AUDIT SERVICES MONITORING REPORT: FIRST QUARTER 2009/10

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Systems

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1.0   AUDIT WORK IN THE FIRST QUARTER 2009/10

1.1   <u>**Final reports issued**</u>
- Creditors 2008/09
- Sundry Debtors 2008/09
- Main Accounting System 2008/09
- Corporate Governance 2008/09
- Budget Process / Budgetary Control 2008/09

The audit section also undertook work in the first quarter on:-
- Improvement Grants / Disabled Facilities Grants 2008/09
- Concessionary Fares 2008/09
- Capital Accounting 2009/10 [re 2008/09 Accounts]

These reports will be issued in the second quarter of 2009/10.

1.2   <u>**Assurance on System Controls**</u>
The key recommendations are given in Appendix A.
The evaluation of the system controls is summarised below:-

1.2.1   **Creditors 2008/09**

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

The processing of payments was satisfactory. However, the full potential of the Creditor payment module in the TOTAL financial system was not being used. [The facility to scan, register and automatically pay invoices if details match the Purchase Order].

The main issue related to compliance with the Construction Industry Scheme (CIS) for Sub-Contractor payments. New internal guidance in relation to sub-contractors tax deductions contains factual errors and has resulted in the details of payments to sub-contractors not being recorded correctly in relation to the 'labour' element of gross tax type sub-contractors and hence these payments are not being reported accurately to Her Majesty's Revenue and Customs (HMRC).

Fraud Prevention controls were in place, with the following exceptions:-
- Spot checks should be carried out by supervisors to regularly review and test check work;
- No-one should be allowed access to the blank cheque paper on their own; and
- A periodic comparison of the physical stock of blank cheque paper should be carried out against the stock record.

The risk relating to blank cheques is minimal, as this is special cheque paper, rather than blank cheques themselves. The paper sheets are sequentially numbered and these are accounted for/recorded when the cheques are produced.

1.2.2 **Sundry Debtors 2008/09**

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

We found overall the administration of Sundry Debtors to be efficient and effective. Recovery of debt has continued to improve: debt outstanding as at 1 March 2009 represented 10% of recoverable debt, compared to 12.5% as at 1 April 2008.

However, we found that the initial set up for generating recovery letters automatically from the system had not covered all debt types, although some of these had been picked up by the Recovery Team and the recovery process had been "forced".

10 out of the 11 controls were in place to prevent or detect fraud. The missing control related to supervisory spot checks.

We noted some non-compliance with the Sundry Debtors Handbook in the raising of invoices. This was in respect of ensuring the invoice included adequate information about the debt, together with contact details. These are essential to progress recovery in the event of non-payment. Recommendations made during the 2007/08 audit remain outstanding.

1.2.3 **Main Accounting System 2008/09**

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

The TOTAL financial system has been operating well since the upgrade to the

new release in 2008/09. Any problems were logged with the supplier and were resolved. Arrangements were mostly in place to ensure the integrity of the financial data within the system.

Brought forward balances were verified as correct and we confirmed that the trial balance nets to zero.

Although there had been some delay in reconciling some data from external feeder systems, there were compensatory controls in place in that there was a daily check of interfaces being uploaded, to ensure that data was correctly uploaded to the TOTAL system (fully documented), and Bank Reconciliations had been carried out regularly throughout the year.

However, we found that independent checks and authorisation of journals over £30,000 were not consistently carried out.

The new accounting requirements (Statement of Recommended Practice) were being reviewed to establish if any changes were needed to the structure of the financial data.

A detailed Final Accounts Closure Programme had been produced and progress was being monitored, to ensure that the statutory deadline was met.

Whilst good back up arrangements were in place for the TOTAL system, and work on detailed procedure notes was ongoing, the business continuity plan still needs to fully address the loss of skilled staff. This would continue to be addressed once the Final Accounts deadline had been met.

Data Quality arrangements were largely in place, although further improvements could be made.

There are a number of outstanding audit recommendations relating to this system audit. Some progress has been made (for example, we noted an improvement in the standard of journal working papers and in the completion of reconciliations) but priority was being given to meeting the statutory deadline for the 2008/09 Accounts.

1.2.4 Corporate Governance 2008/09

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

The detailed report was included on the Audit Committee agenda of 27 May. The Council's Code of Corporate Governance is in line with the CIPFA/SOLACE Framework. Arrangements were largely in place and were being complied with. Significant progress has been made in developing and updating the arrangements. However, following the loss of key Finance staff,

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the Council's Business Continuity arrangements in relation to the finance function - and management of performance when these arrangements were put in place - proved to be inadequate, resulting in failure to meet a fundamental statutory deadline to produce an auditable Statement of Accounts for 2007/08 and the need to use financial reserves to rectify the situation. The Corporate Governance arrangements, therefore, have been evaluated as weak.

This was reported in some detail to the Audit Committee at its meeting of 27th May and an Action Plan was approved by the Audit Committee. The Annual Governance Statement for 2008/09 was approved by the Audit Committee at its meeting of 3rd June and was included in the draft Statement of Accounts 2008/09.

1.2.5 **Budget Process / Budgetary Control 2008/09**

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

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

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

The 2009/10 budget was loaded onto the financial management system (TOTAL) and was fully reconciled.

Budget monitoring processes continued in 2008/09, with monthly budget monitoring meetings with budget holders, monthly management accounts and reports on the projected outturn in both revenue and capital monitoring.

The Audit Commission, in the Use of Resources report, found the "Council's medium-term financial strategy (MTFS), budgets and capital programme are soundly based and designed to deliver its strategic priorities". However, recommendations were made to enable further improvements.

The Budget Process audit working papers and the audit report were also reviewed by the Internal Audit Manager and Senior Auditor at Allerdale Borough Council. This was to further ensure the independence and

robustness of the audit opinion, as Copeland's Audit & Fraud Prevention Manager acted as interim Section 151 Officer for some of the period covered by the audit. Full details of the review are held on the audit file.

1.3   **Follow-up audits**

1.3.1   A running progress report is kept of all Priority 1 and 2 recommendations outstanding. All outstanding audit recommendations, including all recommendations made in reports issued in this quarter, have now been input on to the Covalent performance software. This will streamline the monitoring process. All those recommendations still outstanding, with a target date up to 30 June 2009, are detailed at Appendix B.

1.4   **Issues arising from outstanding recommendations**

- As previously reported to the Committee, the backlog of outstanding recommendations largely arises from 2007/08 and 2008/09, when there were a number of key posts vacant in the Council, particularly in the Finance department and in the then Regeneration department (now Development Strategy). 21 long-standing recommendations have been implemented since we reported last quarter: 7 of these related to Development Strategy recommendations, 11 to Finance and MIS recommendations. Further progress has been made on some of the remaining recommendations. 15 "new" recommendations, becoming due in this quarter, have also been implemented. These included 11 Priority 1 recommendations, relating to improving the process for producing the statutory Statement of Accounts for 2008/09. The Accountancy team had prioritised this work for the first quarter. They will then review and prioritise the remaining outstanding recommendations. Members should note that the Economic Development Manager post is currently being recruited.

- Corporate Team have considered the remaining outstanding recommendations. Appendix D is a proforma which details those recommendations that Corporate Team propose should be cancelled or deferred. These were still under consideration as at 27 July, so an updated Appendix D may be tabled at the Audit Committee meeting.

2.0   EXTERNAL AUDIT

2.1   There have been no reports issued in the first quarter. The triennial review of Internal Audit by the Audit Commission was undertaken during the period and the draft report of the findings of the audit has been prepared. The final report from the External Auditor will be presented to the next meeting of the Committee.

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3.0   INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

3.1   We achieved 86% of planned audit work for the financial year, compared to the target of 90%. A summary of the audit performance measures is attached at Appendix C. There is some slippage against plan due to the level of responsive work undertaken on grant claims and on verifying job evaluation salary costs. This "hot audit" assurance was requested by the s.151 Officer to inform the recommendation of approval of the Council's Salary and Grading proposal, which was agreed by Full Council at its meeting in June. We also exceeded the estimated time on some audits, so work is slightly behind schedule. The impact of this on the audit plan is minimal at this stage, as 2 planned audits for July and August have had to be deferred as the implementation of the new software system for Building Control and Development Control has been delayed. Meanwhile, preparation for the annual main financial audits has started, to prevent further slippage against the audit plan. No non-audit work has been undertaken.

4.0   STAFFING ISSUES

4.1   All audit posts are currently filled.

4.2   Work has started on developing a business case for Shared Services for Internal Audit with the County Council, Allerdale Borough Council and Carlisle City Council. Time has been included in the Audit Plan to cover this work. Once the business case has been prepared, this will be brought to the Audit Committee for comment.

5.0   CONCLUSION AND RECOMMENDATION

5.1   Work is progressing in line with the Audit Plan, with only slight slippage to date. Progress continues to be made on outstanding audit recommendations, particularly in clearing the backlog of recommendations due to previously vacant key posts.

5.2   It is recommended that Members note this report and consider the cancellation / deferral of audit recommendations as detailed at Appendix D.

List of Appendices: Appendix A – Key Findings Quarter 1
                               Appendix B – Outstanding Key Recommendations
                               Appendix C – Performance Indicators
                               Appendix D - Cancellation / Deferral of Audit
                                              Recommendations

Background papers: None
Officer Consulted: Corporate Team
                               Management Group [on Appendix B]

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

P1 & P2 AUDIT RECOMMENDATIONS ONLY

CREDITORS 2008/09

(P1)   That a total review of the sub-contractor process is undertaken to ensure that we are meeting the requirements of the Construction Industry Scheme, and that the review includes the internal written guidance, the sub-contractor payment voucher, how invoices are identified, recorded and reported to Her Majesty's Revenue and Customs and the provision of cover in the absence of the officer responsible for CIS returns.
[A review of the process will be undertaken once closedown of the 2008/09 accounts is complete (a meeting has been scheduled in July to commence this).]

(P2)   That all invoices should be date stamped when they are initially received in the post by the department and also date stamped to show that the invoice has been paid.
[An email will be sent out by the Creditors Clerk reminding other departments of the need to date stamp.]

SUNDRY DEBTORS 2008/09

(P2)   That the Sundry Debt cancellation form should require that the authorising officer's name should be printed, as well as signed.
[The form has been revised to incorporate a section requiring authorising officer's printed name. This has been emailed to relevant persons, including internal audit.]

(P2)   That the recovery timetable within the Sundry Debt Recovery Handbook is amended to show that invoices that are outstanding will not enter the recovery process until they are **overdue** by 37 days.
[Flow chart amended to reflect the 37 days to first reminder.]

(P2)   That another helpdesk request be logged with Consilium to review settings within the Debtors module so that the recovery process is accurate and reliable.
[Further investigation of the issue including, as applicable, liaison with Consilium will be undertaken once closedown is materially complete.]

(P2)   That a manual reconciliation is undertaken, on at least a quarterly basis, to ensure that the number of invoices raised, less those paid, or within the due date equals the number of debtors invoices in recovery.
[An aged debt report is now run on a weekly basis, this is reviewed by Joy Bain to ensure that debtors invoices in recovery are complete.]

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

MAIN ACCOUNTING 2008/09

(P1)   That the Accountancy Services Manager ensures that her staff "lock" their computers when not at their desks.
[Written instruction issued.]

(P1)   That the Accountancy Services Manager reminds staff of the clear desk policy, particularly in relation to personal data or sensitive documents.
[Written instruction issued.]

(P2)   That Data Quality training is cascaded down to all staff in the Accountancy section, including the Admin Support Officers.
[Data Quality training was attended by the Accountancy Services Manager and the Management Accountant on 26th and 27th February 2009. Closedown 08/09 is currently taking priority. This will therefore be addressed once P1 issues have been dealt with.]

(P2)   Internal Audit will check that all holding accounts have been cleared (and that recharges have been made on a gross, rather than net basis), once the recharge process has been carried out.
[This has now been done. Recharges ensure that any external income (as opposed to recharge income) remains on the holding account (with the matched expenditure). These holding accounts are then included in the analysis of total income and expenditure, ensuring that all gross expenditure and gross income is shown in the Statement of Accounts.]

CORPORATE GOVERNANCE 2008/09

(P2)   The Anti-Fraud and Corruption Strategy should be reviewed and relaunched in 2009/10.
[The Strategy will be reviewed and relaunched to Members, Management Group and in the core Team Brief (TeamTalk). The copy on the intranet will be updated.]

(P1)   That arrangements should be put in place to maintain audit independence.
[Letter has been circulated to the Audit Committee and to the Audit Commission, detailing arrangements. Position will be monitored and reported quarterly to the Audit Committee. Audit Charter will be expanded to include arrangements to maintain audit independence.]

(P2)   Overall risk management arrangements should be considered at least quarterly by the Audit Committee.
[Risks are monitored and recorded on Covalent as part of quarterly monitoring procedures. A quarterly report on risk management to be submitted to the Audit Committee.]

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

(P2)   The new Cumbria-wide Joint Scrutiny arrangements should be implemented in 2009/10.
[Terms of Reference of the new Joint Scrutiny Committee for Cumbria have been agreed and a joint Support Officer for the new Committee has been appointed in April 2009.]

(P1)   The Job Evaluation Scheme must be implemented in 2009/10.
[Provisional timetable agreed. Council has agreed the Scheme, subject to Unions' agreement.]

(P1)   Ensure an early monitoring report on the preparation of the 2008/09 Accounts is submitted to the Audit Committee.
**[Closure Timetable circulated to all Audit Committee Members.
Verbal update given to the Audit Committee 22/4/09].**

(P1)   Submit the Accounting Policies and Principles for formal approval by the Audit Committee, prior to submission of the Statement of Accounts.
[Submitted to Audit Committee 22/4/09].

(P1)   Ensure that the Council has in place proper arrangements to review and revise the Council's practices in financial reporting to meet the requirements of the latest guidance in accordance with statute. This will include resourcing the Accountancy section to ensure sufficient time is available to carry out quality checks, ensure consistency of accounting treatment and to produce working papers which include an analytical review, whilst still meeting the statutory deadlines. [Interim staffing arrangements and the buying- in of private sector resources have been superseded by the appointment of permanent post holders.]
[SORP has been reviewed and any new requirements have been identified. Detailed timetable, including staff resource allocation, has been drawn up and progress is regularly monitored. Sufficient time has been incorporated to produce the working papers and to carry out quality checks, whilst still meeting the statutory deadline].

(P2)   Improve budgetary control by ensuring the reconciliation of control accounts is up-to-date and by implementing robust close-down procedures, thus ensuring the revenue outturn is accurate and the reserves position can be relied upon. Improve capital monitoring by quality checks on the project management data.
[Control Accounts process has been reviewed by the Financial Accountant and new arrangements put in place to monitor progress. Guidance issued to Managers on close down procedures and evidence required to support transactions. Training also given. Evidence reviewed by Accountancy officers before transactions are input to the financial ledger. Full review undertaken of the Earmarked Reserves to ensure transactions are accurate and that expenditure is fully reflected in the Income and Expenditure Account. Capital Control Group has been set up in April 2009].

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

(P2) Improve arrangements to identify and mitigate potential risks associated with partnership working.   This will include setting up a register of partnerships, including accountable body status, and financial governance procedures – including risk management.
[Partnership Group established, Chaired by J Betteridge. Framework for analysing Partnership Register has been developed to identify key partnerships in terms of risk and impact. Outcome will be reported in 2009/10].

(P2) Ensure audit recommendations are implemented promptly. The backlog of outstanding recommendations, and progress on implementation, will continue to be reviewed quarterly by Corporate Team and the Audit Committee. Aim to clear the backlog of 2007/08 recommendations.
[All audit recommendations to be re-evaluated for continued relevance].

(P2) Keep under review the Council's arrangements for Business Continuity Planning, including regular testing of these arrangements.
[Review will be undertaken.
Business Continuity arrangements will be tested as part of the Emergency Planning exercise in July].

(P1) Following an adverse inspection report on the statutory Housing function, an Improvement Plan was drawn up. Need to monitor progress against the Housing Strategy Improvement Plan. [A special Panel has been established for this purpose].
[The Strategic Housing Panel meets monthly and monitors progress closely. Corporate Team have also maintained a monitoring role].

(P1) Ensure procedures are followed to keep the Fixed Asset Register up-to-date.
[New procedures were put in place in January 2009. Compliance with these procedures needs to be monitored].

(P2) Keep under review the Council's Constitution and take any further reviews to council for approval as required.
[Will review at least annually].

BUDGET PROCESS 2008/09

(P2) That a full review of the cost centres on TOTAL is undertaken to ensure that appropriate access rights are assigned to all Officers using the system.
[A request has been made with the TOTAL developers to design an audit report for this purpose. We are awaiting a response].

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

(P2)   That all virement input sheets must have supporting documentation, be checked and signed by an authorising officer and be input by suitably trained staff.
[Agreed. Once closedown is materially complete, a training session on virements will be included in the Agenda of the next team meeting].

(P2)   That, in order to provide an adequate audit trail, all virements and supporting documentation are held in one file in a central location.
[Agreed. Once closedown is materially complete, the virements procedure will be documented and a central repository set up to collate records and evidence of all virements].

Audit Recommendations - Overdue

Report Author: Audit1 Officer
Report Type: Action Report
Generated on: 27 July 2009
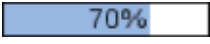
SUMMARY OF OVERDUE RECOMMENDATIONS			
	Priority 1	**Priority 2**	
Total Overdue Recommendations as at 31/3/09	6	45	
"New" Recommendations due in Quarter 1	11	11	
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.1	17	56	
IMPLEMENTED FROM LAST QUARTER'S REPORT	4	17	
"NEW" BUT IMPLEMENTED THIS QUARTER	11	4	
Total implemented in the Quarter	15	21	
CANCELLED SINCE LAST QUARTER	0	0	
OUTSTANDING FROM LAST QUARTER	2	28	
OVERDUE RECOMMENDATIONS ADDED THIS QUARTER	0	7	
Total Overdue Recommendations as at 30/6/09	2	35	

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-C_10 Following work undertaken on the Ethical Government Framework in 2007/08, further action be carried out to implement the action plan.	2	Head of Legal & Democratic Services	85%	31/03/2009	Corporate Governance 2007/08	15/07/2009 The agreed work plan for 2009/10 is being progressed and supersedes the previous work plan 08/04/2009 The Standards Committee have agreed a revised work plan for 2009/10. 12/05/2008 Work Plan for Standards Committee for 2008/09 agreed.
🔴	AR-C_11 Following work undertaken on Equality & Diversity in 2007/08, all Equality and Diversity Impact Assessments to be completed.	2	Head of Legal & Democratic Services	70%	31/03/2009	Corporate Governance 2007/08	15/07/2009 Situation remains as at 8/4 08/04/2009 Progress continues to be made. Any outstanding Equality Impact Assessments will be timetabled for 2009/10. 12/05/2008 Complete all EIAs in 2008/09.
🔴	AR-C_15 A corporate resource plan should co-ordinate the resources needed to ensure there is the capacity to deliver the	2	Head of Policy & Performance; Performance Manager	0%	30/06/2009	Statement of Internal Control 2006/07 (revised March 2009)	

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	Authority's objectives to timescale.						
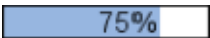
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-CS_51 That alternative arrangements be agreed for Academy and Northgate systems in case of an IT Disaster situation.	2	Head of Customer Services	0%	31/03/2009	IT Arrangements for Business Continuity 2008/09	08/04/2009 Being considered as part of the Shared Services arrangements. 10/10/2008 Business Continuity Team (no ICT involvement).
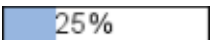
Code & Title: **AR-F&MIS Finance & Management Information**

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_001 That performance reports link performance / outputs with financial budgets / expenditure.	2	Head of Finance & Management Information Systems	75%	30/09/2004	Corporate Governance 04/05	09/04/2009 Priority is to complete the 2008/09 Final Accounts. 01/12/2008 Accountancy Services Manager will be in post on 15 December 2008, along with the Financial Accountant. Priorities will then be reviewed. 02/10/2008 No further work on this pending closure of accounts and filling of vacant posts (2 Accountants) 11/04/2008 Management Accounting Working Group met 19/3/08 to determine basis identifying cost drivers to be used for measuring performance. Initial meeting held with Policy to agree piloting of cremations, penalty notices, car parking penalty notices and dog fouling. Once agreed, basis will roll out to all other service plan objectives and

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							planning process for 2009/10 and beyond. Paul Robson to lead on identifying cost drivers for performance monitoring purposes.
							03/10/2007 Financial Planning Guidance has been issued as part of a new process for the 2008/09 budget build, based on corporate priorities and outputs. New budget monitoring procedure from end of Sept. 2007 includes expenditure projections to year end. Further developments to continue.
							22/06/2007 Service Plans for 2007/08 now include resource planning.
🔴	AR-F&MIS_010 That the IT Technical Team Leader, should undertake a full risk assessment of the Council's network, resulting in the production of a Network Access and Control Document.	2	IT Manager	80%	31/12/2007	IT Network Controls	01/04/2009 90% of risk assessments completed. Network Control Document in Draft format as at 01/04/09.
							01/12/2008 The risk assessment is in place.
							10/10/2008 Original documents not found and a new risk assessment was produced during audit visit 09/10/08. New network access and control document should be produced and these should

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							be seen as corporate documents and approved by senior management and kept in a central filing system
							02/10/2008 External Computer Auditor in to check controls week beginning 06/10/08
							08/07/2008 The draft of this document is complete and is now to be checked prior to authorisation.
							20/05/2008 The draft Network Access and Control document is scheduled for completion by 13/06/2008.
							21/01/2008 Generic risk assessment done. Further work to be undertaken.
🔴	AR-F&MIS_030 That staff who have not attended a Data Protection course, should attend one of the in-house sessions being run in 2007/08.	2	Accountancy Services Manager	0%	31/07/2007	Creditors System 2006/07	24/07/09 Training is still outstanding. 07/04/2009 Prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed implementation of this action. This will be picked up again once closedown pressures ease.
							01/12/2008 Requested that Accountancy be notified when the next training sessions are run.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_059 That the induction process for new employees should include an awareness of Financial Regulations and the relevant written procedures, where appropriate.	2	Accountancy Services Manager	25%	31/01/2008	Creditors 2007/08	24/7/09 Training will be carried out once the Financial Regulations have been updated.

03/04/2009 Prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed work on the Financial Regulations and training. This will be picked up again once closedown pressures ease.

01/12/2008 Financial Regulations documents have been printed for the 2 new Accountancy post holders. This needs to be extended to new starters in all departments, with regular training sessions. Training is in the pipeline for February / March 2009.

02/10/2008 No new appointments to date

01/12/2008 No progress pending new appointees taking up their posts. Accountancy Services Manager and Financial Accountant will be in post 15/12/08. Workload and Accountancy structure to be reviewed. |
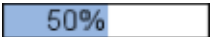
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_066 That the Admin Support Officers mark returned cheques as cancelled when the post is opened, before passing them to the Admin Support Officer who inputs the cancellation on to the Creditors system.	2	Accountancy Services Manager	0%	09/11/2007	Creditors 2007/08	07/04/2009 Prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed consideration of how this action can be addressed. This will be picked up again as part of an overall review of duties scheduled to take place after the audit of 2008/09 Financial statements is materially complete. 01/12/2008 Separation of duties will need to be considered as part of any restructure or the risk of misappropriation of returned cheques be evaluated and accepted. 02/10/2008 Current staffing does not allow separation of duties.
🔴	AR-F&MIS_070 That time is taken to review the workload and assign priorities.	2	Accountancy Services Manager	0%	30/03/2008	Creditors 2007/08	07/04/2009 As per recommendation AR-F&MIS_066 prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed addressing this action point. This will be picked up again as part of an overall review of duties scheduled to take place after the audit of 2008/09 Financial statements is materially complete.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_077 That a supervisory spot check of write offs and cancellations of debt.	2	Accountancy Services Manager	50%	29/02/2008	Sundry Debtors 2007/08	27/07/09 A write-off report generated by the Debtors system will be compared to the Recovery section's list of authorised write-offs. A cancellations report will be generated and compared to the hard copy requests for cancellations. To be implemented by the end of September 2009.

07/04/2009 Prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed further consideration of how this action can be addressed. This will be picked up again once closedown pressures ease and procedures, once agreed, documented.

15/10/2008 The Recovery section sends the Accountancy Services Manager monthly reports to review the write-offs. A cancellation report needs to be forwarded for review as from 1/1/09.

30/04/2008 Paul Robson to receive write-offs and cancellation report at period end, and check the transactions on system. All write-offs over £1000 to be checked, then one in ten. |
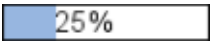
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_094 That a business continuity plan is drawn up to manage the risk of loss of skilled staff.	2	Accountancy Services Manager	40%	31/07/2008	Main Accounting System 2007/08	01/12/2008 Accountancy Services Manager in post 15/12/08. This will need to be a priority to ensure that grant funding requirements are met.

02/10/2008 No further progress pending closure of accounts and filling vacant posts (2 Accountants)

07/04/2009 Work is ongoing on the Finance Continuity plan (including detailed procedure notes), however prioritisation of the closedown of 06/07, 07/08 and now 08/09 accounts has delayed work on this. This will be picked up again once closedown pressures ease.

25/02/2009 Team structure updated Jan 09. A key element of plan is a comprehensive set of procedure notes; the Finance Team in process of compiling these - this is a lengthy ongoing exercise which will continue to be progressed during and beyond closedown 2008/09.

01/12/2008 Accountancy Services Manager and Financial Accountant in post 15/12/08. |

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							Workload priorities will then be reviewed.
							02/10/2008 No further progress pending closure of accounts and vacant posts (2 Accountants)
							30/04/2008 Loss of premises and back up for IT systems are covered. Further work to be undertaken in relation to loss of skilled staff. Staff appraisal results and review of staffing structure will feed into this.
🔴	AR-F&MIS_096 Ensure the Council's progress on having clear info on costs and comparative info is used in a comprehensive manner to review value for money within services and corporately, esp in regards to exp of users and communities in rel to service effectiveness.	2	Accountancy Services Manager	10%	30/09/2008	Annual Audit and Inspection Letter March 2008	09/04/2009 Priority is the 2008/09 Final Accounts.

25/02/2009 Linked with AR-F&MIS_001. Ongoing - the need to deal with urgent issues such as the 2006/07 & 2007/08 audits and 2009/10 budget has delayed this. Finance continues to improve structure within ledger to ensure that reporting of financial data is relevant and timely. Meetings to be |

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							progress this.
							01/12/2008 Accountancy Services Manager and Financial Accountant will be in post from 15/12/08. A meeting will be set up early in 2009 to progress unit costing.
							02/10/2008 No further progress pending closure of accounts and filling of vacant posts (2 Accountants)
							21/05/2008 A Task Group has been set up to identify unit costs and to establish best practice to assist in reviewing value for money in service delivery.
🔴	AR-F&MIS_098 Improve arrangements to identify and mitigate potential risks associated with partnership working.	1	Head of Finance & Management Information Systems	50%	31/07/2008	Annual Audit and Inspection Letter March 2008	09/04/2009 A sub-group of Corporate Team has been set up, led by Cath Coombs, to create a central Partnership Register. Where we are the Accountable Body, a grant schedule has been drawn up as part of the Accounts work. A draft Governance Protocol was also discussed at Corporate Team in February 2009. All of these arrangements will be further developed in 2009/10.

03/12/2008 |

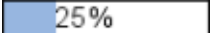| Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							The two posts will be filled on 15/12/08.
							02/10/2008 No further progress pending closure of accounts and filling of vacant posts (2 Accountants)
							21/05/2008 Setting up a register of partnerships, including accountable body status, and financial governance procedures - including risk management.
●	AR-F&MIS_121 That the ICT Department locate the Network Access and Control Policy, and supporting risk documentation, and file them in an appropriate folder in the Council's Sharepoint electronic library system.	2	IT Manager	90%	31/12/2008	Health Check on IT Security 2008/09	09/04/2009 The risk assessments have been redone and documented. Still to be filed on Sharepoint. 08/12/2008 ICT have created an Electronic Document Management System (EDMS) and all supporting documents, procedures and policy are being transferred to the EDMS.
●	AR-F&MIS_123 That ICT remind remote users to save information on the storage areas allocated to them on the G:drive and not to	2	IT Manager	50%	31/01/2009	Health Check on IT Security 2008/09	01/04/2009 As part of new Security Policy which includes guidance. To be presented to

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							Exec.
	save onto the Terminal Services Server. Guidance on this should be included as part of a user best practice document.						08/12/2008 Group Policy to re-direct "My Documents" to shared G:drives. Ongoing updates to remote access include remote application push and 2008 terminal services removing the ability to store files on terminal services server. Application rights and local rights audited. The need to run Academy application necessitates raised local security to terminal services server. ICT to create a best practice guidebook for end user education (to be completed by the end of March 2009).
🔴	AR-F&MIS_124 That, as part of ICT planning to meet the Code of Connection requirements, an exercise be established to check whether local administrator rights are required to run each application. A business case should then explain which need this requirement.	2	IT Manager	25%	28/02/2009	Health Check on IT Security 2008/09	01/04/2009 CRM and Academy require administrator rights. Business cases will be required from Heads of Service.

08/12/2008 ICT have audited all applications and identified those that will not run with restricted local security rights on pc's and laptops. IT are investigating solutions and workarounds. |

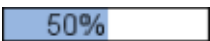| Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
●	AR-F&MIS_125 That ICT, the Head of Customer Services and Capita agree a protocol to enable Capita to access the network via the Council's SLL VPN solution. If this is not possible, the ICT Manager should assess what is required to ensure Code of Connection compliance	2	IT Manager	90%	31/03/2009	Health Check on IT Security 2008/09	09/04/2009 A statement of assurance has been received from Capita in March 2009. Capita is working with Govt. Connect officers to resolve any outstanding issues. 08/12/2008 Capita state they do not want to use SLL VPN solution as per their support contract. IT manager will review contract.
●	AR-F&MIS_133 That to enable users to identify information requirements for secure transmission and to ensure the correct processes are followed, the following be provided :Information Classification Policy, Classification by Data Owners and Procedures for secure email	2	Head of Finance & Management Information Systems	75%	31/03/2009	Health Check on IT Security 2008/09	27/07/09 The draft revised IT Security Policy is to be considered by the Executive on 28 July 2009. This will then need to be rolled out to Members and employees. 08/12/2008 COCO requirement that all information must be subject to classification marking once it's removed from native systems/applications. Council-wide policy. Lead officer to be confirmed by Corporate Team.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-F&MIS_135 That the role of Information Security Manager should be formally recognised and appropriate resources be made available. The role should include reviewing logs associated with privileged and sensitive activities.	2	Head of Finance & Management Information Systems	10%	31/03/2009	Health Check on IT Security 2008/09	09/04/2009 This was discussed by Corporate Team on 23/3/09. Issue still to be resolved. 08/12/2008 An Information Officer should be a council-wide requirement. No such post currently exists within the Council. It covers manual, as well as IT information. There is no provision in the 2009/10 budget build for this post. Lead officer to be decided by Corporate Team.
🔴	AR-F&MIS_139 Ensure that all post is opened and reviewed in the extended absence of the officer to whom it is addressed.	2	Accountancy Services Manager	90%	31/03/2009	The Beacon - Cash & Banking 2008/09 [Fidelity Guarantee Insurance premium]	07/04/2009 Line Managers within the Finance Team have responsibility for ensuring that all post is opened and reviewed in the extended absence of the officer to whom it is addressed. A procedure note setting this out will be incorporated into the Finance team procedure note pack when this is pulled together.
🔴	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	0%	30/04/2009	Loans and Investments 2008/09	
🔴	AR-F&MIS_142 That the performance monitoring measures are re-established and carried out	2	Accountancy Services Manager	0%	30/04/2009	Loans and Investments 2008/09	
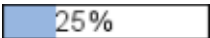
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	on a regular basis.						
🔴	AR-F&MIS_163 That any staffing reorganisation includes a review of all routine tasks, to ensure that responsibility for these is allocated.	2	Accountancy Services Manager	0%	31/03/2009	Cash Receipting 2008-09	08/04/2009 Temporary restructure to be reviewed following closure of Final Accounts.

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

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-PP_01 Develop and agree a workforce strategy.	1	HR Manager	25%	30/03/2008	Annual Audit Letter March 2007 and Use of Resources 2007/08 March 2009	01/04/2009 Office working group has met and considered how to move forward with appropriate project and management arrangements. Research under way. 31/03/2009 Completion of Workforce Plan has a revised target date of April 2010. 09/01/2009 Good practice sought out and first meeting planned for project group. 09/10/2008 Likely to start later in Qu 3 when most of Pay and Grading Review has been completed. 18/07/2008 HR Manager's personal objectives based on this work starting "later in 2008" 09/07/2008 Revised date for Copeland Workforce Strategy. Results of IIP show need for action in some parts of the organisation.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-PP_11 Ensure that the Council's overall arrangements for improving performance are reviewed and strengthened.	2	Head of Policy & Performance	75%	31/03/2009	Annual Audit and Inspection Letter March 2008	24/09/2007 Cumbria People Strategy agreed and in place, to which Copeland has signed up. It is being monitored by countywide officer group. 01/04/2009 Service and corporate planning 2009/10 includes targets to improve performance in areas that need most focus, eg LDF, Strategic Housing, Financial Management, as well as partnership themes, such as health inequalities, worklessness and economic regeneration. 09/01/2009 Development of data quality arrangements, performance reporting, review of improvement priorities by Corporate Team, update meetings at end of Qu2 undertaken by Acting Director. 09/10/2008 Review of Corporate Plan under way. Employee Performance Management process in place and working correctly, with 6 month reviews about to start. External scrutiny being responded promptly.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-PP_12 Ensure stakeholders are consulted more fully regarding what they see as the Council's priorities.	2	Head of Policy & Performance	50%	31/03/2009	Annual Audit and Inspection Letter March 2008	09/07/2008 Improvement Priorities plan produced. Will be monitored quarterly by Corporate Team. 21/05/2008 Development of corporate improvement plan, with identified leads, deadlines and actions. Will monitor and report quarterly. 01/04/2009 Business Ratepayer consultation and public information provided on budget 2009/10. Council representatives attended public meetings on Nuclear Newbuild to hear views of affected communities. 09/01/2009 No further progress with consultation on Council priorities. However Place Survey conducted during Qu3 which will provide context for future consultation exercises. Locality Working arrangements will facilitate this. 09/10/2008 Budget consultation deferred until Jan 09. 6 priorities identified by public in 2007 in use to guide decisions about resources and

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							planning improvements.
							21/05/2008 6 public priorities, identified at the end of 2007, to be developed as basis of Council plans and improvements.
●	AR-PP_13 That employees that have not received data protection training attend the next available course, run in-house, by the Head of Legal & Democratic Services.	2	HR Manager	10%	30/04/2009	Training Expenses 2008/09	01/04/2009 Next training due in summer 2009. 24/12/2008 Employees to attend next available course in 2009.
●	AR-PP_17 That to help detect errors such as underpayments a spot check of data input to the SAGE system should be carried out periodically, by an officer independent of the inputting officer.	2	HR Manager	0%	30/06/2009	Training Expenses 2008/09	09/04/2009 There are only 2 Payroll Officers. Quarterly checks to start in 2009/10. New target date of 30/6/09. 24/12/2008 Checks to be made quarterly.
●	AR-PP_20 That the monthly sickness report is checked to the manual records, to ensure accuracy of performance monitoring.	2		0%	01/04/2009	Payroll 08/09	
●	AR-PP_22 That to improve Data Quality, independent checks of performance indicator calculations should be carried out.	2		25%	30/04/2009	Payroll 08/09	09/04/2009 Most are year end PI's. New target date of 30/04/09 for independent check. Internal Audit now includes data quality in system audits, so as services are subject to internal audit, their data quality will be progressively subject to independent checks.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-PP_23 That to improve Data Quality, data reports are validated to manual data.	2		0%	01/04/2009	Payroll 08/09	23/03/2009 Performance indicators to be checked and signed by second HR employee.
🔴	AR-PP_24 That the Data Quality training is cascaded down to all staff in the section.	2		10%	30/04/2009	Payroll 08/09	15/04/2009 Further data quality training planned for 2009/10 and budget allowed for in corporate training plan.

Code & Title: **AR-R Development Strategy**

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-R_14 That project officers review the basic project management guidelines on the intranet. [Found under Finance & Business Devt / Business Devt / Procurement/ How to manage a project.	2	Economic Development Manager	50%	30/09/2007	Economic Devt. Projects / Administration of Grant Claims 07/08	27/07/09 This has been included in the 2009/10 Service Plan, to complete by March 2010. 23/03/2009 The Corporate Team are reviewing the project and programme management framework and toolkit with a view to providing a clear Copeland framework that all staff will use and be trained on. 15/07/2008 The process of managing projects remains unchanged from last update. 09/10/2007 Officers have access to the guidance but still using own best endeavours re real world project management issues. P Meadows working with Legal and Finance to better risk manage econ regen projects from inception stage.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
🔴	AR-R_16 That officers involved in the admin. of grants should record the time spent against each grant project, as a basis for the calculation of the admin. fee.	2	Economic Development Manager	0%	31/10/2007	Economic Devt. Projects / Admin. of Grant Claims 07/08.	27/07/09 This will be addressed along with AR-R14 above, as part of training and procedures. Implemented by March 2010. 23/03/2009 Finance and Development services are planning to work together in 2009/10 to improve the Accountable Body role in line with the recruitment of a project accountant. 30/07/2007 Same recommendation made to Accountancy staff.
🔴	AR-R_17 That supporting evidence of the admin. fee should be kept on the project file, alongside the claim.	2	Economic Development Manager	0%	31/10/2007	Economic Devt. Projects / Admin of Grant Claims 07/08	27/07/09 This will be addressed along with AR-R14 above, as part of training and procedures. Implemented by March 2010. 09/04/2009 Finance and Development Services are planning to work together in 2009/10 to improve the Accountable Body role, in line with the recruitment of a project accountant.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	Code & Title: AR-R Development Operations						
🔴	AR-R_27 That regular reconciliations are carried out to ensure that all income received is posted to the individual debtor's accounts.	2	Building Control Manager	45%	30/06/2008	Building Control 2007/08	17/07/2009 Following discussions with Audit, agreed to tackle this issue through new MIS Headway back office system, due to be implemented 17 August. Matt Freestone has been given details of proposed interface with Total Finance and is to forward to Consilium.
							09/04/2009 Systems Accountant has given a new target date of 31/5/09 for training.
							26/01/2009 Budget 09/10 commitments for the Officer that will carry out the training of Building Control staff have resulted in further delays.
							04/12/2008 Due to workload in the Accountancy section, the relevant training of Building Control Staff has been deferred.
							05/06/2008 Relevant staff to be setup on TASK to access enquiries and reports.
							01/12/2008 Surveyor/Contracts Officer in post. Principal duties are to

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							deal with maintenance. He has now gained some understanding of portfolios etc; and will start making spot checks between Jan & March 09 & continue thereafter.
							12/09/2007 Not viable to implement this recommendation with the current level of resources available. Dependent upon the appointment of an additional Maintenance / Procurement Surveyor. Post has been approved. Target date to be agreed when the appointment has been made.

AUDIT PERFORMANCE INDICATORS – 1 APRIL TO 30 JUNE 2009

Indicator Audit Services:	2008/09		2009/10 Target	Key PI Ref.	2009/10 Actual to Date
	Target	Actual			JUNE
% of monthly audit plan completed	90%	66%	**90%**	AFP.01	86% *****
Direct audit time as a % of total time	68%	57%	**68%**		60% ***
% of 12 fundamental systems audited against plan	100% by 31 March	69%	**100% by 31/3/09**		25% *
% of other systems audited against plan	70%	57%	**70%**		67% **

* Only 4 fundamental system audits were due to be completed by the end of June [Brought forward from 2008/09]. These were completed.

** Only 3 other systems were due to be audited by the end of June. 2 of the 3 were completed. The outstanding audit related to Improvement Grants. The audit was completed but awaiting review due to responsive Grant Claim work.

*** Direct audit time was down in the first quarter, due to the annual risk assessment and audit planning work being delayed to May, preparation of annual reports for Audit Committee and annual staff appraisals.

***** Slippage against plan due to some audits over-running the estimated time [Budget process, Capital Accounting, Improvement Grants, Corporate Governance and responsive work on a grant claim].

2/7/09

PROPOSAL TO CANCEL / DEFER AUDIT RECOMMENDATIONS

	Rec. No.	Description	Context / Compensating Controls	Residual Risk	Risk Exposure - Impact	Risk Exposure - Probability	Management Response
1	LD_02	Outstanding work re Records Management should be identified and resources identified to implement the requirements. This should include a review of document structure to facilitate compliance with the publication of information.	A high priority recommendation - from the 2006 internal audit report on compliance with the Freedom of Information Act 2000. The Codes of Practice (i.e. best practice, rather than statutory requirements) issued, to support implementation of the Act, require the establishment of information management systems and practices that will allow the Council to know what information it holds, know where that information is and be able to retrieve and distribute information in a timely and efficient manner. There has been limited implementation of these requirements in order to meet the basic statutory duty. There is no dedicated FOI Officer [a previous bid for this post was rejected by Members]. The audit in 2006/07 showed that existing records management arrangements enabled the Council to meet its statutory duty. The volume of FOI requests (and our ability to meet the statutory requirements) needs to be kept under review.	**LOW**	**LOW**	**LOW**	**Propose: Cancel** Corporate Team have considered this issue but have not prioritised it for action, given the restricted resources (both staffing and financial) and the fact that the statutory requirements can be met from the current arrangements in place.

	Rec. No.	Description	Context / Compensating Controls	Residual Risk	Risk Exposure - Impact	Risk Exposure - Probability	Management Response
2	PP_09	Access to the PWA system should be reviewed to maintain separation of duties between payroll and personnel officers.	Arising from 2007/08 internal audit report on Payroll, this is a key control to maintain separation of duties between Payroll staff (who process the information) and HR staff (who authorise new employees with start date / paypoint and confirm leavers with leaving date.) The PWA is a stand-alone HR system recording employees' details. The Payroll system (SAGE) processes the pay and only employees authorised by HR should be on this system and on the authorised paypoint. The controls in place include both HR and internal audit comparing the Payroll records to the HR records, therefore, for this control to be effective, the integrity of the PWA records must be maintained. However, the Payroll staff hold manual records of sick leave and input these on to HR's PWA system. Since the audit recommendation was made, it has been found that the PWA system technically cannot tailor access rights to individual users. If you have access to the system, you can input / amend any of the records held on that system.	LOW	HIGH	LOW	**Propose: Defer** Development of the PWA system has been slowed by a shortage of staffing resources, whilst the Pay and Grading Review is in progress. This development has been included in the 2009/10 Service Plan, with a target date for implementation of 31 March 2010.

	Rec. No.	Description	Context / Compensating Controls	Residual Risk	Risk Exposure - Impact	Risk Exposure - Probability	Management Response
			There is a compensatory control in that the Accountancy section circulate an annual schedule of employees, with their paypoint, to all managers to confirm that this is correct. The review of monthly management accounts would also highlight any material discrepancies. It was proposed to review the administrative support arrangements in HR to take account of separation of duties (July 2008).				
3	R_66	That only 1 operator uses the colour coded button per shift, so that the close down till analysis is specific to that person.	Arising from the 2008/09 internal audit report on the Beacon & TIC Cash & Banking, this was a key recommendation to ensure that (i) till operators are accountable for their own takings and (ii) any losses / errors can be attributed to specific employees. Without this, any insurance claim under the Fidelity Guarantee policy would be rejected. Net income recorded at the Beacon in 2008/09 was £76k, at the TIC £17k. Any discrepancies found in our annual audit samples have been of low value (under £10) and there have been a mixture of overs and shorts.	**LOW** **LOW**	**MEDIUM [Beacon]** **LOW [TIC]**	**LOW** **LOW**	**Propose: Cancel** The Beacon Manager prepared a costings report to implement this recommendation. This was considered by the Head of Service and Head of Finance & MIS but it was not considered cost effective to implement, given the low risk involved.

	Rec. No.	Description	Context / Compensating Controls	Residual Risk	Risk Exposure - Impact	Risk Exposure - Probability	Management Response
			Compensatory controls in place are that the Duty Manager undertakes reconciliations of the takings in preparing the bankings, recording any overs/shorts; there are regular stock takes, which would highlight any major discrepancies between stock sold and takings; and there is a review of monthly management accounts, which would highlight any material difference.between actual and profiled income.				