

AUDIT SERVICES MONITORING REPORT: FOURTH QUARTER 2009/10

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1.0 AUDIT WORK IN THE FOURTH QUARTER 2009/10

1.1 Final reports issued

- National Non Domestic Rates [NNDR] 2009/10
- Loans & Investments 2009/10
- Marketplace Purchasing System 2009/10
- Creditors 2009/10
- Building Control 2009/10
- Improvement Grants 2009/10
- Budget Process 2009/10

The audit section also undertook work in the fourth quarter on:-

- Leased Transport 2009/10
- Grant Claim Procedures 2009/10
- Partnership Arrangements 2009/10
- Capital Project Management Procedures 2009/10
- Corporate Business Continuity Arrangements 2009/10
- IT Security 2009/10 (Undertaken by Computer Auditor)

These reports will be issued in the first quarter of 2010/11

1.2 Assurance on System Controls

The key recommendations are given in Appendix A.

The evaluation of the system controls is summarized below:-

1.2.1 National Non Domestic Rates (NNDR)

OVERALL AUDIT OPINION	GOOD
CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE	LOW

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The reconciliations of the total rateable value and the number of properties on the NNDR system to the Valuation Office list are carried out accurately and promptly.

However, due to a change in Accountancy personnel during the year, there has been a slight backlog of reconciliations work of NNDR data held on the main financial system (TOTAL). This has now been addressed.

The Academy system has been appropriately amended for the use of the 2009/10 NNDR multipliers and calculations were performed correctly by the system.

Applications for the various relief categories have been processed accurately and the NNDR accounts, in general, are well maintained.

The collection rate is regularly monitored. The collection rate at the end of November stands at 79.35%, just under the target of 79.96%; this is due to several new properties being added to the list in the month.

Appropriate recovery action is taken promptly and accurately in relation to those accounts that fall into arrears.

12/14 management guidelines for Data Quality were in place. The 2 issues outstanding related to:-

- Employees who have data management duties should have data quality practices included in their job profiles, with appropriate additions to person specifications and competencies. [Instructions have been provided to managers/team leaders to include the standard paragraph at the next review];
- Data quality management should be included in the business continuity arrangements for the service and the recovery of the backed up data should be tested.

1.2.2 Loans & Investments

OVERALL AUDIT OPINION	SATISFACTORY
CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	SATISFACTORY
RISK PROBABILITY	LOW
EXPOSURE	HIGH
RISK EXPOSURE IMPACT	

Key policies and procedures were in place and in line with the CIPFA Code of Practice for Treasury Management (TM) at the time of the audit. Significant improvements had been made in terms of reporting and Members'

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consideration of Treasury Management activities. We note that the new revised CIPFA Code had just been received in mid-December and follow up work will be required when the revised TM Policy, Strategy and Manual are drafted to ensure compliance with this revised Code.

As at December 2009, the draft Treasury Management Manual (dated September 2009) included the majority of the requirements but needs to be updated with any requirements of the new Code. The manual should then be formally approved by the Head of Finance and Management Information Services.

In line with best practice, the level of cover on the Fidelity Guarantee Insurance had been increased from £3m to £8m, in anticipation of the increased investment limit of £5m with any one counterparty.

All transactions tested were found to be in order and complied with the Treasury Management Strategy, with the exception that the approved limit (as reported to the Executive) was temporarily breached but the investments were made with secure institutions on the approved list. There have been no short-term loans taken out by the Council during 2009/10, as at 22/12/09. There is 1 long-term loan from DEPFA Bank remaining from 2002 for £5,000,000.

We note that sufficient separate authorisations are in place to make misappropriation of funds a low probability. 9 of the 12 Fraud Prevention / Detection controls were in place. The remaining 3 were not applicable to this area.

Regular reconciliations of the Investments records compared to the financial ledger were being carried out by one of the Accountants.

The Head of Finance and MIS stated that the Audit Committee should be the nominated Committee to ensure effective scrutiny of the Treasury Management function and that this is consistent with the revised CIPFA Code of Practice.

Update Note [following issue of this report]: Full Council, at its meeting of 2nd March, agreed the amendments to the Financial Regulations in agreeing the Council's Treasury Management Strategy 2010/11.

1.2.3 Marketplace Purchasing System

OVERALL AUDIT OPINION	SATISFACTORY
CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE	LOW
Probability	
Impact	MEDIUM

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There was evidence of considerable co-operation between Finance and Procurement in the linking of the Total financial system and Marketplace and of a structured approach to the implementation of the Marketplace application. A number of the points raised were associated with the fact that the system implementation is still on-going and all issues cannot be fully resolved until implementation is complete.

The main areas to be addressed related to:

- Managing and monitoring the software supplier’s [E-Government Solutions Ltd (EGS)] access to the system;
- Documenting key IT activities, often under the control of EGS;
- Work associated with production of management reports; and
- Scheduling the Post Implementation Reviews.

All the above recommendations have now been implemented.

1.2.4 Creditors

OVERALL AUDIT OPINION	SATISFACTORY
CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE PROBABILITY	LOW
RISK EXPOSURE IMPACT	HIGH

The processing of payments was satisfactory. However, the full potential of the Creditor payment module in the TOTAL financial system was still not being used. [The facility to scan, register and automatically pay invoices if details match the Purchase Order]. We note that this is being progressed as at the end of March 2010.

The main issues related to:-

- the delay in carrying out bank reconciliations due to a full review of the process [extra resources brought in to address this in January 2010 – reconciliations now up-to-date];
- the outstanding attendance at Data Protection training sessions; and
- the lack of supervisory spot checks of payments, particularly those over £20,000. [Reminder issued by Accountancy Services Manager].

1.2.5 Building Control

OVERALL AUDIT OPINION	SATISFACTORY
CONTROL DESIGN	SATISFACTORY
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE PROBABILITY	MEDIUM
RISK EXPOSURE IMPACT	HIGH

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The Building Control Unit acquired Chartered Status in November 2007. They are working to establish a corporate brand to allow them to compete effectively with the private sector.

Our tests showed that applications were promptly dealt with in line with legislation and best practice. The basic functionality of the new software was working well.

Performance figures for quarter 2 2009/10 show an 80% completion rate for Full Plans applications decided in less than 5 weeks, and 97% completion rate for Full Plans applications decided in less than 8 weeks.

Our main concern is the legislative requirement for the fee-based service to cover its costs over a 3 year rolling period, as the previous 3 year rolling surplus was only £12,023. As at the projected 2009/10 budgeted figures a surplus of £31,785 could be achieved. However, if the Building Control year end income figures do not match the budgeted estimates, largely due to the economic climate, there is a risk of a deficit unless expenditure has also been reduced. Several large building schemes in the foreseeable future may help to resolve this issue. A contract has been signed to provide Building Control services for the new West Cumberland Hospital and the section are working with the architect and their consultants on the Albion Square development, but these charges may not apply until 2010/11.

Other areas for improvement related to:-

- regular reconciliations between accounts set up in the Building Control software (Headway) and the income recorded on the financial ledger (dependent to some extent on setting up appropriate management reports from Headway);
- ensuring refunds related to VAT payments are coded correctly;
- Data Protection and Data Quality issues.

1.2.6 Improvement Grants

OVERALL AUDIT OPINION	SATISFACTORY
CONTROL DESIGN	SATISFACTORY
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE - Probability	LOW
RISK EXPOSURE – Impact	MEDIUM

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Customer satisfaction surveys showed that feedback from clients has been very good. However, we found that the process of applying and administering the Home Renewal Policy is too complex, (especially for the applicants). There are approximately 50 forms/letters/internal documents; this has proved costly, complicated and unmanageable. In practice, these are not all being completed by those trying to administer the system. Because of this, the annual review of the policy was brought forward and began in November 2009.

We found that clear written guidance was provided to all applicants and that, for all the grants in our sample, approvals were made in accordance with the policy and payments had all been authorised in line with Financial Regulations.

Procedures had been written and were available to all staff within the section. However, these procedures had not been updated to relate to the new Housing Renewal Policy, effective from 1st April 2009.

Applicants are no longer required to undergo a means test, which means that limited funding may not necessarily be targeted at those in most need of financial assistance.

We found that some recommendations implemented following previous audits had lapsed but have now been reinstated. These related to:

- Reconciliations of the Housing Renewal payments to the Financial Ledger;
- All supporting documentation should be examined to ensure that it is original, and, when taking a copy for the file, it should be endorsed with "true copy";
- All grant calculations are checked, and signed as accurate, by a second member of the Housing Renewal Team;
- Applicants need to supply a commencement of works notification before works can proceed.

There are a number of forms at the completion stage of the award when one is all that is required. This has caused a backlog of work and delays in the administration of the policy.

1.2.7 Budget Process

OVERALL AUDIT OPINION	GOOD
CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	GOOD
RISK EXPOSURE PROBABILITY	LOW
RISK EXPOSURE IMPACT	MEDIUM

Generally, there were good controls in place for the Budget Process System and for budget monitoring and the test results were satisfactory. Managers are involved in the budget build process and improvements have been made in linking service delivery to financial budgets. There were regular meetings of

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the Resource Planning Working Group, consulting on the budget build, considering service reviews, discussing actions taken and reporting progress to date. Managers were issued with Financial Planning Guidance, training was given and deadlines were communicated for the various stages of the budget process. Assumptions underlying the budget build, e.g. in relation to inflation and to pay increases, appeared to be reasonable.

The Constitutional Budget and Policy Framework has been complied with. The framework requires that the Overview and Scrutiny Committee should be consulted on the budget proposals prior to the proposed budget being considered by the Executive. Presentations were made to the Overview and Scrutiny Management Committee on 4 February 2010; the draft budget was then presented to the Executive on 16 February 2010 and Full Council on 2 March 2010.

The Total financial system reconciles to the revenue budget as approved by Full Council on 2nd March 2010.

Budget monitoring processes continued in 2009/10, with monthly budget monitoring meetings with budget holders, monthly management accounts and reports on the projected outturn in both revenue and capital monitoring.

During initial testing relating to the authorisation of virements, we found inconsistencies in the processing and filing of virements. This was brought to the attention of the Accountancy Services Manager and the issue was addressed.

The Audit Commission, in the Use of Resources December 2009, found the Council's medium-term financial strategy (MTFS) "contains clear and realistic assumptions about future income levels, inflation and efficiency savings. The Council communicates the key messages about the budget process and financial planning to staff and councillors. The Council has improved its approach to service plans with the number of plans being reduced and service and financial planning being more integrated. A variety of methods have been used to engage with communities in financial and service planning." It also found that the Council's treasury management arrangements are prudent.

There were no recommendations arising as a result of this audit.

1.3 **Follow-up audits**

- 1.3.1 A running progress report is kept of all Priority 1 and 2 recommendations outstanding. All outstanding audit recommendations, including all recommendations made in reports issued in this quarter, have now been input on to the Covalent performance software. This will streamline the monitoring process. All those recommendations still outstanding, with a target date up to 31 March 2010 are detailed at Appendix B.

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1.4 Issues arising from outstanding recommendations

- 16 long-standing recommendations and 37 “new” recommendations have been implemented since we reported last quarter. Further progress has been made on some of the remaining recommendations.

2.0 EXTERNAL AUDIT

2.1 External audit reports have been reported separately to the Audit Committee.

3.0 INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

3.1 We achieved 83% of planned audit work for the financial year, compared to the target of 90%. A summary of the audit performance measures is attached at Appendix C. There has been some slippage due to the use of agency staff to cover 1 vacant post since October 2009 and also due to some audits overrunning the estimated days in the plan. Details are given at Appendix C. No non-audit work has been undertaken in the year. Specific counter-fraud activity is detailed at Appendix E.

3.2 As agreed at the February meeting, the following audits had to be deferred:-

- Development Control [new software implementation was delayed]
- Asset Management [Revised Asset Management Plan was not available for audit in March]
- Information Systems / ICT Strategy [Buy in computer auditor]
- Parks & Open Spaces – Nursery / Control of Stock

3.4 The risk attached to the deferred audits and the action to address this is shown in the table below:-

Deferred audit	Risk	Proposed action
Development Control	None. New system only went live on 14 th December 2009. No impact on financial systems. Full functionality of system not yet implemented.	Full audit will be undertaken in first quarter of 2010/11.

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Deferred audit	Risk	Proposed action
Asset Management	<p>Low. External Audit have already made recommendations for improvement as part of the 2008/09 Governance report, received March 2009. A follow up of these recommendations is undertaken quarterly. A report setting out the Strategic Asset Management framework was presented to, and agreed by, the Executive at its meeting on 23rd March.</p>	Will undertake audit in first quarter of 2010/11.
Information Systems/ ICT Strategy	<p>Low. As part of the requirements of Government Connect (compliance with the Code approved at the end of September 2009), a full IT security inspection was carried out by an independent IT firm.</p>	Work on ongoing compliance with the IT Security Policy has been undertaken by a bought in computer auditor in the final quarter of 2009/10. Report to be drafted in April 2010.
Parks & Open Spaces – Nursery / Control of Stock	<p>Low. This was requested by the Service Manager. However, value of stock is not material, benchmarking of the service cost is satisfactory and the service has won national awards.</p>	This would be a low priority audit and will be subject to risk assessment in the review of the audit plan for 2010/11.

3.5 Work on the Corporate Governance 2009/10 audit will be undertaken in April.

4.0 STAFFING ISSUES

4.1 As previously reported, an Audit Technical Officer successfully applied for the Financial Services Technical Officer post. The Audit Technical Officer post became vacant on 14th September. Given the move towards shared services for internal audit, and the need to maintain the flexibility of staffing arrangements, the Head of Finance and MIS advised the Vacancy Management (officer) Panel that the vacant post should be filled by a

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secondment or temporary contract until 31st March 2010. An agency arrangement commenced on 12th October to fill this post. This lasted until 3rd February. A self-employed auditor was then used to complete 3 audits in February/March. However, the use of temporary staff is less efficient than using experienced in-house staff, with knowledge of the Council's staff and computer systems. We and the County Council's Internal Audit function are keen to ensure that permanent recruitment to this vacancy is progressed early in 2010/11. Preparations are now in hand and the post will be advertised once the legal agreement for the Shared Service has been signed in June. Once staffing resources are in place, the 2010/11 Audit Plan will be reviewed and additional work will be undertaken – in line with the prioritization of audits already established as part of the risk management exercise and reported on this agenda, as Appendix D of the Internal Audit Plan Report.

- 4.2 Progress on the business case for shared services for internal audit with the County Council and Carlisle City Council has been reported to the Audit Committee and the business case was approved by the Executive on 23rd March 2010. A verbal update will be given if there is anything further to report.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 Although there has been some slippage on the Audit Plan, all work on the main financial systems has been completed and the deferred work is low risk. Progress continues to be made on outstanding audit recommendations and the backlog of recommendations due to previously vacant key posts has now almost been cleared.
- 5.2 It is recommended that Members note this report.

List of Appendices: Appendix A – Key Findings Quarter 2
Appendix B – Outstanding Key Recommendations
Appendix C – Performance Indicators
Appendix D - Cancelled Audit Recommendations [not needed]
Appendix E – Audit Counter-Fraud Activity

Background papers: None

Officers Consulted: Corporate Team
Management Group [on Appendix B]

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[**Bold text in brackets shows the management response**]

P1 & P2 AUDIT RECOMMENDATIONS ONLY

NNDR SYSTEM AUDIT 2009/10

- (P2) That, to provide an accurate audit trail, the Systems Accountant and System Support Officer I.T modify the interface to show payments made via BACS as "BACS" and not "cheque".
[**A helpdesk call has been lodged with Consilium (23/12/09) to change the interface so that BACS payment types are recognised on TOTAL**]

LOANS & INVESTMENTS 2009/10

- (P2) That the borrowing reconciliation spreadsheet is kept up-to-date to evidence that the ledger code has been checked for mispostings.
[**Accountant to review all reconciliation procedures and this will be picked up as part of that review.**]

MARKETPLACE PURCHASING SYSTEM 2009/10

- (P2) That a date is scheduled for the post implementation review.
[**Date of 21st May 2010 set for post implementation review to be completed.**]
IMPLEMENTED
- (P2) That the Procurement Officer discusses with EGS how the service targets and criteria set in the Licence Agreement can be measured and progress monitored. This should be documented in the system admin handbook.
- (P2) That the Procurement Officer provide a brief document, stating which reports will be used, how these will be used to meet management information requirements and confirming that there are no problems associated with their production.
- (P2) That the change control process, associated with upgrades of the application software and briefly described in an e.mail, should be documented within the administrator's handbook.
- (P2) That the Procurement Officer establishes the history records of activity recorded on Marketplace.
- (P2) That agreed backup and disaster planning arrangements are documented within the administrator's handbook.

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows the management response]

- (P2) That the auditing arrangements to provide assurance on physical security of the servers supporting the Marketplace application be agreed between the Authority and EGS and formally documented.
- (P2) That the Procurement Officer discusses with EGS the facilities for archiving and meeting the Authority's retention requirements.
- (P2) That the Systems Accountant discusses with IT/Consilium the facilities for archiving TOTAL records and meeting the Authority's retention requirements.

CREDITORS 2009/10

- (P2) That the Accountancy Services Manager should issue a reminder to the Accountancy section for the continued implementation of recommendation AR-F&MIS_065 –“That the Accountancy section staff are reminded of the need to check the supporting documentation, and evidence this check, for all payments over £20,000 to ensure that these are valid transactions. If the invoice has been scanned, the evidence of the check will be the signature on the payment listing”.
[Agreed – Reminder sent to team 15/2/10.]
IMPLEMENTED
- (P2) That supervisory spot checks of payments are carried out e.g. to check counter-signing of payments over £20,000 and random checks of other payments to ensure these are valid transactions – particularly where payments have been split over many expenditure codes to perhaps avoid large budget variances being recorded.
[Agreed – the spot checks will be linked in with other spot checks undertaken, on a quarterly basis, by Accountancy Services Manager. Next scheduled check is March 2010.]
- (P2) That, to maintain a permanent record, the reason for the return of the cheque should always be entered in the cheque return book.
[Agreed – reminder sent to team 15/2/10]
IMPLEMENTED
- (P2) The TOTAL sub-contractors' details be reconciled with the HMRC list, to ensure that these match. [Audit can provide details of discrepancies found].
[Agreed. Details of discrepancies will be requested and followed up.]
- (P2) That the Systems Administrator runs a report, on at least a quarterly basis, to identify if there are any duplicate cheque numbers.
[Crystal report designed to check for duplicate cheque numbers. First report run 15/2/10.]
IMPLEMENTED

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows the management response]

IMPROVEMENT GRANTS 2009/10

- (P2) That, the procedures for the administration of grants should be updated to reflect the Home Renewal Assistance 2008-2013 Policy.
[Procedures will be updated by Admin Support Officer]
- (P2) That if any applications are received from joint owners that are not signed by all interested parties, officers should return the forms and request that all parties with an interest sign to agree the information supplied.
[Agreed with immediate effect]
- (P2) That under no circumstances can an award be approved until the owner/occupier has supplied and signed the certificate of future occupation form, and that the form is placed on the grant file.
[Agreed with immediate effect]
- (P2) That recommendation AR-R_83 [*that before an application can progress, all the relevant supporting documents required for proof of ownership should be requested, verified and placed on the file*] is reinstated on the Covalent system and that a reminder is issued to staff.
[Agreed with immediate effect]
- (P2) That the calculation of grant awards must be checked for accuracy before approval letters are sent to the applicants, and that the record sheet is signed and dated by the officer making the checks.
[Admin Support Officer to check calculations and sign record sheet]
[Agreed with immediate effect]
- (P2) That if verbal approval is given to applicants, then this must be documented on the grant file and only given in emergency cases.
[Agreed with immediate effect]
- (P2) That officers complete the record sheet and follow up cases that have not provided the commencement of works notification within the timescale.
[Agreed with immediate effect]
- (P2) That officers ensure payment of invoices within the timescale stipulated by the Contractor.
[Agreed with immediate effect]
- (P2) That any costs incurred by the council for late payment are not added to the grant award as they are not a true cost to the applicant.
[Agreed with immediate effect]
- (P2) That officers check the calculations of invoices supplied by all contractors for Accuracy. If errors are found, the invoice should be returned to the contractor noting the error.
[Agreed with immediate effect]

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows the management response]

- (P2) That all internal invoices are checked and signed by a senior officer and that they are given to finance for input to the ledger in a timely manner.
[Agreed with immediate effect]
- (P2) That as part of the current review of the Policies and Procedures, performance against the service standards is undertaken. This will highlight areas of the policy that have proved difficult to administer.
[Agreed with immediate effect]
- (P2) That arrangements are established to carry out post-completion checks re compliance with award of grants/loans.

BUILDING CONTROL 2009/10

- (P2) That application forms should be carefully checked to ensure that they are completed in full before they are processed.
- (P2) That applicants who are exempt from fees due to disability, as described under section 29(1) of the National Assistance Act 1948, are required to provide proof of status, and that a copy be placed on file, as evidence of the check.
- (P2) That regular reconciliations are made to ensure that all income received / receivable as shown on the Building Control system matches that posted to the correct ledger codes.
- (P2) That the Headway reports are reviewed to ensure they provide accurate data and that they are appropriate for the requirements of Building Control. An income report should be set-up to enable reconciliations to be carried out more easily, i.e. show individual payments and dates, all amounts as net and include all income (demolition fees, etc.).
- (P2) That the VAT element of the charges are checked on receipt of the application to ensure that it is applicable.
- (P2) That any refunds, caused by the payment of VAT when it is not applicable, are coded from the correct VAT account and not the Building Control account.
[Agreed – this will be implemented by the Clerical Officer for refund payments entered onto TOTAL with effect from 23/02/10].
- (P2) That staff attend a Data Protection course.
[As recommendation, dates of the next available Data Protection Course given to the Building Control Manager].
- (P2) That a procedure be written on how to perform the performance indicators calculations.

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows the management response]

- (P2) That performance indicator calculations should have supporting evidence held on file and that these calculations should be double checked by another member of staff to ensure their accuracy.

- (P2) That staff should receive Data Quality training in light of the increasing reliance being placed on the Headway system.
[As recommendation, date of the next available Data Quality Course is not yet available, target date reflects this].

- (P2) That staff ensure they lock their computer screens (Ctrl+Alt+Del) when away from their desks for an extended period and that the Council's clear desk policy should be followed whenever possible.

BUDGET PROCESS 2009/10

No recommendations made.

Audit Services Quarterly Monitoring Report 4th Quarter
Audit Recommendations - Overdue




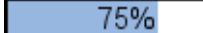
APPENDIX B


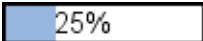



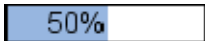


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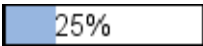
SUMMARY OF OVERDUE RECOMMENDATIONS		
	Priority 1	Priority 2
Total Overdue Recommendations as at 25/01/10	2 +1 deferred	26
“New” Recommendations due in Quarter 4	16	42
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.4	19	68
IMPLEMENTED FROM LAST QUARTER'S REPORT	2	13
“NEW” BUT IMPLEMENTED THIS QUARTER	9 +1 deferred	28
Total implemented in the Quarter	12	41
CANCELLED SINCE LAST QUARTER	0	1=N/A
OUTSTANDING FROM LAST QUARTER	0	12
OVERDUE RECOMMENDATIONS ADDED THIS QUARTER	7	14
Total Overdue Recommendations as at 09/04/10	7	26





Code & Title **AR-C Corporate**



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-C_011 Following work undertaken on Equality & Diversity in 2007/08, all Equality and Diversity Impact Assessments to be completed.	2	Head of Legal & Democratic Services		31 Mar 2009	Corporate Governance 2007/08	<p>17 Dec 2009 -- Only a small number now remaining to be completed</p> <p>15 Jul 2009 -- Situation remains as at 8/4</p> <p>08 Apr 2009 Progress continues to be made. Any outstanding Equality Impact Assessments will be timetabled for 2009/10.</p> <p>12 May 2008 Complete all EIAs in 2008/09.</p>
	AR-C_021 The Council should continue to focus on reducing its costs for service delivery, where these are above average, and improve the quality of service provided, where this is below average.	2	Head of Policy & Performance		31 Mar 2010	Use of Resources 2007/08 March 2009	<p>09 Apr 2010 All service costs / income generation potential were examined as part of a rigorous budget process. Shared Services for Revenues & Benefits and for Internal Audit have been approved, to reduce costs / improve service delivery. A full review of all services is to be undertaken in 2010/11.</p> <p>31 Mar 2009 Evidence from Searching for Best Value Pilots confirms that many services do not have comparative data and this needs to be rapidly developed. Managers Group session to reinforce the need to maintain up-to-date and</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							robust measures of performance and costs. Corporate Value for Money strategy to be developed by 30 September 2009. General service performance is improving against the majority of BVPI's. Still need to improve more quickly in some areas. Elements of underperforming services (particularly Robberies per 1,000 populations; % of employees with a disability; Ethnic minority representation in the workforce; number of households where homelessness prevented; Plan-making milestones met; Households waste composted) will be monitored through action plans. (Lead: Head of Policy & Performance).
	AR-C_022 Ensure the monitoring and reporting of cost information includes trends over time and that any actions taken, as a result of comparisons and benchmarking, are routinely monitored and reviewed.	2	Head of Policy & Performance		31 Mar 2010	Use of Resources 2007/08 March 2009	<p>12 Apr 2010 Examination of comparative costs and trends over time has formed part of reviews within some services during 2009/10, for example as part of improvements in street cleaning and Revenues & Benefits.</p> <p>31 Mar 2009 Baseline being established as part of Searching for Best Value Programme - starting in April 2009 and run throughout 2009/10.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-C_025 Should evaluate the effectiveness of its major partnerships and demonstrate the benefits of this way of working in terms of improved customer service and quality and better vfm.	2	Head of Development Strategy; Head of Finance and Management Information Systems		31 Mar 2010	Use of Resources 2007/08 March 2009	<p>09 Apr 2010 Review of Membership on outside bodies has been undertaken, with a report recommending a reduction in representation on outside bodies to be made to Council in May 2010.</p> <p>18 Jan 2010 Partnership Register established and updated details to be completed by Managers by 31st January 2010. Evaluation framework using CIPFA Good Governance Guidance has been adopted for assessing risks and significance of strategic partnerships. Report to be received by the Executive in March.</p> <p>31 Mar 2009 A Corporate Team Working Group was established in February 2009 and this work will be completed during 2009/10.</p>
	AR-C_026 Should evaluate the impact and outcomes of its investments to improve service quality and demonstrate any vfm benefits arising from this investment.	2	Head of Development Operations; Head of Finance and Management Information Systems; Head of Policy & Performance		31 Mar 2010	Use of Resources 2007/08 March 2009	<p>09 Apr 2010 The Capital Programme is now linked to the Corporate Plan, which, in turn, is linked to public priorities. In bidding for resources, managers have to explain the links to the Plan. This will provide the building blocks for future performance evaluation.</p> <p>31 Mar 2009 T-Enabling projects include post project</p>


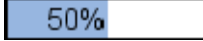


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>evaluation. Some examples in regeneration projects. Capital programme monitoring will include post project outcome assessment required. From April 2009 it is the intention to create a Capital Project Control Group, to monitor the progress of capital spend against milestones and to confirm at these stages that Contract Standing Orders are observed. (Lead: Head of Development Operations). Post project evaluation reports for major projects will be taken through the Corporate Improvement Board.</p>
	<p>AR-C_027 Overall risk management arrangements should be considered at least quarterly by the Audit Committee.</p>	2	Chief Executive		31 Mar 2010	Corporate Governance 2008/09	<p>09 Apr 2010 Risk Management Arrangements will be reported to the 27th May Audit Committee.</p> <p>06 Apr 2010 The strategic risk register went to Audit committee on the 23rd Sept 09, has not been reported in the next quarter</p> <p>29 May 2009 Ongoing in 2009/10. Risks are monitored and recorded on Covalent as part of quarterly monitoring procedures. A quarterly report on risk management to be submitted to the Audit Committee.</p>


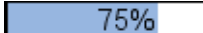

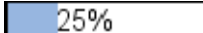




Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-C_030 Concern about the use of interim, agency and temporary staff.	2	Chief Executive		30 Nov 2009	Annual Governance Statement May 2009	<p>25 Jan 2010 Appointments have been made to key posts. The Job Evaluation exercise has been completed and implemented. A structured approach is taken to vacancy management. Corporate Team review all vacancies and evaluate the best options. For example, it may be advantageous to have temporary staff to complete "one-off" projects at times of peak workload.</p> <p>06 Jul 2009 Chief Executive to review recommendations and formulate a proposed way forward.</p>
	AR-C_031 Ensure that risk management and governance arrangements weaknesses in partnerships are addressed (Point 1).	1	Chief Executive		31 Mar 2010	Use of Resources Dec 2009	<p>18 Jan 2010 Budget Monitoring for Q.3 (2008/09) involved development of funding register, to identify external funding of projects to assist with closure of Accounts 2008/09. Further developments in 2009/10 to complement partnership framework - an action for Q.2, following appointment of the Projects Accountant. Partnership monitoring framework agreed in principle by Corporate Management Team (CMT) in February 2009. Working Group established</p>


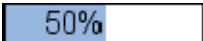
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>Managers requested to update details on Partnership Register by 31/1/10. This includes an assessment of the significance of Partnerships, which will determine the extent of governance arrangements. Evaluation framework using CIPFA Good Governance Guidance has been adopted for assessing risks and significance of strategic partnerships. Report to be received by Executive in March. A review of the LSP for Allerdale and Copeland is underway - report to be received by the Executive on 18/1/10. Marketplace system is being piloted and rolled out in 2009/10. Will provide information on supplier base and costs to enable review and potential efficiencies / savings.</p> <p>22 Dec 2009 Point 1. Review of Partnerships to be completed.</p>
	AR-C_032 Ensure that risk management and governance arrangements weaknesses in partnerships are addressed (Point 2).	1	Chief Executive		31 Mar 2010	Use of Resources Dec 2009	<p>21 Jan 2010 The system re the Cumbria Strategic Partnership has been reviewed and new governance arrangements are being developed. This will now be a forum rather than a delivery partnership, so the risk will be reduced. New governance</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>arrangements are also being developed for the West Cumbria Strategic Partnership, with the help of a specialist improvement advisor. Re the Managing Radioactive Waste Safely Partnership, there is a professional project manager, written governance arrangements and a risk log in place. Governance arrangements are also being developed re the Energy Coast Board.</p> <p>22 Dec 2009 Point 2. CSP governance arrangements to be adopted.</p>


Code & Title **AR-CS Customer Services**



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-CS_061 That all claims for single persons discount should be reviewed on an annual basis. If this is not practicable, a rolling programme of single person discount reviews should be set up in the Academy system.	2	Revenues & Benefits1(AS) Team Leader		31 Dec 2009	Council Tax 2008/09	<p>26 Jan 2010 The R&BS Team Leader confirmed that she has requested a document template to be set up on the Paris printing system. Once this has been completed, the reviews will be started.</p> <p>25 Jan 2010 Data re Single Person Discount was included in the National Fraud Initiative exercise for 2009/10 and the Fraud Team have been investigating any anomalies arising.</p> <p>18 Feb 2009 Automated reviews to be set up early in the new financial year (2009/10).</p>
	AR-CS_068 The Council should evaluate the cost effectiveness of recovery actions, associated costs and the cost of not recovering debt promptly and assess the impact on debt recovery arrangements.	2	Head of Customer Services		31 Mar 2010	Use of Resources 2007/08 March 2009	<p>12 Apr 2010 Most effective method of recovery established and used wherever possible.</p> <p>22 Dec 2009 Report covering cost effectiveness now in draft</p> <p>31 Mar 2009 Quarterly monitoring to the Executive continued throughout 2008/09. Plan to undertake an evaluation process during 2009/10, led by the RBS Operations Manager.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-CS_070 That Data Quality training is cascaded down to all those who are responsible for input of data, reports and reconciliations.	2	Head of Customer Services		31 Mar 2010	Benefits System 2008/09	<p>12 Apr 2010 JD's updated to include data quality ans staff reminded regularly of issues. Regular quality checks undertaken to ensure data and claims are accurate. Still awaiting more corporate training.</p> <p>24 Apr 2009 Further corporate training is planned for 2009/10. Managers to nominate attendees.</p>
	AR-CS_074 That the Customer Services Team Leader is trained in obtaining reports from C-Travel and in reconciling these with Nowcard records. Any discrepancies should be notified to Nowcard.	2	Customer Services Team Leader		31 Oct 2009	Concessionary Travel 09/10	<p>17 Dec 2009 Reporting system has just been finalised - training planned for new year.</p> <p>25 Sep 2009 A Fearon agreed to give training</p>
	AR-CS_082 Any future instructions to firms accepting the Vouchers should state that vouchers should be crossed through when received.	2	Customer Services Team Leader		15 Jan 2010	Concessionary Travel 09/10	<p>25 Sep 2009 Wording to be added to the voucher.</p>
	AR-CS_092 That a further training session on the Debt Recovery Handbook is given.	2	Revenues & Benefits(TC) Team Leader		31 Mar 2010	Sundry Debtors 2009/10	<p>09 Apr 2010 Training is planned for June/July 2010.</p> <p>24 Nov 2009 Matt Freestone, Systems Accountant, to assist with training.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-CS_095 Ensure that control weaknesses identified in the Internal Audit's NNDR report are addressed.	1	Revenues & Benefits1(AS) Team Leader		31 Mar 2010	Certification of Claims and Returns - Feb 2010	15 Mar 2010 There were problems during 2008/09 which were identified in Internal Audit's NNDR report. These control weaknesses are being addressed in 2009/10. In addition the RBS Shared Service will make the service more resilient and improve system controls.


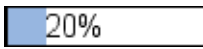
Code & Title **AR-F&MIS Finance & Management Information**


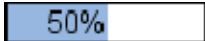
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-F&MIS_059 That the induction process for new employees should include an awareness of Financial Regulations and the relevant written procedures, where appropriate.	2	Accountancy Services Manager	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #4F81BD; color: white; display: flex; align-items: center; justify-content: center;">25%</div>	31 Jan 2008	Creditors 2007/08	<p>30 Mar 2010 As previously noted, workload pressures (the imminent departure of the s.151 Officer, closedown 2009/10, vacancies etc) continue to mean general training given to new employees is done on an ad hoc basis.</p> <p>24 Dec 2009 Workload pressures arising from budget setting, finance team restructure and benefits inspection have delayed further progression of this. Ad hoc training is given when a requirement is identified and the Financial regulations are available on both the external website and the intranet on the recently updated Finance pages. Work on the review of the Financial Regulations will take priority, once this is complete developing a finance training package will recommence.</p> <p>22 Sep 2009 Now that the 08/09 audit is materially complete, work on reviewing the Financial Regulations, including updating the training</p>


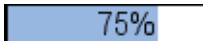
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>pack, will commence.</p> <p>24 Jul 2009 Financial Regulations are to be reviewed. Training will then be delivered.</p> <p>03 Apr 2009 Prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed work on the Financial Regulations and training. This will be picked up again once closedown pressures ease.</p> <p>01 Dec 2008 Financial Regulations documents have been printed for the 2 new Accountancy postholders. This needs to be extended to new starters in all departments, with regular training sessions. Training is in the pipeline for February / March 2009.</p> <p>02 Oct 2008 No new appointments to date</p>
	AR-F&MIS_096 Ensure the Council's progress on having clear info on costs and comparative info is used in a comprehensive manner to review value for money within services and corporately, esp in regards to exp of users and communities in rel to service effectiveness.	2	Accountancy Services Manager		30 Sep 2008	Annual Audit and Inspection Letter March 2008	<p>30 Mar 2010 The recharge of 09/10 support service and service management cost budgets has taken place and procedures are in place for the recharge of 09/10 actual expenditure in line with the closedown timetable. The 10/11 recharge data is currently being compiled and the recharge of 10/11 support service and service</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>management cost budgets will take place within the next few weeks. These recharges, combined with improvements to the budget monitoring process (which will assist the regular checking of coding etc) which come into effect in the new financial year, will help ensure the Council is able to accurately ascertain the total cost of a service.</p> <p>24 Dec 2009 Recharges has been identified as a key area for 09/10 closedown and this will be considered in detail when relevant members of the Finance Team meet in January to review the process. Equally, work continues on consideration of options in relation to time recording systems which could be used to provide more detailed information on which to base relevant recharges (see 09.AS_2.4 re time management project).</p> <p>08 Oct 2009 Now the 2008/09 Financial Statements have been audited and signed off, work is recommending on reviewing the Financial Ledger coding structure. This, combined with Finance's involvement in the Time Management Project (see</p>


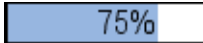


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>09.AS_2.4), will enhance the accuracy of recharges and ensure coding of income and expenditure within the ledger is sufficiently detailed and structured to enable the production of relevant and timely information which can be used to review value for money within services and corporately.</p> <p>09 Apr 2009 Priority is the 2008/09 Final Accounts.</p> <p>25 Feb 2009 Linked with AR-F&MIS_001. Ongoing - the need to deal with urgent issues such as the 2006/07 & 2007/08 audits and 2009/10 budget has delayed this. Finance continue to improve structure within ledger to ensure that reporting of financial data is relevant and timely. Meetings to be arranged to discuss how to progress this.</p> <p>01 Dec 2008 Accountancy Services Manager and Financial Accountant will be in post from 15/12/08. A meeting will be set up early in 2009 to progress unit costing.</p> <p>02 Oct 2008 No further progress pending closure of accounts and filling of vacant posts (2 Accountants)</p>


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							21 May 2008 A Task Group has been set up to identify unit costs and to establish best practice to assist in reviewing value for money in service delivery.
	AR-F&MIS_136 That future updates of the Financial Regulations are notified to all employees and members.	2	Accountancy Services Manager		31 Mar 2010	Training Expenses 2008/09	<p>31 Mar 2010 No further update at this stage. Subject to workload pressures, the Accountancy Services Manager now plans to undertake a review of the Financial Regulations once the closedown of 09/10 is materially complete.</p> <p>24 Dec 2009 Work on the review of the Financial Regulations continues, however progress has been delayed due to workload pressures arising from budget setting, finance team restructure and benefits inspection work.</p> <p>29 Sep 2009 Initial work has begun on the review of the Financial Regulations. This will continue over the next few months now that the 2008/09 audit is materially complete.</p> <p>24 Dec 2008 A review of the Financial Regulations will begin Summer 2009</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-F&MIS_141 That adequate and effective cash flow forecasting records are established and maintained on a regular basis, showing daily transactions and the estimated net position.	2	Accountancy Services Manager		30 Apr 2009	Loans and Investments 2008/09	<p>06 Apr 2010 Due to an internal move within the team, the SAO - Treasury & Insurance post is currently vacant. Recruitment to this post will commence shortly (subject to closedown pressures). In the interim, TM duties are temporarily being covered by suitably experienced members of the Finance team and this, combined with the ongoing advice and support of the previous post holder who remains within the team in a different role, ensures the Council will continue to comply with the TM code. However, the impact of this vacancy on available resource means that this recommendation cannot yet be implemented. As previously noted, material transactions are diaried to manage cashflows.</p> <p>24 Dec 2009 Meetings re Treasury Management processes and procedures will resume in January and this issue will be picked up by the group.</p> <p>26 Oct 2009 Material transactions are diaried to manage cashflow. Detailed projections still to be fully implemented. New target date</p>




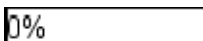
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							2010/11 for full implementation.
	AR-F&MIS_158 Budgets should be linked to the MTFS, to business and activity plans, to operational activity indicators that lead indicators of spend and to risk assessments of material items of revenue and capital income and expenditure.	2	Head of Finance and Management Information Systems		31 Dec 2009	Use of Resources 2007/08 March 2009	<p>25 Jan 2010 Managers have been fully involved in the 2010/11 budget build, based on service planning and linked to the Medium Term Financial Strategy. Improved capital project monitoring procedures are now in place and volatile revenue budgets have been identified and are closely monitored. However, unit costs are still to be developed consistently across the Council's activities.</p> <p>31 Mar 2009 T-Enabling board, integrating service planning with strategic planning, introduced in 3rd Quarter 2008/09. 2009/10 budget setting was in line with the amended MTFS, reflecting pressure from recession whilst protecting key services and plans. Corrected previous budget inconsistencies. Budget monitoring 2009/10 to include monthly exception reporting to CMT, in addition to quarterly reporting to the Executive. Reviewed land and property disposals in line with economic climate. Will prepare contingency plan for expected upturn and/or review alternatives. Budget cognizant</p>


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>of activity levels and budget adjusted accordingly e.g. increased investment in Housing Services (£250k), Crematorium and Car Parking income. Searching for Best Value project underway in support of vfm and spend comparators. Project to be completed within 2009/10 and to provide 2010/11 budget process with early indications of priorities. Workforce planning underway to match establishment to business requirements over time - target date of April 2010. Risk-based reserve established for 2008/09 (and revised for 2009/10) to reflect consideration of material risks to revenue budget achievement. Revised capital & revenue monitoring reporting format introduced in Q.2 2008/09, to facilitate scrutiny and flagging of variances in relation to income generation compared to budget. Budget monitoring format to be reconsidered during 2009/10. Corporate Improvement Board to be engaged in improvement planning / program monitoring.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-F&MIS_190 That a Statement of Assurance on Internal Control is sought from the auditors of Lancashire County Council.	2	Head of Finance and Management Information Systems		31 Mar 2010	Concessionary Travel 09/10	<p>06 Apr 2010 Lancashire CC Audit report was obtained. A follow up report has been requested.</p> <p>25 Sep 2009 Assurance will be sought through County Concessionary Fares Group.</p>
	AR-F&MIS_207 Progress in implementing the new asset register in 2009/10 should be monitored and work will be required by Internal Audit to document the system and to ensure that balances have been correctly and fully transferred.	1	Head of Finance and Management Information Systems; Audit Manager		31 Mar 2010	Annual Governance Report September 2009	<p>31 Mar 2010 Tests of the Asset Register in the test system are nearly complete. Implementation of the module into the live system is scheduled for mid April. During the 2009/10 closedown, the module will be run in parallel with the existing asset register (excel spreadsheet) in order to give comfort that the implementation of the module has been successful.</p> <p>12 Jan 2010 Work on updating the data held within the test system for audit adjustments following 2008/09 audit and implementation of the asset register module into the live system commenced today and it is anticipated the module will be in place in time for closedown 2009/10.</p> <p>23 Dec 2009 Work on implementation into the live system will commence in January.</p>


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>27 Nov 2009 Implementation is scheduled for the last quarter of the financial year.</p> <p>24 Nov 2009 Software has been purchased (integrated with TOTAL ledger) and is currently held in Test environment, pending further work. Module has been populated but we anticipate further work to ensure IFRS compliance and to reflect audit adjustments following 2008/09 audit.</p>
	AR-F&MIS_220 That the TOTAL sub-contractors' details be reconciled with the HMRC list, to ensure that these match. [Audit can provide details of discrepancies found].	2	Accountancy Services Manager	<div style="border: 1px solid black; width: 80px; height: 15px; background-color: #cccccc; position: relative;"><div style="background-color: #0056b3; width: 10%; position: absolute; left: 0;"></div>10%</div>	31 Mar 2010	Creditors 2009/10	<p>01 Apr 2010 List of discrepancies obtained. Due to the prioritisation of the implementation of Ecreditors and improvements to the budget monitoring process, the reconciliation has been delayed. The Systems Accountant will undertake the reconciliation during the next quarter.</p> <p>17 Feb 2010 Agreed. Details of discrepancies will be requested and followed up.</p>

Code & Title **AR-LD Legal & Democratic**





Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LD_020 Concern about the process for land sales, particularly aspects of public involvement.	2	Head of Legal & Democratic Services		31 Mar 2010	Annual Governance Statement May 2009	<p>09 Apr 2010 The recommendations and issues have been discussed with the key officers involved. The Contracts & Projects Manager has confirmed that most of the recommendations are being adhered to when dealing with land matters. He is in the process of updating Contract Standing Orders and will include cross reference to the Audit Commission recommendations and a checklist for officers to adhere to when dealing with land matters. Target date for this is 31 May 2010.</p> <p>06 Jul 2009 Procedures being reviewed for the disposal of land in line with the Audit Commission recommendations in the Annual Governance Report 2006/07 (published March 2009) to be considered by the new Capital Control Group.</p>
	AR-LD_021 That a review of the tax deductions is undertaken, as payments for travel expenses in relation to electoral duties are liable for tax.	2	Head of Legal & Democratic Services; Elections & Emergency Planning Manager		31 Dec 2009	Elections Administration 2009/10	<p>09 Apr 2010 This will be addressed in time for the May 2010 Elections.</p> <p>13 Jan 2010 Will be done before the next Elections</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LD_022 That the Local / Deputy Returning Officer ensures that, for future elections, any tax deducted is paid within 6 weeks of the date of the election.	2	Head of Legal & Democratic Services; Elections & Emergency Planning Manager	<div style="border: 1px solid black; padding: 2px;">0%</div>	31 Dec 2009	Elections Administration 2009/10	17 Dec 2009 -- Can only be done once an election is held

Code & Title **AR-LES Leisure & Environmental Services**


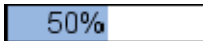

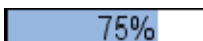

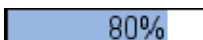
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LES_012 Improve performance with regards to staff sickness absence and the diversity of its workforce (Point 4).	1	Head of Leisure & Environmental Services	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #cccccc; position: relative;"> 50% </div>	28 Feb 2010	Use of Resources Dec 2009	<p>21 Jan 2010 A dedicated Health Improvement Officer has been appointed on a 2 year contract. He has started developing the health improvement plan.</p> <p>22 Dec 2009 Point 4. Develop a health improvement plan for the Council's workforce.</p>

Code & Title **AR-PP Policy & Performance**

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-PP_024 That the Data Quality training is cascaded down to all staff in the section.	2	HR Manager		30 Apr 2009	Payroll 08/09	<p>12 Apr 2010 -- enter new status update --</p> <p>01 Apr 2010 further training still required for 2 payroll staff to be carried forward into 10/11</p> <p>18 Jan 2010 Further training to be commissioned in 2010.</p> <p>03 Nov 2009 Training has been attended by a further 2 HR officers. The 2 Payroll Officers are to attend the next training sessions to be provided.</p> <p>15 Apr 2009 Further data quality training planned for 2009/10 and budget allowed for in corporate training plan.</p>
	AR-PP_035 Improve performance with regards to staff sickness absence and the diversity of its workforce (Point 5).	1	Head of Policy & Performance		31 Mar 2010	Use of Resources Dec 2009	<p>09 Apr 2010 Re sickness - Health Improvement Officer has been appointed. Managers have been reminded at Managers Group about Sickness Management and a sickness record highlighting the problems to be addressed has been circulated to Heads of Service on a regular basis. Funding has been requested for additional Occupational Health Support, to increase</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>the availability from 1 to days per week. This will increase the throughput of sickness cases for evaluation and resolution. Re diversity of workforce - baseline data has been prepared. An advert is to be placed in the Equality Britain Directory, to raise the profile of the Council as an employer. This will also allow access to 6 months' free advertising of job vacancies on the Equality Britain website.</p> <p>18 Jan 2010 Format and means of publication to be decided. Data available.</p> <p>22 Dec 2009 Point 5. Publish profile of workforce including job applicants.</p>

Code & Title **AR-R Regeneration**

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-R_017 That supporting evidence of the admin. fee should be kept on the project file, alongside the claim.	2	Economic Development Manager		31 Oct 2007	Economic Devt. Projects / Admin of Grant Claims 07/08	<p>09 Apr 2010 This was still outstanding in formal procedures and may not be done consistently.</p> <p>27 Jul 2009 Will be included in the training and procedures as part of AR-R14. Implemented by March 2010.</p> <p>09 Apr 2009 Finance and Development Services are planning to work together in 2009/10 to improve the Accountable Body role, in line with the recruitment of a project accountant.</p>
	AR-R_088 That all members of the Housing Renewal Team attend the next available Data Protection course.	2	Housing Renewal Manager		31 Mar 2010	Improvement Grants July 2009	<p>09 Apr 2010 Awaiting arrangement of a further data protection course.</p> <p>29 Jul 2009 Two members of the team attended training, existing member will attend the next course.</p>
	AR-R_092 Ensure that there is a clear link between the procurement strategy and practice and the outcome from the Council's ongoing assessment of local needs.	1	Head of Development Operations		28 Feb 2010	Use of Resources Dec 2009	<p>09 Apr 2010 Strategy was approved February 2010 and includes reference to encouraging local suppliers. The contract register and forthcoming tenders are published on the Council's website. 3 Workshops have been arranged for June 2010</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>with presentations by Business Link, Learn Direct and CREA. Invites are to be sent to local suppliers and those registered with Business Link.</p> <hr/> <p>22 Dec 2009 The Action Plan as part of the Council's newly revised Procurement Strategy covers this issue. This Strategy will be taken to the Executive alongside the Sustainable Procurement Policy in February 2010 which also addresses the local needs issue.</p>

AUDIT PERFORMANCE INDICATORS – 1 APRIL 2009 TO 31 MARCH 2010

Indicator	2008/09		2009/10 Target	Key PI Ref.	2009/10 Actual to Date
	Target	Actual			MARCH
Audit Services:					
% of monthly audit plan completed	90%	66%	90%	AFP.01	83% *****
Direct audit time as a % of total time	68%	57%	68%		64% ***
% of 12 fundamental systems audited against plan	100% <u>By 31 March</u>	69%	100% by 31/3/10		100% *
% of other systems audited against plan	70%	57%	70% by 31/3/10		50% **

* All 16 fundamental system audits [4 Brought forward from 2008/09] were completed and the final reports issued by the end of March. Preliminary work had also been undertaken in preparation for the audit of the bulk issue of Concessionary Travel passes / vouchers / rail cards relating to 2010/11.

** 22 non-fundamental systems were due to be audited by the end of March. 11 were completed. The Marketplace Purchasing System and IT Security was audited by the bought-in computer auditor, assisted by internal audit. The IT Security report will be issued in April 2010. A further 2 draft reports had been prepared but had not yet been reviewed and issued (Leased Transport and Capital Project Management) Work had started on Corporate Business Continuity arrangements.

Deferred audits included: Asset Management (Plan not yet available), ICT Strategy, ICT Business Continuity (audited 2008/09), the Development Control system (went live December 2009), Control of Nursery Stock (low priority), Corporate Governance 2009/10 – including risk management arrangements and performance monitoring of service objectives (rolled forward to April 2010).

*** Direct audit time was slightly below target, arising from the first quarter due to the annual risk assessment and audit planning work being delayed to May, preparation of annual reports for Audit Committee, annual staff appraisals and additional time being spent on progressing the business case for a Shared Internal Audit Service.

***** Slippage against plan due to some audits over-running the estimated time [Budget process, Capital Accounting, Improvement Grants, Corporate Governance 2008/09, Main Accounting system, Concessionary Travel, Creditors, Marketplace Purchasing system, new Building Control system and responsive work on grant claims and implementation of the Job Evaluation pay scales.]. One Audit Technical Officer post was vacant from 11/9/09 – 13 audit days lost. Agency staff started 12/10/09 but did require additional supervision and training.

Compiled by: M Robinson Date: 06/04/10

Checked by: P Fullelove Date: 06/04/10

COUNTER-FRAUD ACTIVITY 2009/10

FRAUD RISK AREA	AUDIT ACTIVITY
Benefits	<p>Annual audit – included evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls.</p> <p>Sample check of eligibility for benefit and payments made. Review of write-offs.</p> <p>The Fraud Team have submitted separate quarterly monitoring reports to the Audit Committee.</p>
Home Renewal Grants	<p>Annual audit of compliance with policy & procedures. Included evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls. Sample check of eligibility, contractor quotes, inspections & payments.</p>
Cash Collection	<p>Annual audit - included evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls. Sample check of refunds, banking, correct posting to accounts. Review of overs/shorts. Review of bank reconciliation.</p>
<p>Credit income [where an invoice or bill is raised to demand payment]</p> <ul style="list-style-type: none"> • Council Tax • National Non Domestic Rates (NNDR) • Planning/Building Control Fees • Fees/Charges 	<p>Annual audits of Council Tax and NNDR include evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls. Sample check of calculation of charges, eligibility for discount, transfers of cash posted, refunds, recovery arrangements, suppression of recovery, write-offs.</p> <p>Cyclical audits of Fees & Charges. 2009/10 – Building Control Fees</p>

FRAUD RISK AREA	AUDIT ACTIVITY
Purchasing	<p>Annual audit of Creditor payments included evaluation of management arrangements for fraud prevention/ detection. Review of system security / access controls. Sample check of supporting documentation/authorisation, check that purchase is appropriate to the service area.</p> <p>Computer auditor reviewed the security and operational controls in relation to the Marketplace Purchasing system, introduced 2009/10.</p>
Issuing of Cheques	<p>Annual audit of Creditor payments and Benefits payments included evaluation of management arrangements for fraud prevention/ detection. Review of system security / access controls.</p> <p>Sample check of supporting documentation/authorisation, reason for return of cheque to officer initiating the transaction, security of cheques (including security features of cheques, custody of returned/cancelled cheques), reconciliation of cheques issued.</p>
Contracts – letting of contracts and management of contracts	<p>Annual audit of sample of pre-contract arrangements for compliance with Contract Standing Orders.</p> <p>Annual audit of a sample of capital contracts to review management arrangements for contract management and the fraud prevention/detection controls.</p> <p>Sample of capital contract payments checked for supporting documentation / authorisation as part of the annual Creditors audit.</p> <p>Cyclical audits of revenue contract management: 2009/10: Waste Management – Contract for leased vehicles.</p>
Loans & Investments	<p>Annual audit – included evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls.</p> <p>Sample check of transfers of funds for supporting documentation / authorisation / compliance with the Treasury Management Strategy.</p> <p>Check reconciliation of treasury management records to bank statements and the financial ledger.</p>

FRAUD RISK AREA	AUDIT ACTIVITY
Recruitment / Payroll	Annual audit – included evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls. Sample check of new starters for proof of ID/qualifications/eligibility to work in UK/ references re previous employment. Sample check of employee payments for supporting documentation / authorisation / check to HR independent records.
Concessionary Travel	Annual audit of compliance with policy & procedures. Included evaluation of management arrangements for fraud prevention/detection. Review of system security / access controls. Sample check of eligibility & issue of bus passes / railcards/ vouchers.
IT Network	“Bought in” specialist computer auditor reviewed compliance with the Security Standard / Government Connect requirements.
Grant Claims	Annual review of grant claims protocol /procedures. Ad hoc audit of grant claims, in line with grant claim deadlines.