

AUDIT MONITORING REPORT: QUARTER 2 2011/12

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1.0 INTERNAL AUDIT WORK COMPLETED IN QUARTER 2 2011/12

1.1 Final reports issued

- Capital accounting
- Asset management
- Final accounts process
- Licensing
- Client monitoring of leisure contract with NCL
- Elections administration
- Members allowances

Work is now starting on main financial systems audits; major audits on housing benefits and council tax are in progress and a draft report has been issued on treasury management.

In addition, work is substantially complete on insurance, gifts & hospitality and travel & subsistence and reports on these should be issued shortly.

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:-

1.2.1 Capital accounting

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

This audit reviewed capital accounting arrangements and the maintenance of the asset register.

Adequate controls were found to be in place and operating effectively. Significant additional work was required by Finance for 2011/12 to comply with the changes

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arising from IFRS (International Financial Reporting Standards) and this had been successfully completed, in liaison with valuation staff. Any discrepancies from sample checks were relayed to the Capital Accountant and amended as necessary.

Written procedures have not been updated since 2002 and are now out of date.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 Council is now working to the new IFRS standards.

Software to maintain the Fixed Asset Register, due to be introduced in 2010/11, did not go ahead as there were queries over the audit trail when assets were re-classified, [the change was not held by the software]. The Register continues to be maintained on Excel spreadsheets but Management are hoping make progress on acquiring a more robust system for 2012/13 accounts.

1.2.2 Asset management

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

This audit reviewed the Council's arrangements for managing its assets and confirmed that there was a clear asset plan linked to corporate objectives and that there was a properly planned and programmed process for the acquisition, replacement and disposal of assets.

Executive approval was given in March 2011 for the Strategic Asset Management Plan, Action Plan and Performance Monitoring Framework, and for new policy documents on the following:

- Property Tenure and Disposal Policy;
- Reductions in Rental Payment Policy; and
- Valuation Standards Policy.

The underlying principles of the Strategic Asset Management Plan are:

- To adopt a strategic approach to asset management based on our increasing understanding of needs and intended outcomes;
- Ensure assets are fit for purpose and provide value for money; and
- Work in partnership with stakeholders and communities to maximise the benefits from our assets.

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The Asset Management function is now located corporately, to reflect its strategic significance, and sits within the same function as Locality Working, in support of the Copeland Strategic Partnership. The Portfolio Holder for Asset Management is a leading Member. The Council is also an active participant in the County wide asset management group, to develop the principles of asset sharing across the public sector.

The Strategic Asset Management Strategy focused on the management of land and buildings assets and did not give any guidance on the management of other assets but these will be incorporated in future.

It was noted that the Council's Business Property webpage details the management and maintenance of the Council's land and property portfolio. However, at the time of the audit the details of land and property offered for sale had not been updated since October 2008 and the details of leases on offer had not been updated since January 2009. The link for the Asset Management Plan and Capital Strategy links to a 2006/07 version of the plan. Updating of the Business Property webpage was in hand at the date of the audit, so no formal recommendation was made.

1.2.3 Final Accounts process

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

The final accounts process was well planned, progress regularly monitored and corrective action taken where appropriate to meet statutory deadlines. The long term sickness absence of the Financial Management Accountant was accounted for and work delegated accordingly. All other processes were found to have been followed and all records were complete in relation to the production of the Statement of Accounts, which were completed on time.

A full review of the closedown process will be undertaken by Finance Department Management once the Statement of Accounts has been externally audited, but possible changes to the ledger have already been identified which could make the process easier next year. Relevant staff received the appropriate training from Sector on the new IFRS requirements but there will be an on-going training requirement to ensure that staff are kept up to date on any new or amended standards.

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1.2.4 Licensing

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

All procedures, guidance and licences issued complied with legislative requirements, including statutory deadlines. A process is also in place to ensure that staff are made aware of any changes in legislation. However, the Copeland website needs to be updated to ensure that all the documents are the current versions and that they are readily available for download.

Copeland's Statement of Licensing Policy was approved by Full Council on 12 October 2010. The Statement of Licensing Policy conformed with Government guidance on the Development and Preparation of Local Statements of Licensing Policy and the general principles recommended by the Secretary of State.

Access to the computerised licensing system (LALPAC) is controlled and staff are aware of the requirements of the Data Protection Act. Staff training on the LALPAC system has been limited and staff have been self-taught through use of the system. Administrative duties have been provided by the software provider rather than by Licensing staff.

A separate hard copy of all issued licences has been kept to constitute the required register which can be made available for public inspection (in line with the requirements of the Licensing Act 2003).

All fees charged were correct and in line with statutory requirements. However, cheque payments need to be banked on a regular basis and reconciliations of Licensing income to the TOTAL financial management system need to be carried out to ensure that all income has been correctly coded and accounted for. The Senior Legal Services Officer confirmed that reconciliations would begin from August.

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1.2.5 Client monitoring of leisure contract

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

This audit looked at the monitoring regime over the Council's contract with North Country leisure (NCL). The audit was originally planned for 2010/11 but was deferred to the 2011/12 plan, pending an independent review by Knight, Kavanagh & Page (KKP).

Copeland Borough Council outsourced the management, operation and development of its Leisure Facilities to NCL in April 2006. The contract is initially for 10 years and there is an option to extend this by another 5 years to 2021. The leisure contract has been re-negotiated in 2011, (the mid-point of the initial contract) and management costs have been reduced by £60,000.

Adequate arrangements are in place to ensure that NCL complies with the terms of the contract. Key controls were being complied with in relation to the areas tested, these included:

- Service Planning (Business plans are in place for all sites and are updated on a quarterly basis and plans are aligned to the Council's objectives)
- Performance Monitoring
- Fees paid by Council – all correct for 2010/11
- Revenue
- Quality Assurance
- Monitoring & Quality Control
- Marketing & Advertising
- Disputes
- Complaints
- Data Protection
- Adopting good environmental management practice via its Environmental Policy and Carbon Management Strategy.

NCL provides Copeland Borough Council with an assurance statement on Systems of Internal Control from its own auditors, (Haines Watts Chartered Accountants), as well as a copy of their Financial Statements on an annual basis.

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Recommendations were made by Knight, Kavanagh & Page (KKP) in April 2011 as a result of their external review & benchmarking of the Leisure Contract. Actions are yet to be finalised due to the ongoing contract negotiations. There are no additional recommendations arising from this audit.

1.2.6 Elections administration

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

On the whole, the administration of the elections on Thursday 5th May 2011 was satisfactory.

The bank account is still in the name of the previous Elections Officer who sadly died in 2009. Officers have previously made requests for Natwest to update this, but, as at 4 August 2011 the name on the account remains unchanged.

The bank account had been effectively controlled; however, one bank statement and a new cheque book that had been issued by Natwest Bank could not be located. Enquiries are being made with the bank.

Payments relating to the administration of the elections, i.e. polling stations, presiding officers, poll clerks, etc., had been processed through the Creditors system and tax had been correctly deducted.

It is essential that all payments have the appropriate authorisation. On two occasions we found that the correct authorisation had not been obtained before processing payments, however the payments were genuine and correctly calculated.

There are no reconciliations of income and expenditure to the Elections Bank Account and no independent check made by an officer not involved in the elections administration process. This will be done in future.

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1.2.7 Members Allowances

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

The system is established and records are maintained effectively, with suitable controls being in place. The correct rates for Basic and Special Responsibility Allowances have been paid and all the sampled Travel and Subsistence claims submitted via the MCal system have been paid correctly. The Members' Allowances Scheme was last reported to Full Council on 24 June 2008 and the rates of allowances payable have remained frozen as the result of decisions taken during the budget build process.

The Members' Allowances Scheme requires minor amendments to bring it in line with The Local Authorities (Members' Allowances) (England) Regulations 2003 – Travelling and Subsistence Allowance paragraph 8.(1) and Claims and Payments paragraph 14.(1). The scheme also needs amending to reflect recommendations made by the Independent Remuneration Panel (as part of their reviews of the Members' Allowances) and to reflect current Travel and Subsistence rates in Schedule 1.

Publication of the Independent Remuneration Panel's recommendations are also required to meet the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003. It has been agreed that this will be done following the next review.

Actions relating to claims made in relation to attending third party meetings have not yet been implemented and these have been re-iterated. This is to ensure that duplicate payments are not made to Members.

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 30 September 2011, are set out at Appendix B.

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- 1.3.2 Two Priority 1 recommendations are still shown as incomplete but progress has been made towards achieving these. It should also be noted that two further Priority 1 recommendations falling due in Q2 have been fully implemented.
- 1.3.3 There has been less movement on Priority 2 recommendations and many of the unresolved issues relate to Information Security. It is anticipated that progress will be made on these in the next quarter.

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 have assessed controls operating as either good or satisfactory. Progress continues to be made on outstanding audit recommendations.
- 4.2 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

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**CAPITAL ACCOUNTING**

Procedures should be updated to support the annual processes. These could be referenced to the Code/system flow charts provided by the Audit Commission.

ASSET MANAGEMENT

The Strategic Asset Management Strategy should incorporate a strategy on assets such as plant and equipment, given their value.

LICENSING

That all cheque payments are taken to the Cash Office on at least a weekly basis, or daily if the amount of fee income received requires it.

Training is provided to the System Administrator to enable the effective administration of the LALPAC system, i.e. user accounts, user access rights, etc.

That the Copeland 'Clubs and Premises' webpage is reviewed and updated to ensure that the current application documents are made readily available for download.

A system is put in place to formally record that an independent check of the licence has been carried out prior to issue.

A report is run to identify any current licences which contain the default LALPAC text in error, and that these are edited and re-issued with the correct terms and conditions for the licence.

That acknowledgement of the receipt of a Temporary Event Notice application is carried out, in line with the Licensing Act 2003 Section 102 Acknowledgement of Notice.

ELECTIONS ADMINISTRATION

That the batch of old, unused election cheque books is destroyed, to prevent any potential fraudulent use.

Those Officers processing payments via the Financial Management System (TOTAL) ensure that payments are supported by the appropriate authorisation. Officers should also check that the authorising officer is not a recipient of the payments being made. **(P1)**

Recharges to Parish Councils for election costs should be checked by a second officer before they are processed through TOTAL.

KEY RECOMMENDATIONS FROM REPORTS ISSUED

[Bold text in brackets shows management response if different from rec.]

Elections staff record any income/expenditure made through the elections bank account so that reconciliations to bank statements can be carried out. The reconciliation should then be independently checked by a nominated Accountancy Officer.

MEMBERS ALLOWANCES

The Members' Allowances Scheme Travel and Subsistence allowance should be amended to allow for the provision of an allowance in respect of travel by bicycle or by any other non-motorised form of transport, as per The Local Authorities (Members' Allowances) (England) Regulations 2003 – Travelling and Subsistence Allowance paragraph 8.(1).

The Members' Allowances Scheme paragraph 8.1 Claims and Payments should be revised to also include claims for the Dependants' Carers' Allowance, as per The Local Authorities (Members' Allowances) (England) Regulations 2003 – Claims and Payments 14.(1).

The rate of Dependants' Carers' Allowance should be increased to 100% in line with the Independent Remuneration Panel's recommendation in the interim review of Members' Allowances, March 2006.

The Mayor's and Deputy Mayor's allowances should be included in the Members' Allowances Scheme as per the recommendation of the Independent Remuneration Panel's review of Members' allowances 2008-09.

Schedule 1 Travel and Subsistence Allowance of the Members' Allowances Scheme should be revised to show the current rates for motor mileage and subsistence allowances and that Members' are advised of the amendments.

A notice should be published in one or more newspapers circulating in the Copeland area detailing the recommendations of the Independent Remuneration Panel, in line with The Local Authorities (Members' Allowances) (England) Regulations 2003 - Publicity for recommendations of panels, paragraph 22 (1) b.

A reminder is issued to Managers that, if a meeting they organise is to be subject to claims for travel and subsistence by Members, then a record of attendance should be taken and passed to Member Services.

Member Services should ensure there are written agreements between Copeland and outside bodies on payment of Members travel and subsistence claims, and this should include an exchange of information on the annual amounts paid to be provided by each organisation. This will enable duplicate payments to be avoided [Combines 2 previous recommendations made in 2005].

KEY RECOMMENDATIONS FROM REPORTS ISSUED

[Bold text in brackets shows management response if different from rec.]

Audit Recommendations - Overdue

Report Type: Actions Report


Report Author: Audit Manager

Generated on: 21 October 2011




SUMMARY OF OVERDUE RECOMMENDATIONS		
	Priority 1	Priority 2
Total Overdue Recommendations as at 30/09/11	2	20
"New" Recommendations due in Quarter 2	2	19
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.2	4	39
IMPLEMENTED FROM LAST QUARTER'S REPORT		2
"NEW" BUT IMPLEMENTED THIS QUARTER	2	11
Total implemented in the Quarter	2	13
CANCELLED SINCE LAST QUARTER		
OUTSTANDING FROM LAST QUARTER	2	18
OVERDUE RECOMMENDATIONS ADDED THIS QUARTER		8
Total Overdue Recommendations as at 21/10/11	2	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	<div><div></div>75%</div>	31-Mar-2010	Use of Resources Dec 2009	<p>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".</p> <p>13-Jan-2011 A report is to be tabled for 24th January Executive, setting out the process.</p>




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							<p>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.</p> <p>12-Jul-2010 The Cumbria-wide Partnership structure has now been amended. Work continues on risk management arrangements.</p> <p>13-Apr-2010 Work continues on Cumbria-wide partnership structures and risk management in 2010/11.</p> <p>18-Jan-2010 Budget Monitoring for Q.3</p>


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							(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

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							<p>framework using CIPFA Good Governance Guidance has been adopted for assessing risks and significance of strategic partnerships. Report to be received by Executive in March. A review of the LSP for Allerdale and Copeland is underway - report to be received by the Executive on 18/1/10. Marketplace system is being piloted and rolled out in 2009/10. Will provide information on supplier base and costs to enable review and potential efficiencies / savings.</p> <p>22-Dec-2009 Point 1. Review of Partnerships to be completed.</p>
	AR-C_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	<div>0%</div>	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	<div><div></div></div> 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 Policy, Performance & Transformation	<div><div></div></div> 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 Policy, Performance & Transformation	<div><div></div></div> 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	<div><div></div></div> 0%	30-Sep-2011	Information	29-Nov-2010 This will be

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	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	<div>0%</div>	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	<div>0%</div>	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	<div>0%</div>	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 undertake 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	<div><div></div></div> 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	<div><div></div></div> 0%	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed through the Information Management Group.
	AR-C_068 That the IT Disaster Plan and associated parts of the users' Business Continuity Plans should be tested on a regular basis. Test results should be	2	Director of People & Places	<div><div></div></div> 0%	30-Jun-2011	Information Security 2010/11	29-Nov-2010 Restoration of ICT facilities has been performed in practice. However, loss of premises (and, therefore, no access

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	documented and learning points addressed.						to ICT facilities on those premises) has not been tested. Raised as part of the audit on corporate business continuity arrangements.
	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	<div><div>0%</div></div>	30-Jun-2011	Corporate Governance 2010/11	16-Mar-2011 This will be taken through the Constitutional Working Group and then submitted to Full Council.


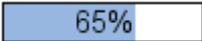
Code & Title AR-CS Customer Services

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	<div><div>0%</div></div>	30-Apr-2011	Sundry Debtors 2010/11	23-Dec-2010 Senior Accountancy Officer (Systems) can assist by providing system based training and procedures only.

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	<div><div>0%</div></div>	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	<div><div>0%</div></div>	30-Sep-2010	Partnership Working System Controls 2009/10	
	AR-DS_014 That a new postal survey is undertaken. A list of addresses contacted should be held on the shared drive as evidence of the check.	2	Housing Renewal Manager	<div><div>50%</div></div>	31-Aug-2011	Improvement Grants 2010/11	12-Oct-2011 Information gathered and letters ready to be sent out. 18-Feb-2011 All customers to be contacted in the first instance. Then 10% annual check thereafter.





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		30-Apr-2009	Loans and Investments 2008/09	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 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

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							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 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


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							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 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,

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							<p>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 manage cashflows.</p> <p>24-Dec-2009 Meetings re Treasury Management processes and procedures will resume in January and this issue will be picked up by the group.</p> <p>26-Oct-2009 Material transactions are diaried to</p>




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							manage cashflow. Detailed projections still to be fully implemented. New target date 2010/11 for full implementation.
	AR-F&MIS_248 That the roles of Money Laundering Reporting Officer and Deputy are formalised and that appropriate training for the roles is provided.	1	Director of Resource and Transformation		31-Mar-2011	Loans and Investments 2010/11	19-Oct-2011 -- enter new status update --Initial training arranged for 31st August 2011
							12-Oct-2011 Report to Full Council 13th October 2011, propose Democratic Services Manager as Money Laundering Officer with Legal Services Manager as Deputy Money Laundering Officer. This will then be formally part of the scheme of delegation.
							19-Oct-2010 This is a requirement of the CIPFA Code of Practice for Treasury Management. This will be considered as part of the team restructure.
	AR-F&MIS_255 That a full review	2	Accountancy		24-Dec-2010	Creditors 2010/11	12-Oct-2011 New

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	of the Authorised Signatures file is carried out to ensure that it is up to date and accurate.		Services Manager				<p>authorised signatory lists were requested from departments in September 2011. The majority have been returned but the services who have yet to reply are Policy & Transformation, Development Control, Beacon, Cultural Services (inc. Arts) and Sport and Health. Reminders issued 12 October 2011.</p> <p>06-Jul-2011 Further delays in the recruitment of 2 heads of service and Nuclear service manager who are not expected to take up their posts until mid to late August. Once these staff are in post this task will be completed. Revised target 31 August 2011</p> <p>06-Jul-2011 Revised deadline of 30/6/11 noted</p> <p>05-Apr-2011 Further to</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>earlier comments the Head of Service review was only completed by 31 March 2010 and 2 new head of service posts remain vacant. The authorisation lists will only be finally be completed when all heads of service and new staffing responsibilities are in place. Revised deadline 30 June 2011</p> <p>07-Jan-2011 Delayed pending Head of Service review. Work planned to start in February 2011 assuming HoS review completed by then - if not a further delay can be expected.</p> <p>18-Nov-2010 Heads of Service to be contacted over update of authorised signatory list and limits. System updated as necessary.</p>


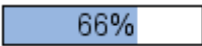


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-F&MIS_279 That the Information Security Policy should explain how system administrators and other privileged users are controlled.	2	Director of Resource and Transformation	<div><div></div></div> 0%	31-Mar-2011	Information Security 2010/11	



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 Policy, Performance & Transformation	<div><div>20%</div></div>	30-Jun-2011	Information Security 2010/11	29-Nov-2010 This is linked to recommendations AR-C_056 and AR-C_057.
	AR-LD_033 That the Copeland 'Clubs and Premises' webpage is reviewed and updated to ensure that the current application documents are made readily available for download.	2	Legal Services Manager	<div><div>75%</div></div>	30-Sep-2011	Licensing 2011/12	30-Sep-2011 Current documents have been passed to IT and is awaiting upload onto the website.
	AR-LD_035 A report is run to identify any current licences which contain the default LALPAC text in error, and that these are edited and re-issued with the correct terms and conditions for the licence.	2	Legal Services Manager	<div><div>75%</div></div>	30-Sep-2011	Licensing 2011/12	<p>30-Sep-2011 Unable to amend templates internally and so the issue has been raised with LALPAC. We are awaiting a response and a report to run to highlight other possible licences which contain the same text.</p> <p>26-Aug-2011 Checking to see if templates can be</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							amended and a report can be written.

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		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		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	<div><div>0%</div></div>	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	<div><div>0%</div></div>	31-May-2011	General Tax Issues 2010/11	

AUDIT PERFORMANCE INDICATORS – 1 APRIL 2011 TO 30 SEPT 2011

Input measures

Note	Indicator	2011/12 Target	2011/12 Actual to date
1	Cumulative days provided	601	236
	% of audit plan days provided – cumulative year to date	50%	39.3%
2	Days provided this quarter	150	138
	% of audit plan days provided – this quarter	100%	92%

Output measures

Target	Actual
Complete 95% of audit plan by 31 March - fundamental system audits	2 of 12 audits completed. In addition, a draft report on Treasury Management has been issued and Council Tax and Housing Benefits audits are in progress. Most of these audits cannot start until the second half of the year as sufficient activity for the relevant year has to have taken place.
Complete 95% of audit plan by 31 March – non-fundamental system audits	11 of 28 audits have been completed. Audits of Gifts and Hospitality, Travel & Subsistence & Insurance have also been substantially completed in Q2.

Notes

- 1 601 days target based on 95% of 633 total days in plan. Half yearly target days therefore 300 and 236 delivered equates to 39.3%.
- 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. There has been an increase in days provided compared to Q1 as a result of Carlisle-based staff being deployed on Copeland work.
- 3 Direct days should increase further in Q3 as the Audit Shared Service has recruited to some of its vacancies with effect from 1 November.