	Best Practice The network should regularly be scanned to ensure that inappropriate software has not been installed by end users. Findings A report was requested by IA that showed that software had been inappropriately installed by an end user. Risk Without adequate monitoring of software installed, illegal and/or malicious software may be installed by end users.	Head of Organisational Change
Management Response		**Implementation Date**
Recommendation is **Agreed**		May 2008

INTERNET AND EMAIL USAGE

9. Monitoring of Internet Usage   (Medium)

Recommendation	Rationale	Responsibility
Internet usage should be monitored regularly to ensure	Best Practice By monitoring internet usage, management are aware of excessive	N/A

Recommendation	Rationale	
that internet access is not being misused and to provide management with an assurance that appropriate monitoring is undertaken.	use of the internet and also inappropriate usage by end users. Findings Internal Audit testing revealed that regular monitoring of internet usage is not undertaken. Risk By not monitoring internet usage, management may not be aware of excessive use of the internet and also inappropriate usage by end users.	

Management Response	Implementation Date
Recommendation is **Not Agreed** This will require a submission to the SMG and the relevant committee. The advice from me would be that this is 'dodgy ground'. The Human Rights Act has yet to provide official guidance on this (due in 2009 and then only related to terrorism). In the meantime the voluntary code is likely to lean towards the users' rights to privacy.	N/A

10. Review of Email Usage   (Low)

Recommendation	Rationale	Responsibility
Consideration should be given to regularly reviewing email usage to ensure that usage is both appropriate and not excessive.	Best Practice By monitoring email usage, management are aware of excessive or inappropriate use by end users. Findings Internal Audit testing revealed that regular monitoring of email usage is not undertaken. Risk By not monitoring email usage, management may not be aware of excessive or inappropriate use by end users.	N/A

Management Response	Implementation Date
Recommendation is **Not Agreed** This will require a submission to the SMG and the relevant committee (see previous recommendation).	N/A

11. Email Disclaimer   (Low)

Recommendation	Rationale	Responsibility
The email disclaimer is reviewed and the	Best Practice All external emails should include a	ICT Support Team Leader

spelling errors within the disclaimer are amended.	disclaimer stating that the views expressed are those of the individual and not those of the organisation. Findings Internal audit testing revealed spelling mistakes within the standard email disclaimer Risk Spelling mistakes within a corporate disclaimer appear amateurish and subsequently embarrassing to the council.	
Management Response		**Implementation Date**
Recommendation is **Agreed in Principle** Clarification is sought of the spelling errors in the disclaimer		End May 2008

COMMUNITY GRANTS 2007/2008

1. INTRODUCTION

1.1   Final issued on the 27th May 2008.

1.2   The following areas have been covered during the course of this review:

- Adequate documentation and working papers exist to substantiate each application.
- Up to date internal procedure notes exists for the grant awarding process and function.
- Adequate checking is undertaken on each grant application to ensure that any amount awarded is in accordance with the Council's approved guidelines and criteria.
- All awards of grants above the approved limits are approved by Committee following evaluation by the appropriate officer.
- Payments are in accordance with approved procedures.
- All monitoring information produced is accurate, timely and appropriate.
- Adequate information and guidance is provided and is available to members of the general public.
- Adequate segregation of duties exists.

2. BACKGROUND

2.1   The Council has a criteria, policy and conditions for the awarding of Community Grants. These operate in compliance with Sections 145 and 137 of the Local Government Act 1972.

2.2   The previous audit concluded that administration of the Community Grants processes and procedures was well documented and maintained, and working well within the current framework. However, concerns were raised regarding the way in which the various Area Committees were interpreting the criteria for the awarding of Grants. These concerns appear to have been overcome and are now operating satisfactorily.

3. PREVIOUS AUDIT REPORTS

3.1   Community Grants was last subject to an internal audit review in 2002/2003. The final report was issued in January 2003 and contained five recommendations. These were all agreed with an implementation date.

4. 2007/2008 AUDIT ASSURANCE

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

4.2   No recommendations have been made as a result of our work in this review.

5. MAIN FINDINGS

5.1   **Previous Audit Recommendations**

5.2   Five (5) recommendations were made following the previous audit. All recommendations were agreed with a stated implementation date. The agreed actions to the recommendations were reviewed and discussed with the Community Strategy Officer where it was stated and recognised by Internal Audit that actions had either been implemented, or due to the time lapse since the last audit were no longer of relevance. No recommendations have been made as a result of our work in this area.

5.3   **Grant Scheme Documentation**

5.4   The administration of the Community Grants process and procedure is well documented and maintained. The Community Grants procedure is working well within the current framework. The Community Strategy Officer carries out periodic marketing of the Community Grants with comprehensive information contained on the council's web-site providing information of the Grant scheme, guidance notes and application form.

5.5   A copy of the current Community Strategy 2004/2008 was obtained from the Community Strategy Officer. Review of this documentation established that the Council has developed a Vale Strategic Partnership with other organisations including public, private and voluntary services within the district. The aims of the partnership are to maximise resources, avoid duplication of effort, achieve common goals and achieve economies of scale. This is good practice. No recommendations have been made as a result of our work in this area.

5.6   **Policies and Procedures**

5.7   Internal Audit sought to establish that the grant applications were checked in accordance with the Council's approved guidelines and criteria. In all instances tested, the forms were correctly completed and all the relevant supporting documentation was present in the files. In addition, all grants awarded met the criteria as detailed in the 'Community Grants Scheme and Guidance Notes'.

5.8   Internal Audit also sought to establish whether adequate and up to date procedures existed. Documentation was provided covering procedures, work instruction and forms which cover the operation of the service. No recommendations have been made as a result of our work in this area.

5.9   **Approved Limits and Evaluations**

5.10   Internal Audit sought to establish that the awarding of grants was in accordance to current legislation and that all awards of grants above approved limits were approved by committee following appropriate evaluation at officer level. Testing confirmed that Community Grants are operating in accordance with current legislation, criteria, guidelines and Council policy. No recommendations have been made as a result of our work in this area.

5.11   **Payments**

5.12   There was adequate evidence to support the payments from the initial approval at committee to the grant logs produced by the Community Strategy

officer. These could be reconciled to the actual payments made via the financial information system. No recommendations have been made as a result of our work in this area.

5.13 Monitoring

5.14   A great deal of monitoring information is produced within the team. The tracking and monitoring information either received by, or produced by the community Strategy Officer was reviewed. This could be followed with ease and appeared comprehensive. No recommendations have been made as a result of our work in this area.

5.15 Guidance and Information

5.16   Members of the general public can access information and guidance relating to grants from the Council's web site. This includes the availability of funding, tips on making an application and application form templates. The Community Strategy Officer also confirmed that marketing of the Community Grants is undertaken and evidence was provided to support this. No recommendations have been made as a result of our work in this area.

5.17 Segregation of Duties

5.18   It was confirmed to Internal Audit that the day to day administration of the grants function is undertaken buy the Administration Assistant and the delegated decisions recommended by the Community Strategy Officer to the Head of Community Strategy. It is he who authorises them having consulted the Chair of the appropriate Area Committee or Executive. From the review of working practices and procedures within the service area and reviewing the job descriptions, Internal Audit is satisfied that there are adequate segregation of duties. No recommendations have been made as a result of our work in this area.

AFFORDABLE HOUSING 2007/2008

1. INTRODUCTION

1.1   Final issued on the 29th May 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that Housing Services can evidence the use of information from complaints and comments of service users or clients to improve, and update it policies and services provided.
- To ensure that Housing Services has robust arrangements in place to monitor the needs of minority communities and identifying targets to address any gaps in provision.
- To ensure that the Housing Strategy is up to date and includes long term ambitions of the Council and its partners for the housing market, and parameters for judging the success of the ambition stated.
- To ensure that Housing Services can evidence Value For Money (VFM) by undertaking ongoing benchmark analysis against the best performing strategic housing services.
- To ensure that the Council has an adequate budget in place to support the housing strategy of the district.

2. BACKGROUND

2.1   The Council has a statutory duty under the Housing Acts 1996 and 2002, to give priority to applicants who fall within social housing needs and Affordable Housing.

2.2   At the time of the audit, the Housing Department was working hard to meet their target as dictated by the provision of the budget and the Housing Acts.

3. PREVIOUS AUDIT REPORTS

3.1   Affordable Housing was last subject to an internal audit review in December 2005. Eight [8] recommendations were raised and a Limited opinion was issued.

4. 2007/2008 AUDIT ASSURANCE

4.1   **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.

4.2   Five [5] recommendations have been raised in this review. 3 Medium and 2 Low.

5. MAIN FINDINGS

5.1   **Complaints and Comments Procedure**

5.2   In the area of complaints, comments, policies and procedures, it was

identified that there is a process in place for the collection and evaluation of complaints and comments from Housing service users. However, this process is not connected to the improvement of services and updating of Council's Policies. Two recommendations have been made as a result of the work undertaken in this area.

5.3 **Monitoring of Needs and Gaps in Provision**

5.4 Internal Audit acknowledges that applicants for social housing are assessed in accordance with the Council's Allocations Policy, which is framed to comply with the requirements of the Housing Acts 1996 and 2002. This gives priority to applicants who fall within the 'reasonable preference' categories of housing need. Furthermore, it was evidenced that independent market research surveys of residents in housing need are conducted periodically and information is extracted from the "Housing Register" to enable the Council identify the needs of the residents and the gaps in provision. No recommendations have been made as a result of our work in this area.

5.5 **Housing Strategy**

5.6 Internal Audit noted that the Council has a comprehensive Housing Strategy in place which covers 2006/2007 to 2010/2011. It includes information such as:
- Provision of 100 new units of affordable housing per annum.
- 36 Additional affordable housing units between 2006/9.
- Private homes occupied by vulnerable persons to reach the decent home standard.
- 75 properties per annum.
- Achieve the Government target of 50% reduction in numbers of persons in temporary accommodation by 2010.

The key message of the Regional Housing Strategy is a recognition that the key priority is to increase the supply of affordable housing. No recommendations have been made as a result of our work in this area.

5.7 **Benchmarking**

5.8 Internal Audit confirmed that currently the Council does not have an approved best performance benchmark. However, VWHDC has joined three different partnerships in order to collate data for an approved benchmark target. These partnerships are: Oxfordshire Housing Partnership, Aylesbury Group and Tunbridge Wells Peer Group District Councils. Three recommendations have been made as a result of our work undertaken in this area.

5.9 **Adequacy of Budget**

5.10 Internal Audit acknowledges that there is an approved budget in place. The budget is independently monitored by an officer in Accountancy. A budget monitoring report which includes the variance analysis report is produced periodically and sent to Housing Services for its comments. No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

COMPLAINTS AND COMMENTS PROCEDURE

1. Information on Comments and Complaints (Medium)

Recommendation	Rationale	Responsibility
A procedure/process of using information from complaints and comments of service users or clients to improve, and update the Council's policies and services should be implemented.	Best Practice A documented procedure of how complaints and comments from service users are used to improve and update the Council's policies and services is expected to be in place. Findings There is a process in place for the collection and evaluation of complaints and comments from service users but this process is not connected to the improvement of services and updating of Council's Policies. Risk The Council does not make use of complaints and comments of service users to improve and update its policies which may make the Council's policies obsolete and not users friendly.	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed** The findings of the audit report are based correctly upon the fact that housing can supply no documentary evidence to demonstrate that it uses comments and complaints to improve and update services. Committee will be aware that each year comments and complaints are collated across the council and reported to the executive. Housing use this report to review complaints and, where appropriate, make necessary adjustments. The most notable example of service adjustments, fuelled by comments and complaints, was the decision of Council to move to a banding housing allocation system in 2004. Prior to this the points based allocation system operated by the Council was the target of numerous complaints concerning its complexity and opacity. I consider that a better recommendation would be to require all service areas, as part of the Annual reporting	N/A

mechanism, to not just highlight the comments and complaints received(as already happens) but to require in the report to state what adjustments to policies and procedures, if any have been made as a result, thus providing the audit trail required.		

2. Frequency of Comments and Complaints Report. (Low)

Recommendation	Rationale	Responsibility
The frequency of the comments and complaints report should be increased to quarterly for efficiency and effectiveness of the report.	Best Practice For improvement on efficiency and effectiveness reports on important findings should be produced for management at least quarterly. Findings Reports including recommendations on the comments and complaints of service users are currently only produced for the executive annually. Risk Reports on users comments and complaints are not produced for management periodically, which could lead to delay in using the reports to take any necessary action.	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed** If committee accepts the above recommendation it would be twice yearly as part of the half year and year end reports.		N/A

BENCHMARKING

3. Benchmark Target (Medium)

Recommendation	Rationale	Responsibility

a. An approved Council's Benchmark/ Target should be implemented to enable the Council to compare its performance with best performing strategic housing.
 	
b. The benchmark should also be reviewed and updated periodically.
	Best Practice
	An approved and documented benchmark target is expected to be in place.
	
	Findings
	The Council has joined a partnership in order to collate data for benchmarking. The members are:
	    a. Oxfordshire Housing Partnership.
	    b. Aylesbury Group.
	    c. Tunbridge Wells Peer Group District Councils.
		N/A

	Risk There is no approved Council's benchmark to enable comparison performance with best performing housing strategy. This could lead to service improvements not being made.	
Management Response		**Implementation Date**
Recommendation is **Agreed in Principle** I recognise that a fundamental aspect of identifying VFM across the housing service is establishing it in the context of other authorities. This is a recognised weakness across the Council but one that requires resources that are not available to service areas.		N/A

4. Performance Report   (Low)

Recommendation	Rationale	Responsibility
A performance report comparing actual with the benchmark should be produced with recommendations for improvement.	Best Practice Periodic reports comparing the Council's performance with the approved benchmark / target is expected to be produced. Findings No report has been produced because there is currently no approved benchmark/ target. Risk The Council's benchmark/Target is not updated periodically which may make the councils policies obsolete and lead to poor performance.	N/A
Management Response		**Implementation Date**
Recommendation is **Agreed in Principle** As above in recommendation 3.		N/A

5. Independent Feedback   (Medium)

Recommendation	Rationale	Responsibility
The Council should conduct independent regular reviews of feed back to ensure that their clients are happy with the accommodation provided for them.	Best Practice There is expected to be an independent feed back system from the Councils service users or client. Findings Currently, feedback on the Council's performance is only provided from Council Partners (Housing Associations).	Principal Housing Enabling Officer

	Risk The Council does not seek independent feedback from their clients which may lead to service improvements not being made.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		31st July 2008

NNDR 2007/2008

1. INTRODUCTION

1.1   Final issued on the 2nd June 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that the recommendations made following the 2006/2007 NNDR audit undertaken at Vale of White Horse District Council have been implemented.
- To ensure that the NNDR system has been promptly updated with amendments to valuations and that records have been updated to record new properties and amendments to existing properties.
- To ensure that input or amendment of data affecting liability is supported by documentary evidence and that records are updated promptly.
- To ensure that billing procedures are carried out in accordance with legislation, bills are raised and despatched promptly and that demand notices are legitimate and appropriate.
- To ensure that there is documentary evidence to support both payment and refund transactions and also that the transactions are legitimate.
- To ensure that write-offs are undertaken in accordance with Council policy.
- To ensure that credit balances are reviewed regularly and appropriate action is undertaken.

2. BACKGROUND

2.1   The Council is a Billing Authority for NNDR (business rates) purposes and is responsible for working out NNDR bills, giving any reliefs that may be due and collecting the money. Business rates paid by ratepayers are collected by the Council and are remitted to the 'National Pool', a central account held by the Department for Communities and Local Government (DCLG) and then redistributed back to local authorities as part of the local government finance settlement.

2.3   The Council is required to monitor performance in respect of the percentage of business rates collected via Best Value Performance Indicator BVP1 010. For the financial year ended 31 March 2007 the Council collected 98.80% of business rates against a target of 99.20%, putting it outside the top quartile of councils for performance, set at 99.36% for 2006/07.

3. PREVIOUS AUDIT REPORTS

3.1   NNDR was last subject to an internal audit review in November 2006 when seven (7) recommendations were raised of which three (3) were rejected and a satisfactory opinion was given.

4. 2007/2008 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   Seven recommendations have been raised in this review. Six Medium and One Low.

5. MAIN FINDINGS

5.1   **Previous Audit Recommendations**

5.2   The previous Internal Audit report was issued in January 2007 and seven (7) recommendations were made of which three (3) were rejected. Internal Audit considers that the remaining four (4) recommendations made in the 2006/07 audit report have been implemented and no further action is necessary. No recommendations have been made as a result of our work in this area.

5.3   **Valuations and Updating NNDR Records**

5.4   A reconciliation of the Rateable Value is undertaken on a weekly basis and a more detailed reconciliation of account numbers is undertaken on a four-monthly basis. A review of the weekly reconciliation by Internal Audit identified a discrepancy between the number of properties on the NNDR system and the number according to the Valuation Office (VO). In relation to the four-monthly reconciliation, whilst it is acknowledged that a detailed reconciliation is being undertaken by Capita, Internal Audit considers that the process needs to be enhanced to ensure adequate information is available to support the amendments made / required. Two recommendations have been made as a result of our work in this area.

5.5   **Liability**

5.6   Transactions are now scanned and indexed to EDMS on Anite, the Council's document imaging system. Additionally, notes are recorded within the Academy system on 'Account Notes'. The latter provide an audit trail with the date, time and user's initials shown. The award of reliefs are authorised by the Client team and this is documented on individual account level documents, scanned to Anite. Academy account notes indicate that transactions are reported to senior colleagues and Notes within the Anite system show how transactions are escalated for the appropriate action to be taken.

5.7   Business ratepayers are provided with an A4 sheet, 'NNDR explanatory notes', enclosed with annual, first or amended bills. This document explains what NNDR is and provides information about the types of reliefs available. Internal Audit reviewed the contents of the 'NNDR explanatory notes' sheet and found a number of anomalies and weaknesses, including no reference to Mandatory relief. The award of such relief carries no cost to the Council as this relief is paid for by the National Pool. Four recommendations have been made as a result of our work in this area.

5.8   **Billing Procedures**

5.9   No testing was undertaken in this area due to the processing of bills being undertaken at Bromley. It is envisaged that Internal Audit will visit the

Bromley site in 2008/2009 to assess the controls in operation.

5.10   **Payments and Refunds**

5.11   The controls over refunds appear to be working effectively and the Client's pre-authorisation checking procedures are rigorous and effective. However, until the Agresso reconciliation procedures are confirmed as being in place and operating satisfactorily Internal Audit cannot give assurance about the NNDR payment controls. One recommendation has been made as a result of our work in this area, and this area will be reviewed again in 2008/2009.

5.12   **Write-Offs**

5.13   There is a joint VWHDC/SODC sundry debts write-off procedure which is in draft format. However, it is focused on sundry debts and makes no reference to revenues debts, Council Tax and NNDR. It was evidenced that the joint Client/Capita Revenues meetings report on write-offs for both Council Tax and NNDR, and the Capita Revenues Manager is currently drafting an NNDR procedure which will be used for Council tax once agreed.

5.16   There have been no write-offs since Capita took over the financial services contract. Until the Council and Capita have in place an agreed policy and procedure for revenues debt write-offs Internal Audit is unable to give assurance about controls in this area. No recommendations have been made as a result of our work in this area at this time, but this area will be reviewed again in 2008/2009.

5.17   **Credit Balances**

5.18   Credit balances and refunds can be generated for a number of reasons including:-

- Rateable Value reductions;
- Ratepayers vacating premises;
- Overpayments

For each account showing a credit balance an application form is issued asking the ratepayer to indicate whether they want a refund, retain the balance for a future year or transfer it to another account.

5.19   No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

NNDR VALUATIONS

1. NNDR Reconciliations   **(Medium)**

Recommendation	Rationale	Responsibility
As part of the weekly reconciliation between the Valuation Office and the NNDR System,	Best Practice The total Rateable Value and the total number of properties should be reconciled.	N/A

the number of properties should also be reconciled.	Findings As part of the review, a discrepancy between the total number of properties on the NNDR system to the number of properties as per the Valuation Office was highlighted. Risk Anomalies between the NNDR system and the Valuation Office may occur resulting in in-complete / inaccurate records.	
Management Response		**Implementation Date**
Recommendation is **Not Agreed** As part of the daily/weekly balancing it is common for there to be a discrepancy between the number of properties on the system and the VOA records. The primary cause for this is that new assessments are not created until the liable party has been ascertained. However, precise records of the amendments awaiting action are maintained at all times and there is no risk that a property could be missed. The four-monthly reconciliation balances the rateable value and the number of properties according to their description categories. The reconciliations we undertake on a weekly basis are described below in terms of the detailed spreadsheets used. This process is very effective and does not allow for amendments to be overlooked.		N/A

2. NNDR Reconciliations   (Medium)

Recommendation	Rationale	Responsibility
Supporting evidence for accounts awaiting adjustment should be retained.	Best Practice Any adjustments requiring action as part of the reconciliation process should be supported by evidence. Findings It was confirmed that there is no evidence to support the accounts awaiting adjustment as part of the reconciliation process. Risk Records will not be complete and loss of income could occur if the adjustments are not actioned or are actioned incorrectly.	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed**		N/A

The schedules are downloaded on a weekly basis from the VOA's secure website. The information is formatted into an excel spreadsheet which details the property reference, the value, type of adjustment and a date field. When an amendment has been completed on the Academy system this date field is updated and the amendment is recorded as complete. This spreadsheet is linked to an overall work count which records the number of items outstanding, which schedules they appear on and allows for effective SLA monitoring. The initial spreadsheet provides detailed records of properties awaiting amendment. The statement that there is no supporting evidence for accounts awaiting adjustment is inaccurate. It is possible to replicate this information retrospectively but it is a time consuming exercise as each individual spreadsheet relating to the schedules would need to be filtered to remove any dates after the date specified. This would then allow for the items outstanding at any point in time to be recreated and balanced to the rateable value outstanding at any given date.	

NNDR LIABILITY

3. NNDR Explanatory Notes   (Medium)

Recommendation	Rationale	Responsibility
NNDR 'Explanatory Notes' leaflet should be revised, updated and re-modelled along lines similar to the 'Council tax' leaflet.	Best Practice Ratepayers should be provided with an explanatory leaflet associated with NNDR income & expenditure similar to information set out in the Council tax leaflet. Findings Information provided to business ratepayers at the year-end or with their first rates demand is not comprehensive and opportunities are missed to emphasise the Council's policy on the award of different types of relief. There is no explicit reference to mandatory relief the award of which bears no cost to the Council as it is funded by the national NNDR pool. Risk Ratepayers are not made aware of statutory relief that is available and may not make their claims in the right manner or at the right time leading to additional work by both the Council and	N/A

its financial services contractor.		
Management Response		**Implementation Date**
Recommendation is **Not Agreed** The content of the NNDR explanatory notes is prescribed in Regulations and the Council has no discretion over their content. It is considered that the current double-sided A4 form is presented sufficiently well and there is no justification for producing an expensive glossy leaflet. All ratepayers are also sent the council tax leaflet because it contains details of the council's finances which we are required to send them. To produce this same information in another leaflet just for NNDR would be an unnecessary duplication.		N/A

4. Guidance Notes and Application Forms   (Medium)

Recommendation	Rationale	Responsibility
The Client should undertake a thorough review of all of its NNDR guidance notes and application forms, and publish them in a consistent manner to enable ratepayers to have a clear understanding of what is required for NNDR purposes and the implications of non-compliance.	<u>Best Practice</u> NNDR application forms are published that comply with legislation and adopt Plain English standards. <u>Findings</u> Application forms do not comply with data protection legislation and lack consistency in format. <u>Risk</u> Ratepayers are not aware of what types of relief that are available and do not make their claims in the right manner or at the right time leading to additional work by both the Council and its contractor	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed** A recent review of application forms and guidance notes has already been undertaken.		N/A

5. Legal Entity   (Medium)

Recommendation	Rationale	Responsibility
The Client should require Capita to check all accounts headed 'Village Hall, etc.' and ensure that	<u>Best Practice</u> The correct legal entity should be included in the Council's records. <u>Findings</u>	Revenues Manager

the correct legal entity is identified and recorded.	There are a number of ratepayers with the same name, 'Village Hall Management Committee', which does not clearly identify the ratepayer nor give an indication of the legal entity. Risk The Council could have difficulty enforcing a debt where it does not know the correct legal entity of the ratepayer.	
Management Response		**Implementation Date**
Recommendation is **Agreed**		30 July 2008

6. Ratepayer Correspondence (Low)

Recommendation	Rationale	Responsibility
All outgoing correspondence to ratepayers from Capita or the Council should quote the relevant NNDR account number.	Best Practice Ratepayers are expected to quote the relevant account number when communicating with the Council; the converse should apply Findings Correspondence to ratepayers does not show the ratepayer's account number, notwithstanding the requirement for the ratepayer always to quote the account number. Risk A ratepayer may have more than one account and amendments could be made to the wrong account.	Revenues Manager (CAPITA) / Revenues & Benefits Client Manager (RSSP)
Management Response		**Implementation Date**
Recommendation is **Agreed**		Immediately

PAYMENT AND REFUND TRANSACTIONS

7. Facsimile Signature (Medium)

Recommendation	Rationale	Responsibility
The practice of the Client Officer endorsing documents with the Revenues & Benefits Manager's facsimile signature by way of a stamp should be discontinued and	Best Practice Officers sign off documents in their own handwriting under delegated powers. Findings The Client officer uses a stamp showing the revenues & Benefits Client Manager's name to endorse documents.	Revenues & Benefits Client Manager (RSSP)

replaced with the Officer signing her own name under a scheme of delegation.	Risk A name-stamp could be mislaid and possibly misused to obtain money from the Council	
Management Response		**Implementation Date**
Recommendation is **Agreed in Principle** The Client Manager agrees in principle, but it will need to be discussed with the Head of Finance in the first instance. The signature stamp is used for signing letters as well as signing bulk mail shots, but is being used less and less due to electronic mailings etc.		1 July 2008.

AGRESSO 2007/2008

1. INTRODUCTION

1.1   The final was issued on the 13th June 2008.

1.2   The following areas have been covered during the course of this review:

- To ensure that adequate procedures have been produced and that they contain sufficient detail relating to the various processes;
- To ensure that there are adequate controls in place to manage all areas of the cheque production process;
- To ensure that there is adequate control of all processes relating to payment by BACS;
- To ensure that the recovery action plan is adequate, being appropriately managed and all issues contained within are being addressed by the appropriate officers.

This area will be subject to a full post implementation review during the current 2008/2009 financial year.   The above areas were selected as they were considered of fundamental concern during the implementation.   At the time of this review, an Agresso recovery plan was still in place and had not yet been fully completed.   Due to this, it was decided that it would be inappropriate to undertake a full post implementation review at this juncture.

2. BACKGROUND

2.1   The Vale of White Horse and South Oxfordshire District Councils took the decision to undertake a joint implementation of the Agresso financial information system.   This was managed by Capita, the Council's financial contractor.

2.2   When Agresso went live in April 2007, a number of problems were immediately identified including:

- Officers being unable to view their cost centre details;
- A lack of controls within Accounts Payable resulting in duplicate payments being made;
- Incorrect user and deputy rights;
- End users not having received adequate training and therefore unable to effectively use the system; and
- The Agresso Workflow could not be fully relied upon.

2.3   As a result of these problems, SODC decided to revert back to manual 'pink slipping' on Accounts Payable.   It was decided by both senior management teams that a recovery plan was required.   This was jointly owned between both Councils and a number of meetings took place with representatives from both Councils and Capita to establish a way forward. The recovery plan was effectively completed on target at the beginning of April 2008 and since that point the system has been working much more effectively.

3. 2007/2008 AUDIT ASSURANCE

4.1   **Full Assurance:** There is a sound system of internal control designed to

meet the system objectives and the controls are being consistently applied.

4.2   On the basis of our work completed in this review, no recommendations have been made. However, it should be noted that there are many processes still being developed and embedded. The performance of Agresso will continue to be assessed in 2008/2009 through Internal Audit's key financial system reviews.

5. MAIN FINDINGS

5.1   **Procedures**

5.2   Polices and procedures have been produced for both sites, although they are still at an evolving draft stage and as the recovery plan has progressed, necessary amendments have been incorporated. These are available to all officers and cover all main tasks. They have been handed out during the training sessions for the system. No recommendations have been made as a result of our work in this area.

5.3   **Cheque Production**

5.4   The cheques for VWHDC are held in a secure environment with only appropriate staff having access to them. The stocks are monitored and controlled by means of stock control sheets. The cheques are printed electronically from within Agresso following the Exchequer Services Manager reviewing and approving a payment proposal. Any cheques greater than £10,000 are required to have a second authorising signatory from the Council.

5.5   Once the payments proposal has been completed, each payment is now checked to the system to ensure that it will not result in a duplicate payment.

5.6   The cheques issued are reconciled weekly to the bank statement by a member of the Accountancy team. No concerns were noted and no recommendations have been made as a result of our work in this area.

5.6   **BACS Controls**

5.7   Payments by BACS are treated in many respects as for cheques. The BACS runs are completed on Agresso and the Exchequer Services Manager checks and signs off the payment request report. This is then sent to Accountancy to authorise all payments above £10,000. The BACS report is then reconciled by the Exchequer Services Manager to the Agresso Payment Run report. The BACS file confirmation, produced by BACS, is then reconciled to the weekly bank statement as per cheques. Any anomalies are notified to the supplier and the client team and where necessary, a credit note is requested. The Exchequer services team are responsible for collecting the outstanding payment. No concerns were noted and no recommendations have been made as a result of our work in this area.

5.9   **Recovery Plan**

5.10   The recovery plan was instigated due to a number of concerns over the way that Agresso had been set up and was functioning. A review of the

documentation detailing the actions that occurred or were due to occur against this plan provided Internal Audit with a degree of assurance that not only had all significant issues been identified, but that also that they were being successfully addressed.

5.11   A large amount of time has been spent ensuring that the access and menu privileges are correct for all users and all user groups. In addition, work has been undertaken to ensure that approved roles correlate to correct users, cost centre and codes.

5.12   Two of the main issues have been the lack of effective training that occurred during the implementation phase and also the lack of quality control surrounding the input functions. It appears that both of these issues are being addressed. No recommendations have been made as a result of our work in this area.

HOUSING AND COUNCIL TAX BENEFITS 2007/2008

1. INTRODUCTION

1.1 Final issued on the 16th June 2008.

1.2 The following areas have been covered during the course of this review:

- To ensure that benefit assessments are correctly calculated and valued, are processed promptly, are evidenced by documentary evidence and adequate separation of duties are in place.
- To ensure that payments are made in accordance with regulations, standing orders and financial regulations, are supported by documentary evidence and are promptly processed.
- To ensure that overpayments are supported by documentary evidence, are adequately recorded, are correctly calculated and valued and are processed promptly.
- To ensure that the recovery of overpaid benefits is efficient and effective.
- To ensure there is an adequate audit trail to substantiate the figures on the Housing Subsidy claim, the claim is properly completed and the figures included are accurate.
- To ensure that the performance statistics of the service are recorded correctly, supported by evidence and is reviewed regularly by management.

1.3 Due to the length of time encountered in receiving information and staff shortages within the Internal Audit Team, two areas were not completed during this review. These areas were payments and recovery and External Audit have been advised of this. Internal Audit will include payments and recovery in the 2008/2009 audit review of Housing and Council Tax Benefits.

2. BACKGROUND

2.1 Capita provide the Housing and Council Tax Benefits service for both South Oxfordshire District Council and Vale of White Horse District Council.

3. PREVIOUS AUDIT REPORTS

3.1 Housing and Council Tax Benefits was last subject to an internal audit review in March 2007, no recommendations were made and a satisfactory opinion was issued.

4. 2007/2008 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 Six recommendations have been raised in this review. Five Medium and One Low.

5. MAIN FINDINGS

5.1   **Benefit Assessments**

5.2   There is no policy or guidance in place relating to the authorisation of backdated claims and there is no evidence to support that such claims are authorised by an appropriate manager. In addition, Internal Audit suggests that guidance in relation to back dated claims is placed on the Council's website for members of the public to view. Three recommendations have been made as a result of our work in this area.

5.3   **Overpayments**

5.4   Testing identified that manual overpayment calculations are not reconciled to Academy records to ensure that the calculation is accurate. Working practices need to be enhanced to ensure that an overpayment letter is generated in all cases, the overpayment amount recorded on the letter is accurate, and the reason for the overpayment is included on the letter. Two recommendations have been made as a result of our work in this area.

5.5

       Housing Subsidy Claim

5.6

       Internal Audit requested information from the Audit Commission as to their perceived risks within the benefits system, particularly regarding the Housing Subsidy Claim. The Audit Commission stated that during their 2006/2007 review a number and a range of errors were identified relating to the classification of cases. Comments provided by Capita during the Internal Audit review suggested that the classification of cases may be incorrect and thus subsidy may be affected. One recommendation has been made as a

5.7   result of our work in this area.

5.8   **Performance Statistics**

       From the information supplied and reviewed by Internal Audit, performance statistics appear to be recorded correctly, supported by evidence and reviewed regularly by management. No recommendations have been made as a result of our work in this area.

OBSERVATIONS AND RECOMMENDATIONS

BENEFIT ASSESSMENT

1. Backdating Benefit Claims   **(Medium)**

Recommendation	Rationale	Responsibility
A Policy is produced by Capita in relation to the backdating of claims. In addition, guidance notes should be produced to assist in the authorisation process.	Best Practice There should be guidance in place in relation to the backdating of claims. Findings Capita are responsible for authorising backdated claims, however there is no policy in place. Internal Audit was informed that the team uses the	Benefits Manager

	Department for Work and Pensions criteria to assess such claims. It was not possible to locate the exact criteria used by Capita.	
	Risk There could be inconsistency in authorising backdated claims if there is no policy or documented guidance in place.	

Management Response	Implementation Date
Recommendation is **Agreed** Working procedures will be circulated to all staff.	16th June 2008

2. Backdating Benefit Claims   (Low)

Recommendation	Rationale	Responsibility
Guidance is made available to members of the public via the Councils website in relation to the backdating of benefit claims.	**Best Practice** Members of the public should be aware of the services that the Council provides. **Findings** It was noted during the audit that there is guidance on backdated claims for claimants on South Oxfordshire District Council's website. There is no guidance in relation to backdated claims on the Vale of White Horse District Councils website. **Risk** A member of the public may not be aware of the service available without guidance being made available.	Benefits Manager

Management Response	Implementation Date
Recommendation is **Agreed** The website is being reviewed.	1st August 2008

3. Authorising Backdating Benefit Claims   (Medium)

Recommendation	Rationale	Responsibility
All backdated claims are authorised by the appropriate manager as stated by Capita. In addition, all evidence to support backdated claims is scanned onto EDMS	**Best Practice** Backdated claims should be authorised by an appropriate manager. **Findings** In one case there was no evidence to support the back dated claim on EDMS and in the four remaining cases, the	Benefits Manager

| prior to the claim being authorised by the manager. | backdating authorisation decision form was not signed by the Benefits Manager.

Risk
Inappropriate authorisation of back dated claims and there is a risk that an inaccurate assessment could be made. | |
|---|---|---|
| **Management Response** | | **Implementation Date** |
| Recommendation is **Agreed**
All claims within the sample were found to have the correct authorisation on EDMS. However, working procedures will be circulated to all staff. | | 16th June 2008 |

OVERPAYMENTS

4. Overpayment Calculation Verification   (Medium)

Recommendation	Rationale	Responsibility
The overpayments amounts as recorded on the change of circumstance forms should be checked to the amount recorded on Academy to ensure the amount is correct.	Best Practice
Manual calculations should be checked by an independent employee as any errors may go undetected. Manual and computer generated calculations should be reconciled.

Findings
Testing identified instances where the overpayment amount on the Change of Circumstances form varied from Academy records. This indicates that there is a potential for an error to be made.

Risk
Without accurate calculation, there is a risk that the Council may encounter financial loss and also may have difficulty in recovering the amounts involved. | Benefits Manager |
| **Management Response** | | **Implementation Date** |
| Recommendation is **Agreed**
All staff will be informed of the importance of cross checking manual records with Academy. | | Immediate |

5. Claimant Notification of Overpayment   (Medium)

Recommendation	Rationale	Responsibility
Working practices and procedures should be enhanced	Best Practice
A claimant should be notified of an overpayment, the overpayment	Benefits Manager

| to ensure that an overpayment letter is generated in all cases and the overpayment amount recorded on the letter is accurate. | amount should be accurate and the reason as to why the overpayment occurred should be included in the notification.

<u>Findings</u>
From the testing undertaken there was an instance where a notification letter was not generated and in 2 cases the overpayment amount appears to be inaccurate on the notification letter.

<u>Risk</u>
Without appropriate recording of details, there is a risk that the claimant is not notified of the overpayment resulting in difficulty in recovering the overpayment amount. The notification letter should also be an accurate reflection as to the transaction within Academy. | |

Management Response		**Implementation Date**
Recommendation is **Agreed** All staff will be informed of the importance of cross checking manual records with Academy.		Immediate

HOUSING SUBSIDY CLAIM

6. Classification of Cases   (Medium)

Recommendation	Rationale	Responsibility
All cases should be correctly classified in respect of the housing benefits subsidy claim.	<u>Best Practice</u> There should be correct classification of cases in respect of the Housing Subsidy Claim. <u>Findings</u> During the 2006/07 review by the Audit Commission, a number and a range of errors were identified relating to the classification of cases. There appears to be a mis-classification of an account identified during Internal Audit testing. Comments provided by Capita during the audit review suggest classification of cases may have been incorrect and thus subsidy may be affected. <u>Risk</u>	Benefits Manager

	Incorrect classification of cases may affect the subsidy such as qualification of the claim by the Audit Commission and also imposition of financial sanctions by the DWP.	
Management Response		**Implementation Date**
Recommendation is **Agreed** Using the sample cases a number of claims were showing the incorrect tenancy codes. This is currently being amended.		1st August 2008

REFUSE COLLECTION & STREET CLEANSING – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of Refuse Collection and Street Cleansing 2007/2008. The original fieldwork was undertaken in June 2007 and the final report was issued in July 2007. This report was issued on the 30th April 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made eight recommendations and eight were agreed. A satisfactory opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that three recommendations had been successfully implemented with a further five recommendations still ongoing.

3.2   A number of changes within the Waste Services Team have occurred that have impacted on the implementation of the recommendations made following the Refuse Collection and Street Cleansing 2007/208 audit. The Council Organisational Change team have stated that there will be no further development in the current CRM system and the Council is looking to source a replacement system in Autumn 2008. It is anticipated that improvements in the reporting arrangements will be generated from this system change and therefore should progress some of the ongoing recommendation to a satisfactory conclusion.

3.3   Internal Audit noted the five ongoing recommendations require input from other Service Areas and individuals. Waste Services is awaiting endorsement from the Senior Management Team of their service standards to ensure their standards are consistent with those of other service areas. In addition they are looking to engage further with the Communication Team to develop the facilities available through the website and publish their service standards. The Waste Services Manager is aware that a number of recommendations made require further effort to resolve satisfactorily.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.2	CONTRACT PROCEDURES				
5.2.8	It is recommended that random checks of cleanliness for A34 and A420 against the specified work programme should be undertaken by members of the waste team to ensure compliance to the terms of the fast road cleansing service contract.	Low	These are currently carried out during routine Technical Officer duties, but the findings are only documented if the standards are unacceptable. It is proposed that as part of the Joint Improvement Plan, a survey is carried out by Waste Team, Veolia and representatives of the Highways Agency to review accessibility and Health & Safety issues. This was intended to take place in July, but it has been agreed to delay until August by which time Veolia's new Street Cleaning Supervisor will be in post.	Waste Services Manager	31 Aug 07
			Follow Up Observations: The Waste Services Manager stated that cleanliness on the A34 and A420 has been suspended due to changes in regulations. He is currently investigating a new process which is compliant with the regulation and making the necessary price revisions before the service will commence. See emails to confirm. **Not Implemented: Revised Implementation Date: 31 Oct 2008**		
5.3	CONTRACT MONITORING				

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.3.5	It is recommended that the reporting facility contained within the CRM system should be reviewed by the Waste Management Team and the Organisational Change Manager to address the shortfall in reporting as identified by the Waste Management Team to enable reports to be produced that deliver improvements in the monitoring arrangements.	Medium	This will be discussed with the OSM in conjunction with other CRM issues arising from these reports, and a way forward agreed.	Waste Services Manager	30 Sept 07
			Follow Up Observations: Organisational Development has stated that there will be no further development in the CRM system; it will be superseded by another system in Autumn 2008, which is currently being commissioned by Organisational Dev. Waste services will review their processes to link in with the new system, to ensure better accountability and tracking facilities. However it should be noted that the current reports allow management to verify contractor claims and monitor performance on non collections. **Partly Implemented: Revised Implementation Date: 31 Oct 2008**		
5.4	CONTRACT PAYMENTS				
5.4.5	It is recommended that the statistics supplied by Oxfordshire County Council regarding the amount of waste sent to landfill and any statistics used for the calculation of the BVPI should be checked for accuracy by a second named officer to ensure discrepancies such as those identified during the course of this audit are corrected and the Council can	Medium	This will be done on a quarterly basis.	Waste Services Manager/Waste Services Co-ordinator	31 Aug 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	be confident that the published BVPI results are accurate.				
			Follow Up Observations:		
			This recommendation is further endorsed by the Oxfordshire County Council who undertakes audits to confirm statistics for landfill. Next audit due April 2008.		
			Implemented		
5.4.11	It is recommended that the Waste Services Manager should undertake Agresso training to enable him to commence budget monitoring of the waste services budget as soon as possible.	Medium	Agreed. As soon as reporting facility is available, training will be undertaken.	Waste Services Manager	31 Aug 07
			Follow Up Observations:		
			The Waste Services Manager has attended the appropriate Agresso training.		
			Implemented		
5.7	HEALTH AND SAFETY				

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.7.9	It is recommended that copy of the report arising from health and safety audit conducted by the Waste Services Manager and the Council' Health and Safety Officer should be forwarded to Internal Audit for retention and consideration as part of the next internal audit review of refuse collection and street cleansing.	Low	Agreed. Audit scheduled to start in August	Waste Services Manager/Health and Safety Adviser (Dick Powell)	31 Aug 07
			Follow Up Observations: Internal Audit obtained a copy of the draft health and safety report undertaken by the Councils Health and Safety adviser. The audit took place throughout Nov 07 to Jan 08. **Implemented**		
5.8	WEBSITE				
5.8.5	It is recommended that the Waste Services Manager should consider the option of introducing a "tick box" for further information which invites residents to register their email address onto the website. This could be used to deliver publicity and advertising material regarding waste services at minimum cost.	Low	Agreed. Consideration needs to be given to how the address list should be managed. Needs involvement of Communications Team.	Waste Services Co-ordinator /Communications Team	31 Oct 07
			Follow Up Observations: The Waste Services Manager is attempting to review this recommendation with the Council's Communications Team, still requires further discussions and some liaison with SODC to progress.		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Not Implemented: Revised Implementation Date: 31 Oct 2008		
5.8.7	It is recommended that service standards for waste should be made available in a leaflet format and distributed through the Council's local service points, and also distributed with any relevant correspondence generated by the waste services team.	Medium	Agreed, subject to corporate guidance in respect if publication.	Deputy Director Contract & Procurement/ Deputy Director (Organisational Development)	30 Sept 07
			Follow Up Observations:		
			Services Standards have been written, service standards are also in built into the current CRM system. Waste Management is awaiting endorsement of their service standards from SMT, The Organisational Change Manager confirmed that some revisions will be required to the core standards as agreed with SMT and it is anticipated that this will be undertaken in May-July 2008.		
			Partly Implemented: Revised Implementation Date: 31 Oct 2008		
5.8.8	It is recommended that service standards are published on the Council website as soon as possible.	Medium	Agreed, subject to corporate guidance in respect if publication	Deputy Director Contract & Procurement/ Deputy Director (Organisational Development	30 Sept 07
			Follow Up Observations:		
			See comments at 5.8.7. The Waste Services Manager also stated that the website is not functioning as it should, however officers are aware of the need to progress this.		
			Not Implemented: Revised Implementation Date: 31 Oct 2008		

RECYCLING – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of Recycling 2007/2008. The original fieldwork was undertaken in June 2007 and the final report was issued in July 2007. This report was issued on the 30th April 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made twelve recommendations and twelve were agreed. A satisfactory opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that five recommendations had been successfully implemented, two recommendations remain outstanding and a further five recommendations were ongoing.

3.2   A number of significant changes have occurred within the Waste Service Area which has impacted on the implementation of the recommendations. The Council took the decision in Autumn 2007 that no further developments will take place in the current CRM system, as the Council has stated that they are looking to purchase a replacement system which will be commissioned in Autumn 2008. This has resulted in stagnation in improving the reporting elements of the system which could have assisted Waste Services to improve the control arrangements regarding the brown bin scheme. However Internal Audit is fully supportive of Waste Services and their involvement in the procurement of a replacement system, which should ensure that controls relevant to the problem areas encountered by Waste Services are addressed with the replacement system. Therefore Internal Audit acknowledges that four recommendations remain ongoing.

3.3   Internal Audit acknowledges that the two recommendations which have not been implemented have arisen due to other priorities imposed on the Waste Service Manager; furthermore he recognises that the recommendations should both be progressed over the next few months alongside the implementation of the customer relationship software implementation.

3.4   Internal Audit has concluded the follow up review of Recycling and noted that a further audit review will be undertaken for the Brown Bin Scheme in April 2008.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.2	RECYCLING OPERATION				
5.2.9	It is recommended that the waste team should review of all the processes that feed into the CRM system to ensure the CRM system is being fully utilised by officers for input, monitoring and where necessary report purposes. This review should take place in conjunction with members of the Organisational Change service area and the Debtors service area to formulate a regular timetable for the production of reports with a view to improving the management arrangements.	Medium	A preliminary report specification, primarily to address the lack of information relating to brown bins, has been prepared. It has been forwarded to the Organisational Change Manager as a draft. Further discussions concerning feasibility to take place. Outcome to be determined by the action date.	Waste Services Manager	31 Aug 07
			Follow Up Observations: Organisational Development has stated that there will be no further development in the CRM system; it will be superseded by another system in Autumn 2008, which is currently being commissioned by Organisational Dev. Waste services will review their processes to link in with the new system, to ensure better accountability and tracking facilities. **Not Implemented: Revised Implementation date 31 Oct 2008**		
5.2.10	It is recommended that the current reports arising from the CRM system are reviewed to ensure they are still relevant in monitoring the control environment relating to the CRM system. Furthermore the waste team should develop the reporting facility through the CRM system	Medium	See 5.2.9 response above. Outcome to be determined by the action date.	Waste Services Manager	31 Aug 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	to assist with the control and reconciliation of income relating to the brown bin scheme.				
			Follow Up Observations:		
			The Waste Services Manager stated that invoices are now raised on the sundry debtors system; this enables generation of reports which denote outstanding debts and would evoke established recovery procedure. This became effective in Feb 2008. Evidence: Copies of emails		
			Implemented		
5.3	RECYCLING CREDITS				
5.3.9	It is recommended that the inspection visits to validate the weighbridge data should be reinstated as soon as possible. Thereafter consideration should be given annually as to whether the inspection arrangements are still appropriate.	Medium	These will be reinstated with immediate effect. Upon the appointment of the Senior Technical Officer, it is likely that this work will be undertaken by one of the Technical Officers in future.	Waste Services Manager	16 July 07
			Follow Up Observations:		
			Inspection visits have been reinstated. Evidence of inspection visit obtained from Waste services.		
			Implemented		
5.3.14	It is recommended that the waste team should investigate the anomaly identified by Internal Audit regarding the weight of composted waste declared for recycling credit purposes for January 2007 and make the necessary adjustments if appropriate. Furthermore Internal Audit recommends that a degree of monitoring	Medium	The Waste Strategy Co-ordinator will investigate and if the anomaly is significant, adjustments will be made. Future claims will be closely scrutinised before forwarding to OCC.	Waste Services Manager	1 Aug 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	is introduced to prevent the reoccurrence of this error.				
			Follow Up Observations: This was investigated and resolved and it was agreed that the difference was insignificant and therefore no alterations were made to the claim for recycling credits. **Implemented**		
5.5	BROWN BIN PROCEDURE				
5.5.9	Internal Audit recommends that the waste team should agree a procedure in the event of residents not paying for the brown bin service and would propose that consideration is given to the following: a. a second reminder should be issued promptly stating the bin will be collected if the fee remains unpaid after a further 14 days. b. Agree a procedure with Veolia for the retrieval of the brown bins for which the Waste team should maintain records to	Medium	Agreed. It is considered that this is a "back-office" Sundry Debtors/LSP function. This matter will be referred to Client Manager/Capita to facilitate a revised process for the recovery of debt and management information.	Waste Services Manager	30 Sept 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	enable the situation to be tracked, should they need to intervene. c. Agree a process if Veolia is unable to retrieve the bin and consider the use of DSO operatives with a technical officer attending to the retrieval. d. Consideration should be given whether invoices should be raised for a proportion of the year if the Council can establish whether residents have been using the brown bin without paying for the facility and whether this option is cost effective. e. The waste team should agree with Sundry Debtors the recovery process for customers who persist in not paying.				
			Follow Up Observations: This recommendation has been implemented for all renewals of brown bins, and will continue subject to the implementation of a revised CRM system which will be adopted Autumn 2008. **Implemented**		
5.5.12	It is recommended that the waste team should in conjunction with Organisational Development resolve the issues relevant to extracting information regarding unpaid fees for monitoring purposes. Thereafter the Waste team should monitor unpaid fees on a monthly basis to decide on the appropriate action to take.	Medium	Agreed See 5.5.9 above This matter will be referred to Client Manager/Capita/Organisational Development to facilitate a revised process for the recovery of debt and management information.	Waste Services Manager	31 Sept 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Follow Up Observations: The Waste Services Manager stated that the Tech Admin Asst is in discussion with Capita regarding the Aged Debt Report; currently the information is circulated to the Deputy Directors and is not always circulated to appropriate officers. This is still under review with the Waste Services Manager. **Partly Implemented: Revised Implementation date 31 Oct 2008**		
5.5.14	It is recommended that the brown bin leaflet should be reviewed to clarify the procedures to follow in the event that a brown bin is no longer required and furthermore could state the Council's policy with regards to the recovery of income for services provided.	Medium	Agreed. Sufficient leaflets have already been printed to meet current capacity, although a revised calendar to all members of the scheme will be issue in Nov. This will present an opportunity to address this recommendation.	Waste Services Co-ordinator & Waste Services Manager	3 Nov 07
			Follow Up Observations: The Waste Services Team is attempting to work with SODC on rebranding issues and this information will appear in the next waste leaflets. The Waste Services Manager also stated that the website is not functioning as it should, however officers are aware of the need to progress this. **Not Implemented: Revised Implementation Date 31 Oct 2008**		
5.5.17	It is recommended that the waste team should request information regarding the unpaid direct debit payments in a format that denotes name, address and brown bin reference which should enable the waste team to ascertain the location of the brown bin so recovery can	Medium	Agreed, This matter will be referred to Client Manager/Capita to facilitate a revised process for the recovery of debt and management information.	Waste Services Manager	30/9/07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	commence as soon as possible.				
			Follow Up Observations:		
			See also comments in 5.5.12, the use of the sundry debtors system automatically gives rise to a specified recovery procedure; however the aged debtors report covers all service areas and is cumbersome to use to regulate debts. The Waste Services Manager is endeavouring to resolve the issues around the aged debt report to facilitate a better monitoring process.		
			Partly Implemented: Revised Implementation date 31 Oct 2008		
5.5.20	It is recommended that members of the waste team should agree who is responsible for the generation of the spreadsheet downloads and specify a timetable for this to take place on a regular basis.	Low	This requirement should be superseded if the reports detailed in the draft specification are provided as per 5.2.9	Waste Services Manager	31 Aug 07
			Follow Up Observations:		
			The migration process for invoices to Sundry Debtors has resulted in this recommendation being superseded.		
			Implemented		
5.5.23	It is recommended that the staff resources allocated to waste administration should be reviewed with a view to ensuring that they are adequate and that staff resources are allocated to follow up the issues arising from reminders being sent out.	Medium	A permanent EH TAA has been appointed and she is undertaking some admin work on behalf of the Waste Team. The nature of this work will be documented so that expectations are clearly stated. The Technical Officers have been asked to undertake certain admin	Waste Services Manager	1 Sept 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			duties. It has been identified that some project-based work needs completing (eg update of procedures file). This work should be undertaken by the Waste Team's TAA and further consideration will be given to freeing up more of her time to enable this. One-off peaks of workload such as that generated when the replacement for green sacks is introduced will be tackled by using temporary staff as required. As part of the budget setting process, it was proposed to reduce the grade of the vacant Principal Waste Officer post and using the saving to fund an additional part-time admin resource. However, whilst the Strategic Director approved the downgrading of the post, he did not approve the creation of the part-time admin post.		
			Follow Up Observations: The Joint Procurement exercise has taken the Waste Services Manager away from his normal tasks; he has recently appointed an acting principal waste officer which has resulted in recruitment issues further down the chain. Joint working is proposed which has		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			impacted on recruiting to temporary positions. **Not Implemented: Revised Implementation Date 31 Oct 2008**		
5.6	MANAGEMENT INFORMATION				
5.6.12	It is recommended that the Communication Team should liaise with the waste management team to ensure the information contained within the Council Tax leaflet regarding assisted collections is comprehensive and accurate and agrees with the information on the website.	Low	Agreed	Waste Services Manager	1 Jan 08
			Follow Up Observations: The Waste Services Manager is attempting to review this recommendation with the Council's Communications Team. The Waste Services Manager is looking to target particular groups as part of the Equality focus; and as a development project arising from his service plan. **Not Implemented: Revised Implementation Date 31 Oct 2008**		
5.7	WEBSITE				
5.7.4	It is recommended that service standards regarding waste services are written and published as soon as possible.	Medium	Agreed, subject to corporate guidance.	Waste Services Manager	30/9/07
			Follow Up Observations: Services Standards have been written, service standards are also in built into the current CRM system. Waste Management is awaiting endorsement of their service standards from SMT, The Organisational Change Manager confirmed that some revisions will be required to the core standards as agreed with SMT and it is anticipated that this will be undertaken in May-July 2008.		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Partly Implemented: Revised Implementation date 31 Oct 2008		

EXCESS CHARGES – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of Excess Charges. The original fieldwork was undertaken in June 2007 and the final report was issued in September 2007. This report was issued on the 30th April 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made two recommendations and two were agreed. A good opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that both recommendations had been successfully implemented. Internal Audit established through discussions with the Car Park Manager and a review of the relevant documentation that implementation of the recommendations had been concluded within the timescale specified in the Action Plan.

3.2   Internal Audit has concluded that no further reviews will be conducted in this area as there are no outstanding recommendations.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.5	ACCESS TO AND INTEGRITY OF DATA				
5.5.10	As a safeguard and to provide better management control of the excess charge notice system, the computer system should be made to default after a set period of time if the user password is not changed.	Medium	The password's have now been set to default to change every month (31days) by the users. It will store 3 old passwords and will not permit the user to reuse them.	Car Parks Manager (BM)	August 2007
			Follow Up Observations: This change was requested directly after the audit review and the Software provider have instigated the necessary password changes. **Implemented**		
5.6	THE CORRECT CHARGING STRUCTURE				
5.6.5	To avoid giving inaccurate information the section on the Excess Charge Notice which states 'including VAT' should be corrected as these are 'outside of the scope'.	High	The ticket supplier (BemroseBooth) is due to visit at the end of August. For the next order, I will request a new plate for the excess charge tickets to be made, excluding the wording 'including VAT'. This will take several months to implement	Car Parks Manager (BM)	December 2007
			Follow Up Observations: The necessary changes have been completed by the Car Parks Manager. Copies of tickets were obtained by Internal Audit to support the ticket amendments. **Implemented**		

HEALTH AND SAFETY – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of Health and Safety 2007/2008. The original fieldwork was undertaken in June 2007 and the final report was issued in October 2007. This report was issued on the 30th April 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made seventeen recommendations and seventeen were agreed. A satisfactory opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that ten recommendations had been successfully implemented with a further seven recommendations still ongoing.

3.2   Internal Audit noted there have been significant developments in the arrangements relating to Health and Safety over the last year, these have served to improve the Council's approach to developing a robust health and safety culture throughout the Council. Health and Safety training is directed at key personnel and throughout 2008/2009 will cascade through all levels of personnel to ensure staff are well versed in their responsibilities in terms of health and safety.

3.3   Internal Audit acknowledges that seven recommendations remain ongoing as a result of other priorities imposed on the Head of Property Services and the Health and Safety Adviser. However a revised implementation date has been recorded against these recommendations. Internal Audit will continue to monitor the progress of the management actions against the ongoing recommendations.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.1	PREVIOUS AUDIT RECOMMENDATIONS				
5.1.7	It is recommended that the Health and Safety Adviser should liaise with the Head of Property Services to assist with the implementation of the actions arising from the 2004/05 audit of health and safety. Furthermore he should also endeavour to develop a more active role in assisting service areas to improve the monitoring arrangements for health and safety throughout the Council.	Medium	The plan was produced for the former Technical Services Division which now no longer exists. The Head of Property Services and the Health and Safety Adviser will meet shortly to discuss the outstanding issues especially the processing of inspection and monitoring reports, and where in one case anyway there has been a change in regulation. The Safety Action Plan for 2007/8, which has been prepared by the Safety Action Group and approved by the Health and Safety Review Board, sets out a programme of objectives for all service areas, including enhanced monitoring of all contracted services. The Health and Safety Adviser will monitor progress with these objectives for the HSRB and prepare an annual report on Health and Safety for public consumption.	Health and Safety Adviser	09/07 (Meeting), and 05/08 (Annual Report)
			Follow Up Observations: The Health and Safety Adviser stated that discussions have taken place with H&S Management Group and they have agreed that the		

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			appropriate recommendations will be carried forward, the remaining have been superseded and bear no relevance to existing structure or policies. **Implemented**		
5.2	HEALTH AND SAFETY POLICY				
5.2.10	It is recommended that the Safety Action Group should review its membership to ensure that all service areas have the necessary representation on the Safety Action Group to ensure effective lines of communication are maintained to all staff.	Medium	This item has been referred to the agenda of the next meeting of SAG on 7 September 2007.	Health and Safety Adviser	Complete
			Follow Up Observations: Head of Legal Services, Head of Democratic Services, Ridgeway SSP Joint of Head of Finance and Head of Asset Management are now all included in the membership of the Safety Action Group. See minutes of 21/1/08. **Implemented**		
5.2.11	It is recommended that the Safety Action Group should clarify the health and safety position with regards to the shared service arrangements (for both VWHDC and Capita employees) to ensure all personnel are advised and kept informed	Medium	As 5.2.10	Safety Action Group	07/09

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	of their health and safety responsibilities.				
			Follow Up Observations: See above response at 5.2.10 **Implemented**		
5.3	HEALTH & SAFETY at WORK ACT				

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5.3.10	It is recommended that the Health and Safety Adviser should assess service areas that are required to complete a wide range of risk assessment to assess the need for further training.	Medium	Risk assessment training occurred in February 2007. The training given in risk assessment stressed that where managers do not feel competent to undertake an assessment, they should refer the matter to the Health and Safety Adviser. The evidence is this seems to be happening and the HSA has received a number of referrals already. Hopefully training in Health and Safety (see 5.5) would further reduce the need for referrals. An improvement plan has been drawn up by the SAG and taken forward by Deputy Directors in their service plans to ensure these assessments are written by December 2007. This will be monitored by the SAG. Officers have been subsequently reminded that further assistance can be sought from the HSA. This has been underpinned by the production of generic templates to assist in risk assessment completion. There is scope to examine the role that Administration can play in monitoring the completion of this	Line managers and Health and Safety Adviser	Ongoing

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			exercise.		
			Follow Up Observations: The H&S adviser stated that further guidance has been given, generic template has been produced for selective areas: eg: office risk, lone working. Moving forward the H&S adviser will undertake audits of risk assessments to ensure that risk assessment are appropriate, this is contained within the H&S adviser personal action plan. **Implemented**		
5.3.16	It is recommended that the Health and Safety Adviser in conjunction with the human resources service area should introduce measures to monitor the completion and retention of health and safety risk assessments.	Medium	The Health and Safety Review Board have asked for "cast iron" assurances that all service areas will have (substantially) completed their risk assessments by the end of this calendar year. The HSA will maintain a register centrally of all assessments Refer to comments made above in 5.3.10.	Health and Safety Adviser	Ongoing

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Follow Up Observations: A register has been established to monitor the completion of health and safety risk assessments. Further analysis of the register will commence in Autumn 2008 to ascertain areas where further assistance may be required. **Implemented**		
5.3.17	It is recommended that the Health and Safety Adviser should undertake periodic audits of the risk assessment process including the inspection of risk assessment documentation to ensure Service Areas are reviewing risk assessment regularly to keep them valid and up to date.	Medium	Agreed. The Health and Safety Adviser will include a topic audit of risk assessment in his work programme for all subsequent years. To draw up the Health and Safety audit plan to include risk assessment review.	Health and Safety Adviser	March 2008
			Follow Up Observations: Moving forward the H&S adviser will undertake audits of risk assessments to ensure that risk assessment are appropriate, this is contained within the H&S adviser personal action plan. The H&S action group have formulated a listing of issues identified as in need of resolution in order to take risk assessment forward. **Implemented**		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.3.19	It is recommended that the Health and Safety Adviser should remind all service areas of the need to include health and safety in their respective service plan, thus ensuring that health and safety maintains a high profile within the Council.	Medium	Agreed. The Health and Safety Adviser prompted the Safety Action Group to prepare an action plan for safety for 2007/8 which has been approved and the relevant parts incorporated in local service plans. Delivery of the actions will be monitored by the HSRB and SAG. To be a standing item on each SAG.	Health and Safety Adviser	From now onwards
			Follow Up Observations: Internal Audit confirmed that action plans exist for 2007/08 and 2008/09, the action plan form part of the discussions of the Safety Action Group and improvements are reported through this mechanism. **Implemented**		
5.4	INCIDENT REPORTING ARRANGEMENTS				
5.4.5	It is recommended that the Head of Asset Management should attend meetings of the Safety Action Group to improve the line of communications to officers with the responsibility for health and safety. Issues arising from the review of incident reports and insurance claims can be reported through this mechanism and communicated throughout the Council if considered appropriate**.**	Medium	The issue will be discussed by the Safety Action Group at its' next meeting (see 5.2.10)	Safety Action Group	Sept 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Follow Up Observations: The Head of Asset Management attends meeting of the safety action group. See evidence provided for 5.3.19. **Implemented**		
5.5	TRAINING & STAFF AWARENESS				
5.5.7	It is recommended that the training matrices used to record staff health and safety training needs should also record a review date which denotes when staff are due for refresher training to demonstrate that their skills regarding health & safety is continually being refreshed and updated.	Medium	Where there is a statutory requirement to re-train this is already done e.g. first aid, HGV driving. Where there is a change in the regulatory environment e.g. the new CDM regulations than any necessary training is arranged for officers at the instigation of their head of service or the HSA. The implementation of a competency based approach to training and development will include training matrices. Review dates for refresher training is intrinsic to this process.	Deputy Director (Organisational Development and Support)	31.3.08
			Follow Up Observations: Deputy Director (Organisational Development and Support) is working with members on a proposed framework for a suitable scheme to address competency. A timetable has been drafted, the competency will include H&S and it is anticipated that the HR pro system will be used as a self service module to request the appropriate training. **Partly Implemented: Revised Implementation date: 31 October**		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			2008		
5.5.10	It is recommended that Human Resources should alert new officers and officers changing jobs and taking on extra responsibilities, of their responsibility in terms of Health and Safety at Work to encourage officers to take an active role regarding the maintenance of a robust health and safety environment. Furthermore the induction programme could be elaborated to incorporate a greater element of health and safety for new recruits and/ or for officer changing jobs.	Medium	There is already some guidance on the Intranet as to what induction could embrace, at least in terms of Health and Safety. This will be reviewed and strengthened where appropriate and the profile raised by tabling at the Safety Action Group. The induction process is presently being reviewed by HR. See 5.5.7 above.	Safety Action Group, and HR Manager	Sept. '07, (Safety Action Group), and completed (induction guidance)
			Follow Up Observations:		
			The Team Leader (HR) stated that some modifications have been made to the induction process to alert employees to Health and Safety. A programme of training commenced in Nov 2006 for the Councils senior management team and a further 12 line managers have attended the appropriate H&S training, Subject to a review of the training, this training will cascade down to all personnel. **Partly Implemented: Revised Implementation date: 31 October 2008**		
5.6	PROCEDURE MANUALS				
5.6.6	It is recommended that officers should be reminded of the need to ensure their service areas have adequate procedures which incorporate their health and safety needs. Furthermore procedures should	Medium	Agreed. Procedures for Health and Safety can only follow from suitable and sufficient risk assessments, the	Health & Safety Adviser via SAG Line Manager	From March 2008

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	be reviewed on a regular basis to ensure they are kept up to date and reflect any changes that may have occurred.		completion of which is a necessary pre-condition of their preparation. They would probably not be appropriate in all instances, only where the assessment was unduly complicated and could not be readily understood by the Officer. Add this requirement to Health & Safety Improvement pan for 08/09 and review progress at each SAG.		
			Follow Up Observations: The Health and Safety adviser and DD (Organisational Dev and Support) have produced a health and safety action listing for Deputy Directors to follow, this clearly states the action required of them and their responsibilities. In addition the checklist is discussed at the Safety Action Group meetings. **Implemented**		
5.7	INSPECTIONS & AUDITS				

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.7.3	It is recommended that service areas should be reminded of the need to carry out and record periodic health and safety inspections.	Medium	Agreed. The Health and Safety Policy places responsibility for inspection on the Head of Service Area. This work is often integrated into the Property Surveyor's inspections of physical conditions, the frequency of which is set by a risk based approach to those conditions. If more frequent inspections are necessary, then the Deputy Directors will need to make alternative arrangements. To review with DDs at SAG. To incorporate within HSA's annual review of risk assessments, see 5.3.17 above.	Health & Safety Adviser via SAG Deputy Directors	December 2007 From March 2008
			Follow Up Observations: The H&S adviser states that health and safety inspections are discussed at the safety action group meetings on a regular basis. See SAG agenda. **Partly Implemented: Revised Implementation date: 31 October 2008**		
5.7.10	It is recommended that the issues identified as a result of the property Surveyor's inspection that are the responsibility of the service area, should be monitored by the appropriate line manager.	Medium	Agreed. This process should be reviewed at the next SAG.	Head of Property Services via SAG.	December 2007

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Follow Up Observations:		
			The Head of Property Services stated that the recommendation has been implemented; however he will send a reminder to line manager to ensure that monitoring arrangements continue.		
			Implemented		
5.7.14	It is recommended that Property Services should review the job registration and risk assessment processes that are in place**.**	Medium	Agreed. Property Services has adopted a risk based approach, but will review this in the context of existing resources and being mindful of the general impact on the Council as a whole.	Head of Property Services	March 2008
			Follow Up Observations:		
			The Head of Property Services will supply evidence to confirm that a risk based approach is being adopted, in addition consideration will be given to the generic application of the job registration and risk assessment form.		
			Not Implemented: Revised Implementation date: 31 October 2008		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.7.17	It is recommended that the Health and Safety Adviser and the Head of Property Services should liaise to introduce procedures whereby insurance documentation for contractors are reviewed on an annual basis. Furthermore contractors should be advised that they are required to alert the Council to any changes which will impact on the capacity to deliver services to the Council.	Low	Currently insurance documentation is checked, along with other Health and Safety information, when contractors are accepted (or otherwise) onto the council's approved list. The possibility and benefit of insisting on an annual submission will be discussed at the Safety Action Group. A review will be conducted examining how this administrative process could be conducted on a corporate basis.	Health & Safety Adviser via SAG Head of Property Services	December 2007 March 2008
			Follow Up Observations: A copy of an email sent by the Head of Property Services to the Health and Safety adviser to arrange a meeting to discuss the recommendation was sent during the course of this audit. **Partly Implemented: Revised Implementation date: 31 Oct 2008**		
5.7.21	It is recommended that Property and Estates in conjunction with the Council's Health and Safety Adviser should consider the possibility of developing partnership arrangements with a range of local businesses who can demonstrate effective and robust health and safety arrangements which are compliant with that of the Council.	Low	Agreed. This approach is now followed by many organisations and has the advantages of greater resilience in the undertaking of the work and the potential to achieve higher levels of safety performance.	For discussion at the Health and Safety Review Board	November 2007
			Follow Up Observations: See comments above at 5.7.17		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Partly Implemented: Revised Implementation Date: 31 Oct 2008		
5.7.23	It is recommended that the Contracts and Procurement service area should maintain the Contractors listing for large value works and contractors to ensure that the appropriate companies undergo regular audits and inspection to comply with the appropriate health and safety regulations.	Medium	The Procurement Strategy and Plan, which is shortly to go to the Executive, includes reference to an approved supplier list, which is something the Council should have for contractors carrying out safety related works and services. Investigation of implementation and maintenance of this list.	Deputy Director Contracts and Procurement	March 2008
			Follow Up Observations: The Deputy Director (Contracts and Procurement) stated that this recommendation will be implemented as part of the Action plan that accompanies the Procurement Strategy, work on this has only recently commenced. **Not Implemented: Revised Implementation Date: 31 Oct 2008**		

INSURANCE – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of Insurance 2007/2008. The original fieldwork was undertaken in July 2007 and the final report was issued in September 2007. This report was issued on the 30th April 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made five recommendations and five were agreed. A satisfactory opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that one recommendation had been successfully implemented with a further four recommendations remaining ongoing.

3.2   Internal Audit has concluded that the significant delay in undertaking the restructuring of Accountancy has impacted on the capacity to implement the recommendations arising from the 2007/2008 audit review. Internal Audit anticipates that the recommendations will be considered for relevance and implementation following this review to enable Internal Audit to accurately report the status of recommendations to the Audit and Governance Committee.

3.3   Internal Audit will continue to monitor the progress of the management actions against the ongoing recommendations.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
4.1	Previous Audit Recommendations				
4.1.4	The agreed recommendations made in the previous audit report which remain outstanding and are still relevant should be reviewed and where appropriate implemented.	Medium	Agreed.	Principal Technical Accountant/Ridgeway SSP Joint Head of Finance	To be reviewed Jan 2008 after restructuring of joint accountancy service completed
			Follow Up Observations:		
			The implementation of this recommendation has been significantly delayed due to the restructuring arrangements not being implemented until January 2008 and other factors such as staff sickness and work pressures. The Head of Asset Management proposes to review the outstanding recommendation from the 2003/04 audit review by Dec 2008.		
			Not Implemented: Revised Implementation Date: 31 Dec 2008		
4.2	The Council Has Identified and Regularly Reviews Key Risks				
4.2.6	The Head of Asset Management should resume attendance at the Safety Review Board and Safety Action Group. Internal Audit considers that attendance at these meetings would provide a forum for discussions with various disciplines	Medium	Head of Asset Management has never attended these meetings. Not convinced worthwhile and may be sufficient to review minutes and raise any issues arising from claims with officers	Principal Technical Accountant/ Ridgeway SSP Joint Head of Finance	.

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	throughout the authority, which may highlight areas of risk thereby enabling the Head of Asset Management to make a judgement as to whether any of these risks require corrective action to comply with the Insurers policy terms and conditions.		responsible, as at present. In general, risks raised by Board and Group do not affect insurance cover.		
			Follow Up Observations: This recommendation was not agreed, however the Head of Asset Management has suggested that this could be reviewed after restructuring of joint accountancy service is completed. **Not Implemented: Revised Implementation date 31st Dec 2008**		
4.3	Insurance Policies Are Regularly Reviewed to Ensure That They Are Appropriate				
4.3.7	The situation of the Fidelity Guarantee for designated officers recorded on the Vale of White Horse District Council policy who have recently changed employers to South Oxfordshire District Council under the shared service agreement should be discussed and determined with the Council's Insurers to ensure that both Council's have adequate cover for these staff.	High	Fidelity Guarantee covers posts not named officers so should not matter who employs post holder.	Principal Technical Accountant/ Ridgeway SSP Joint Head of Finance	To be reviewed Jan 2008 after restructuring of joint accountancy service completed.
			Follow Up Observations: The implementation of this recommendation has been significantly delayed due to the restructuring arrangements not being implemented until January 2008 and other factors such as staff sickness and work pressures. The Head of Asset Management		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			proposes to review the outstanding recommendation by Dec 2008. **Not Implemented: Revised Implementation date: 31 Dec 2008**		
4.3.9	The Head of Asset Management should seek clarification from the Council's Insurer's in regard to 'Works in Progress' cover for contractors carrying out work on behalf of the Council.	Medium	My understanding has always been that any claim on the Council because not covered by a contractor would be met by our (very wide ranging) casualty cover. Will check.	Principal Technical Accountant	End December 2007
			Follow Up Observations: The Head of Asset Management has stated that clarification was received which confirmed that the required cover was in place for contractors, the scope of the Council insurance provides cover for third part liability. **Implemented**		
4.9	International Standards Organisation ISO				
4.9.2	Should the Ridgeway Shared Service Partnership wish to continue with the Internal Standards Organisation (ISO) registration there is a need to review and amend the current documentation, and for this to be amended to reflect the changes under this agreement, and any changes that have taken place since these were last reviewed in May 2003.	Low	Part of whole consideration of ISO registration under shared service.	Ridgeway SSP Joint Head of Finance	To be reviewed Jan 2008 after restructuring of joint accountancy

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
					service completed.
			Follow Up Observations: The implementation of this recommendation has been significantly delayed due to the restructuring arrangements not being implemented until January 2008 and other factors such as staff sickness and work pressures. The Head of Asset Management proposes to review the outstanding recommendation by Dec 2008. **Not Implemented: Revised implementation date: 31 Dec 2008**		

CASH – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of Cash 2007/2008. The original fieldwork was undertaken in May 2007 and the final report was issued in August 2007. This report was issued on the 1st May 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made 23 recommendations which related to a number of service areas. These recommendations have been assessed and a decision has been made 14 recommendations will be reviewed as part of specific auditable areas within the 2008/2009 plan. A satisfactory opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that of the remaining 9 relevant recommendations, 7 recommendations had been successfully implemented with 2 noted as not implemented.

3.2   The Strategic Director has given an undertaking to draft a corporate Refund Policy in response to two of the recommendations and a revised completion date has been agreed for 30 June 2008. The Head of Legal Services has also stated that following the outcome of the consultation exercise regarding changes for Property Search Services that consideration will be given to whether this recommendation is still relevant. A revised implementation date of 31 October 2008 has been stated for review purposes.

3.3   Internal Audit will continue to monitor the progress of the management actions against the ongoing recommendations.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.1	PREVIOUS AUDIT RECOMMENDATIONS				
5.1.4	Consideration should be given to a further review and potential implementation of the recommendations made in the previous audit report as these remain, in the opinion of Internal audit, beneficial to the provision of the service that the Council provide to its staff and customers.	Medium	Agreed but not high priority at moment.	Head of Accountancy Joint Head of Finance Ridgeway SSP Strategic Director AF/WJ/SB	1 January 2008
			Follow Up Observations:		
			These recommendations will be reviewed under the following review: Internal Recharges Review, Budgetary Control Review and Income Arrangements Review.		
5.2	FEES and CHARGES				
	Local Land Charges				
5.2.4 a)	The amount contained with in the schedule of fees and charges for Personal Searches should be amended on the next publication to reflect the legislative figure.	Medium	The information on the website is already correct but a reminder will be sent to accountancy that this is a statutory figure which cannot be changed by the District.	Senior Legal Officer (SC)	By 7 August 2007
b)	A review of fees and charges for the services provided by Local Land Charges should be undertaken, including bench marking with other local authorities to	Medium	A benchmarking exercise should be undertaken but based on the experience of other authorities this is unlikely to result in an overall increase in revenue rather a	Senior legal Officer (SC)	31 March 2008

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	ascertain if extra revenue could be achieved from an increase in fees for particular services.		redistribution of charging for particular services.		
			Follow Up Observations: a) **Implemented** b) **Not Implemented**: The Head of Legal Services is awaiting the outcome of the DCLG & Ministry of Justice Consultation Paper (Jan 2008) relating to Local authority Property Search Services: Changes for Property Search Services, response is anticipated by 18 April 2008. Revised implementation date: 31 Oct 2008		
	Pest Control				
5.2.6 a) b) c) d)	The four missing receipt books should be found. Receipts should be issued and used in sequence. The operative/s should be issued with no more that two receipt books at a time; one in current use and one as back-up.	Medium	Extended search made – 2 books found (I used, I in Use) To check with retired PCO for 2 missing books. Agreed. Pest Control Officers informed verbally, will be confirmed in writing. Due to 2 PCOs some out of sequence will occur within team. Agreed - Pest Control Officers informed, will, be confirmed in writing. Agreed – Administration.	Principal Environmental Health Officer (LEP) Principal Environmental Health Officer (LEP) Principal Environmental Health Officer (LEP) Head of Administration (ER)	Immediate 10/8/07 10/8/07 19/7/07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
e) f)	A job number should be included on the receipt to enable verification that all requests for work have been undertaken and payment received for these. Income should be banked promptly and in total. Reconciliation of manual receipts to banking, cash office receipt and budget entries should be undertaken at regular intervals by an independent officer in the service area.		Agreed – payment form to be altered to include column for Job number. Pest Control Officers informed to bank a.s.a.p. and to not separate cash and cheque payments to go on same payment sheet. To confirm in writing. Monthly monitoring by Principal Environmental Health Officer (PEHO)	Principal Environmental Health Officer (LEP) Principal Environmental Health Officer (LEP) Principal Environmental Health Officer (LEP)	Immediate 10/8/07 31/8/07
			Follow Up Observations: a) Books were returned to Admin, Internal Audit confirmed with Admin that books were in their possession. b) The Principal Environmental Health Officer stated that revised guidance has been issued to Pest Control Officers. c) The Head of Administration stated that this recommendation is being complied with. d) A job number is now included on the record of banking sheet. e) Internal Audit confirmed that banking of income is taking place on a more frequent basis than the previous monthly deposits identified from the audit review. f) The Principal Environmental Health Officer stated that the recording of the job number on all documentation assists with the		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			reconciliation process. **Implemented**		
	Taxi Licensing				
5.2.8 a)	The manual receipt books issued to the previous officer in charge of taxi licensing should be traced in order that income taken via this method can be verified.	Medium	Old receipt books (oldest 2004) retuned to Administration.	Principal Licensing Officer (ND)	7/8/07
b)	Fees and charges should be checked for accuracy before and after publication with any anomalies reported immediately to accountancy. As an incorrect charges could result in the expected amount of income not being achieved.		The fees regarding the CRB is set by the Government Agency, we have no control when these changes to fees occur. Regarding the increase in the garage fees regarding predicted and expected income, there is no increased income as the garage invoice the council the revised fee, which is then passed on directly to the licence holder (no monetary gain). However fees will be checked more stringently.		
			Follow Up Observations: These recommendations will be reviewed under the following review: Licensing Review.		
	Community Taxation				

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.2.16 a)	A decision should be made on the level of charges for court summons, liability orders and warrants and this information made available on the council's web-site.	Medium	Community Taxation (PH)	**Audit Note:** Still awaiting response from Capita	
b)	A formal work practice and procedure should be agreed between the Vale of White Horse District Council and CAPITA covering circumstances where the payment of an outstanding council tax debit is received at the court from the defaulter following the hearing and the judgement.		Community Taxation (PH)	**Audit Note:** Still awaiting response from Capita	
			Follow Up Observations: These recommendations will be reviewed under the following review: 2008/2009 Council Tax Review.		
	Overview				
5.2.21 a)	Staff with responsibility for accepting income on behalf of the council should be clear on their duties and accountability when assigned these roles.	Medium	Agreed. Talks on budgets etc have been provided.	Acting Head of Accountancy (AF)	July 07
b)	Reference should be made to financial regulations for all staff who are involved in financial transactions to ensure that they are fully aware of all aspects of their duties in this area in particular; income		Agreed. Talks on Budgets etc have been provided. Plus guidance notes are to be put on intranet.	Acting Head of Accountancy (AF)	July 07

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	being banked promptly, completely, for the correct amount and reconciled.				
c)	The issue of manual receipt books should be restricted to the service areas where permission was granted by the Director of Corporate Resources to maintain this facility.		Agreed.	Head of Administration (ER)	19/7/07
d)	Consideration should be given revising the system for the issue and control of official receipts whereby officers return completed receipt books before a new one is issued. This would give better control over the system and procedures and achieve a more managed process.		Agreed. Will Internal Audit e-mail the instruction to users? Actioned	Head of Administration (ER) Internal Audit (MG)	19/07/07
			Follow Up Observations: These recommendations will be reviewed under the following review: 2008/09 Income Arrangements review, 2008/09 General Ledger Audit.		
5.4	NIL BALANCES				

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.4.5 a) b)	A review should be undertaken of the way in which the income budgets are set to ensure expected revenue is set realistically. Income due regularly from other authorities/sources should be monitored to ensure that it is received on its due date to ensure that the Council obtains full advantage from these funds.	Medium	Agreed. Will do at budget time. Agreed. Should be done monthly. Large sums are noted via T, maintenance process. Agreed.	Acting Head of Accountancy (AF) Acting Head of Accountancy (AF) Waste Services Manager	1 Dec 07 Immediate
			Follow Up Observations: These recommendations will be reviewed under the following review: 2008/09 Budgetary Control Review		
5.4.7 a) b)	There should be a formal arrangement with the council's contractor for the collection of revenue from public conveniences. This should stipulate the terms and conditions including; the collection, banking, management information and any provisions which apply to the service. This should be by means of a short contract or letters of agreement/appointment which should be arranged by Legal Services. A more robust system of monitoring income form this source should be set in	Medium	Have contacted JC De Caux to ask for appropriate standard documentation. Involvement of Legal Services Probably not necessary due to relatively low-level nature. Payment claims will be reconciled against usage readings.	Waste Services Manager and The Head of Property Services Waste Services Manager	1 Oct 07 Next Payment date

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
	place.			and The Head of Property Services	
			Follow Up Observations: These recommendations will be reviewed under the following review: Environmental Services Review.		
5.5	CANCELLATIONS and REFUNDS				
5.5.7	To provide conformity across all service areas of the Council a corporate policy for refunds and cancellations of transactions should be agreed and implemented. The policy should provide guidance notes on the operation of the scheme and official documentation for use on such transactions.	Medium	Agreed. Could use the best of existing informal policies. Some one needs to lead on this. Cash would suggest a joint effort by Cash Office – Abingdon Local Service Point and Accountancy. Happy to take part.	Head of Accountancy Joint Head of Finance Ridgeway SSP Strategic Director	1 January 2008
			Follow Up Observations: The Strategic Director has stated that he will take responsibility for the implementation of this recommendation and has requested an extension to 30 June 2008 to facilitate the completion of the Refund policy. **Not Implemented: Revised Implementation date: 30 June 2008**		

ENVIRONMENTAL PROTECTION – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from Internal Audit's follow-up review of Environmental Protection 2007/2008. The original fieldwork was undertaken in August 2007 and the final report was issued in October 2007. This report was issued on the 10th June 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made four recommendations and four were agreed. A Good (Full) opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that three of the four recommendations have been successfully implemented, with one recommendation having been partly implemented.

3.2   Internal Audit acknowledges that progress to date on the Uniform system has been limited partly due to resources issues, and the report writing module not delivering the expected performance reports as expected. However the Team Leader (Environmental Health) considers there is further scope to deliver improvement in the Uniform system which requires involvement from another service area. Discussions are currently taking place as to how ICT can assist with this issue.

3.3   Internal Audit will continue to monitor the management response to the implementation of the recommendation concerning the Uniform system in six months time.

4. ACKNOWLEDGEMENTS

4.1   Internal Audit would like to take this opportunity to thank all staff involved for their assistance with the follow-up audit.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.3	NOISE NUISANCE AND ABATEMENT NOTICES				
5.3.4	The Team Leader (Environmental Protection) continues liaise and negotiate a way forward with the Property Data Manager with a view to resolving the situation with Uniform to enable the system to be fully functional so as to meet all of the requirements of the service.	Medium	Environmental Health Service has already purchased a "report writer" programme from CAPS Solutions Ltd. as a general report writing tool to enable performance reporting, which is the main issue. Managers have also had some initial training. However, some technical difficulties have been encountered which are due to it being a new product and requiring further input from CAPS Ltd. In the meantime the system administrator is preparing some access reports as a "work around". It is anticipated these problems should be resolved by the end of the financial year resulting in a suite of performance management reports.	Team Leader Environmental Protection. (PL)	31.3.2008
			Follow Up Observations: The Team Leader (Env Health) stated that progress to date on the implementation of this recommendation has been limited partly due to resource issues, and the report writing module not delivering the expected performance reports as expected. The Team Leader (Env. Health) stated that there is scope to further progress the implementation of this recommendation and Internal Audit will review management response for the implementation of this recommendation in six months.		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Partly Implemented **Revised Implementation Date: 5 Dec 2008**		
5.4	FIXED PENALTY NOTICES				
5.4.6 a	The cash office receipt number and the figure of the amount paid should be included on the monitoring schedule of Fixed Penalty Notices.	Low	The monitoring schedule will be revised to take account of this requirement.	Team Leader Environmental Protection. (PL)	30.11.2007
b	Spoilt Fixed Penalty Notices should be recorded on the schedule as this would provide a full management/audit trail.		The monitoring schedule will be revised to take account of this requirement.		
c	Where a Fixed Penalty Notices is not issued, all three copies should be retained.		The fixed penalty notice procedure will be amended to highlight this requirement.		
			Follow Up Observations: Internal Audit was able to confirm that Env Health has implemented the recommendation and are now recording the cash office receipt number against the appropriate fixed penalty notice, a schedule of issue of the fixed penalty notice books are also being retained. Internal Audit acquired evidence to support the above changes.		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Implemented		

SOLL LEISURE CONTRACT – FOLLOW UP 2007/2008

1. INTRODUCTION

1.1   This report details the findings from Internal Audit's follow-up review of the SOLL Leisure Contract 2007/2008. The original fieldwork was undertaken in August 2007 and the final report was issued in November 2007. This report was issued on the 10th June 2008.

2. INITIAL AUDIT FINDINGS

2.1   The final report made six recommendations and six were agreed. A satisfactory opinion was issued.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that all six recommendations have been successfully implemented within the specified timetable.

3.2   The appointment of a monitoring officer has served to improve the regularity of the monitoring inspections which have incorporated the recommendations arising from the Internal Audit review of the monitoring arrangements. Adequate monitoring arrangements for health and safety, staff qualification and CRB checks have been imposed to provide the Council with assurance that the leisure services contract is being delivery in accordance with the specification of the contract.

3.3   Internal Audit can confirm a further review of the Soll Leisure Contract will be undertaken in 2008/2009 as part of the 2008/2009 Internal Audit Plan.

4. ACKNOWLEDGEMENTS

4.1   Internal Audit would like to take this opportunity to thank all staff involved for their assistance with the follow-up audit.

FOLLOW-UP OBSERVATIONS

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.1	**ADHERENCE TO CONTRACT TERMS**				
5.1.22	It is recommended that the Leisure Facilities Manager should undertake an annual review of the insurance documentation relating to the public liability insurance for the leisure facilities within their jurisdiction.	Medium	**Agreed** **Will be done as part of the routine monitoring once monitoring officer is appointed.**	**Monitoring Officer**	**30 April 2008**
			Follow Up Observations: Internal Audit was advised by the Leisure Facilities Manager that the insurance information will be checked at one of the forthcoming monitoring inspections undertaken by the Leisure Facilities Manager or the Monitoring officer in this year. **Implemented**		
5.2	**MONITORING INFORMATION**				
5.2.7	It is recommended that a timetable for regular monitoring inspection visits is adopted as soon as possible and that officers should attempt to adhere to the inspection timetable thereafter.	Medium	**Agreed, on the appointment of the monitoring officer.**	**Monitoring Officer**	**30 April 2008**
			Follow Up Observations: A monitoring officer has been appointed and inspections are taking place on a regular basis for each site, Copies of inspection reports were given to Internal Audit for retention. **Implemented**		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
5.2.13	It is recommended that the Leisure Facilities Manager should undertake checks for and ensure that adequate evidence is provided by the Contractor on a regular basis to assure the Council that the terms of the contract regarding assurance (e.g.: staff qualifications, training etc) are being adhered to.	Medium	**Agreed.** **Currently this is undertaken very irregularly. Until a monitoring officer is in place this situation will continue.**	**Monitoring Officer**	**30 April 2008**
			Follow Up Observations: Regular inspections are occurring which include specific health and safety, staff qualification and training reviews. Last inspection took place in March 2008. Electronic copies of the inspection reports were given to Internal Audit to confirm that inspections are taking place as required. **Implemented**		
5.4	**COMMENTS AND COMPLAINTS – SITE VISIT**				
5.4.7	It is recommended that the Contracts and Procurement service area should explore whether funding could be made available through the Council's Section 106 arrangement to improve, expand and develop the facilities already present at Wantage Leisure Centre.	Low	**Agreed.** **Already under consideration with colleagues in planning.**	**Deputy Director Contracts & Procurement.**	**31 January 2008**
			Follow Up Observations: The Leisure Facilities Manager stated that approximately 28K has been obtained from Section 106 agreement for improvements at Wantage Leisure Centre. Internal Audit obtained the relevant documentation to confirm this situation.		

REPORT WP REF.	INTERNAL AUDIT RECOMMENDATION	RISK RATING H/M/L	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	ACTION DATE
			Implemented		
5.4.10	It is recommended that the Leisure Facilities Manager undertake a periodic reconciliation of the lists of staff to police checks undertaken to ensure that no employees involved with children and vulnerable members of the public are missed.	Medium	**Agreed.** **Will be undertaken when monitoring officer is in place.**	**Monitoring Officer**	**30 April 2008**
			Follow Up Observations: The Leisure Facilities Manager stated that CRB checks took place in March 2008, and future sample checks are incorporated into the monitoring officer inspection timetable. **Implemented**		
5.5	**HEALTH and SAFETY**				
5.5.7	It is recommended that the Leisure Facilities Manager should request a copy of the external Health and Safety report regarding the respective leisure facilities to assist him in the development of the risk based health and safety inspections programme. The implementation of the revised health and safety inspection should ensure compliance to Health and Safety Regulations.	Low	**Agreed.** **Request made, already considered for WHLTC in July 2007.**	**Leisure Facilities Manager**	**31 December 2007**
			Follow Up Observations: The Leisure Facilities Manager has obtained a copy of the external Health and Safety report for Wantage Leisure Centre, a copy was also provided to Internal audit for retention. **Implemented**		