

COPELAND BOROUGH COUNCIL - AUDIT SERVICESPriority Key:

P1. S.151 Issue

P3. Desirable

RECOMMENDATIONS DATABASE - OUTSTANDING ITEMS - 31 DECEMBER 2006

P2. Key Control

P4. For Information

Audit Year	Audit	Rec. No.	Rep. Ref.	Priority	Recommendation	Action Agreed	Responsible Officer's)	Department	Target Date	Implemented	New Target Date	New Responsible Officer's)	Comments
2006/07	Corporate Governance 2005/06	24	6.4	-	Organise systematic 360 degree feedback from a sample of stakeholders	Consider further peer review	Corporate Team	Corporate	Dec 2006	PART	To be raised at Corporate Team by 28/02/07	L Murphy Chief Executive	Discussed with Allerdale. Joint meeting held with both Corporate Management Teams. No further progress.
2006/07	Annual Audit Letter	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	Customer Services	Mar 2007	Still within target date			A regular review of performance is undertaken. Monthly monitoring and reporting to the DWP.
1997/98	Benefits			P2	That the following be included in written procedures relating to data protection: (i) Dealing with general enquiries; (ii) Dealing with subject access requests; (iii) Informing the Council's Data Protection Officer of intentions to implement any systems, which contain personal data.		F Hornsby Head of Revenues Benefits and Exchequer then R Keech Interim Revenues & Benefits Manager	Customer Services	30/09/98, 31/12/99, 31/03/00, 30/12/00, 31/03/01, 31/12/01, 30/09/02 30/6/05 30/8/05 31/10/05 30/6/06	PART	31/03/07	K Corby Revenues and Benefits Manager	Employees have attended various training sessions and are conversant with implications of the Data Protection Act. Dedicated training sessions have been provided for Revenues & Benefits staff. However, Data Protection Requirements still to be added to the Desk Aids checklist - responsibility has been assigned.
2005/06	Cash Receipting	2	2.2	P2	Cashiers attend any future data protection training that the Council offers.	As recommendation. Training need to be identified as part of staff development interviews.	P Wadsworth Customer Services Manager	Customer Services	30/6/06 31/10/06	PART	31/3/07	Stephen Fawcett Customer Services Manager	3 cashiers attended the training. The Customer Services Manager has a list of those still requiring the training.

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2004/05	Council Tax	2	1.4	P2	That the reconciliation of the Council Tax system properties to the Valuation Office Listings is carried out by a different person to the one entering the changes from the Valuation Office listings. If this is not possible, spot checks should be carried out by the Supervisor.	Not agreed. No one else would have the awareness of the changes made to know when something was wrong. However, spot checks will be carried out.	Anne Spedding Local Taxation Manager	Customer Services	Spot checks to commence January 2005 once the new system is in place. 31/8/05 31/10/05 31/3/06 31/10/06 31/12/06	NO	31/03/07	K Corby Revenues and Benefits Manager	RBS Team Leader (A Spedding) currently inputting and balancing changes, so recommend a monthly report to the Revenues and Benefits Manager for spot checking. Further training needed for spot checking. [Internal Audit does carry out an annual random sample check of changes made to Valuation bandings to ensure these are in line with the Valuation Office Listings.]
2004/05	Grant Claims - NNDR Returns	3	2.2	P2	The Local Taxation Manager is reminded of the need to document every calculation on the working papers.		Anne Spedding Local Taxation Manager Customer Services	Customer Services	31/01/05 31/8/05 31/10/05 From 1/2/06	NO	28/02/07	J Piper Senior Financial Controls Officer	Responsibility for return completion moved to Senior Financial Controls Officer Development as from February 2006. All calculations will be documented when the next return [NNDR 1] is due - February 2007.
2004/05	Grant Claims - NNDR Returns	1	1.3	P2	The Local Taxation Manager complies comprehensive written procedures for completion of NNDR returns		Anne Spedding Local Taxation Manager	Customer Services	31/01/05 31/8/05 31/10/05 1/2/06 30/6/06	NO	30/06/07	J Piper Senior Financial Controls Officer from Feb 06	Responsibility for return completion moved to Senior Financial Controls Officer as from February 2006. Procedures will be written when NNDR claims are next completed. NNDR 3 will only be completed by June 2007.
2005/06	NNDR	2	4.4	P2	That supervisory spot checks are undertaken on refunds to check that these are valid.	A Spedding will pass all reports at month end to K Corby to select a sample for spot checking	K Corby Revenue and Benefits Manager	Customer Services	With effect from July 2006	PART	Carry forward to 2006/07 audit	K Corby Revenue and Benefits Manager	A Spedding files a copy of all NNDR refund reports, ready for review. Spot checks had been carried out on Council Tax refunds but not NNDR refunds, as at 02/01/07.

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2006/07	Cash Receipting	2	3.2	P2	That Academy templates are revised to show that Council Tax and NNDR payments can be made on the website and that the website address is updated to www.copeland.gov.uk	As recommendation	K Corby Revenue and Benefits Manager	Customer Services	Before close down for year end March 2007	PART			As at 8/11/06, the Team Leader (Recovery) has amended Council Tax Reminders to include instructions for website payments. [NNDR Reminders have been pre-printed.] Amendments will be needed for 2007/08 bills - to be included in end of year planning.
2005/06	Sundry Debtors	10	4.9	P2	that additional training sessions should be held, once the Sundry Debtors Handbook has been updated, for all employees involved in the Sundry Debtors process to ensure that they are all aware of their roles and responsibilities.	The Head of Customer Services has agreed to take the lead on this.	J Salt Head of Customer Services	Customer Services	Following revision of the sundry debtors handbook	PART	31/3/07	J Salt Head of Customer Services	Some training/awareness sessions have been held. Amendments to processes will be needed on implementation of the new Sundry Debtors module [planned Go Live 1/4/07]. Further training will be undertaken when the Sundry Debtors Handbook has been revised in line with the new processes.
2005/06	NNDR	1	1.2	P2	Confirm, during the follow up audit, that the differences identified in the reconciliation between NNDR & the FMS have been resolved and that the reconciliation is up to date.	As recommendation	M Robinson Audit & Fraud Prevention Manager	Customer Services	30/11/06	PART	31/1/07	J Piper Senior Financial Controls Officer	Confirmed progress. J Piper had taken over responsibility for the reconciliation. The initial work had been undertaken but there were still some differences to resolve and further work was needed on 2005/06 transactions. Progress continues to be monitored. Confirmed that reconciliations for 2006/07 were up to date. As at 29/11/06, reconciliations had been undertaken for the period to 31/10/06.

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2006/07	Council Tax	3	2.4	P2	B/fwd from 2005/06 That a risk assessment analysis is undertaken to identify those properties where documentation relating to discounts is out of date and prioritize properties for review to confirm there is no change of circumstance.	As recommendation	K Corby Revenues and Benefits Manager	Customer Services	30/3/07	PART	Review to start 19/3/07.	K Corby Revenues and Benefits Manager	There is a planned programme for Single Person Discounts to be put in place as part of a Cumbria wide initiative. It has been agreed to have a partnership of the 6 District Councils and a private company - Experian. Exercise starts on 19 March 2007. Review letters are to be sent out in May 2007.
2006/07	Council Tax	5	4.3	P2	B/fwd from 2005/06 That all copies of the Buildings Notifications are filed and kept in date order.	As recommended	R Ronaldson RBS Technical Support Officer	Customer Services	Immediately 30/9/06 31/12/06	PART	Not a priority	C Sewell RBS Assessment & Accounts Officer	Building Regs Applications and Building Regs Commencements are now filed in date order. Building Regs Completions are kept but are still to be filed in order, so they can be easily retrieved. Not a priority given current workload.
2006/07	Council Tax	18	11.4	P2	B/fwd from 2005/06 That supervisors regularly review and test check work.	The RBS Team Leader currently carries out test checks of the more complex issues of new starters' work. However, not agreed at present for the experienced staff and straightforward work, due to resource issues.	K Corby Revenues and Benefits Manager	Customer Services	Resource position to be reviewed by 31/3/07	PART	31/3/07	K Corby Revenue and Benefits Manager	New starters are still being checked as at 2/1/07.

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2006/07	Annual Audit Letter	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	Finance & Business Development	Combined document by Sept 06. 31/12/07	PART	31/03/07	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.
2006/07	Annual Audit Letter	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/ Sue Borwick	Finance & Business Development	30/9/06 30/11/06	PART	30/1/07	Chris Lloyd/ Sue Borwick	Capital Strategy and Asset Management Plan taken to OSC P&R in December 2006, then to Executive in January 2007. Strategies will be incomplete until other strategies emerge, such as Pay & Workforce amongst others.
2006/07	Annual Audit Letter	20	para. 59	M	Use of resources judgments Areas for improvement include:- Updating the MTFS 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	Finance & Business Development	30/9/06 31/12/06	PART	31/03/07	Sue Borwick	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. Feedback on Use of Resources due on 26/02/07.

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2005/06	NNDR	5	9.3	P2	That, to enable spot checking that transfers are valid and to provide an audit trail, notes should be included on the relevant notes screen detailing the reasons for the transfer. Regular supervisory spot checks should be undertaken.	Notes will be entered on partial transfers and supervisory spot checks from transfer reports will be undertaken.	A Spedding RBS Team Leader & K Corby Revenues & Benefits Manager	Finance & Business Development	With effect from June 2006 & With effect from July 2006	Not yet applicable	Will test as part of 2006/07 audit.	M Robinson Audit & Fraud Prevention Manager	
2005/06	Sundry Debtors	19	7.4	P2	that , prior to the go live date for the MVM Building Control, it is identified how the invoice data will be extracted from the MVM system and who will be responsible for manual input of Building Control invoices into the Sundry Debtors system, until an automatic download can be implemented.	As recommended	P Crone ICT Team Leader C Nicholson Accountancy Services Manager	Finance & Business Development	Prior to go live date	PART	30/4/07	M Everingham ICT Systems Team Leader	Managed to extract invoice details using an access database, but needs more work. Live date for Building Regulations has now been put back to the end of February 2007. Work will be undertaken on the automatic link to the Debtors module in the new FMS system.
2004/05	Audit Commission Interim Report on Copeland Borough Council	R12		P1	Ensure the procurement officer has the means to monitor disaggregated orders placed with suppliers to enable identification of any potential non-compliance with standing orders.	Once in post	S Borwick Head of Finance & Business Development	Finance & Business Development	When in post 31/12/06	NO	31/03/07	C Lloyd Business Development Manager	Post had only just been filled as at 2 October. As at 9 October, procurement analysis had begun. This facility is likely to rely on the enhanced facilities available in the new FMS.

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2005/06	Corporate Governance 04/05	4	2 (c)	P2	B/fwd from 2003/04: That performance reports link performance / outputs with financial budgets / expenditure.	As Recommendation	S Borwick Head of Finance & Business Development	Finance & Business Development	30/9/04 30/9/05 31/12/05 Following appointment of Policy Team Leader	PART	31/03/07	S Borwick Head of Finance & Business Development	Need to tie up Service Planning with budgets and monitor as part of Performance Monitoring reports rather than as budget monitoring. Changes being introduced to performance monitoring for service performance reports to tie in with budget monitoring reports. This will be phase 1. Cumbria CFO group now considering how reporting can be improved - early discussions held. Part of Use of Resources Action Plan.
2005/06	Creditors 05/06	14	9.3	P2	if staffing resources do not allow regular supervisory checks, then supervisory spot checks should be made on an ad hoc basis to ensure that transactions have been authorized, processing procedures have been followed and reconciliations have been completed.	Supervisory checks are now carried out to establish competence. This will then be followed by random spot checks. Will be discussed at the next Seniors' meeting.	C Nicholson Accountancy Services Manager	Finance & Business Development	30/11/05 31/7/06 15/11/06	PART	16/02/07	Ann Fisher	Part implemented, doing spot checks on authorized signatories, but not on listings. Will be fully implemented by 16/2/07. Reconciliations have been checked and are up-to-date as at 08/12/06.
2005/06	Loans and Investments 05/06	6	3.2	P2	Treasury Management Procedure Guide is updated.	As recommendation. The Council's Treasury Management advisers will be assisting with this in the next month.	C Nicholson Accountancy Services Manager	Finance & Business Development	31/3/06 31/12/06	PART	30/6/07	Catherine Nicholson Accountancy Services Manager	Revised Treasury Management Procedure Guide has been drafted. Still a working document as at 17/01/07, as proposed changes to Bankline will necessitate further updates to procedures. No external training available on Bankline, so Senior Accountancy Officer to learn the system procedures and train others. Our Treasury consultants (Butlers) have covered more training re cash flow and this has been cascaded down to other staff in the section.

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2005/06	Loans and Investments 05/06	7	3.4	P2	any revision of the Treasury Management Manual should also include Guidance re Money Laundering.	As recommendation 6 above	C Nicholson Accountancy Services Manager	Finance & Business Development	31/3/06 31/12/06	PART	30/6/07	Catherine Nicholson Accountancy Services Manager	Treasury management Practices pick up issues such as money laundering. However, comprehensive guidance still needs to be approved. As recommendation 6 above.
2005/06	NNDR	3	6.2	P2	As part of the follow up audit, a sample of NNDR write offs on the Academy system are tested to confirm they have been processed in accordance with Financial Regulations.	As recommendation	M Robinson Audit & Fraud Prevention Manager	Finance & Business Development	30/11/06	Not yet applicable	Carry forward to 2006/07 audit	M Robinson Audit & Fraud Prevention Manager	Only minor rounding (pence) write offs had been actioned on the Academy system as at 29/11/06, although Committee approval had been given to write off total debts of £41,744 on 21/2/06. A Spedding will notify audit when this has been actioned.
2006/07	Annual Audit Letter	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 / Marilyn Robinson	Finance & Business Development / Audit & Fraud Prevention	System to be in place by 30/9/06	PART	1/4/07	Sue Borwick / Marilyn Robinson	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 31/03/07.

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2006/07	Annual Audit Letter	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	Legal & Democratic Services	As required	Not yet needed			
2005/06	Sundry Debtors	7	4.2	P2	that the Sundry Debtors Handbook is updated to reflect the new responsibilities for recovery of the debts. This should include direct guidance as to what the individuals within the departments should be doing.	C Boyce has agreed to take the lead on revision of the Handbook, with input on procedures from T Carr (Recovery) and from J Finlay (Accountancy).	C Boyce Legal Services Manager	Legal & Democratic Services	30/6/06 31/10/06	PART	31/3/07	M Jewell Senior Legal Services Officer	As at 16/11/06, the Sundry Debtors Handbook had been updated in line with the requirements of the existing Debtors System. However, a new Sundry Debtors module was to be introduced [1/4/07], which would involve changes to processes. The Handbook would be revised and distributed prior to go live. Training would be given on the new processes.

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2005/06	Sundry Debtors	8	4.5	P2	that the section of the Sundry Debtors Handbook which deals with the wording of the invoices is extended to cover all types of invoices which are raised by all departments. [Audit will supply details of these].	As recommendation	C Boyce Legal Services Manager	Legal & Democratic Services	30/6/06 31/10/06	PART	31/3/07	M Jewell Senior Legal Services Officer	As at 16/11/06, the Sundry Debtors Handbook had been updated in line with the requirements of the existing Debtors System. However, a new Sundry Debtors module was to be introduced [1/4/07], which would involve changes to processes. The Handbook would be revised and distributed prior to go live. Training would be given on the new processes.
2005/06	Sundry Debtors	12	4.12	P2	that all staff involved in the raising and recovery of Sundry Debts are given a copy of the Sundry Debtors Handbook.	As recommendation	C Boyce Legal Services Manager	Legal & Democratic Services	Following revision of the sundry debtors handbook	PART	31/3/07	M Jewell Senior Legal Services Officer	As at 16/11/06, the Sundry Debtors Handbook had been updated in line with the requirements of the existing Debtors System. However, a new Sundry Debtors module was to be introduced [1/4/07], which would involve changes to processes. The Handbook would be revised and distributed prior to go live. Training would be given on the new processes.

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2006/07	Annual Audit Letter	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	Leisure & Environmental Services	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.
2006/07	Annual Audit Letter	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	Leisure & Environmental Services	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.

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2006/07	Annual Audit Letter	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	Leisure & Environmental Services	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.
2006/07	Corporate Governance 2005/06	1	1.1		Review Corporate Plan when Community Strategy is revised.	Corporate Plan for next 5-10 years will continue to be developed but will have to be reviewed once the Community Plan is in place.	Hilary Mitchell Head of Policy & Performance	Policy & Performance	April 2006	PART	31/3/07	Hilary Mitchell Head of Policy & Performance	Draft 5 year plan prepared. Community Strategy may be available to as a source before completion.
2006/07	Corporate Governance 2005/06	12	2.3		Review membership and attendance at Joint Neighbourhood Forums	As recommendation	Hilary Mitchell Head of Policy & Performance / LSP	Policy & Performance	March 2006	PART	30/4/07	Hilary Mitchell Head of Policy & Performance	Revised guidelines for Members on Outside Bodies approved Feb. 2006. As at October 2006, a major review is being carried out at County level as part of the Local Area Agreements work. Once completed, this will be considered by the Executive.
2006/07	Corporate Governance 2005/06	14	2.3		Corporate Team's job profiles to be reviewed as part of the Restructure Review.	As recommendation	Hilary Mitchell Head of Policy & Performance	Policy & Performance	March 2006	PART	31/3/07	Hilary Mitchell Head of Policy & Performance	OSC PR are undertaking the Restructure Review. Corporate Team job profiles will also be considered as part of their Employee Development Interviews.
2006/07	Corporate Governance 2005/06	15	2.3		All job profiles to be made available on the intranet.	As recommendation	Hilary Mitchell Head of Policy & Performance	Policy & Performance	Dec 2005 31/12/06	PART	Following job evaluation exercise	Hilary Mitchell Head of Policy & Performance	Head of Policy & Performance to coordinate. Job profile quality checking being undertaken as part of the corporate job evaluation exercise.

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2005/06	Wages	3	3.8	P1	Rolled up holiday pay be itemized as a separate pay element on the SAGE system.	To be looked at after the year end to see how many employees this affects and how much work is involved	N Scott Payroll Officer	Policy & Performance	30/4/06	PART	31/3/07	N Scott Payroll Officer	European Court of Justice on 13/3/06 has now ruled that rolled up holiday pay is unlawful. The Head of Legal & Democratic Services is of the view that this issue must be addressed within the current financial year (2006/07). All new starters now have holiday pay separated out. However, those already paid rolled up holiday pay will not be altered at present. Less than 20 casuals and most are only working for the summer period. A review of those affected will take place before 31/3/07.
2006/07	Annual Audit Letter	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 / Karen Corby	Policy & Performance / Customer Services	31/8/06	PART	31/3/07	Nicky Scott	Revenues and Benefits system manuals and desk aid checklists have been approved by DWP as being satisfactory at this stage. Payroll procedures - SAGE system manual and some procedures notes in place. Local Agreement terms and conditions guidance is being consolidated into one file.
2006/07	Annual Audit Letter	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	Regeneration	Sept 2006	PART	Dependent upon implementation of M3 system	Mike Tichford	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.