

Audit Services Quarterly Monitoring Report Quarter 1 Appendix B

COPELAND BOROUGH COUNCIL - AUDIT SER:-

Priority Key:

P1. S.151 Issue

P3. Desirable

RECOMMENDATIONS DATABASE - OUTSTANDING ITEMS - 20 JULY 2006

P2. Key Control

P4. For Information

Audit Year	Audit	Rec. No.	Rep. Ref.	Priority	Recommendation	Action Agreed	Responsible Officer's)	Department	Target Date	Implemented	New Target Date	New Responsible Officer's)	Comments
2006/07	Corporate Governance 2005/06	22	6.1		Implement Partnership Protocol.	As recommendation	Corporate Team	Corporate	Consider November 2005	NO	31/1/07	M Jepson Head of Legal & Democratic Services to lead	Initially need to agree a protocol internally by 31/1/07. Will then need to identify all Partners and encourage them to sign up to the Protocol.
2006/07	Corporate Governance 2005/06	24	6.4		Organise systematic 360 degree feedback from a sample of stakeholders	Consider further peer review	Corporate Team	Corporate	Dec 2006	Still within target date			Consider asking Allerdale. Joint meeting held with both Corporate Management Teams.
1997/98	Benefits			P2	That the following be included in written procedures relating to data protection: (i) Dealing with general enquiries; (ii) Dealing with subject access requests; (iii) Informing the Council's Data Protection Officer of intentions to implement any systems, which contain personal data.		F Hornsby Head of Revenues Benefits and Exchequer then R Keech Interim Revenues & Benefits Manager	Customer Services	30/09/98, 31/12/99, 31/03/00, 30/12/00, 31/03/01, 31/12/01, 30/09/02 30/6/05 30/8/05 31/10/05 30/6/06	PART	30/09/06	K Corby Revenues and Benefits Manager	Employees have attended various training sessions and are conversant with implications of the Data Protection Act. Dedicated training sessions have been provided for Revenues & Benefits staff [5 April, 17 May. Next to be held 20 Sept.] Data Protection Requirements still to be added to the Desk Aids checklist.
2003/04	Audit Commission Interim Report on Copeland Borough Council	R14		High	The Council should implement the verification framework initiative.	As recommendation	Chief Finance Officer/Benefits Manager	Customer Services	August 05 - Expected date for software implementation 20/06/07	PART	30/9/06	J Salt Head of Customer Services	Software implemented to make VF possible. However, will not be compliant until 2006/07. There has been a successful bid for DWP funding to implement this.
2004/05	Council Tax	2	1.4	P2	That the reconciliation of Council Tax System properties to the Valuation Office Listings is carried out by a different person to the one entering the changes from the Valuation Office Listings. If this is not possible, spot checks should be carried out by the Supervisor.	Not Agreed. No one else would have the awareness of the changes made to know when something was wrong, however, spot checks will be carried out.	Anne Spedding Local Taxation Manager	Customer Services	Spot checks to commence January 2005 once the new system is in place. 31/8/05 31/10/05 31/3/06	NO	31/10/06	K Corby Revenues and Benefits Manager	RBS Team Leader (A Spedding) currently inputting and balancing so recommend a monthly report to Revenues and Benefits Manager for spot checking. Supervisory spot checks being considered.
2004/05	Grant Claims - NNDR Returns			P2	The Local Taxation Manager is reminded of the need to document every calculation on the working papers.		Anne Spedding Local Taxation Manager Customer Services	Customer Services	31/01/05 31/8/05 31/10/05	NO	From 1/2/06	J Piper Senior Financial Controls Officer	Responsibility for return completion moved to Senior Financial Controls Officer Development as from February 2006. Responsibility remained with Customer Services until NNDR 1 was due, at which point a training process was to be undertaken as part of the transfer. This was to include procedure notes.
2004/05	Grant Claims - NNDR Returns			P2	The Local Taxation Manager complies comprehensive written procedures for completion of NNDR returns		Anne Spedding Local Taxation Manager	Customer Services	31/01/05 31/8/05 31/10/05 1/2/06	NO	On completion of NNDR 3 in 2006 [June 06]	J Piper Senior Financial Controls Officer from Feb 06	Responsibility for return completion moved to Senior Financial Controls Officer as from February 2006. Training process undertaken as part of the transfer. Procedures will be written when NNDR 3 claim completed. Procedures still outstanding as at 18/7/06.

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2005/06	NNDR	2	4.4	P2	That supervisory spot checks are undertaken on refunds to check that these are valid.	A Spedding will pass all reports at month end to K Corby to select a sample for spot checking	K Corby Revenue and Benefits Manager	Customer Services	With effect from July 2006	Still within target date	Will be checked at next audit	K Corby Revenue and Benefits Manager	Checks have been scheduled as at 18/7/06 but not yet undertaken.
2003/04	Audit of PC's	2	1.4	P2	That another PC audit is carried out and tailored to look for inappropriate software. It must target as many computers as possible and, if any inappropriate software is found, it should be brought to the attention of the line manager in the department concerned, as well as being deleted from their PC.	As recommendation	P Crone Interim ICT Manager	Finance & Business Development	30/06/04 30/09/04 30/4/06	PART	30/9/06	C Lloyd Business Development Manager	Revenues and Benefits PC's done as part of Revs & Bens Change programme. Resources not available to complete the exercise. IT currently locking down PC's and setting up common software. This includes the removal of any old or non-CBC software and prevents the users being able to load software without IT approval and logging. Windows 98 has now been fully replaced by Windows XP and all machines will be on new domain by end of July 2006. Software has been installed on machines with first audit planned for September 2006.
2004/05	Acquisition of Hardware & Software VFM	1	1.3	P2	The IT Strategy be reviewed and that all current documents are brought together in one comprehensive document that covers all aspects of IT. This document should be reviewed at least annually to ensure that the document is representative of the current policies being followed.	As recommendation A new draft E-Government and ICT Strategy has been produced but needs to be finalized.	S Borwick Head of Finance & Business Development	Finance & Business Development	31/12/04 31/7/05 31/3/06 14/5/06	PART	revised to 30/6/06 for issue of draft strategy 30/11/06 for consultation and approval	C Lloyd Business Development Manager	A comprehensive new strategy has been written based on the National e-Service Delivery Standards - this is now to be taken through a consultation and approval process to ensure corporate understanding and buy in is achieved.
2004/05	Acquisition of Hardware & Software VFM	5	4.2	P2	a Post Implementation review be written in to the PID and Implementation Plan for a project so that adequate resources can be planned to undertake a review. A checklist should also be compiled of what is to be reviewed.	As recommendation. These are a part of the PRINCE2 methodology.	S Borwick Head of Finance & Business Development	Finance & Business Development	In place now. First post-implementation review will be completed by December 2004. 30/6/05 31/8/05 31/3/06	NO	30/6/06 templates completed, 31/7/06 templates onto website 30/9/06 for review of Revenues & Benefits project.	C Lloyd Business Development Manager	All capital projects will be reviewed at the end of their implementation under revised project management arrangements which are being implemented. These reviews will be carried out by the appropriate project teams and reported to Corporate Team. In turn, Corporate Team is responsible to (and will report to) the Executive for delivery of the IEG Programme approved by them. Other reviews to be dealt with by other Managers. Use of Business Plans to be introduced. No-one is designated to "hold" the PID template - it is recommended that this is held within a procurement centre on the website for all to use, with the review stage highlighted and a review/lessons learned template made available. A review of the Revenues & Benefits Project will be undertaken prior to end of September 2006, so long as resources are available, and it will be forwarded to Corporate Team.

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2004/05	Audit Commission Interim Report on Copeland Borough Council	R12		P1	Ensure the procurement officer has the means to monitor disaggregated orders placed with suppliers to enable identification of any potential non-compliance with standing orders.	Once in post	S Borwick Head of Finance & Business Development	Finance & Business Development	When in post	NO	31/12/06	C Lloyd Business Development Manager	To date the post has not been filled. Alternative options are under consideration, joint procurement unit for Cumbria (at request of Chief Executive Group CLASB).
2004/05	Budget Process	1	1.2	P2	The procedure notes be developed for the preparation of the monthly management accounts once the trial balances have been downloaded from the FMS. These should include key responsibilities and a timetable for their preparation. Also, any additional items such as salary monitoring should be included in these procedure notes.	As recommendation	P Robson Accountant	Finance & Business Development	30/6/05 30/9/05 31/10/05 31/1/06	PART	31/7/06	P Robson Accountant	Procedures are drafted and have been discussed at Seniors' meeting as a first draft. Need to be refined and cleared by Accountancy Services Manager. 75% done. Need to redo as procedures changed. Still on target.
2004/05	Compliance with CIPFA Code of Practice for Internal Audit in Local Government in the UK 2003	9	3.1.1 9.2.1	P1	Internal Audit needs to follow up the recommendation to introduce operational risk registers, review these risk registers and report on them to members.	If the audit establishment is increased by half a post, the audit plan can be expanded to include a review of whether business objectives have been met.	Audit Services Manager	Finance & Business Development	31/05/2004 31/12/05 30/4/06	PART	31/7/06	M Robinson Audit & Fraud Prevention Manager	New Auditor in post from 1/8/05 but then had a further full time vacancy. Completion of Risk Registers monitored as at June 2005. Omissions identified. Publication of 2005/06 Service Plans delayed due to delayed implementation of restructure. Additional work to be undertaken, once 2006/07 Service Plans have been published. Long term sickness absence of Senior Auditor prevented meeting April 2006 target date.
2004/05	Salaries	8	7.6	P2	The Accountancy Services Manager ensures that there is more than one Accountancy Assistant trained and able to carry out the reconciliation.	Two people now trained. Intend to review in light of restructure and potential move of Payroll to Personnel.	S Borwick Head of Finance & Business Development	Finance & Business Development	30/4/05 31/3/06 On recruitment of post	PART	31/8/06	C Nicholson Accountancy Services Manager	Recommendation was implemented and 2 staff trained. However, 1 of these had resigned as at 21/4/06 so this issue had to be addressed again. Have run basic training. Procedures to be done by 21 July and then intend to train Kirsty.
2005/06	Corporate Governance 04/05	4	2 (c)	P2	B/fwd from 2003/04: That performance reports link performance / outputs with financial budgets / expenditure.	As Recommendation	S Borwick Head of Finance & Business Development	Finance & Business Development	30/9/04 30/9/05 31/12/05 Following appointment of Policy Team Leader	PART	31/03/07	S Borwick Head of Finance & Business Development	Need to tie up Service Planning with budgets and monitor as part of Performance Monitoring reports rather than as budget monitoring. Changes being introduced to performance monitoring for service performance reports to tie in with budget monitoring reports. This will be phase 1. Cumbria CFO group now considering how reporting can be improved - early discussions held. Part of Use of Resources Action Plan.

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2005/06	Loans and Investments 05/06	6	3.2	P2	Treasury Management Procedure Guide is updated.	As recommendation. The Council's Treasury Management advisers will be assisting with this in the next month.	C Nicholson Accountancy Services Manager	Finance & Business Development	31/3/06	NO	31/12/06	Catherine Nicholson Accountancy Services Manager	This is at the moment being looked at, Richard Dunlop - Treasury Consultant is helping with this. In the short term regular monthly meetings are being carried out with the Accountancy Services Manager and the Accountancy Team to go through procedures. Procedures are being updated as they go along eg. internet banking. 70% done.
2005/06	Loans and Investments 05/06	7	3.4	P2	any revision of the Treasury Management Manual should also include Guidance re Money Laundering.	As recommendation 6 above	C Nicholson Accountancy Services Manager	Finance & Business Development	31/3/06	NO	31/12/06	Catherine Nicholson Accountancy Services Manager	Treasury management Practices pick up issues such as - money laundering. Reports such as accompanying budgets and stewardship include guidance on such issues. These go to committee/executive. However a comprehensive guidance still needs to be produced. As recommendation 6 above.
2005/06	Creditors 05/06	8	3.7	P2	the officer responsible for opening returned cheques (i.e. opening the post) should be separate from the officer responsible for raising creditors on the creditors system.	2 separate officers ill be rotated on opening the post.	C Nicholson Accountancy Services Manager	Finance & Business Development	With effect from 21/11/05 30/4/06	NO	31/7/06	C Nicholson Accountancy Services Manager	Not implemented. Rota to be arranged. First priority was completion of Final Accounts
2005/06	Creditors 05/06	10	5.3	P2	all listings are checked and signed re BACS payments over £20,000, along with the corresponding invoices, prior to the BACS run being approved.	Agreed	C Nicholson Accountancy Services Manager	Finance & Business Development	With effect from 21/11/05 31/3/06	PART	Will be checked at next audit	Steph Acquah	The frequency of amounts over the £20,000 being paid by BACS is much less than cheques, the file was checked and 4 amounts over the limit had not been signed.
2005/06	Creditors 05/06	14	9.3	P2	if staffing resources do not allow regular supervisory checks, then supervisory spot checks should be made on an ad hoc basis to ensure that transactions have been authorized, processing procedures have been followed and reconciliations have been completed.	Supervisory checks are now carried out to establish competence. This will then be followed by random spot checks. Will be discussed at the next Seniors' meeting.	C Nicholson Accountancy Services Manager	Finance & Business Development	30/11/05	PART	31/7/06	Ann Fisher	Not implemented, doing spot checks on authorized signatories, but not on listings. As at 4/7/06, reconciliations are up to date so spot checks will be started.
2004/05	Wages	7	2.11	P3	The Business Analyst writes reports within the SAGE system to produce starters and leavers reports.	As recommendation	S Harrison Technical Officer ICT	Finance & Business Development	31/07/2005	NO	31/11/05	N Scott Payroll Officer	
2005/06	NNDR	1	1.2	P2	Confirm, during the follow up audit, that the differences identified in the reconciliation between NNDR & the FMS have been resolved and that the reconciliation is up to date.	As recommendation	M Robinson Audit & Fraud Prevention Manager	Finance & Business Development	At follow up	Still within target date			

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2005/06	NNDR	3	6.2	P2	As part of the follow up audit, a sample of NNDR write offs on the Academy system are tested to confirm they have been processed in accordance with Financial Regulations.	As recommendation	M Robinson Audit & Fraud Prevention Manager	Finance & Business Development	At follow up	Still within target date			
2005/06	NNDR	7	11.3	P2	That, during the follow up Audit, we confirm accounts have been checked to ensure those with £40 costs outstanding have been reviewed to ensure costs are valid or if they should be removed.	As recommendation	M Robinson Audit & Fraud Prevention Manager	Finance & Business Development	At follow up	Still within target date			
2004/05	Member Allowances	5	3.4	P2	When the Scheme of Members Allowances is next updated, a paragraph is added detailing what Members can claim with respect to attendance at meetings/conferences with outside bodies.	As recommendation	T Capper Democratic Services Manager	Legal & Democratic Services	31/3/06	Not yet applicable	31/3/07	T Capper Democratic Services Manager	The next full review by the Independent Review Panel will not start until the second half of the year, reporting by 31 December 2006. This year's review is an interim one only.
2004/05	Member Allowances	6	3.6	P2	That written agreements are introduced between Copeland and outside bodies as to who will pay expenses.	As recommendation	T Capper Democratic Services Manager	Legal & Democratic Services	31/3/06 30/6/06	Not yet applicable	31/3/07	T Capper Democratic Services Manager	The next full review by the Independent Review Panel will not start until the second half of the year, reporting by 31 December 2006. This year's review is an interim one only. A letter has been sent to the outside bodies (18/7/06).
2006/07	Corporate Governance 2005/06	5	2.2		Review the effectiveness of the restructure.	OSC P & R work plan for January 2006.	OSC P & R	Legal & Democratic Services	January 2006 July 2006	Still within target date	30/9/06	OSC P & R	Decision taken by the OSC P & R to defer for a further 6 months as they felt the January deadline was too early.
2006/07	Corporate Governance 2005/06	7	2.2		Roles & responsibilities to be clearly documented. Democratic Services to consider job profiles for leading Members.	All Members undergoing a programme of personal development programmes, resulting in a training plan. This requirement will be added to the programme.	Tim Capper Democratic Services Manager	Legal & Democratic Services	March 2006	PART	31/12/06	T Capper Democratic Services Manager	Most of the profiles have been drafted. They will need to be approved by the Member Training Panel. However, the panel's priority is to obtain the NWEO Member Training Charter Mark by September.
2006/07	Corporate Governance 2005/06	13	2.3		Publish job descriptions for the Leader, Deputy Leader & Chief Executive to help the public to know what to expect.	Democratic Services to consider the need for job profiles.	Martin Jepson Head of Legal & Democratic Services and Tim Capper Democratic Services Manager	Legal & Democratic Services	March 2006	PART	31/12/06	T Capper Democratic Services Manager	Most of the profiles have been drafted. They will need to be approved by the Member Training Panel. However, the panel's priority is to obtain the NWEO Member Training Charter Mark by September.
2006/07	Corporate Governance 2005/06	19	4.2		Implement effective training for the Executive and Chairs and consider ways of development. To include Member training in the decision-making process.	As recommendation	Tim Capper Democratic Services Manager	Legal & Democratic Services	March 2006	PART	Training to continue through 2006/07.	Tim Capper Democratic Services Manager	Been identified in the Member training Programme through the Personal Development Plans developed for Members. Some training for OSC Chairs has already taken place. Training will continue through 2006/07.

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2006/07	Corporate Governance 2005/06	20	5.1		Open a debate on innovative, possibly unconventional, ways of working for Members, which might open up membership to a broader range of candidates.	As recommendation	OSC P & R	Legal & Democratic Services	From November 2005	PART	31/7/06	OSC P & R	Will be a report to OSC PR in July.
2004/05	Statement on Internal Control	2	SIC Para 5	P1	The draft Disaster Recovery Plan should be developed into a Business Continuity Plan, be approved and tested.	As recommendation With Corporate Team involvement	S Borwick Head of Finance & Business Development	Legal & Democratic Services	31/3/06	Review 30/9/06 for further progress	Following consultation	M Jepson Head of Legal & Democratic Services	The Elections & Emergency Planning Manager has now been allocated the task of drafting the Business Continuity Plan. As at 6/12/05, a draft plan has been considered by Corporate Team. Now needs some detailed input from Heads of Service.
2005/06	Markets 05/06	3	2.4	P2	a spreadsheet is devised to detail all traders and the amounts due to be collected. At the end of each month the receipts need to be input into the spreadsheet as a check of the amounts actually collected. The spreadsheet will detail any arrears which need to be carried forward and provide a cross check of amounts outstanding per traders. Also the 'Amount Rent Outstanding' box on the receipt book should be used to input the amount of arrears. The Rules and Regulations should be updated to include a section on arrears.	Agreed as recommendation. Outline of spreadsheet to be compiled by Audit.	Toni Magean, Parks and Open Spaces Manager/ S Bishop, Enforcement Manager [Appointed 8/8/05]	Leisure & Environmental Services	31/10/05	Part	When IT problems resolved.		Monthly spreadsheet now in use. Due to IT problems not updated, although will be brought up to date as soon as possible.
2006/07	Corporate Governance 2005/06	1	1.1		Review Corporate Plan when Community Strategy is revised.	Corporate Plan for next 5-10 years will continue to be developed but will have to be reviewed once the Community Plan is in place.	Hilary Mitchell Head of Policy & Performance	Policy & Performance	April 2006	PART	31/3/07	Hilary Mitchell Head of Policy & Performance	5 year plan in preparation. Community Strategy may be available to use as a source before completion.
2006/07	Corporate Governance 2005/06	12	2.3		Review membership and attendance at Joint Neighbourhood Forums	As recommendation	Hilary Mitchell Head of Policy & Performance / LSP	Policy & Performance	March 2006	PART			Revised guidelines for Members on Outside Bodies approved Feb. 2006. Phil Atherton (LSP) is currently considering the role of JNF/LSP/LA's etc. Once completed, this work will be considered by the Executive.
2006/07	Corporate Governance 2005/06	14	2.3		Corporate Team's job profiles to be reviewed as part of the Restructure Review.	As recommendation	Hilary Mitchell Head of Policy & Performance	Policy & Performance	March 2006	NO			Draft report on Corporate Team appraisal process going to Personnel Panel. This will then provide the opportunities for this review as part of the Employee Development Interviews.
2006/07	Corporate Governance 2005/06	15	2.3		All job profiles to be made available on the intranet.	As recommendation	Hilary Mitchell Head of Policy & Performance	Policy & Performance	Dec 2005	PART	31/12/06	Hilary Mitchell Head of Policy & Performance	Head of Policy & Performance to check that all are there. Job profile quality checking undertaken.

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2004/05	The Beacon Museum Collection	4	2.2	P2	That when the next valuation report is prepared that the Beacon Manager ensures that the company undertaking the valuation includes all asset references in their final report.	As recommendation Will try to arrange valuation to coincide with possible Beacon Refurbishment due for end of 2005.	Sue Palmer Beacon & Tourism Services Manager	Regeneration	31/10/05 31/5/06	NO	31/10/06	Sue Palmer Beacon & Tourism Services Manager	The next valuation can proceed now that the inventory has been completed. Quotes are being obtained. Collections Officer, Michelle Kelly, is thinking about the best format for the valuation report i.e. location or reference number etc. Valuers to provide the report in electronic format, then it may be possible to sort the items by different fields.