

AUDIT MONITORING REPORT: QUARTER 4 2012/13

LEAD OFFICER: Darienne Law,
Head of Corporate Resources (and S.151 Officer)

AUTHOR: Peter Usher, Audit Manager

1.0 INTERNAL AUDIT WORK COMPLETED IN QUARTER 4 2012/13

1.1 Final reports issued

- Council Tax
- Benefits
- Sundry Debtors
- Cash Receipting
- Main Accounting System
- Creditors
- Bereavement Services follow up

2011/12 work carried forward

Information Security

As previously reported an agreed action plan has not been received following the issue of a revised follow up report on Information Security in June 2012. The recommendations included in the follow up report will not be included in Covalent until agreed but are based on the need for the Council to implement a robust information security framework following the guidelines provided by HMG Security Policy Framework (April 2012). The framework should incorporate appropriate policies, processes, roles and responsibilities, controls, training and awareness. The Head of Policy and Transformation is in the process of completing the action plan and is liaising with relevant staff at the County Council on the most effective way to take this forward within Copeland's available resources.

2012/13 work

7 final reports have been agreed in the period and draft reports have been issued on debt management and risk management. Work is ongoing on budget management (which has been combined with work on savings calculations and monitoring) and the annual review of corporate governance. Reports will be complete in time for the annual internal audit opinion on controls to be presented to this Committee on 26 June.

Work on the two IT audits will now be done as part of 2013/14 plan. The first of these relates to a review of the operation of the DIPS system in the Revenues & Benefits Shared Service. The second review looks at the link between IT strategy to corporate objectives and how IT developments are aligned to the achievement of service plan objectives. Scopes have now been agreed and work will be undertaken in the first quarter of 2013/14.

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A review of matches arising from the National Fraud Initiative (NFI) 2012 has also been carried out by Internal Audit and there were only minor issues arising which are being dealt with by Finance. It should be noted that most matches are followed up by the Revenues & Benefits Shared Service (RBSS) in relation to housing benefit and council tax single person discount.

1.2 Assurance on System Controls

The overall evaluation of the system controls is set out below together with a summary of audit conclusions and any key recommendations. Key recommendations are now shown beneath the relevant audit rather than in a separate appendix for ease of reference. Assurance levels for audits completed this quarter are either good or satisfactory.

1.2.1 Council Tax

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

Council Tax is administered by the Revenues & Benefits Shared Service (RBSS). From August 2012 an Academy Shared Desktop has been introduced to allow Revenues and Benefits staff at the various sites to work on each other's databases as workloads require. Alignment meetings are taking place to streamline processes and procedures for the Council Tax service.

Key controls were found to be effective but issues remain with other controls which are set out in the agreed recommendations.

The reconciliation of the total rateable value and the number of properties on the Council Tax system to the Valuation Office Agency (VOA) 2010 rating lists was carried out in March 2012 as part of the year end process and the VOA notifications have been actioned in a timely manner and are up to date (as of the end of November 2012). 11 minor address variances were identified during our testing and these were brought to the attention of the Revenues Team Leader.

Financial reconciliations have been carried out between the Civica cash receipting system and the Council Tax system. This key control ensures that income relating to Council Tax is posted correctly to the Academy system. Regular reconciliations are also carried out between the Council Tax and Total finance management system within the Accountancy section.

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The Council Tax system has been correctly updated to reflect the 2012/13 Council Tax rates for each Copeland Parish and property band.

The collection rate is regularly monitored and the collection figures showed that 68.25% of the total amount due had been collected by October 2012 (compared to 67.88% for October 2011).

Recovery action was progressing in line with the timetable and a sample of special arrangements to pay arrears showed that most payments were up to date and appropriate action had been taken where the conditions of the payment agreements had not been kept.

Previous recommendations AR-CS_061, "That all claims for single persons discount should be reviewed on an annual basis. If this is not practicable, a rolling programme of single person discount reviews should be set up on the Academy system", and AR-CS_126 (2011/12 audit), "Steps should be taken to resolve the outstanding template issues and then a full review of continuing eligibility for single persons discount should be carried out", show as having been implemented on the Covalent performance management system. The single persons discount accounts for the majority of discounts and has been highlighted by the Audit Commission nationally as a potential fraud risk. The Revenues Manager stated the Shared Service will use the mismatches highlighted by the National Fraud Initiative bi-annual exercise rather than implement an annual review. This mismatch exercise is currently on going.

Staff were aware of their roles and responsibilities under the Data Protection Act. The Performance Team at Carlisle City carried out a review of all staff user accounts during Oct 2011 to ensure that the access levels were suitable and a further review was carried out in June - August 2012 before the roll out of the Shared Desktop. However, during testing, one user account showed as having the incorrect access for their current job role, but this has now been corrected.

The current write off process for bankrupt and insolvent customers needs to be reviewed to ensure it complies with Copeland's current Financial Regulations and Financial Procedure Rules and the Scheme of Delegation. Currently an informal agreement is in place which allows the Revenues Team Leader to write off debts for these customers prior to receiving formal approval to do so, as would be required by the Financial Regulations. This agreement should be formalised if it is to continue.

Care also needs to be taken in the recording and reporting of write off data to the Financial Services Manager, as there have been data quality errors in the information provided and subsequently reported to the Executive in November 2012. Write offs for the first half of the year were reported as £22,047 but in fact were £23,908.

2011/12 audit recommendation AR-CS_129 "In line with recommendation AR-CS_016, 'That a report showing credit balances should be run at least quarterly and, where appropriate, customers should be refunded', procedures are reviewed to

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ensure that prompt action is taken” shows as implemented on Covalent, with a note added 03 April 2012 “Credit list creation to resume in 1st quarter of 2012/13”. However, due to staff absences and workloads, the quarterly checks had not been carried out.

There is also no auditable trail for the authorisation of refunds and issues with the separation of duties remain on those occasions when the Systems and Support Officer is absent (these issues were raised as 2011/12 recommendation AR-CS_128).

Inspections are being carried out but then not updated on the Council Tax system and so the inspection request remains within the CT6600a Outstanding Inspections report.

The issues covering write offs and refunds apply equally to the Non-Domestic Rates (NNDR) system and have been addressed within this report as previous recommendations were included in previous Council Tax audits.

Recommendations

That, in line with NNDR recommendation AR-CS_124, consideration should be given to amending the Scheme of Delegation to formalise the current process of bankrupt customers being written off by the Revenues Team Leader prior to formal approval.

Will be done by Financial Services Manager by 30 June 2013.

Care is taken when recording details on the Pending Write Off and Bankruptcies spreadsheets to ensure data quality is maintained and hence reported.

Will be done with immediate effect by Revenues Team Leader & Senior Recovery Officer in Revenues & Benefits Shared Service.

AR-CS_128 “That the current refund process is reviewed to ensure that a clear audit trail is established to show that the refunds have been appropriately authorised prior to payment and that there is a separation of duties throughout this process.”

Will be done by Revenues Manager by 30 April 2013.

Academy report CT6600a Outstanding Inspections should be checked and completed inspections updated on the Council Tax system to correct the report for future.

Will be done by Revenues Manager by 30 April 2013.

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1.2.2 Benefits

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

Benefits is one of the key systems to be covered in the Audit Plan on an annual basis. The total value of Benefits granted and processed through the Benefits System from 1st April 2012 to the end of January 2013 was in excess of £17.9 million. As for Council Tax, Housing and Council Tax Benefits are administered by the Revenues & Benefits Shared Service (RBSS).

The objective of the audit was to assess any changes to the Benefits System since testing was last carried out and to evaluate whether controls continue to be effective. The 2011/12 report made 1 recommendation and this has been implemented.

In the sample of 18 cases of benefit granted the following issues were found:

- 1/18 the Local Housing Allowance (LHA) rate used was incorrect. Individual claims, when assessed, have LHA anniversary dates set. Batch reports are produced weekly and Assessment Officers are required to re-assess cases against the LHA rate. This case had not had the adjustment made and so the customer was underpaid benefit. This was addressed during the course of the audit and an adjustment letter was issued to the customer on 11/12/12. The amount concerned was not material. From January 2013, LHA cases will be updated annually and in bulk on the 1st April by a predetermined amount.
- 1/9 change of circumstances had a notified date of 20/08/12 on Academy. The date recorded on Civica Comino was 15/08/12. This was discussed with the Benefits Team Leader and the Quality Officer. The case is a complicated one; however the Quality Officer agreed that the date on Academy should be 15/08/12. This would affect the Total Process Days and the Average Process Days for that period.
- The date stamp on 4/18 new claims was not legible as there was insufficient ink used to show the date adequately. 1/18 new claims was not date stamped at all. There was a recommendation made in the 2010/11 Benefits audit report, *“that all documents received via the reception desk or by post are date stamped immediately upon receipt”*. [Officers will be reminded again to ensure all documents are date stamped and that the stamp is legible]. This date is important as it is the start date for calculating the processing time of claim.

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The Quality Assurance (QA) module is an additional module that integrates with the benefit application and assessment process and has been applied at Copeland and Allerdale since July 2012. The module was already in place at Carlisle. At the end of Quarter 3 2012/13 Accuracy of processing figures were 85.94% against a target of 95%.

The table below shows errors found from the sample checked by RBSS from July 2012 to January 2013. Errors are recorded in several reports and information is collated by assessor, by process, by error description, by month etc.

Check description	Total errors found from sample tested	Errors as a % of total errors found in sample
Change of Circs & Overpayment (dates)	2	7.41%
Council tax	3	11.11%
Effective Dates	7	25.93%
Household	3	11.11%
Income, Premiums & Disregards	8	29.63%
Rent (General)	3	11.11%
Verification	1	3.7%
TOTAL	27	100%

Improvements are still required in this area and a previous audit recommendation on ensuring accuracy of processing has been re-iterated.

Adequate checks were in place to ensure that benefit parameters used as standing data on the system agreed to 2012/13 regulations. A sample of these was confirmed as correct.

Controls are in place to ensure that all benefit paid is regularly reconciled with all other relevant systems. As at 20/12/12 reconciliations of benefits due to benefits paid and reconciliations of benefits paid to tax payers accounts were reconciled to 29/11/12. As at 20/12/12 the reconciliation of Academy to TOTAL (FMS) was completed up to 27/11/12.

Improvements have been made in ensuring that unrepresented benefit cheques are regularly reviewed and written back on the Academy system. The Senior Accountancy officer, Technical and Reconciliations records unrepresented cheques on a tab on the bank reconciliation. This information is sent to the relevant RBSS officers on a monthly basis. Officers continue to work on clearing outstanding unrepresented benefit cheques. As at end of December 2012 there were 43 unrepresented Housing Benefit cheques (over 6 months old) with a value of £3,991, 11 of these were over £50 in value.

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

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housekeeping errors were highlighted to the Team Leader for her to decide if the system needed to be updated. The errors highlighted had no effect on the calculation of benefit.

The cost of Housing Benefit overpayment write-offs falls completely to the Council and write-offs are charged to the Housing Benefit cost centre. £5,548 Housing Benefit overpayment write-offs were approved by the Executive in November 2012. This covered write-offs for the period 01/04/12 – 30/09/12. In 2011/12 write-offs totalled £2,090. The Senior Housing Benefit Overpayment Officer explained that the increase was due to the number of debtors that had died leaving no estate (£2,390 of £5,548).

The majority of overpayments in our sample resulted from claimant error, but a review of debts raised to recover these showed errors dating back many years, with individuals in some cases being invoiced for £30K. If information is received from another source, e.g. The Pension Service, that they have overpaid pension credits for an individual, this in turn will affect Housing/Council Tax Benefit for the same period and could result in an overpayment.

Copeland outstanding Housing Benefit overpayments were £639,079 as at 30/11/12. This figure has increased steadily since the earliest date recorded of 30/06/09 when the total outstanding was £491,635. This is an increase of 23% in just over 3 years. There are several reasons for the increase, for example:

- impact of economic recession;
- regulation changes causing inconsistency on when and where to report change in circumstances leaving claimants confused e.g. different requirements for DWP, HMRC, Pension Service, Council's;
- no formal system of reviewing claims and no DWP targets or monitoring on conducting intervention checks or visits;
- better fraud detection, there have been several large fraud cases that have resulted in exceptionally high overpayments, (one case of 26K).

The figures could also be inaccurate given the system errors identified.

Performance statistics are recorded on the Performance Management System (Covalent). Monthly performance statistics are circulated and discussed at the Operational Board. Quarterly performance reports are taken to the Strategic Board. Benefit targets for each quarter were set at the Performance Workshop, held in August 2012.

Adequate fraud prevention controls and data quality arrangements were in place.

Recommendations

Improve the accuracy of the work of benefits assessors to minimise the under or overpayment of benefit.

Various actions are ongoing to progress this, including filling Quality Officer post where previous postholder only remained for 4 months.

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All documents received via the reception desk or by post are date stamped immediately upon receipt. Officers should ensure that all date stamps are legible.
Implemented by Transformation Programme Manager with effect from March 2013.

The RBSS should ensure that Capita take action to address the system weaknesses otherwise data quality will be compromised.
Capita aware of issue and awaiting feedback. There is a work around. This is outside the control of the RBSS; however it will continue to be raised at user group meetings.

1.2.3 Sundry Debtors

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

Sundry Debtors is one of the key systems to be covered in the Audit Plan on an annual basis, as approximately £6.3m (gross) is raised in Sundry Debts per annum. As at 1st January 2013, the total amount of debt outstanding was £667K. Of the 667K, 201K (30%) is over 4 months old. A separate Internal Audit review of Debt Management has looked at aged debt in more detail.

Overall, the administration of Sundry Debtors is efficient and effective. Most debts were raised promptly and the rate of recovery is good and continues to improve.

Sundry Debtors procedures are currently being reviewed by the Finance Department and this should improve the administration and recovery of outstanding invoices in the future. Once complete all officers will be required to attend mandatory training sessions provided by the Finance Department. Previous audit reports have highlighted the following areas for improvement, and these will be incorporated into the training sessions:

- Sufficient detail of the service provided is necessary as evidence that the debt has been incurred, in the event that recovery action is necessary for non-payment;
- Ensuring the full address of the debtor is included on the invoice;
- Ensuring invoices are raised in the name of the debtor and not for example “The Red

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Lion”;

- Ensuring that invoices include the name of the officer raising the invoice and not the name of an employee that has left the authority. This will improve customer interaction if a customer calls the office regarding the invoice;

A number of data quality issues have been raised again during the course of this audit, these related to:

One off invoices

- 7/20 had insufficient details to identify debtor;
- 1/20 raised with incomplete address, e.g. no post code.

Periodic invoices

- 5/18 had insufficient details to identify debtor;
- 3/18 raised with incomplete address, e.g. no post code.

The review of sundry debtors procedures and subsequent training should address these issues.

During the audit it was identified that a number of invoices for recurring charges from various departments were being raised as ‘one off’ invoices rather than ‘periodic’ invoices. This increases the risk that if the dedicated officer in each Department for raising invoices were absent for any particular reason an invoice might not be raised.

Monthly reconciliations of the Debtors module are carried out by Finance and these were up to date and had been carried out on a timely basis. Discrepancies between different aged debt reports previously identified have now been resolved.

During the audit a number of invoices were identified which had VAT errors – some had been raised with no VAT and other invoices included VAT in error. This was highlighted to the Department concerned. The department liaised with Finance to correct the identified errors. Finance informed Audit that they will incorporate an element of VAT training into the ‘Debtor Refresher Training’ when this is delivered.

In the 2011/12 audit report it was identified that payments made by cheque were showing on the Debtors module as being paid by cash. [The Senior Accounting Officer, Systems & Financial Reporting lodged a helpdesk request with Consilium]. Although Consilium are aware of this issue, it has not yet been resolved. There is a compensatory control in that if you drill into the first screen on Total where the payment shows as cash, the next screen does show correctly that the payment has been made by cheque.

Periodic invoices are set up on Total for invoices that need to be issued on a recurring basis. Audit testing identified that the date the initial periodic invoice was raised

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showed against all subsequent payments. The Senior Accounting Officer, Systems & Financial Reporting rectified this issue during the course of the audit.

All expected controls to prevent or detect fraud are now in place. Controls relating to supervisory spot checks of debt write-offs and cancellations which were not in place during the previous audit have now been allocated to the Senior Accounting Officer, Technical & Reconciliations.

Recommendations

The Sundry Debtor Handbook needs to be updated to reflect changes to the Council Structure (Outstanding from previous review)

Sundry debtors procedures are currently under review and once completed training will be rolled out.

Due to high volume of data quality issues in the 11/12 Sundry Debtor Audit, action must be taken to implement AR-CS_117 "That further training sessions on the Debt Recovery Handbook is given". (Outstanding from previous review)

See above.

The Property Department ensures that recurring invoices are set up as a periodic invoice as opposed to a one off invoice.

Estates & Valuations Manager to action by 30 September 2013.

The Property Department should monitor the deferred rental income spreadsheet on a monthly basis so that any discrepancies can be identified and rectified promptly.

No capacity to monitor on a monthly basis. Agreement has been made for Estates & Valuations Manager to check quarterly with Finance.

1.2.4 Cash Receipting

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

Cash Receipting is included in the Audit Plan on an annual basis due to the value of transactions processed through the system: The total amount of cash processed through the Cash Receipting system for 2012/13, from 1 April 2012 to 2 January

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2013, was £34.3 million. This figure includes direct credits into the Council’s bank accounts, as well as card payments (via AllPay, the internet and automated telephone payments) and also the takings from the car parks ticket machines. The majority of receipts are via BACS as illustrated below:

Method of Payment	Value £m	%
BACS	23.6	69%
Allpay	4.5	13%
Cheque	3.0	9%
Credit/Debit cards	2.3	6.5%
Other	0.5	1.5%
Cash	0.4	1%
TOTAL	34.3	100 %

The cash collection process and procedures were found to be of a good standard. Officers involved in the cash collection process are aware of the updated Financial Regulations and Financial Procedure Rules and the Scheme of Delegation which were approved by Full Council in June 2012.

We found in our sample testing that controls were operating well and that cash, cheques and direct credits were promptly and accurately recorded on the cash receipting system and reconciled to the financial ledger and to back office systems, such as Sundry Debtors, Council Tax and National Non-Domestic Rates (NNDR) system.

Good controls were found to be in place for the prompt banking of cash and cheques, with secure collections by an external collection agency being undertaken twice weekly. Bank reconciliations had been promptly completed up to December 2012.

At December 2012, 3 Copeland Direct Officers had received training to cover Cash Office functions, although 1 Officer had not received Data Quality Training. There has been no Data Quality Training since December 2010 and the HR department is aware that this needs to be addressed for any new employees since that date. 1 of the above Copeland Direct Officers left the department at the end of December 2012 and a replacement Officer has begun to receive training from January 2013. This cover for the Cashier strengthens Business Continuity arrangements for the Cash Office and should be reflected in the Customer Services plan which is due to be updated in 2013.

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The roles of Anti-Money Laundering Officer and Deputy Officer were agreed at Full Council on 13 October 2011 and initial training has been undertaken. As the Council no longer accepts cash payments over the counter, customers can pay invoices, Council Tax, NNDR, etc. via Allpay. The risk of money laundering with cash receipts, specifically the Allpay system, was included in the audit testing. Payments using Allpay are restricted to £400 at any Post Office and £200 at any other Paypoint facility; however multiple transactions can be made. The Post Office and Paypoint facilities have policies in place and offer anti-money laundering training to staff and retail outlets.

The PCI (Payment Card Industry) Security Standards Council issued a supplement on protecting telephone-based payment card data. The information and guidance is intended to provide payment security advice for merchants and service providers who accept and/or process payment card data over the telephone. The information highlights key areas organisations with call centre operations need to address in order to process payment cards securely and how best to protect their business and customers from the risks of data compromise and fraud. Calls that are received at Copeland Borough Council offices are recorded and encrypted in compliance with the PCI standard; however, as was identified in the 2011/12 audit, there is a facility to unencrypt the data that has been recorded, including the card numbers of customers. The facility to play back calls is restricted to one senior officer via an administrative user account and password. It was highlighted in last year's audit that this access needs to be addressed to ensure complete compliance with the PCI standard. Automated telephone payments are hosted by CIVICA who are PCI compliant.

Recommendations

To ensure compliance with the security standards set by the Payment Card Industry (PCI) the Council needs to ensure procedures are in place so data recorded, i.e. sensitive authentication data via telephone, is treated appropriately, i.e. no electronic storage of credit/debit card data. This could be completed as a separate project managed by senior officers (Outstanding from previous review).

Head of Policy & Transformation confirmed that an order will be placed for updated voice recording system (Xsarios) which will not record card digits & stop recording on request for card number. Once the new voice recording system is implemented, the Council will be compliant with PCI standards.

A policy for Anti Money Laundering should be prepared and include the following relevant clauses, as a minimum, to comply with the requirements of the Money Laundering Act - Training for officers across the council where appropriate; Identification and scrutiny of complex or unusually large transactions; Customer due diligence; Internal reporting; Record keeping, including details of due diligence and supporting evidence; and Retention of records for the appropriate length of time.

Policy to be drafted by Democratic Services Manager/ Financial Services Manager.

1.2.5 Main Accounting System

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

The Main Accounting System is one of the fundamental financial systems and is audited on an annual basis. The Main Accounting System operating within the Council is the TOTAL system, which incorporates a general ledger, purchase orders module, creditor module, debtor module and cash book module. It also receives and collates the data from external feeder systems (for example, the Academy Revenues and Benefits system). TOTAL has been integrated with the MIS Headway system (as used by Development Operations) and also Marketplace purchasing system, although this system is to be discontinued from April 2013. TOTAL is used as the basis for producing the Council’s accounts, so it is important that effective controls are operated to ensure the integrity of the data is maintained.

The TOTAL Financial Management System (FMS) has been operating well. Reconciliations by Finance of data from the external feeder systems are completed on a monthly basis and all were up to date as at December 2012. Reconciliations between the MIS Headway feeder system and TOTAL, performed by Development Control, had begun following a previous audit recommendation and had been performed up to January 2013.

Bank reconciliations are completed on a regular and timely basis and checked by a Senior Accounting Officer. The suspense accounts are also regularly reviewed and were all cleared and netted to zero. Daily checks of the interfaces are performed to ensure that data is correctly uploaded to the TOTAL system. The Trial Balance was checked and nets to zero.

Journal files are held centrally within the Finance Office by journal type. Each journal type has written procedures held on the file along with a journal number allocation sheet. Independent checks and authorisation of journals over £30,000 were being carried out. A sample of 20 journals over £30,000 was tested during the audit. Of those, 2 were not accompanied by supporting documentation and 1 had been given a duplicate journal number. All journals should have a unique identifying number and be supported by relevant documentation to explain the journal (see recommendations).

User access rights to TOTAL were reviewed and some minor discrepancies between

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authorisation forms and actual system access were identified. All differences found were highlighted to the Finance department and any necessary amendments were made during the course of the audit. The Finance department are currently reviewing/updating the authorised signatories' permissions following the update of the Financial Regulations and Financial Procedure Rules and the Scheme of Delegation in June 2012. Once this has been completed, all Authorisation Permissions forms will be checked against the access levels on TOTAL by the Systems Administrator and any necessary amendments will be made.

Adequate back up and recovery arrangements are in place for the TOTAL system. System users are also provided with suitable training on the system and future updates are planned.

Finance maintains good control over the coding system and procedures are in place to ensure that any changes to cost centre/detail codes are appropriately authorised on standard pro-formas. A review of the coding structure in TOTAL is included in the closedown timetable each year to ensure that remains compliant with the Service Reporting Code of Practice (SeRCOP).

Once the TOTAL system has been rolled into a new period, the monitoring of budgets is done by budget holders who have a certain number of days to review and amend their forecasts and comment on the system each month. This is then reviewed by Finance and a system generated report is issued to Heads of Service and CLT each month. Budget holders also have the opportunity to meet with Finance to discuss forecasts. Each quarter a written report is prepared for Executive. There is also an annual Treasury Management outturn report. A log is kept by Finance of any budget holders not monitoring their budgets within the necessary timescales and this is reported to CLT by the Section 151 Officer.

The Business Continuity Plan was last reviewed in March 2011. Since then, two members of staff have left the Finance department following a restructure. The Finance department have taken measures to ensure that processes are covered by other members of staff in case of absences. It was confirmed that all Business Continuity Plans are due to be formally reviewed during 2013.

Data Protection Registration is renewed annually and is currently valid until October 2013.

Recommendations

Supporting documentation should be attached to the relevant journal sheet for evidence.

Accountant-Financial Reporting and Technical has implemented.

Ensure accurate Journal number allocation to prevent duplicate referencing and enable transactions to be traced easily.

Accountant-Financial Reporting and Technical has implemented.

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1.2.6 Creditors

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

From 1 April 2012 to 31 January 2013 payments to Creditors totalled £17.5 million. Due to the high value of transactions Creditors is one of the key systems covered in the Audit Plan on an annual basis. The Council has also signed up to the Government’s Prompt Payment Code and there is a local performance indicator (BV8) which requires the Council to pay our creditors within 30 days of receipt of the invoice, unless the invoice is disputed.

The Creditor module of TOTAL incorporates an e-Creditor system (IDeA Marketplace purchase ordering system) which allows a purchase order (PO) to be raised in council departments using Totalview, which collates information from Marketplace. Once authorised, the order is emailed to the supplier via Marketplace. When the goods are delivered, the departmental staff can update the order on the system and it is shown as ‘delivered’. When the invoice is received by Accountancy Services, it is scanned into Totalview’s Creditor Indexing function and recorded as part of a batch. The invoices then show in TOTAL’s Creditor module as a Registered Invoice batch. The invoices can then be automatically cleared against the PO and, if it clears auto-clearing, it will be ready for payment and the payment run can be processed as normal.

An invoice may fail auto-clearing if the invoice amount is different from the PO beyond a tolerance level. If an invoice fails auto-clearing, it would be automatically passed back to the department via Totalview for it to be checked and separately authorised for payment by the manager.

The e-Creditors system means that the majority of invoices no longer need to be authorised by manually signing a Creditors Authorisation Request form. However, in certain cases, some invoices still have to be authorised manually by this method (Creditor Invoice CRI transactions), e.g. payroll pension contributions, tax and national insurance payments, etc., as a PO would not have been raised on the system for such payments. Mobile phone invoices, Utility invoices, etc., can now be processed as an Allocated Invoice without a PO having been raised on the system.

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The invoice would be raised on the system and then manually approved for payment by the department using the Totalview interface.

As previously reported, there is an inherent weakness in the e-Creditors system which allows for the Registered Invoice auto-clearing process to be totally bypassed and, by not following the correct procedures, an invoice can be manually cleared for payment without the variance to the PO or the receipt of goods being checked. Supplementary controls have been put in place to minimise this risk:-

- The appropriate staff have been re-trained on the e-Creditor procedures;
- The Senior Accounting Officer (Systems and Financial Reporting) carries out monthly reviews of the Registered Invoice process to ensure that payments have followed the correct procedure; and
- An audit trail has been established for the Registered Invoice payment process, whether auto-cleared or manually cleared for payment.

It has been confirmed that the Senior Accounting Officer (Systems and Financial Reporting) has been carrying out the supplementary periodic checks regularly. Internal Audit have also carried out substantive testing of Registered Invoice payments (from 01 April 2012 to 08 January 2013) and identified 4 queries which have been discussed with the Senior Accounting Officer (Systems and Financial Reporting) and resolved.

However, the queries have raised an additional issue with the e-Creditors auto-clearing process as the value of the invoice is matched against the “delivered” value of the goods rather than the total PO value at the stage of authorisation. If a PO is over delivered and the invoice matches the over delivered value of the PO it will auto-clear for payment even if the value is above the original authorised PO amount. This further highlights the importance of the supplementary control of the monthly review of the Registered Invoice process by the Senior Accounting Officer (Systems and Financial Reporting), as this will help to ensure that payments have followed the correct procedure.

A review of the Construction Industry Scheme (CIS) found some discrepancies which have been discussed and agreed with Finance for action.

Audit testing on the aggregation of orders has found queries with details not being contained in Copeland’s Contract Register. It has also been found that, since the departure of the Interim Technical Accountant, quarterly monitoring reports which show the cumulative amount paid to individual suppliers are no longer being reviewed to check that aggregated orders do not exceed the current tendering limit (£75,000).

The additional issues found during the audit were:-

- 9 manually cleared invoices (for 7 different authorisers) did not show the initials of the authorising officer and so no audit trail established;

AUDIT MONITORING REPORT: QUARTER 4 2012/13

- Data quality issues when registering invoices as Delayed in Department would affect the BVPI8 Time to Pay performance figures; and
- BVPI8 Time to Pay performance figures are not being monitored or uploaded onto Covalent performance management system since the departure of the Interim Technical Accountant.

Recommendations

The periodic checks of Registered Invoices are expanded to include a check that the authoriser’s initials for manually cleared invoices are correctly identifiable.

Accountant – Financial Reporting and Technical has implemented.

Responsibility for monitoring the BVPI8 Time to Pay performance report and updating the performance figures on to Covalent is assigned after the departure of the Interim Technical Accountant.

Interim Financial Services Manager to assign task by 30 April 2013.

A review of the Contract Register is carried out to ensure all the current and historical contracts are recorded and to ensure the data quality of the information.

Contracts Officer to review by 30 June 2013.

Responsibility for monitoring that aggregated orders do not exceed the tendering limit is appropriately assigned after the departure of the Interim Technical Accountant.

Interim Financial Services Manager to assign task by 30 April 2013.

1.2.7 Bereavement Services follow up

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

The previous report issued in October 2012 rated the system as weak and included 19 recommendations. This follow up audit confirmed that 17/19 recommendations have been completed and the other 2 are progressing. The two that are still being progressed relate to transferring monthly accounts for funeral directors to the

AUDIT MONITORING REPORT: QUARTER 4 2012/13

sundry debtors system and arranging for Book of Remembrance income to be collected at Copeland Centre.

The follow up review also identified additional areas for development and these have all been agreed by the Waste & Parks Manager.

Recommendations

Action is taken to comply with the Crematorium Office Procedures for banking. Banking must take place on a weekly basis.

The Waste & Parks Manager should ensure that invoices raised on the Sundry Debtor System for Funeral Directors are monitored to ensure data quality.

Funeral Directors should be encouraged to pay accounts by BACS transfer.

Ensure that members of the public, especially the recently bereaved are informed that all Book of Remembrance applications will only be accepted at the Copeland Centre or via post to the Copeland Centre.

The appropriate training is given to Copeland Direct Officers prior to Book of Remembrance applications being accepted at the Copeland Centre.

All cancelled e-returns should be filed as evidence of the reason for cancellation.

All receipts produced at the Crematorium are signed by the Officer receiving payment.

Officers ensure that the bank paying in stub is completed.

All Cameo Tax calculations are checked for accuracy, errors found should be corrected.

1.3 Overdue actions arising from audit reports

1.3.1 Priority 1 and 2 recommendations still outstanding, with a target date for completion by 31 March 2013, are set out at Appendix A. These include recommendations made by both internal and external audit. There are 24 overdue recommendations overall.

1.3.2 There are 3 overdue Priority 1 recommendations which comprise 1 brought forward and 2 new recommendations falling due by 31 March 2013:

- **BROUGHT FORWARD** Ensure the implementation of the new asset register is well planned and resourced and that Internal Audit is used to provide assurance that the data has been transferred accurately (Audit Commission

AUDIT MONITORING REPORT: QUARTER 4 2012/13

Annual Governance Report 2011/12). Implementation of the new asset register is ongoing and Internal Audit is undertaking checks on the transfer of data.

- NEW Ensure that there is dialogue between the Valuer, the staff responsible for componentisation assessment of asset lives and finance so that the asset lives used for depreciation of componentised assets is consistent. (Audit Commission Annual Governance Report 2011/12).
- NEW Consider impact of assessed components useful economic lives and what plans Council has in place to replace these components. If replacement is to be longer - consider re-assessing component asset life assessments. (Audit Commission Annual Governance Report 2011/12).

Two P1 recommendations have been implemented in the period:

- The Head of Regeneration and Community has confirmed that the recommendation on partnership risk management and governance has been fully implemented.
- Managers address issues in Payroll dept.: Segregation of duties within payroll; Management checks/reviews of work by the Payroll Officer, e.g. monthly pay run; Business Continuity, in the absence of the Payroll Officer.

1.3.3 There are 21 Priority 2 overdue recommendations outstanding (previous quarter end 26).

2.0 INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

2.1 Internal Audit performance is set out at Appendix B.

3.0 CONCLUSION AND RECOMMENDATION

3.1 It is recommended that Members note this report.

List of Appendices: Appendix A – Outstanding Key recommendations due by 31 March 2013
Appendix B – Performance Indicators

Background papers: None

AUDIT MONITORING REPORT: QUARTER 4 2012/13

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

Audit Recommendations - Overdue

Report Type: Actions Report



Report Author: Audit Manager

Generated on: 09 April 2013




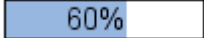


SUMMARY OF OVERDUE RECOMMENDATIONS		
	Priority 1	Priority 2
Total Overdue Recommendations as at 17/01/13	3	26
"New" Recommendations due in Quarter 4	2	14
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.4	5	40
IMPLEMENTED FROM LAST QUARTER'S REPORT	2	10
"NEW" BUT IMPLEMENTED BY QUARTER END		8
Total implemented in the Quarter	2	18
CANCELLED SINCE LAST QUARTER		1
OUTSTANDING FROM LAST QUARTER	1	16
OVERDUE ADDED THIS QUARTER	2	5
Total Overdue Recommendations as at 08/04/13	3	21


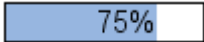
Code & Title AR-AC Audit Commission


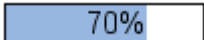

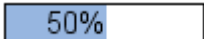
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-AC_018 Review de minimis levels set for disclosing related party (RP) disclosures and set a level that will be considered material for the Council and an RP, which may be an individual. The Council review information sources to identify RP transactions.	2	Financial Reporting and Technical Accountant		31-Mar-2012	Annual Governance Report 2010/11.	08-Apr-2013 Project in place to ensure complete collection of related party information. New forms and letters have been issued to members and expanded officer group with data to be collated by Democratic Services Manager. Meetings set up to review information prior to disclosure in 2012/13 SoA. 17-Jan-2013 The Related Party note in the SoA states "The Authority is required to disclose material transactions". Propose expanding this note in the 2012/13 SoA to include what the materiality levels are. Timescale June 2013. 17-Jan-2013 Managed By amended from Interim Technical Accountant to





Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>Financial Reporting and Technical Accountant.</p> <p>13-Sep-2012 Additional information has been requested from members to cover the whole of the 2011.12 financial year. There are still outstanding responses. The exercise cannot be completed until all responses received.</p> <p>11-Jul-2012 In the 2011/12 accounts all related parties disclosed as in previous years. The Audit Commission have asked that non material related party transactions are excluded. Work in underway to review the position. Expected completion 27 July 2012.</p> <p>30-Apr-2012 Input needed from all Council departments where there is an involvement with external organisations.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-AC_019 Review the current status of benefits debtors greater than 3 years old. Where a repayment plan is not in place, or the debt is not being actively pursued, consideration should be given to their write off.	2	Head of Corporate Resources		31-Mar-2012	Annual Governance Report 2010/11.	30-Apr-2012 Impact on the level of bad debts provision to be considered as part of the budget process. Input will be required from all departments.
	AR-AC_022 Ensure the implementation of the new asset register is well planned and resourced and that Internal Audit is used to provide assurance that the data has been transferred accurately.	1	Head of Corporate Resources		31-Dec-2012	Annual Governance Report 2011/12	16-Jan-2013 Following time spent with Consillium it became apparent that the Total system was not suitable as it was not able to upload balances to the Revaluation Reserve. The system had to calculate these balances meaning all asset valuations had to be redone since the introduction of the Revaluation Reserve. We have followed up with the second identified provider, Real Asset Management. The preferred solution would be for an externally hosted service independent of the Total system.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>Additional costs have been identified and funding is being allocated. The project is ready to begin and will be implemented by end of March 2013.</p> <p>13-Sep-2012 It is currently anticipated that we will be implementing the Total Asset Register System (the same supplier as the Council's Finance system). A lot of work has been carried out on our asset records internally so we are in a good position to move forward but final confirmation that the Total System and the provider, Consilium, is fit for purpose, needs to be obtained. A second provider has been identified. Achievement of the timetable is highly dependent on whether we stay with the current provider. The exact process</p>


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>for data input is still to be confirmed, manual input or upload. The current spreadsheet system may need to be maintained for a period of time yet to be determined which may have a resource implication. Internal Audit will assist in the data assurance work.</p>
	<p>AR-AC_024 Ensure depreciation is charged on all components of an asset including the sub-structure.</p>	2	Financial Reporting and Technical Accountant		31-Mar-2013	Annual Governance Report 2011/12	<p>08-Apr-2013 Real Asset Management system is now implemented and only the in year transactions to process. Parallel running will ensure errors are picked up.</p> <p>13-Sep-2012 This was an isolated human error. Once the system is implemented comprehensively the error will not be possible. System testing on implementation, particularly by Internal Audit, and parallel running with the spreadsheet will ensure the same mistake is</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							not repeated.
	AR-AC_025 Ensure that there is dialogue between the Valuer, the staff responsible for componentisation assessment of asset lives and finance so that the asset lives used for depreciation of componentised assets is consistent.	1	Head of Corporate Resources		31-Mar-2013	Annual Governance Report 2011/12	<p>09-Apr-2013 Meeting held 08 April 2013. The approach and method statement is being worked up and will be sent to the External Auditor for comment.</p> <p>13-Sep-2012 A more co-ordinated approach between all of the parties will be planned for the 2012/13 closedown taking into account the various professional disciplines view of asset lives and the Council's business requirements.</p>
	AR-AC_026 Consider impact of assessed components useful economic lives and what plans Council has in place to replace these components. If replacement is to be longer - consider re-assessing component asset life assessments.	1	Head of Corporate Resources		31-Mar-2013	Annual Governance Report 2011/12	<p>09-Apr-2013 Meeting held 08 April 2013. Further meetings will look at asset lives given the different aspects of the componentisation guidance, valuation and business needs.</p> <p>13-Sep-2012 A more co-</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							ordinated approach between all of the parties will be planned for the 2012/13 closedown taking into account the various professional disciplines view of asset component lives and the Council's business requirements going forward.
	AR-AC_029 Improve Council's arrangements for identifying/disclosing related party transactions RPTs. Arrangements should ensure disclosures cover the whole year, all relevant members/officers & only those RPTs in respect of CBC.	2	Democratic Services Manager		31-Dec-2012	Annual Governance Report 2011/12	08-Apr-2013 Will be completed by 30 April 2013 16-Jan-2013 Will be completed by 31 March 2013 13-Sep-2012 The arrangements will be reviewed to ensure disclosure for the whole year for all members.
	AR-AC_032 Ensure the Council re-assess whether a provision is required for Municipal Mutual Insurance Ltd (MMI) as part of the production of its 2012/13 accounts.	2	Financial Reporting and Technical Accountant		31-Mar-2013	Annual Governance Report 2011/12	08-Apr-2013 Information update is due from MMI which will provide guidance on the rate to make a provision. Provisions are timetabled for April. At that



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>point it will move from 0% > 100%.</p> <p>13-Sep-2012 We will have updated information from MMI on which to base any possible calculation for a provision.</p>

Code & Title AR-C Corporate



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	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	<input type="text" value="0%"/>	30-Jun-2011	Corporate Governance 2010/11	<p>08-Apr-2013 Will go to Audit Committee on 22 April 2013 and Full Council in June 2013.</p> <p>01-Oct-2012 The Local Code of Corporate Governance needs to be revised in line with the CIPFA supplementary guidance and formally adopted by Council to ensure the Local Code reflects best practice (Annual Governance Statement 2011/12 Scope of Responsibility). Agreed target date of 30/09/12.</p> <p>13-Jul-2012 Due 30/9/2012</p> <p>30-Apr-2012 As part of the Corporate Governance Audit 2011/12 a new target date of 30/09/12 has been agreed.</p> <p>05-Apr-2012 To be reported</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>to June Council Meeting</p> <p>16-Jan-2012 To be reported to March Council meeting</p> <p>16-Mar-2011 This will be taken through the Constitutional Working Group and then submitted to Full Council.</p>


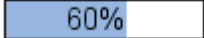
Code & Title AR-CS Customer Services


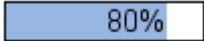
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-CS_132 A policy for Anti Money Laundering should be prepared and include the relevant clauses to comply with the requirements of the Money Laundering Act (see Audit report for full details).	2	Democratic Services Manager; Financial Services Manager	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: white; display: flex; align-items: center; justify-content: center;">0%</div>	01-Oct-2012	Cash Receipting 2011/12	<p>08-Apr-2013 Policy to be completed by June 2013.</p> <p>05-Apr-2012 Policy to be drafted by October 2012</p>
	AR-CS_133 The Sundry Debtor Handbook needs to be updated to reflect changes to the Council Structure.	2	Revenues & Benefits(TC) Team Leader	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #add8e6; display: flex; align-items: center; justify-content: center;">80%</div>	31-Aug-2012	Sundry Debtors 2011/12	<p>05-Apr-2013 Awaiting details from Finance re the Nominated Debt Officers for each Department.</p> <p>16-Jan-2013 will contact Finance Section for update on Departments still raising invoices and names of Nominated Debt Officers for each Department</p> <p>13-Jul-2012 will make a start on this ASAP</p>

Code & Title AR-DO Operations

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-DO_038 The Strategic Asset Management Strategy should incorporate a strategy on assets such as plant and equipment, given their value.	2	Head of Corporate Resources	<input type="text" value="0%"/>	31-Oct-2011	Asset Management 2011/12	<p>02-Oct-2012 New Target Date set for the end of Dec 12. A new asset register as provided by Consilium will be assessed for the appropriateness of their system and then all assets will need to be added.</p> <p>02-Oct-2012 Amended the Managed By responsibility from the Director of Resources and Transformation to the Head of Corporate Resources from 02/10/12.</p>
	AR-DO_042 A central register of external contracts, undertaken by the Council, is established to provide a picture of its obligations (with due regard to commercially sensitive information). The register should be reviewed annually by CLT and available to Members.	2	Head of Corporate Resources; Head of Neighbourhoods	<input type="text" value="0%"/>	31-Dec-2012	Landscape Management and Contracts 2011/12	<p>21-May-2012 Will be incorporated into the current review of the Constitution.</p>


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_293 The Draft Treasury Management manual needs to be completed (in particular for changes in job roles) and then approved by the Head of Corporate Resources.	2	Financial Management and Treasury Accountant		31-Mar-2012	Loans and Investments 2011/12	<p>03-Apr-2013 Year end work has now commenced and the team's priority will be completion of out turn reports and the financial statements. once this has been complete, work will recommence to complete this task.</p> <p>16-Jan-2013 Financial Management and Treasury Accountant- Work has progressed on this exercise, but the revenue and capital budget and TM strategy has now become the team's priority. Work will recommence when resources permit.</p> <p>18-Oct-2012 Amended wording of the recommendation to require approval by the Head of Corporate Resources</p>




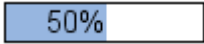


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>instead of Corporate Director for Resources and Transformation.</p> <p>03-Oct-2012 All other outstanding works have now been completed. It is anticipated this work will be completed by 31 Dec 2012.</p> <p>04-Apr-2012 Work has commenced on this exercise and following further guidance from Sector will be progressed when resources permit - expected after year-end, work on the tender for Treasury Management, cash-flow and capital close down procedures are all completed.</p>
	AR-F&MIS_295 Insurance claims need to be monitored regularly and cross referenced to other data in order to identify any recurring patterns in claims.	2	Financial Reporting and Technical Accountant; Financial Services Manager		01-Apr-2012	Insurance 2011/12	<p>08-Apr-2013 No further update. Still awaiting report.</p> <p>11-Jan-2013 13-12-12 Audit took place August. Still awaiting report.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>03-Oct-2012 Zurich audit of vehicle claims has now taken place and we await the outcome report.</p> <p>05-Apr-2012 In 2010/11 there were only 33 claims, 19 of which related to vehicle claims. An audit of vehicle claims is shortly to be carried out by our insurers Zurich to establish if further investigations or data requirements might be needed. No action proposed until this exercise is completed. For the remaining claims these are included in a register for all claims which is reviewed regularly.</p>

Code & Title AR-LD Legal & Democratic

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LD_032 Training is provided to the System Administrator to enable the effective administration of the LALPAC system, i.e. user accounts, user access rights, etc.	2	Legal Services Manager	<input type="text" value="0%"/>	31-Dec-2011	Licensing 2011/12	<p>08-Apr-2013 It is intended that the software is upgraded to a new public access system. This is an enhanced system and due to the arrangement being shared with Allerdale and Carlisle Councils will achieve a cost saving (approx £1,200 per annum) as well as greater online accessibility to the police and public. The change to a new system will require additional training and, to save cost, it is intended that the outstanding training is covered as part of the additional training. Approval is being sought to acquiring the new system.</p> <p>16-Jan-2013 LAPAC now taken over by IDOX. Scope of training not</p>



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>yet agreed by IDOX. IDOX Business Development Manager visiting Council 31/01/13. Discussions continuing re enhanced system in conjunction with other Cumbria authorities. This recommendation relates to administration of the system rather than day to day operational functions which are running satisfactorily.</p> <p>05-Apr-2012 05/04/12: Cost resolved. LALPAC are being requested to provide the training in-house to system administrators within the next 3 months. Scope of training to be mapped out and agreed with LALPAC beforehand.</p> <p>26-Aug-2011 Budget constraints could be the deciding factor but other avenues will be</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							investigated.
	AR-LD_041 The Members' Allowances Scheme Travel and Subsistence allowance should be amended to allow for an allowance for travel by bicycle or other non-motorised form of transport, as per The Local Authorities (Members' Allowances) (England) Regulations 2003.	2	Democratic Services Manager		31-Mar-2012	Members' Allowances 2011/12	16-Jan-2013 Will be incorporated into next review of Members' Allowances 13-Jul-2012 Due for implementation by 31/3/2013
	AR-LD_048 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.	2	Democratic Services Manager		31-Mar-2012	Members' Allowances 2011/12	13-Jul-2012 To be in place December 2012 05-Apr-2012 To be in place by October 2012
	AR-LD_050 Legal Services should review the Bribery Act legislation and determine its application to the Council, and the extent to which adequate procedures are in place to mitigate the risk of prosecution. This might include	2	Legal Services Manager		31-Dec-2011	Register of Gifts/Hospitality & Disclosure of Interests 2011/12	08-Apr-2013 Several measures already exist to prevent bribery – financial regulations, code of conducts, vetting of staff as part of recruitment, transparency in publishing

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	amendment to existing codes of conduct.						<p>transactions over £500, contract procedure rules, etc. A risk assessment reviewing the risks which the Council might continue to be exposed to will be completed by the end of May. This review will identify any further amendments necessary to corporate documentation with approval then being sought to those amendments. The review will also identify any further training and publicity necessary and consider the timescale for future reviews of the prevention measures. It is aimed to have this process complete by the end July.</p> <p>05-Apr-2012 05/04/12: The Bribery Act 2010 affects three areas: (a) the Council's codes of conduct;</p>



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>(b) the Council's procurement procedures; (c) the Council's anti-fraud and corruption policies. The emphasis of the Act is to be proactive and avoiding the conditions of bribery.</p> <p>The Democratic Services, Legal Services and Audit Shares Services Managers are undertaking work on these three aspects with the work currently being scoped out. It is anticipated that the work in these three areas will be completed by the 30/09/12. There is a linked issue of money laundering and work on this matter will be completed by the 30/09/12.</p>


Code & Title AR-LES Leisure & Environmental Services

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LES_038 The Agreement for Collection of Controlled Waste contract document is revised to remove the references to the withdrawal of the service for non-payment of fees, as this is not in line with the Environmental Protection Act 1990.	2	Waste Services Manager	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: white; display: flex; align-items: center; justify-content: center;">0%</div>	31-Mar-2013	Commercial and Bulky Waste Collection Income 2012/13	03-Aug-2012 Further work to be done on legal clarification and appropriate debt management.
	AR-LES_046 Look at all options for the collection of income for Book of Remembrance applications.	2	Parks Manager	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #4F81BD; display: flex; align-items: center; justify-content: center;">90%</div>	31-Jan-2013	Bereavement Services 2012/13	<p>08-Apr-2013 Extension of time has been given for this recommendation to 30/11/13 to allow for works to be carried out to the Copeland Centre reception area.</p> <p>03-Apr-2013 The preferred option for all applications for B.O.R to be taken at the Copeland Centre with a new target date set for November 2013</p> <p>10-Jan-2013 Currently being looked at as part of</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							transformation programme 02-Oct-2012 Look at options with finance.

Code & Title AR-PP Policy & Performance

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	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	Head of Corporate Resources	<input type="text" value="0%"/>	31-May-2011	General Tax Issues 2010/11	<p>02-Oct-2012 Amended the Managed By responsibility from the Director of Resources and Transformation to the Head of Corporate Resources from 02/10/12.</p> <p>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 reimbursement.</p>
	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	2	Head of Corporate Resources	<input type="text" value="0%"/>	31-May-2011	General Tax Issues 2010/11	<p>02-Oct-2012 Amended the Managed By responsibility from the Director of Resources and Transformation to the Head of Corporate Resources</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	when the Vodafone invoice is received.						from 02/10/12.
	AR-PP_088 HR should remind managers that it is essential Exit Checklists are completed for all leavers.	2	Head of Corporate Resources	<input type="text" value="0%"/>	31-Mar-2013	Payroll 2012/13	

AUDIT PERFORMANCE INDICATORS – 1 APRIL 2012 TO 31 MARCH 2013

Input measures

Note	Indicator	2012/13 Target	2012/13 Actual to date
1	Cumulative days provided	601	550
	% of audit plan days provided – cumulative year to date	100%	92%
2	Days provided this quarter	150	191
	% of audit plan days provided – this quarter	100%	127%

Output measures

Target	Actual
Complete 95% of audit plan by 31 March - fundamental system audits	There are 12 audits classified as fundamental most of which have to be completed towards the end of the year. 11 of these are complete. Budget management is complete except for checks on the loading of 13/14 budget onto Total.
Complete 95% of audit plan by 31 March – non-fundamental system audits	<p>12 of 18 non-fundamental reviews have been completed.</p> <p>The 6 not yet completed are as follows:</p> <ol style="list-style-type: none"> 1. Debt management – first draft issued in December 2012 but discussions still ongoing to finalise. 2. Risk management – draft issued March 2013. 3. Savings monitoring – this has been combined with budgetary control work (fundamental system). 4. Corporate governance – y/e review. <p>IT reviews</p> <ol style="list-style-type: none"> 5. IT strategy & business alignment – scope agreed March 2013 6. Civica Comino DIPS application review – scope agreed. <p>It has been agreed that the 2 IT reviews will be done as part of 2013/14 plan.</p>

Notes

- 1 601 days target based on 95% of 633 total days in plan. 550 days provided representing 92% of 601. Copeland is only charged for actual days delivered.
- 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. In quarter 4, 191 days have been provided.