

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
1	page 9	H	Performance The speed and accuracy of processing new benefit claims were in the worst quartile in 2004/05	To deliver benefit recovery action plan to achieve BFI standards.	Karen Corby Revenues & Benefits Manager	Mar 2007	Still within target date	-	-	
2	page 9	H	Performance against the planning quality of service checklist is in the worst quartile in 2004/05.	Review of staffing in report to executive June 2006, addressing recruitment and retention issues. The process improvement team is agreeing changes with Development Control	Mike Tichford Head of Regeneration	Sept 2006	PART	Dependent upon implementation of the M3 system	Mike Tichford Head of Regeneration	Changes have been made to the structure of the team but, with current staffing levels and other resources, there is unlikely to be any significant improvement for the foreseeable future. Process improvements are awaiting the implementation of the M3 system.
3	page 9	H	Percentage of new homes built on previously developed land is in the worst quartile 2004/05.	Interim Policy has been produced to tackle the issues and is strengthened in the Local Plan to be adopted in July 06. Nothing to be done about the consents already granted but still to be built.	Mike Tichford Head of Regeneration	Implemented	YES	-	-	New Local Plan has been adopted. Nothing can be done about the consents already granted but still to be built.
4	page 9	H	The processing of major and minor planning applications failed to meet national standards, but only by a small degree in 2004/05.	As above.	Mike Tichford Head of Regeneration	Sept 2006	N/A	-	-	Copeland not identified as a 'Standards Authority' in 2006 indicating that it did not fail to meet national standards. Process improvement review being carried out. Lack of experienced officers due to inability to recruit. Corporately lack of support for enhancing salary levels.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
5	page 9	L	Performance against the environmental health best practice checklist (BV 166) is in the worst quartile.	1. Report to Executive on amended Environmental Services Enforcement Policy - this will increase performance to 63.75%. 2. Review & amendment as of service specific enforcement policies. Food safety/health & safety enforcement policies are being reviewed on a Cumbria wide basis - this will increase performance to 65%.	Vic Emmerson Environmental Health Manager	Oct 2006	PART	31/12/06	Vic Emmerson Environmental Health Manager	The report has been submitted to the Executive on an amended Environmental Services Enforcement Policy. The review of service specific enforcement policies are underway, as at 17/10/06. However, there is a vacant post of Team Leader (Environmental Protection) and current staff resources mean it can't be completed in the near future.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
5 ctd	page 9	L	As above	3. Establishment of pollution control and licensing procedures. Liaison with Economic regeneration on position of Housing Standards procedures - this will increase performance to 70%. 4. Re introduction of customer satisfaction surveys - this will increase performance to 80%.	Vic Emmerson Environmental Health Manager	Oct 2006	NO	Dependent upon agreement of new policies and team leader appointment	Vic Emmerson Environmental Health Manager	The procedures will follow on from the review of policies - see action 2 above. Customer Satisfaction Survey can be progressed re Food and Health & Safety. Environmental Protection Survey will depend upon the appointment of team leader. Other Customer Satisfaction Surveys are dependent upon other services e.g. Legal Services (licensing functions) and Regeneration (Homelessness).
6	para. 22	H	Staff absence rates remain high (worst quartile) and continue to have an impact on the capacity of the organisation.	Corporate team are leading on a package of measures to ensure that sickness absence is being managed appropriately. This will include new processes to record, report and review incidences of sickness.	Hilary Mitchell Head of Policy & Performance	See BVPP monitor progress by 30/11/06	PART	Quarterly Reporting	Hilary Mitchell	Monthly monitoring in place to gain understanding and influence in areas of worst performance.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
7	para. 32		Safer Communities, the impact of drug use - follow up Agencies and their partnerships still do not have a picture of need in the county to which they can effectively target efforts and resources to address the weaknesses in quality of access to services.	This is an issue of leadership in Cumbria in addressing the issue and getting it into the DAAT work plan, not a direct responsibility of District Council and little ability to enforce. CDRP drugs and Alcohol Group reviewed and new action.	Mike Tichford Head of Regeneration	Implemented from a district perspective	YES	-	-	This is an issue of leadership in Cumbria in addressing the issue and getting it into the DAAT work plan, not a direct responsibility of District Council and little ability to enforce. CDRP drugs and Alcohol Group reviewed and new action.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
8	para. 33	M	Waste Management - follow up The amount of municipal waste generated had continued to increase within the district and the county overall (to the highest level for any English county area).	a) Copeland will continue to play its part in the County Waste Partnership. b) A further 2000 properties will be added to the alternate week collection system. c) A trial black sack reduction exercise will be implemented in the summer of 2006 and rolled out if successful. d) Trade premises will be checked to ensure their waste is not entering the household waste stream. Copeland experienced a 0.6% fall in waste generated in 05/06 vs 04/05.	Keith Parker Head of Leisure & Environmental Services & Janice Carrol Waste Services Manager	a) ongoing b)30/6/06 c) 30/9/06 d) throughout year	PART	a) ongoing c) 31/3/07 d) ongoing	Keith Parker Head of Leisure & Environmental Services & Janice Carrol Waste Services Manager	(b) has been implemented - additional properties have been added to the alternate week collection system. (a) is an ongoing activity. (c) has been postponed due to taking on kerbside services. (d) is an ongoing activity.
9	para. 33	M	A framework for a waste strategy had been agreed by most parties but this was not underpinned by clear, resourced plans.	Copeland will continue to play its part in the County Waste Partnership.	Keith Parker Head of Leisure & Environmental Services & Janice Carrol Waste Services Manager	In accordance with the Partnership's deadlines	PART	31/3/07	Keith Parker Head of Leisure & Environmental Services & Janice Carrol Waste Services Manager	Work is ongoing to develop a Cumbria Municipal Waste Management Strategy, which is due to be completed by March 2007.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
10	para. 33	M	The high levels of waste generated were not being addressed vigorously to minimise the risk of fines for exceeding the landfill allocation.	See above plus, Copeland exceeded its statutory recycling and composting target for 05/06 by 10 percentage points at 28% and is in upper quartile for waste composted.	Keith Parker Head of Leisure & Environmental Services & Janice Carrol Waste Services Manager	In accordance with the Partnership's deadlines	PART	31/3/07	Keith Parker Head of Leisure & Environmental Services & Janice Carrol Waste Services Manager	A project is underway county-wide to ascertain why Cumbria produced more waste per capita than all other counties in England. It is expected to be completed by 31/3/07.
11	para. 35	H	Performance Indicators The Council needs to further strengthen its own internal quality assurance procedures to ensure that the published performance data and the information it uses to manage services is reliable.	Quality checks are built into the timetable for the production of annual performance indicators. Further training has been undertaken by staff compiling indicators. Internal audit will build more time into routine systems audits to review the collection of performance data. [Audit Plan 06/07]	Hannah Kozich Performance Improvement Manager & Marilyn Robinson Audit & Fraud Prevention Manager	Implemented. Quality checks built into timetable for PI's. Audit Plan to be revised by 15/5/06	YES and Ongoing	-	-	Data quality audit taking place. Improvement Plan will be needed, including policy guidance for managers and training. Internal Audit has checked the 1st quarter's performance indicators for Benefits and Planning. The system for collecting statutory indicators has also been checked for Council Tax collection. Work on performance indicators will continue throughout 2006/07.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
12	page 12	H	Corporate Governance - follow up Significant improvements had been made but not all the recommendations agreed had been implemented. Members need to ensure that strengthening corporate governance arrangements within the Council continues to be given sufficient priority.	The corporate performance monitoring system has been modified to include quarterly follow up of outstanding audit recommendations.	Corporate Team & Management Group	With effect from 1 April 2006	YES and Ongoing	-	-	Performance monitoring system is in place to check that outstanding issues relating to governance are progressed. Progress will be monitored in the annual audit of corporate governance arrangements.
12 cont'd	para 52	H	The Council need to implement audit recommendations in a timely manner.	The corporate performance monitoring system has been modified to include quarterly follow up of outstanding audit recommendations. Outstanding audit recommendations are reported on a quarterly basis to the Audit Committee.	M Robinson Audit & Fraud Prevention Manager	Quarterly	YES	-	-	The number of outstanding recommendations as at 30/6/06 had reduced substantially compared to the position as at 30/6/05. [38 P1 & P2 recommendations outstanding as at 30/6/06; 69 as at 30/6/05.] New action plans continue to be followed up each year and any outstanding recommendations are added to the cumulative list for continuous quarterly follow up until these are either implemented or are no longer applicable.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
13	para. 38	H	Final Accounts 2004/05 audit There were many aspects of the working papers that demonstrated good practice in 2004/05. However, there were also instances where time pressure had reduced the Council's ability to undertake an internal review of the completeness of working papers and financial statements before they were submitted for audit.	External Audit has agreed to work with the Finance Department to clarify how further improvements can be made to the accounts close down process to ensure that earlier deadlines can be met while still leaving time for robust internal quality review procedures.	Catherine Nicholson Accountancy Services Manager	As part of year end process	YES	-	-	Quality review built into final accounts timetable.
14	para. 44	H	General Fund Spending and Balances Balances appear adequate. Members will need to have regard to the level of balances in the light of future commitments and development requirements.	Head of Finance & Business Development will consider as part of the Budget process and consult with budget Working Party and include in financial statements as presented to Audit Committee.	Sue Borwick Head of Finance & Business Development	Continuous - first formal consideration Sept 06	YES and Ongoing	Continuous	S Borwick Head of Finance & Business Development	Both budget process and final accounts processes have built in a review of resource requirements and a statement from CFO on robustness and adequacy of resources.
15	para. 45	M	The Council has a medium-term financial strategy (MTFS) but this now needs to be further developed to incorporate clear links with all other strategies and plans that the Council has in place to ensure the longer-term affordability of corporate priorities.	Existing documents to be consolidated and built into planning process.	Sue Borwick Head of Finance & Business Development	Combined document by Sept 06	PART	31/12/06	S Borwick Head of Finance & Business Development	Combined document being pulled together in draft. Will be incomplete till other strategies emerge such as Capital Strategy/Pay and Workforce amongst others.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
16	para. 47	H	Housing Revenue Account The Council transferred its housing stock on 7 June 2004 to Copeland Homes. The Council entered into a VAT sharing agreement with Copeland Homes. The Council needs to ensure that, should there be any changes to the VAT or accounting regulation that these arrangements remain compliant.	Current agreement in place. To be monitored if legislation changes.	Sue Borwick Head of Finance & Business Development	Ongoing	YES and Ongoing	-	-	Identified as a contingent asset in the final accounts. Subscription to VAT alerts will notify us of any potential legislation changes. Regular liaison meetings held with Copeland Homes.
17	para. 49	H	Capital Programme The Council recognise the need to update the capital strategy produced in 2003 and work is in progress. This means that the Medium Term Financial Strategy (MTFS) and the capital strategy are currently slightly out of step and the new capital strategy needs to be aligned to the overall MTFS.	Capital Strategy to be updated and combined with MTFS. Currently out for consultation and part of OSC P&R work Plan.	Chris Lloyd Business Development Manager - Capital Strategy. Sue Borwick Head of Finance & Business Development - MTFS	30/9/06	PART	30/11/06	Chris Lloyd Business Development Manager - Capital Strategy. Sue Borwick Head of Finance & Business Development - MTFS	Combined document being pulled together in draft. Will be incomplete till other strategies emerge such as Capital Strategy/Pay and Workforce amongst others. In the OSC PR workplan for November.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
18	para. 50	H	Systems of internal financial control The Audit Commission Interim Audit Report during the year identified specific weaknesses in internal controls operating within the main accounting system, in particular the need for control account reconciliations to be completed on a timely basis and for procedure notes for some key financial systems to be updated.	Outstanding recommendations monitored as part of corporate performance monitoring and reported to the Audit Committee quarterly.	Corporate Team & M Robinson Audit & Fraud Prevention Manager	Quarterly	YES and ongoing	-	-	Weaknesses in internal control are picked up in internal audit recommendations and implementation is followed up quarterly. Specifically re completion of reconciliation of control accounts - in the short term, these are timetabled and completion is monitored by one of the Accountants. In the longer term, a new Financial Management System has been bought, with integrated debtors and creditors modules. Further automatic interfaces with Payroll and with the Revenues and Benefits systems are being considered. This will address many of the reconciliation issues. Go Live is planned for 1 April 2007.
19	para. 54	H	Legality of transactions Following the recent reorganisation, the Council has had to make various severance arrangements. These are often complex and technical in nature and, while these appear compliant with the powers of the Council, it is important to ensure that members and officers continue to take advice as considered necessary to ensure that these decisions cannot subsequently be open to successful challenge on financial or legal grounds.	Monitoring Officer to be contacted to consider proposed severance arrangements prior to any decision being made.	Martin Jepson Head of Legal & Democratic Services	As required	Not yet needed			

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
20	para. 59	M	Use of resources judgements Areas for improvement include:- - Updating the Medium Term Financial Strategy to provide clear links with the Council's other strategies and plans and demonstrate the continued affordability of corporate priorities.	To be integrated in combined document and planning process.	Sue Borwick Head of Finance & Business Development	30/9/06	PART	31/12/06	Sue Borwick Head of Finance & Business Development	To be included in the draft Use of Resources action plan being developed. MTFS is drafted but will be incomplete until other strategies are complete.
21	para. 59	M	- specifically include responsibility for risk management within a Council Committee terms of reference.	Risk Management Strategy has identified the relevant committee and monitoring process.	Sue Borwick Head of Finance & Business Development	Implemented	YES	-	-	Implemented - initial training for Members done. Managers to receive training in August/ September.
22	para. 59	H	- ensure the accounts presented for audit are free from material errors or misstatement and comply with all disclosure requirements.	Quality assurance process in place.	Sue Borwick Head of Finance & Business Development	For 2005/06 final accounts	YES	-	-	QA check built into each step of the process. Final QA by CFO. Unqualified opinion on Final Accounts given by external auditor.
23	para. 59	H	- procedure notes are introduced for all business critical systems	Payroll - notes to be completed. Revenues - Full system notes available. Desk aids provided for benefit processing staff. Review requirements when section at steady state.	Nicky Scott Payroll Officer & Karen Corby Revenues & Benefits Manager	31/8/06 31/3/07	PART	1/4/07	L Murphy Chief Executive	Revenues Benefits system manuals and desk aid checklists have been approved by the DWP as being satisfactory at this stage. Payroll procedures - some procedure notes are in place but these need to be updated. All procedure notes will be reviewed in readiness for the new financial management system to be in place from 1st april 2007. They will be reviewed after 6 months initially.

Issue No.	Audit Letter Ref.	Priority	Issues	Action Agreed	Responsible Officer	Target Date	Implemented	New Target Date	New Responsible Officer	Comments
24	para. 59	M	- introduction of controls to monitor aggregate spend with suppliers to ensure compliance with tendering requirements.	Current systems do not easily report on this area. Work to be considered as to how this can be undertaken. In the meantime Internal Audit will monitor as part of creditors audit where possible.	Sue Borwick Head of Finance & Business Development & Marilyn Robinson Audit & Fraud Prevention Manager	System to be in place by 30/9/06	PART	1/4/07	Sue Borwick Head of Finance & Business Development	New Financial Management System to be implemented by 1 April 2007. This includes a Creditors module and will allow greater flexibility in obtaining reports. Meanwhile, a spot check will be included as part of the 2006/07 Creditors system audit to be undertaken by 31/12/06.

12/09/06