AUDIT MONITORING REPORT: QUARTER 3 2011/12

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1.0   INTERNAL AUDIT WORK COMPLETED IN QUARTER 3 2011/12

1.1   **Final reports issued**
    - Loans and investments
    - Insurance
    - Council tax
    - NNDR
    - Benefits
    - Record of interests/gifts & hospitality
    - Travel and subsistence

In addition work was completed on the National Fraud Initiative (NFI) in relation to potential duplicate payments and a grant claim to the Arts Council was audited and certified. The NFI work was unplanned and budget was taken from the planned review on IT acquisition as this was deemed low risk given that the Council had purchased very little recently. Management agreed there was limited value in carrying out IT acquisition audit at this time. Work on the Arts Council grant claim utilised budget originally earmarked for a general review of grants as there was no specific budget for the Arts Council claim.

Three of the audits in this period relate to services provided by the Revenues & Benefits Shared Service. Since 1 June 2010 Copeland, Allerdale and Carlisle Councils have been in a shared service agreement for the Revenues and Benefits Service, with Carlisle City Council acting as the host employing council. The shared service is being phased in gradually, with the main management structure and team structures now complete. At the moment, Copeland staff are still working on Copeland cases, although there are plans to implement the sharing of databases between the various councils and for staff to work on each other's databases as workloads require, once the necessary systems have been put in place.

At the end of the third quarter, 6 of the 12 fundamental systems have been audited and work on 2 others (payroll and cash receipting) is substantially complete. Work on the remaining 4 fundamental systems audits (creditors, debtors, main accounting system and budgetary control) is commencing in January. Audit work on all fundamental systems will be completed by the end of March. Of the 28 other audits in the plan, 13 remain to be done in Quarter 4. Sufficient audit resource is available to carry out this work if the audits can be accommodated in this quarter by Council Departments.

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1.2   **Assurance on System Controls**

Key recommendations (those assessed as Priority 1 or 2) are set out at Appendix A. The overall evaluation of the system controls is summarised below. During this quarter 2 audit reports received a weak assessment (Council Tax and NNDR) as a result of the same key control not being operated during the year to the date of the audit. The control has since been re-introduced.

1.2.1   **Loans and investments**

OVERALL AUDIT OPINION	SATISFACTORY

CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE PROBABILITY	LOW
RISK EXPOSURE IMPACT	HIGH

This audit reviewed the treasury management function of the Council and concluded that key policies and procedures were in place and in line with the CIPFA Code of Practice for Treasury Management (TM).

TM activity is now reported to the Executive on a quarterly basis and further member training has been carried out this year to ensure members have sufficient knowledge to appraise the Treasury Management information they receive. TM Policy and Strategy 2011/12 – 2013/14 was adopted by Full Council on 22/02/11. The 2010/11 outturn performance report was presented to the Audit Committee on 01/06/11 for scrutiny, prior to consideration by the Executive on 28/06/11.

At the date of the audit, the roles of Anti-Money Laundering Officer and Deputy Anti-Money Laundering Officer had not been allocated but this has now been done and training provided.

As at 06/09/11, the draft Treasury Management Manual (dated February 2011) included the majority of the requirements of the revised CIPFA Code of Practice for Treasury Management (issued December 2009) but will need updating for changes to current job roles and approval by the Corporate Director for Resources and Transformation.

At the time of the audit review the certificate for the renewed Fidelity Guarantee insurance had not yet been received but the cover remains at £8m (for sixteen named posts), to adequately cover the investment limit of £5m with any one counterparty. The cover is automatically renewed so there is no risk of not being covered.

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All transactions tested were found to be in order and complied with the Treasury Management Strategy. Adequate fraud prevention and detection controls are in place to mitigate the risk of misappropriation of funds.

1.2.2   Insurance

OVERALL AUDIT OPINION	SATISFACTORY

CONTROL DESIGN	SATISFACTORY
CONTROL EFFECTIVENESS	SATISFACTORY
RISK EXPOSURE PROBABILITY	LOW
RISK EXPOSURE IMPACT	HIGH

This audit reviewed the Council's arrangements for managing its insurance arrangements.

Written procedures are now out of date. For business continuity purposes it is essential that basic procedures, reflecting the Council's current systems are in place, especially as the Finance department has recently undergone a restructure with responsibilities for the administration of insurance being transferred to another member of the team.

Information in respect of insurable areas is regularly reviewed to check that insurance cover is adequate. Any changes in circumstances that would affect the insurance cover are promptly actioned.

The Mayoral robes and chain are covered in the "all risks" insurance schedule. The items are held securely at the Copeland Centre when not in use; however, if the robes and chain are used out of office hours or at the weekend and staff are unable to access the Copeland Centre the items are held off-site. Insurers were not aware that Mayoral Regalia was occasionally held off site. The premium for the current year is not affected, however, premiums may rise when cover is next renewed, [August 2012]. Zurich advised that precautions must be taken when the Civic Regalia is held off site, (e.g. keep items in a safe if available).

Where the Council leases property to tenants the lease/tenancy agreement includes a clause that allows the Council to recharge insurance premiums where appropriate. Where the organisation requires insurance cover to be maintained by third parties e.g. leased properties, regular examination of third party insurance policies is carried out to ensure that the policy and sums insured are valid and appropriate.

Insurance claims are recorded on a central register held by the Finance department and officers also have access to Zurich Help point, an online facility that records claims details. The claims register is not cross referenced to other data in order to identify recurring patterns of claims, e.g. sites of incidents and accidents, claimant's names and

addresses, in order to try to identify potential fraud, unsafe practices or hazardous surfaces/locations.

QLAS is Zurich Municipal's electronic claims management information system to which Copeland is a paid subscriber. It allows the detailed recording of incidents and claims and enables the organisation to analyse a claims' complex loss history and identify areas for future risk control. These controls can then be monitored for effectiveness using its inbuilt reporting tool. We found that this facility has not been used effectively and is not providing good value for money.

There are 12 claims that have been outstanding for some time, ranging from June 2005 to December 2010. These claims have been chased up during the course of this audit and there are valid reasons for delays.

Overall value for money is achieved by tendering for insurance provision. The tendering exercise was in line with the Council's Contract Procedure rules and Financial Regulations.

1.2.3   **Council Tax**

OVERALL AUDIT OPINION	WEAK

CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	WEAK
RISK EXPOSURE PROBABILITY	MEDIUM
RISK EXPOSURE IMPACT	MEDIUM

At the date of the audit no reconciliations had been carried out this financial year between the Civica cash receipting system and Academy Council Tax system. This is a key control to ensure that income relating to council tax is posted to the Academy system. The Audit Commission has raised this as an issue in previous years. During 2010/11 the reconciliation was carried out by the Revenues Team Leader but due partly to technical problems with accessing the Civica system, but also changes in job role under the shared service, this has not been done during 2011/12 financial year.

As this key control had not been operating for the financial year to date, control effectiveness was assessed as weak. Since the audit, the control has been retrospectively applied and is now operating on an ongoing basis.

The majority of key controls were effective and being complied with in relation to the areas tested. The reconciliation of properties compared to the Valuation Office Agency (VOA) list was up to date, VOA amendments were promptly processed and all accounts tested were found to be in order. The opening debit for the 2011/12 financial year had been carried out in February by the Performance Team in Carlisle as part of the main billing process.

Regular reconciliations are being carried out between the Academy Council Tax and Total finance management system by the Accountancy section. These show that receipts posted to Academy and to Total are the same, but do not prove that the correct total receipts have been picked up from Civica cash receipting. This is covered by the reconciliation to Civica to Academy.

Collection figures showed that 58% of the total amount due had been collected by September 2011 (BV9 collection percentage) and recovery action was progressing in line with the timetable. A sample of special arrangements to pay arrears showed that most payments were up to date and appropriate action had been taken where the conditions of the payment agreements had not been kept.

Write-offs of irrecoverable debts have not been actioned on the system because of a lack of clarity as to whether full approval has been given by the Chief Finance Officer. This has resulted in the Senior Recovery Officer delaying actioning the write-offs.

Previous recommendation 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 on the Academy system" shows as implemented on Covalent. However, because of problems with the template letters which would be issued to council tax payers, no reviews have been carried out. Single persons discount accounts for the majority of discounts and has been highlighted by the Audit Commission nationally as a potential fraud risk. Potential fraudulent single persons discount claims are identified by the National Fraud Initiative and the Counter Fraud section of the Shared Service are working on this.

Previous recommendation AR-CS_016 "That a report showing credit balances should be run at least quarterly and, where appropriate, customers should be refunded" shows as implemented in January 2008. However, large credit balances have remained on several accounts for over 12 months without any action being taken.

Adequate data quality arrangements were in place. Staff were aware of their roles and responsibilities under the Data Protection Act. Access rights to the Academy system are currently under review by the Shared Service Performance team.

1.2.4   NNDR

OVERALL AUDIT OPINION	WEAK
CONTROL DESIGN	GOOD
CONTROL EFFECTIVENESS	WEAK
RISK EXPOSURE - Probability	LOW
RISK EXPOSURE - Impact	HIGH

At the time of the audit (October – November) no reconciliations had been carried out this financial year between the Civica cash receipting system and Academy NNDR system. This is a key control to ensure that income relating to NNDR is posted to the Academy system. The Audit Commission has raised this as an issue in previous years. During 2010/11 the reconciliation was carried out by the Revenues Team Leader but

due partly to technical problems with accessing the Civica system but also changes in job role under the shared service, this has not been done during 2011/12 financial year.

The majority of key controls were effective and being complied with in relation to the areas tested but as a key control has not been operating for the financial year to date control effectriveness was assessed as weak. The control has been retrospectively applied and is now operating on an ongoing basis.

The Valuation Office Agency (VOA) 2010 ratings list came into effect from April 2010, alongside the 2005 ratings list which, although the deadline for appeals ended 31/03/2011, can still be amended by prior appeals being processed. The reconciliation of the total rateable value and the number of properties on the NNDR system to the VOA 2005 and 2010 rating lists were carried out in March as part of the year end process and more recently in November. Amendments are also carried out in a timely fashion.

The Academy NNDR system has been appropriately amended for the use of the 2011/12 NNDR multipliers and calculations were performed correctly by the system. The temporary rates of Small Business Rate Relief have also been correctly applied. 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 October stood at 69.76%, above the target of 57.92% (as per the Covalent performance management system). Appropriate recovery action is taken promptly and accurately in relation to those accounts that fall into arrears.

User access rights to the Academy system and written procedures are currently under review by the Shared Service Performance team, as part of the continued implementation of a "shared desktop" and shared working practices between the 3 sites.

The suspense account is checked regularly and amounts allocated to the appropriate accounts and systems. However, a total amount of £150.05 remains on the suspense account from April 2008 and relates to two unclaimed and unidentified Council Tax payments (stems from a problem when the All Pay cards were first introduced). Consideration should be given to writing out these amounts from the suspense account.

Regular reconciliations are being carried out between the Academy NNDR and Total finance management system within the Accountancy section by the Senior Accounting Officer Technical and Reconciliations. These show that receipts posted to Academy and to Total are the same, but do not prove that the correct total receipts have been picked up from Civica cash receipting.

The Explanatory Notes section of NNDR bills does not currently comply with statutory guidelines due to an error within the 'Rating advisers' section.

The Write-Off process needs to be reviewed to ensure it complies with Copeland's current Financial Regulations and Financial Procedure Rules and the Scheme of Delegation.

1.2.5   **Benefits**

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

A sample of claims was reviewed and all applications had been correctly assessed. Some issues were identified but these did not impact on the benefit assessment or payment calculation. For example,

- 1 National Insurance Number (NINO) incorrectly input onto the Academy system, [this was rectified during the course of the audit].
- 1 application form and supporting information could not be located on the CIVICA Comino Dip system; this was because 2 boxes of documents were waiting to be scanned onto CIVICA Comino Dip system. All documents are now scanned directly on receipt.
- 2 applications had not been date stamped when accepted at the Copeland reception desk. There was a recommendation made in the 2010/11 Benefits audit report, "*that all documents received via the reception desk or by post are date stamped immediately upon receipt".* [Customer Services Manager and Customer Services Team Leader were reminded of the recommendation during the course of this audit]. This date is important as it is the start date for calculating the processing time of claim. Processing times are regularly reported and Internal Audit is undertaking a separate review to look into what is causing the delays and how these might be reduced.

Benefit officers based at Copeland are now using the CIVICA Comino Dip system to scan all applications and supporting documents received. All images from the previous Dip system (Anite) have now been transferred onto CIVICA Comino. A number of problems have arisen with the data transferred from Anite to CIVICA Comino and some of these were encountered in this audit. For example,

- Application forms could not always be seen properly on the system as images were blank or illegible; however, this was quickly rectified by I C T Connect.
- Other documents were scanned as a mirror image so difficult to see but this can also be rectified by I C T Connect.

Checks were made by Revenues & Benefits staff when data was transferred from Anite to CIVICA Comino to ensure all documents had transferred properly, however, as Anite used an old image compression format that is no longer supported, plus the data cut had around 600,000 documents, in their view the chances of picking up all

issues was impossible. These data quality issues related to transferred data and new data scanned onto CIVICA Comino is fine.

Supervisory quality checks were being undertaken on 4% of new benefit awards prior to payment being made. Appropriate action is taken to resolve any issues arising from the quality checks, for example extra training for benefit assessors if this is deemed necessary. The Audit Commission review of financial systems 2010/11 highlighted quality checks as an area where controls at Copeland BC need to be improved, in particular clarification is now needed on the % and regularity of checks undertaken.

Adequate checks were in place to ensure that benefit parameters used as standing data on the system agreed to 2011/12 regulations. A sample of these was confirmed as correct.

Arrangements to ensure that information received from the DWP is acted on promptly were confirmed. However, it was found that user accounts and passwords used to access the system were not unique to individual officers. This was addressed by the Benefits Team Leader and all officers that need to access this information now have a unique username and password.

Adequate controls are in place to ensure that all benefit paid is regularly reconciled with all other relevant systems. At the date of the audit reconciliations of benefits due to benefits paid and reconciliations of benefits paid to tax payers accounts were up to date. The reconciliation of Academy to TOTAL (FMS) was also completed up to date.

Improvements have been made in ensuring that unpresented benefit cheques are regularly reviewed and written back on the Academy system. At the audit date there were 49 unpresented cheques with a value of £4,795 outstanding. This is a marked improvement from findings in 2010/11 when there were 114 cheques with a value of £26K. Officers continue to work on clearing outstanding unpresented benefit cheques.

Backdated claims were checked to confirm that policies and procedures were strictly adhered to and that the backdated claims awards were processed accurately.

Write-offs in respect of benefit overpayments authorised by the Chief Finance Officer at the end of October had not been actioned on the Academy system, but this will be done shortly.

Adequate data quality arrangements were in place except for issues on scanned documents transferred from Anite to CIVICA Comino as stated above. Access rights to the Academy system and Business Continuity arrangements are currently under review by the Shared Service for Revenues and Benefits.

1.2.6   **Register of interests/Gifts & Hospitality**

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

Good controls were in place in respect of issuing the Codes of Conduct and registering the Declarations of Acceptance of Office and Declarations of Interest for Members.

However, registers of interests/gifts & hospitality for officers are not reviewed on a regular basis and employees are not regularly reminded of the need to declare interests and gifts / hospitality. A reminder was issued about declaring interests earlier this year but this was the first for some time and an annual reminder would be appropriate.

It was also noted that information on the Council's website, which may be used by people to report non-compliance with the Codes of Conduct, includes references to employees no longer at the Council.

Legal Services are going to review the requirements of the new Bribery Act and determine whether any changes are needed to the Codes of Conduct.

1.2.7   **Travel & Subsistence**

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

This audit looked at the system for calculating and paying travel and subsistence to officers of the council.

Not all managers were checking the MCal claims fully prior to approval, as several noticeable errors were identified on claims in the sample. Claims were also not being

submitted on a timely basis and over a quarter of the claims tested covered three months or more.

The Council's Travel and Subsistence Claims guidance requires annual checks to be made to ensure that staff required to drive on Council business are qualified and insured to drive. This was not being consistently applied.

There are also no checks being made currently by Human Resources for new starters, even though this is specified in the offer of employment letter where driving is part of the job description.

1.3   Overdue actions arising from audit reports

1.3.1   Priority 1 and 2 recommendations still outstanding, with a target date for completion by 31 December 2011, are set out at Appendix B.

1.3.2   One Priority 1 recommendations is still shown as incomplete and this relates to the development of effective risk management and governance in partnerships. Internal Audit has requested an update on this from the relevant Head of Service.

1.3.3   There has been less movement on Priority 2 recommendations and many of the unresolved issues relate to Information Security. A follow up audit on Information Security is scheduled for early March.

2.0   INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

3.1   Internal Audit performance is set out at Appendix C.

4.0   CONCLUSION AND RECOMMENDATION

4.1   Audits completed in this period include weak assessments on both Council Tax and NNDR. These arose because the same key control in each system had not been applied during 2011/12 financial year to the date of the audits. The controls have been restored and are now operating satisfactorily again.

4.2   There are a number of overdue actions that keep recurring in Appendix B and managers need to resolve these on a more timely basis.

4.3   It is recommended that Members note this report.

List of Appendices: Appendix A – Key recommendations made this quarter
                         Appendix B – Outstanding Key recommendations due by 30 September
                         Appendix C – Performance Indicators

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Background papers: None

Consultees: Senior Leadership Team
Leadership & Management Group [Appendix B]

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows management response if different from rec.]

P1 & P2 AUDIT RECOMMENDATIONS – Priority 2 unless stated otherwise

TREASURY MANAGEMENT

The Draft Treasury Management manual needs to be completed (in particular for changes in job roles) and then approved by the Corporate Director for Resources and Transformation.

INSURANCE

Procedures should be reviewed and updated as necessary. When complete the procedures should be communicated to all relevant employees. Training should be given where appropriate.

Review security arrangements for Civic Regalia when items are held off site.

Insurance claims need to be monitored regularly and cross referenced to other data in order to identify any recurring patterns in claims.

Officers develop the QLAS system at the earliest opportunity. Alternatively, if the system is not going to be used, notice should be given that the licence will not be renewed.

Free risk management consultancy days offered by Zurich Municipal should be used for the purpose of risk identification and analysis so that directorates are assisted in targeting weak areas and mitigating risks.

COUNCIL TAX

Ensure that reconciliations between the cash receipting system (ICON) and the Academy Council Tax system are completed monthly so that the general ledger and council tax system can be reconciled on a timely basis. Arrangements should be made to reintroduce this control and allocate clear responsibility for its completion. (**Priority 1**)
[Steps have now been taken to reconcile the Civica cash receipting and Academy Council Tax systems up to the end of October (by 21 Nov). In the longer term the Performance Team at Carlisle City will undertake the reconciliations and this will necessitate access to Copeland's cash receipting system from Carlisle. The practicalities of actioning this needs to be agreed between Copeland and the shared service.]

Steps should be taken to resolve the outstanding template issues and then a full review of continuing eligibility for single persons discount should be carried out.
[Starting in 2012 the Shared Service intends to use the mismatches highlighted by the National Fraud Initiative bi-annual exercise].

Urgent investigations are carried out to correct the false audit trail currently being created during the current Council Tax refund process.

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows management response if different from rec.]

That the current refund process is reviewed to ensure that a clear audit trail is established to show that the refunds have been appropriately authorised prior to payment and that there is a separation of duties throughout this process.

That a report showing credit balances should be run at least quarterly and, where appropriate, customers should be refunded. Procedures need to be reviewed to ensure that prompt action is taken to either refund or transfer credit balances

NNDR

Ensure that the NDR balancing spreadsheet is updated monthly so that the NNDR system can be reconciled to the general ledger on a monthly basis. Arrangements should be made to reintroduce this control and allocate clear responsibility for its completion. **(Priority 1)**
[Steps have now been taken to reconcile the Civica cash receipting and Academy NNDR systems and reconciliations have been brought up to date by 1 Dec. In the longer term the Performance Team at Carlisle City will undertake the reconciliations and this will necessitate access to Copeland's cash receipting system from Carlisle. The practicalities of actioning this needs to be agreed between Copeland and the shared service.]

The Explanatory Notes section of National Non-Domestic Rates demand notices is reviewed to ensure compliance with The Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2010 (Statutory Instrument 2010 No. 140).

The write-off process is reviewed, especially in relation to the write-off of debts relating to companies who are bankrupt, insolvent, etc., to ensure it complies with the current Financial Regulations and Financial Procedure Rules and Scheme of Delegation.

BENEFITS

Clarification on the % and regularity of quality checks undertaken at Copeland is now required. This should be agreed between Copeland and the Partnership Manager and clearly communicated to the officer responsible for carrying out the checks.

REGISTER OF INTERESTS/GIFTS & HOSPITALITY

Regular (annual) reminders should be issued to staff of the need to declare interests; and gifts / hospitality with a value of £25 or more.
[Reminder will be issued to staff via Team Brief annually].

The Employees Register of gifts and hospitality and Declarations of interests should be independently reviewed by senior management on a regular basis.

Information on the Council's website regarding key contacts for complaints and reports of non-compliance should be updated

KEY RECOMMENDATIONS FROM REPORTS ISSUED
[Bold text in brackets shows management response if different from rec.]

Legal Services should review the Bribery Act legislation and determine its application to the Council, and the extent to which adequate procedures are in place to mitigate the risk of prosecution. This might include amendment to existing codes of conduct, if this is deemed necessary

TRAVEL & SUBSISTENCE

Staff and Managers are reminded of their responsibilities under the current Travel and Subsistence procedures and guidance, and that Managers are reminded to check claims for accuracy prior to approval
[Will be included in November's Team Brief and then annually].

A reminder is issued to managers that, in line with the Travel and Subsistence Claims Guidance, checks should be carried out at least annually that employees undertaking regular business journeys hold the appropriate insurance cover for business travel and /or that employees hold a valid driving licence if their job role requires the use of Council vehicles (as appropriate).
[Will be included in November's Team Brief and then annually].

Human Resources, when applicable, should follow up the requirement that new employees produce a copy of their driving licence and certificate of insurance showing that they are covered to use their vehicle for business purposes, as stated in the offer of employment.

Audit Recommendations - Overdue

Report Type: Actions Report
Report Author: Audit Manager
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SUMMARY OF OVERDUE RECOMMENDATIONS		
	Priority 1	**Priority 2**
Total Overdue Recommendations as at 31/12/11	**2**	**26**
"New" Recommendations due in Quarter 3	2	9
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.3	**4**	**35**
IMPLEMENTED FROM LAST QUARTER'S REPORT	1	5
"NEW" BUT IMPLEMENTED THIS QUARTER	2	4
Total implemented in the Quarter	**3**	**9**
CANCELLED SINCE LAST QUARTER		
OUTSTANDING FROM LAST QUARTER	1	21
OVERDUE RECOMMENDATIONS ADDED THIS QUARTER		5
Total Overdue Recommendations as at 17/01/12	**1**	**26**

Code & Title AR-C Corporate

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🛑	AR-C_031 Ensure that risk management and governance arrangements weaknesses in partnerships are addressed (Point 1).	1	Chief Executive	75%	31-Mar-2010	Use of Resources Dec 2009	21-Oct-2011 Report to Executive 24 Jan 2011 set out progress to date and future plans to review partnership activity. This included the introduction of a standard template to undertake a strategic assessment of individual partnerships, including decision-making, link to corporate priorities and risks. One of the expected outcomes is to "Update partnership protocol and toolkit to ensure relevant management systems are strengthened, including a risk register for partnerships".
							13-Jan-2011 A report is to be tabled for 24th January Executive, setting out the process.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							15-Dec-2010 As part of the work on the Copeland Local Strategic Partnership, the Head of Development Strategy is delivering a strategic risk assessment and this will incorporate the wider partnership risk principles. These will then be applied to the partnership review report for the Executive in February 2011.
							12-Jul-2010 The Cumbria-wide Partnership structure has now been amended. Work continues on risk management arrangements.
							13-Apr-2010 Work continues on Cumbria-wide partnership structures and risk management in 2010/11.
							18-Jan-2010 Budget Monitoring for Q.3

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							(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 involving CMT to progress this work during 2009/10. 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

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							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.
							22-Dec-2009 Point 1. Review of Partnerships to be completed.
🔴	AR-C_054 That consideration is given to resourcing a post of Information Security Officer. This officer could co-ordinate security arrangements and develop the management user	2	Director of Resource and Transformation	0%	31-Mar-2011	Information Security 2010/11	29-Nov-2010 This will be considered as part of service reviews and the management restructure.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	role across the Council.						
🔴	AR-C_055 That a cross-functional group should be formed to oversee, manage and co-ordinate information security across the Council.	2	Director of Resource and Transformation	0%	31-Mar-2011	Information Security 2010/11	29-Nov-2010 J Wagstaffe will set up and lead an Information Management Group. Senior Leadership Team will nominate members for the Group.
🔴	AR-C_056 That the requirements for maintaining appropriate contacts with relevant authorities, specialist groups and partners should be included within the Information Security Policy. The policy should request the need to record all external contacts. (Point 1)	2	Head of Corporate Resources; Head of Performance & Transformation	20%	31-Mar-2011	Information Security 2010/11	10-Jan-2011 Contact made with County wide Group. Currently considering their draft pro-forma agreement.
							29-Nov-2010 Data Sharing Protocol will need to be considered corporately. Lead Officer – Data Protection Officer.
🔴	AR-C_057 That arrangements to provide third parties with access to Council information should be centrally recorded, confirming that a risk assessment has been completed and that an information sharing / confidentiality agreement is in place.	2	Head of Corporate Resources; Head of Performance & Transformation	20%	30-Jun-2011	Information Security 2010/11	10-Jan-2011 -- This duplicates AR ...56 --
							29-Nov-2010 Corporate lead is needed. Lead officer – Data Protection Officer.
🔴	AR-C_058 That a list of all	2	Director of	0%	30-Sep-2011	Information	29-Nov-2010 This will be

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	information assets and their owners should be produced and held centrally. This should include an inventory of paper records, where the data is not held electronically.		Resource and Transformation			Security 2010/11	addressed as part of the corporate records management review.
🔴	AR-C_059 That the Council should produce a Records Management Policy, in line with the Information Security Policy.	2	Director of Resource and Transformation	0%	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed as part of the corporate records management review.
🔴	AR-C_061 That the categories for the classification of information should be reviewed to include the categories of information maintained by the Council and guidance should be given on both defining the classifications and classifying information against them.	2	Director of Resource and Transformation	0%	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed as part of the corporate records management review.
🔴	AR-C_063 That the Council should produce a document identifying all the areas which require additional physical security to protect equipment or sensitive / critical information from fire, flood, etc. – both	2	Director of People & Places	0%	30-Jun-2011	Information Security 2010/11	29-Nov-2010 This will be addressed through updating business continuity arrangements.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	within the IT and user areas of responsibility.						
🔴	AR-C_064 That, once information owners are formally designated, they should undertaken risk assessments associated with unauthorised access, unintentional modification or misuse of information and services, caused by inadequate segregation of responsibilities.	2	Director of Resource and Transformation	0%	30-Sep-2011	Information Security 2010/11	
🔴	AR-C_065 That a review should be undertaken to identify all critical paper documents and, where information is not held electronically, document imaging should be considered or alternative security arrangements should be put in place.	2	Director of Resource and Transformation	0%	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed through the Information Management Group.
🔴	AR-C_069 The revised Code of Corporate Governance needs to be revised in line with the CIPFA supplementary guidance and formally adopted by Full Council.	2	Democratic Services Manager	0%	30-Jun-2011	Corporate Governance 2010/11	16-Jan-2012 To be reported to March Council meeting
							16-Mar-2011 This will be taken through the Constitutional Working

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							Group and then submitted to Full Council.

Code & Title	AR-CS Customer Services

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-CS_117 That a further training session on the Debt Recovery Handbook is given.	2	Revenues & Benefits shared services Manager	0%	30-Apr-2011	Sundry Debtors 2010/11	23-Dec-2010 Senior Accountancy Officer (Systems) can assist by providing system based training and procedures only.
🔴	AR-CS_120 Information on the Council's website regarding key contacts for complaints and reports of non-compliance should be updated.	2	Customer Services Manager	50%	14-Nov-2011	Register of Gifts/Hospitality & Disclosure of Interests 2011/12.	16-Jan-2012 Website information still refers to a member of staff that has left the council. This is being addressed by communications team.
							12-Dec-2011 Website information is correct

Code & Title AR-DO Operations

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-DO_038 The Strategic Asset Management Strategy should incorporate a strategy on assets such as plant and equipment, given their value.	2	Director of Resource and Transformation	0%	31-Oct-2011	Asset Management 2011/12	

Code & Title AR-DS Strategy

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-DS_003 That there should be at least an annual report to the Audit Committee, covering the risk management arrangements for significant partnerships.	2	Head of Regeneration & Community	0%	19-Apr-2011	Partnership Working System Controls 2009/10	24-May-2010 Ongoing 2010/11. Updates to Corporate Team will be in more depth. Annual Report to Audit Committee on 19 April 2011.
🔴	AR-DS_004 That the partnership checklist, an example of a partnership legal agreement and the protocol/risk assessment should be added to the documents on the Intranet and Management Group be advised of this.	2	Head of Regeneration & Community	0%	30-Sep-2010	Partnership Working System Controls 2009/10	

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

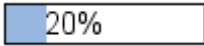| Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_141 That adequate and effective cash flow forecasting records are established and maintained on a regular basis, showing daily transactions and the estimated net position.	2	Accountancy Services Manager	85%	30-Apr-2009	Loans and Investments 2008/09	10-Jan-2012 No further progress made. Sector option not being pursued. Discussions on use of cash flow scheduled for mid-January. A new cash-flow forecast is likely to be in place from the start of the 2012/13 financial year
							19-Oct-2011 Initial training on the cash flow system arranged for 31st August 2011
							12-Oct-2011 Sector, the Council's treasury management advisors have suggested that we trial a new software package to do the cash flow function moving forwards. No decision yet on whether this option is to be pursued. No further progress on

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							implementation and not now expected before January 2012.
							06-Jul-2011 Still on target for completion by 30 September 2011.
							06-Jul-2011 Revised target date of 30/9/11 noted but due date on system remains as 30/4/09 to allow tracking of original timescale
							05-Apr-2011 The member of staff dealing with this is assisting in providing cover for the accountancy assistant who has been off on long-term sickness since December 2010. This has resulted in a delay in developing a detailed cash flow statement, although significant cash movements are picked up and fed through to the decision making process for treasury management activities. As

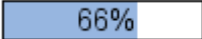| Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							the section is now starting to look at the closure of accounts for 2010/11 and cover for the member of staff on long-term sickness is still required, probably at least until May 2011, the development of cash flow forecasting in the way envisaged will not now be completed until the Summer of 2011. Target date should be revised to 30 September 2011.
							15-Dec-2010 Template for cash flow developed - expected to be completed by 31 March 2011 for use in 2011/12. REVISED TARGET DATE: 28 March 2011
							30-Jun-2010 The SAO - Treasury & Insurance post is in the process of being recruited to. Once an appointment has been made and the officer is in post, this recommendation

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							will be revisited.
							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 on-going 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

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							manage cashflows.
							24-Dec-2009 Meetings re Treasury Management processes and procedures will resume in January and this issue will be picked up by the group.
							26-Oct-2009 Material transactions are diaried to manage cashflow. Detailed projections still to be fully implemented. New target date 2010/11 for full implementation.
🔴	AR-F&MIS_279 That the Information Security Policy should explain how system administrators and other privileged users are controlled.	2	Director of Resource and Transformation	0%	31-Mar-2011	Information Security 2010/11	
🔴	AR-F&MIS_291 Procedures should be updated to support the annual processes. These could be referenced to the Code/system flow charts provided by the Audit Commission.	2	Accountant(AT) Officer	0%	31-Dec-2011	Capital Accounting Audit 2011/12 (2010/11 Process).	

Code & Title AR-LD Legal & Democratic

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-LD_027 That all organisations with which there are exchange of information arrangements should be listed and suitable standard agreements put in place.	2	Head of Corporate Resources; Head of Performance & Transformation	20%	30-Jun-2011	Information Security 2010/11	29-Nov-2010 This is linked to recommendations AR-C_056 and AR-C_057.
🔴	AR-LD_032 Training is provided to the System Administrator to enable the effective administration of the LALPAC system, i.e. user accounts, user access rights, etc.	2	Legal Services Manager	0%	31-Dec-2011	Licensing 2011/12	26-Aug-2011 Budget constraints could be the deciding factor but other avenues will be investigated.
🔴	AR-LD_050 Legal Services should review the Bribery Act legislation and determine its application to the Council, and the extent to which adequate procedures are in place to mitigate the risk of prosecution. This might include amendment to existing codes of conduct.	2	Legal Services Manager	0%	31-Dec-2011	Register of Gifts/Hospitality & Disclosure of Interests 2011/12.	

Code & Title	AR-PP Policy & Performance

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🛑	AR-PP_041 Deliver on plan to review policy and procedure and support improved management practice.	2	Head of Corporate Resources; Head of Performance & Transformation	66%	31-Mar-2011	Annual Governance Statement June 2010	19-Oct-2011 6 of 9 actions completed. 3 outstanding actions are 1. Grants protocol & procedure to be agreed 2. Address need to reduce medium term revenue budget 3. Improve risk management on partnership working
							07-Apr-2011 4 out of 9 milestones set for this action have been completed.
							06-Jul-2010 All actions in progress.
🛑	AR-PP_057 That, to provide a comprehensive overview of the role and responsibilities of the Council as a whole, a general induction document is introduced.	2	HR Manager	30%	31-Mar-2011	HR Management : Recruitment 2010/11	06-Jul-2011 6- July-2011 "e-induction" project to be completed by 31 12 11.
							13-Aug-2010 Recommendation not accepted, pending further

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							review of induction process, and possible use of "e-induction" for this type of information, rather than a document.
🛑	AR-PP_069 All Managers are reminded that they should monitor personal calls made by employees using CBC mobile phones. The calls should be identified, verified and costs recorded.	2	Director of Resource and Transformation	0%	31-May-2011	General Tax Issues 2010/11	21-Jul-2011 Reminder of policy on acceptable use of Council-provided phones included in corporate information section of Latest Word on 1 July 2011. Separate note still required for Managers with staff who have council mobiles to review usage and agree re-imbursement.
🛑	AR-PP_070 Managers ensure that the Payroll Officer is informed of any deductions that are required for personal calls in a timely manner. This must be the next available pay date from when the Vodafone invoice is received.	2	Director of Resource and Transformation	0%	31-May-2011	General Tax Issues 2010/11	

AUDIT PERFORMANCE INDICATORS – 1 APRIL 2011 TO 31 DECEMBER 2011

Input measures

Note	Indicator	2011/12 Target	2011/12 Actual to date
1	Cumulative days provided	**601**	364
	% of audit plan days provided – cumulative year to date	**75%**	60.6%
2	Days provided this quarter	**150**	128
	% of audit plan days provided – this quarter	**100%**	85%

Output measures

Target	Actual
Complete 95% of audit plan by 31 March - fundamental system audits	6 of 12 audits completed. In addition, audits are in progress on payroll, creditors, debtors and cash receipting. Most fundamental systems audits cannot start until the second half of the year.
Complete 95% of audit plan by 31 March – non-fundamental system audits	15 of 28 audits have been completed. This includes Arts Council grant claim and NFI work (budget for this was taken from planned audit on acquisition of IT hardware which was deleted from plan after discussion with management).

Notes

1 601 days target based on 95% of 633 total days in plan. At the end of Q3, 75% of days due (ie 451). Actual is 364 or 60.6% of total.

2 Target days per quarter is 95% of 633 divided by 4, giving 150 days The percentage is simply how much of 150 days delivered.