

Audit Monitoring Report Quarter 2 2012/13

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Head of Corporate Resources (and S.151 Officer)

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1.0 INTERNAL AUDIT WORK COMPLETED IN QUARTER 2 2012/13

1.1 Final reports issued

- Commercial & bulky waste collection
- Final accounts
- Capital accounting
- Beacon Collection
- Bereavement Services
- Bereavement Services - investigation

2011/12 work carried forward

Following a meeting with the Head of Policy & Transformation & the IT Manager, a revised follow up report on Information Security was issued on 21 June but no reply has been received yet. The Head of Policy & Transformation explained that information security was a corporate issue and the draft report would therefore require a corporate response: Risks would need to be balanced against available resources. Copeland is to approach the County Council to seek further advice on this area.

2012/13 work

6 final reports have been agreed and a draft report has been issued on treasury management (loans & investments). Work has also been carried out on the Audit Commission Profile; a grant return (West Cumbria Arts Engagement) has been certified and preparations made for the National Fraud Initiative data upload. Work is ongoing on payroll, cash receipting and debt management (in year request).

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 have been assessed as good or satisfactory with the exception of Bereavement Services where controls were assessed as weak. A follow up audit has been requested by the S.151 Officer to ensure that agreed actions are effectively implemented and this is scheduled for March 2013.

1.2.1 Commercial and bulky waste collection

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

The Waste and Enforcement department is undergoing a service review as part of the Choosing to Change programme and the department's services, structure and job roles are being reviewed.

The Waste Services Business Continuity Plan is renewed annually and links with the Copeland Borough Council Business Continuity Plan, General Emergency Plan and Coastal Pollution Emergency Plan. It covers the possible loss of access to the Moresby Depot, loss of plant, equipment and staff. The Waste Services Business Continuity Plan will need to be updated to reflect relevant changes once the current service review is completed. The Copeland Borough Council Business Continuity Plan identifies Trade Waste collections (alongside Black sack domestic refuse collections, Street cleansing and Public toilet cleansing) as a High Priority service, with Waste Services needing to be restored within one day. The Bulky Waste collection service is categorised as a Low Priority service.

Some issues identified in the Waste Services Business Continuity Plan and Waste Service Plan remain and will be monitored by the department:-

- The new fleet hire provider will be asked to provide a copy of their own business contingency plans;
- Further progression of Operatives to HGV drivers will be dependent upon training budgets; and
- Work continues so that drivers will complete the accredited training hours required by the Driver Certificate of Professional Competence by the deadline of Sept 2014.

Waste Services fees are reviewed annually as part of the budget build process. However, we identified a minor data quality issue with the information in the Revenue Budget Proposal Proposed Fees and Charges document submitted for inclusion in the Revenue Budget Proposal reports.

Commercial waste, trade sacks and large and bulky items collection customers pay in advance for the service. Commercial waste customers receive quarterly periodic invoices, and trade sacks and large and bulky items collection customers pay either at the point of ordering the service or request an All Pay invoice to be sent to them. The order is only processed once the payment has been received.

Budgeted income generation targets are set so that the costs of the service are covered. Setting the budgeted income is part of the annual budget build process which goes to Resource Planning Working Group, the Executive and Full Council.

The current economic conditions and the aggressive marketing by private sector competitors have affected income generation. The average number of trade bins serviced each week by the Council has fallen from almost 450 in 2009/10 to only 245 in 2012/13 with a consequent decline in income. The Waste and Enforcement department are working with colleagues at Cumbria County Council on a project to develop and grow the business to the benefit of both organisations.

The department uses an in-house database system to record and process orders for trade sacks and large and bulky items collections and a spreadsheet for trade waste customers. It is planned that the spreadsheet will be replaced with a database.

Trade Waste periodic invoice accounts were tested on a sample basis and the following was noted:

- 2 accounts had been incorrectly billed in relation to the service they received (one account billed for a weekly collection of a 360 litre container but contract is for a fortnightly collection and one account billed as a weekly collection of a 240 litre container but contract is for a 360 litre fortnightly collection);
- 1 invoice had VAT incorrectly charged. The invoice was subsequently cancelled by a credit note but a replacement invoice was not raised for the same period. This has left the account with an incorrect credit balance as the customer had paid the initial incorrect invoice;
- 1 account did not have a periodic invoice issued for the first quarter of 2012/13 because the periodic invoices had been incorrectly cancelled.

Trade Sack customers were tested on a sample basis and one customer had been charged the full fee even though they were entitled to a Schedule 2 reduced fee because they were a registered charity.

All of the issues found during our testing have been brought to the attention of the Waste and Parks Officer for rectification.

The main issues we have identified during the audit are:

- A minor data quality issue with the information in the Revenue Budget Proposal Proposed Fees and Charges document;
- Civica payments being recorded without a descriptive narrative;
- Card payments taken by Customer Services should be independently verified by the Waste and Parks Officer;
- The Agreement for Collection of Controlled Waste contract requires amendment to reflect changes in the treatment of VAT and the withdrawal of service clause for non-payment of fees;
- Independent verification of the stock of trade sacks.

Recommendations

That care is taken to ensure the data quality of information included in the Waste Management Proposed Fees and Charges for the Revenue Budget Proposal reports, so that the correct price for Trade Sacks per quantity is shown.

The template has been amended to reflect the correct unit rate in future.

To provide a clear audit trail a descriptive narrative must be added in Civica when Customer Services staff take payments over the phone or at the counter.

A weekly report will be run from the Cash Office and a generic format will be set out so that all CSO's are aware of the standard.

When card payments are taken by Customer Services for trade sacks and bulky items collections the Waste and Parks Officer should independently check Civica to confirm the payment has been received prior to processing the order.

Due to the reduction in staffing resources as a result of the recent service review implementation of this recommendation would be disproportionate to the minimal nature of the risk and the amount of income involved and so they will accept the risk.

The Agreement for Collection of Controlled Waste contract document is revised to remove the references to VAT to reflect that Local Authority commercial waste collection services are outside the scope of VAT.

As per recommendation.

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.

Further work to be done on legal clarification and appropriate debt management.

Due to trade sacks having a monetary value, independent verification of the monthly stock checks should be carried out to reconcile the stock issued against the Trade Sack Customer Database.

Implementation of this recommendation would be disproportionate to the minimal nature of the risk and the monetary amounts involved and so they will accept the risk.

1.2.2 Final Accounts

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

The final accounts process was well planned, progress regularly monitored and corrective action taken where appropriate to meet statutory deadlines.

The Unaudited Annual Statement of Accounts 2011/12 was signed and dated by the Section 151 Officer by the statutory deadline of 30 June 2012. The Accounts and Audit (England) Regulations 2011 no longer require the accounts to be presented to the Audit Committee by the statutory deadline.

Improvements have been made to the closedown process after a review of last year’s closedown. Control accounts have been set up to capture movements on reserve accounts and reconciliations have been carried out throughout the year to complete the notes, such as the audit fee disclosure and grant analysis. Improvements have also been made to the layout of the fixed asset template.

There was some slippage on the closedown plan with some individual deadlines not met on time. However, capacity for slippage was built into the plan and actual slippage was fully accommodated by this provision. A full review of the closedown process will be undertaken by the Finance Department / Manager, once the Statement of Accounts has been externally audited, to help identify and resolve possible pinch points for next year’s closedown process.

Although staff have previously received the appropriate training from Sector on the new IFRS there will be an on-going training requirement to ensure that staff are kept up to date on any new or amended standards.

No recommendations made following this review.

1.2.3 Capital accounting

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

The audit review of capital accounting focussed on the following key controls to complement work carried out by the Audit Commission on IFRS compliance and disclosure requirements.

- Assets included on TOTAL are the same as on the Fixed Asset Register
- Controls are in place to identify all acquisitions and disposals
- Addition and disposals to the asset register are completely and accurately recorded
- Assets recorded in the register actually exist

Based on the tests undertaken, as detailed above, adequate controls were found to be in place and operating effectively.

Controls are in place to identify all additions and disposals. As part of the final accounts process, managers are required to complete a manager's pack, which includes returns on fixed asset purchases and disposals. Separate records for Vehicles and Land & Building additions/disposals are also submitted by the relevant officers. IFRS Certificates, Finance Charges and Accounting entries for vehicles are carried out by Sector. The additions and disposals identified were recorded completely and accurately.

Physical verification of a sample of assets was undertaken and results passed to the Audit Commission. No major issues arose from checks undertaken. Overall opening and closing balances recorded on the TOTAL Financial Management System were agreed to those recorded on the Asset Register.

The outstanding recommendation that procedures should be updated to support the annual processes has not yet been implemented in light of the proposed transfer of the asset register from spreadsheet onto TOTAL. An agreed extension to December 2012 has been given for the recommendation to be completed and the Covalent system has been updated to reflect this.

No recommendations made following this review.

1.2.4 The Beacon Collection

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

The main findings of the review were in relation to the maintenance of the Beacon Museum Collection inventory (MODES). The Council's Financial Regulations include procedures for maintaining inventories which relevant staff at the Beacon have been made aware of, including the updated version of June 2012.

Access to MODES is restricted to three members of staff at the Beacon and only the Beacon Manager and the Curator have authority to maintain it. Backup copies are kept off site. On examination, it was found that the new Curator has not been consistently signing and dating each new page of the Accession Log Books to confirm agreement. The Curator has confirmed that this will be done going forward.

A full stock take of the entire collection takes place every three years. This is currently underway and is due to be completed by March 2013. The Collection is covered on the Council's "All Risks" insurance policy.

There are good controls documented for the maintenance and control of all items in the Beacon Museum Collection. Most items within our sample taken from the valuation list were located and accurately recorded, however, a small number had not been updated on MODES after being moved and not all display boards accurately or consistently reflected asset numbers or descriptions. The Beacon Manager is aware of these discrepancies and measures are being taken to rectify them.

A sample of assets from the Beacon Museum Collection was also traced from the physical locations at the Beacon to MODES. Discrepancies were found in relation to a display board not including an asset number and the item not being immediately traceable to MODES. Audit testing was also carried out on the Copeland Collection which similarly showed that in some cases records of location of specific assets had not always been updated in MODES.

The Collection Development Policy & Procedures documents were in line with guidelines and have been reviewed and updated in 2012. These were approved by the Executive in July 2012 to maintain Accredited Museum status. These documents outline procedures for the acquisition, disposal and transfer of assets which are in line with the Council's Financial Regulations and the SPECTRUM Minimum Standards. (SPECTRUM is recognised internationally as the leading standard for collections

management. It contains detailed procedures for managing the processes that an object goes through during its lifecycle in the museum).

It was found that one exit form for a loan out during 2012 did not have copy insurance documentation on file. The Curator was aware of this and contacted the relevant person for this information, which has now been received.

There is an effective security system in place. The Arts Council National Security Advisor is due to visit in February 2013 to check security measures and make any recommendations for improvement if necessary.

Recommendations

MODES should be updated in a timely manner when items are moved to accurately reflect physical location of assets both at the Beacon and Copeland Centre.

Curator will ensure all new "moves" recorded within 5 working days. Major inventory check due to be completed March 2013 and MODES to be updated accordingly.

All asset details should be recorded accurately and consistently on display boards and MODES for ease of identification.

Errors found during audit to be rectified by end September 2012.

Copeland Centre Collection loans documentation should be reviewed and updated where applicable.

Inventory check to be completed by end September 2012.

1.2.5 Bereavement Services

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

Prior to completing this audit, Internal Audit was requested by the S.151 Officer to carry out an investigation into missing cash at the Crematorium. A separate report on this was provided to the Head of Service and to the S.151 Officer and control issues arising from the investigation have been incorporated into this audit. It was concluded that it was impossible to identify where the missing cash had gone or who might have been involved so no further action has been possible.

As a result of restructures, redundancies, and retirements, staffing at the Crematorium has radically changed over the past 6 months. Due to these changes

there are a number of areas where controls have become weak. Procedures have not always been followed and previous recommendations made during the course of the 2010/11 audit (although showing as completed on Covalent) have not been consistently applied.

There are procedure notes for the Cemetery and Crematorium but these procedures need to be updated to reflect current practices. These will need to be circulated to all staff on completion. Additional work will be carried out by Performance & Improvement during September 2012 and this should help with updating procedures and streamlining operations.

Fees and charges are set and approved by Full Council annually. These were correctly shown on the Council website for 2011/12 and for the current 2012/13 year. Fees charged for cremations and internments were checked on a sample basis and found to be in order.

Approximately 1 week after a cremation has taken place a letter is sent to the family of the bereaved. This includes information on requesting an entry in the Book of Remembrance. The fees charged for this service are included with the letter. A number of applications had been received after the fees had been increased with a fee relating to the previous year.

All income received (cash/cheques) at the Crematorium Office is logged in 2 analysis books, 1 for cremations, (this includes: fees; medical references; urns & caskets; postage & strewing; certificate of cremation; chapel of rest; book of remembrance inscriptions; mini books & cards and donations) and 1 for internments, (this includes: fees; purchase of burial rights and inscriptions). Cash/cheques are held securely in a locked receptacle in a lockable safe prior to banking. These are then paid into the bank using a paying in book. Due to costs of carbon copied paying in books, new paying in books were introduced in 2011, and these are free of charge from the Council's bank (Natwest). However, they are not carbon copied so staff were notified that the front and back of the paying in slip should be photocopied prior to banking to provide an accurate audit trail. This has not been consistently applied at the Crematorium. We also found that the paying in slips are not checked and countersigned by a second employee as evidence that monies to be banked have been reconciled to the analysis books.

There is no evidence that a second officer has reconciled income recorded on the analysis books to the paying in slip prior to banking. Reconciliations of monies banked for Cemetery and Crematorium income to the Financial Management System (TOTAL) is carried out by the Senior Accounting Officer (Technical & Reconciliations). It was confirmed that these reconciliations have been kept up to date throughout the year.

Petty cash held at the Crematorium office was found to be in order. The petty cash spreadsheet held by finance is reconciled annually for final accounts and monthly as part of the bank reconciliation process, by the Senior Accounting Officer (Technical & Reconciliations). Nominated officers for the Cemetery/Crematorium petty cash on the finance spreadsheet now need to be updated as the officers currently recorded are no longer employed by the authority.

A number of data quality issues have been highlighted during the course of the audit and these relate to:

- Incorrect method of payment recorded when inputting e returns to CIVICA Cash Receipting
- Duplicate entry of 1 payment for £2,466; once in cash and once by BACS [this has been addressed]
- Applications for Book of Remembrance entries not recorded in the analysis book and no evidence that the payment was banked. [4 occasions totalling £546]
- Applications for Book of Remembrance entries recorded in the analysis book and paid for by family members, however we were unable to trace the application and one payment [£53]
- Not recording whether payments received have been by cash or cheque in the analysis books, making reconciling income time consuming
- Incorrect calculation of Cameo Scheme income [a scheme authorities join to provide information on abatement and burden sharing, information is collated and passed to DEFRA. Current fee at Copeland £45 per cremation passed on to customer]

Stock records were checked to physical stock to ensure they were correct and agreed. The fuel ledger held at the site seemed to be approximately accurate, however, the officer stated that he had been off work recently and he thought fuel had been delivered and used and not written in the ledger. Other members of the Parks and Waste team are drafted in if the officer is on leave/sick, and the officer is not sure if they would record in the ledger any fuel delivered or used. The last spot check of fuel to fuel ledger records was carried out in October 2011. Previous recommendations have required that spot checks should be carried out every 6 months. There was no evidence that this had taken place in April 2012 when it was due.

The stock of urns was also checked against what was recorded in the ledger. Overall stocks were up by 8. However the stock of plastic urns could only be confirmed as correct as the officer had recorded issues of urns in his own diary rather than in the ledger provided. He has been advised that receipts and issues of urns should be recorded in the ledger provided. The last spot check of urns to the ledger records was carried out in October 2011. 1 error was recorded at that time and this related to 1 urn short. Previous recommendations have required that spot checks should be carried out every 6 months. As at 2.9 above there was no evidence that this had taken place in April 2012 when it was due.

Building access procedures are in place, however these are not followed in practice. Access to the Crematorium Office and main work areas including the music room should be strictly controlled and accessed by authorised personnel only. However, on 2 occasions during the course of this audit we noted breaches in these procedures.

All Funeral Directors (FD) have access to the booking system introduced in April 2011. They can only see their own bookings on their log in and availability of future "slots" on the calendar. A batch of bookings (123 slots over 25 days) were recorded

under headings "CBC, Copeland Borough Council, Distington Hall", instead of the FD name. These time slots have been booked out at the request of managers for maintenance works; bank holidays etc. this stops FD's being able to book in at these times; for clarity all officers should use the same coding to identify this kind of entry, for example: Copeland BC, unavailable.

Waste & Parks Officers and the Admin Officer are new to their posts. It has not been possible for a full handover of duties to be carried out so Training & Development programmes need to be established to support these Officers.

Recommendations

Policies and procedures are updated following the work carried out by Performance & Improvement. These should be circulated to all staff who undertake duties at the Crematorium and Copeland Cemeteries.

To be completed by end January 2013

Standard letter sent to families should not include Book of Remembrance application fees. Instead, customers should be directed to the CBC website or advised to call the office for current applicable fees.

Revised letter, taking out application fees and direct to website, will be prepared and used from 1 November 2013

Income received via the Crematorium office should be recorded immediately and "cash" income should be identified on the analysis sheets to aid the reconciliation process.

Now in place. Instructions for all staff to follow in case of absence to be written

If the 20 missing application forms cannot be traced management need to consider what to do. This could be contacting family members now or waiting until family members cannot find the entry and contact the Crematorium office.

If not located by 31 December 2012 to decide with Head of Service how to proceed

There should be an independent check of Book of Remembrance (BOR) application requests to actual completed entries in the BOR.

Independent check to be undertaken by Waste & Parks Officer.

Complete the transfer of monthly accounts for Funeral Directors to the Sundry Debtor System as soon as possible

Head of Service to arrange by end December 2012

Look at all options for the collection of income for Book of Remembrance applications.

Options to be reviewed with Finance

All paying in slips should be photocopied (back and front) prior to banking to provide an accurate audit trail. The copy should be held on file for future reference.

Procedure now in place

Paying in slips should be checked for accuracy against the ledger/spreadsheet prior to banking; the paying in slip should be countersigned by a second officer as evidence of the check (P1)

Now in place, checked and countersigned by Waste & Parks Officer. Instructions to be written

Ledgers and or spreadsheets when in operation should be reconciled to income received prior to banking. This should be checked by a second officer and signed as evidence of the check (P1)

Now in place, Waste & Parks Officer to check and sign.

Officers nominated as responsible for petty cash on the spreadsheet held by finance should be updated to reflect current staffing

The records held by finance are not a control procedure for who holds petty cash, they are a method of verifying that what we say are petty cash balances at year end are actual petty cash balances and records are changed when signatures are obtained. There is currently no process for departments to notify us when a person leaves and the petty cash duties are handed to someone else, the responsibility lying with department heads.

Ensure that the correct method of payment is recorded when e returns are entered on the CIVICA Cash Receipting system

Now in place.

Ensure that e returns are accurate and complete before submitting, including correct Cameo tax income.

Now in place

Stocks of fuel and urns should be recorded in the ledger provided. All incoming stock and all issues of stock should be signed by a second officer.

Memo to all staff and Waste & Parks Officers issued

Stock should be checked on a monthly basis by the Waste & Parks Manager, any discrepancies identified should be investigated.

Memo to all staff and Waste & Parks Officers issued

Building access procedures should be followed at all times, with no exception

All staff made aware of procedures

Unauthorised persons should never be left unattended in restricted areas.

Investigating fitting of enquiry hatch in main office

When officers are blocking out time when cremations/internments cannot take place e.g. Bank holidays, maintenance, meetings etc. this should be done in a consistent manner. For example: Copeland BC, unavailable

Agreed

Training & development programmes should be put in place for all officers with duties at the Crematorium/Cemeteries. These should be designed to meet the Corporate and service needs of the authority and improve overall performance.

Agreed

1.3 Overdue actions arising from audit reports

1.3.1 Priority 1 and 2 recommendations still outstanding, with a target date for completion by 30 September 2012, are set out at Appendix A. There are 30 overdue recommendations overall. For completeness the summary now includes recommendations made by the Audit Commission as well as Internal Audit.

1.3.2 There are 3 Priority 1 recommendations which comprise:

- Recommendation on partnership risk management and governance. An update report from the Head of Regeneration & Community was presented to the last Audit & Governance Committee setting out a process to implement this recommendation by March 2013.
- Recommendation on payroll resilience and discontinuation of a key control. The HR Manager has advised that the key reconciliation control has now been re-introduced following the resolution of software issues in the payroll system (Sage). Work is ongoing to enable adequate segregation of duties and independent review of payroll tasks.
- Audit Commission recommendation to require improved accuracy of benefit calculation. The Revenues & Benefits Shared Service has appointed an additional Quality Officer to ensure that accurate calculations are made.

One other Priority 1 recommendation has been cleared during the period. This related to contracts for work funded from the Disabled Facilities Grant being between the client and contractor, rather than between the Council and the contractor.

1.3.3 Priority 2 recommendations outstanding have decreased from 37 to 27 since the last quarter end. The main reason for the decrease is that 12 outstanding recommendations relating to the review of Information Security in 2010/11 have been cancelled as these have been consolidated into 8 new recommendations (not on Covalent as not yet agreed). The consolidated recommendations 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 the Council's available resources.

1.3.4 Overdue recommendations previously allocated to the Director of Resources and Transformation have now been reassigned to relevant members of the Corporate Leadership Team (or cancelled if relating to Information Security – see 1.3.3 above).

2.0 INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

2.1 Internal Audit performance is set out at Appendix B. Delivered days for Quarter 2 are less than target as it has not been possible to start planned audits in all cases.

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 30 September 2012
Appendix B – Performance Indicators

Background papers: None

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

Audit Recommendations - Overdue

Report Type: Actions Report



Report Author: Audit Manager


Generated on: 15 October 2012




SUMMARY OF OVERDUE RECOMMENDATIONS		
	Priority 1	Priority 2
Total Overdue Recommendations as at 24/07/12	3	37
"New" Recommendations due in Quarter 2	1	31
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.2	4	68
IMPLEMENTED FROM LAST QUARTER'S REPORT		
"NEW" BUT IMPLEMENTED THIS QUARTER	1	22
Total implemented in the Quarter	1	26
CANCELLED SINCE LAST QUARTER		15
OUTSTANDING FROM LAST QUARTER		
OUTSTANDING FROM LAST QUARTER	3	20
OVERDUE ADDED THIS QUARTER		7
Total Overdue Recommendations as at 15/10/12	3	27


Code & Title AR-AC Audit Commission

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-AC_004 Improve the accuracy of the work of benefits assessors to minimise the under or overpayment of benefit.	1	Revenues & Benefits Shared Services Manager; Director of Resource and Transformation	<div style="width: 50%; background-color: #4F81BD; height: 15px; border: 1px solid black;"></div> 50%	30-Apr-2012	Certification of Claims & Returns 2010/11	<p>24-Jul-2012 Quality Officer appointed 16 July 2012.</p> <p>30-Apr-2012 Discussions are ongoing within the shared service to agree a way forward to improve the level of accuracy / checks. A full time Quality Officer post within the Performance Team has been advertised whose remit includes checking of assessments and quality checking subsidy cell data.</p>
	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	Interim Technical Accountant	<div style="width: 70%; background-color: #4F81BD; height: 15px; border: 1px solid black;"></div> 70%	31-Mar-2012	Annual Governance Report 2010/11.	<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</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							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. 30-Apr-2012 Input needed from all Council departments where there is an involvement with external organisations.
	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	<input type="text" value="0%"/>	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.




Code & Title AR-C Corporate


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-C_031 Ensure that risk management and governance arrangements weaknesses in partnerships are addressed (Point 1).	1	Chief Executive	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #4F81BD; position: relative;"> 75% </div>	31-Mar-2010	Use of Resources Dec 2009	<p>08-Oct-2012 The Head of Regeneration & Community has provided an update paper on Strategic Partnerships to Audit & Governance Committee (20 September 2012), CLT and Informal Executive, which sets out a process and timetable to address this recommendation.</p> <p>24-Jul-2012 CLT will consider a report on this area at their meeting on 25 July 2012.</p> <p>30-Apr-2012 As part of the Corporate Governance Audit 2011/12 a revised target date of 30/09/12 has been agreed. Reports to be presented to Executive 21/08/12 and Full Council 06/09/12.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							21-Oct-2011 Report to Executive 24 Jan 2011 set out progress to date and future plans to review partnership activity. This included the introduction of a standard template to undertake a strategic assessment of individual partnerships, including decision-making, link to corporate priorities and risks. One of the expected outcomes is to "Update partnership protocol and toolkit to ensure relevant management systems are strengthened, including a risk register for partnerships".
	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	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




Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>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 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_131 To ensure compliance with the security standards set by the PCI CBC need 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.	2	Head of Policy & Transformation	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #4F81BD; position: relative;"> 25% </div>	31-Jul-2012	Cash Receipting 2011/12	<p>10-Oct-2012 We are currently reviewing all of our procedures for the data storage and retrieval for credit/debit card information to ensure compliance with PCI regulations.</p> <p>14-Feb-2012 Discussions to be held with M Stroud, IT Manager & S Fawcett, Customer Services Manager to agree work plan.</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: #D3D3D3; position: relative;"> 0% </div>	31-Aug-2012	Sundry Debtors 2011/12	13-Jul-2012 will make a start on this ASAP
	AR-CS_136 Customer Services staff should ensure that legible photocopies of documents are taken prior to passing these to RBSS for scanning.	2	Audit Manager; Head of Policy & Transformation	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #D3D3D3; position: relative;"> 0% </div>	30-Jun-2012	Benefits Value for Money 2011-12	28-Jun-2012 Discussed with Penny Mell, Head of Policy & Transformation, who has responsibility for Customer Services at Copeland. These proposed



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							recommendations will be considered as part of a separate IA review of Customer Services interaction with Benefits staff.
	AR-CS_140 A percentage check level of 4% should be agreed for all sites as this represents a reasonable level of assurance, given the time required to carry out checks.	2	Revenues & Benefits Shared Services Manager	<input type="text" value="0%"/>	31-Jul-2012	Benefits Value for Money 2011-12	28-Jun-2012 Agreed and would support clarification.

Code & Title AR-DO Operations




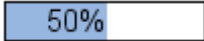
Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-DO_038 The Strategic Asset Management Strategy should incorporate a strategy on assets such as plant and equipment, given their value.	2	Head of Corporate Resources	<input type="text" value="0%"/>	31-Oct-2011	Asset Management 2011/12	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. 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.
	AR-DO_039 The Property Department put measures in place to ensure that annual invoices are raised for charges due under the Licence Agreement for HMRC and all other property leases.	2	Surveyor/Contract s Officer	<input type="text" value="0%"/>	30-Apr-2012	Sundry Debtors 2011/12	01-Mar-2012 Procedure will be put in place
	AR-DO_050 All asset details	2	Beacon Manager	<input type="text" value="0%"/>	30-Sep-2012	The Beacon	29-Aug-2012 Errors found



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	should be recorded accurately and consistently on display boards and MODES for ease of identification.					Museum Collection (Inc. Copeland Collection) 2012/13	during audit to be rectified by end September 2012.
	AR-DO_051 Copeland Centre Collection loans documentation should be reviewed and updated where applicable.	2	Beacon Manager	<input type="text" value="0%"/>	30-Sep-2012	The Beacon Museum Collection (Inc. Copeland Collection) 2012/13	29-Aug-2012 Inventory check to be completed by Averil Dawson under supervision of Curator Ben White

Code & Title AR-DS Strategy

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-DS_003 That there should be at least an annual report to the Audit Committee, covering the risk management arrangements for significant partnerships.	2	Head of Regeneration & Community	<input type="text" value="0%"/>	19-Apr-2011	Partnership Working System Controls 2009/10	01-Oct-2012 Continue to improve arrangements to identify and mitigate potential risks associated with partnership working (Annual Governance Statement 2011/12 paragraph 13). Agreed target date of 30/09/12. 24-May-2010 Ongoing 2010/11. Updates to Corporate Team will be in more depth. Annual Report to Audit Committee on 19 April 2011.
	AR-DS_004 That the partnership checklist, an example of a partnership legal agreement and the protocol/risk assessment should be added to the documents on the Intranet and Management Group be advised of this.	2	Head of Regeneration & Community	<input type="text" value="0%"/>	30-Sep-2010	Partnership Working System Controls 2009/10	



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


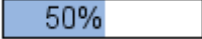


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-F&MIS_293 The Draft Treasury Management manual needs to be completed (in particular for changes in job roles) and then approved by the Corporate Director for Resources and Transformation.	2	Financial Management and Treasury Accountant		31-Mar-2012	Loans and Investments 2011/12	<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_294 Procedures should be reviewed and updated as necessary. When complete the procedures should be communicated to all relevant employees. Training should be	2	Financial Reporting and Technical Accountant; Financial Services Manager		01-Apr-2012	Insurance 2011/12	05-Apr-2012 Procedure manual updated. Training programme still to be put in place



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	given where appropriate.						
	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	<input type="text" value="0%"/>	01-Apr-2012	Insurance 2011/12	<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>
	AR-F&MIS_302 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	2	Financial Reporting and Technical Accountant; Interim Technical	<input type="text" value="0%"/>	30-Sep-2012	Sundry Debtors 2011/12	03-Oct-2012 Initial meetings have been held with users to discuss a timetable for rolling out training.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	further training sessions on the Debt Recovery Handbook is given".		Accountant				01-Mar-2012 The Debtors system is due to be reviewed in full and a new training programme rolled out by the Senior Accounting Officer – Systems and Financial Reporting.


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>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 investigated.</p>
	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'	2	Democratic Services Manager	<input type="text" value="0%"/>	31-Mar-2012	Members' Allowances 2011/12	13-Jul-2012 Due for implementation by 31/3/2013

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	Allowances) (England) Regulations 2003.						
	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	<p>13-Jul-2012 To be in place December 2012</p> <p>05-Apr-2012 To be in place by October 2012</p>
	AR-LD_050 Legal Services should review the Bribery Act legislation and determine its application to the Council, and the extent to which adequate procedures are in place to mitigate the risk of prosecution. This might include amendment to existing codes of conduct.	2	Legal Services Manager		31-Dec-2011	Register of Gifts/Hospitality & Disclosure of Interests 2011/12	<p>05-Apr-2012</p> <p>05/04/12: The Bribery Act 2010 affects three areas: (a) the Council's codes of conduct; (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</p>


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							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.
	AR-LD_051 Review security arrangements for Civic Regalia when items are held off site.	2	Democratic Services Manager		01-Apr-2012	Insurance 2011/12	04-Apr-2012 Appropriate location for off-site safe for holding regalia identified. Safe ordered and expected to be in situ by end April 2012



Code & Title AR-LES Leisure & Environmental Services


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LES_037 The Agreement for Collection of Controlled Waste contract document is revised to remove the references to VAT to reflect that Local Authority commercial waste collection services are outside the scope of VAT.	2	Waste Services Manager	<input type="text" value="0%"/>	31-Aug-2012	Commercial and Bulky Waste Collection Income 2012/13	

Code & Title AR-PP Policy & Performance

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-PP_041 Deliver on plan to review policy and procedure and support improved management practice.	2	Head of Corporate Resources; Head of Policy & Transformation	<div style="background-color: #4F81BD; width: 88%; text-align: center; padding: 2px;">88%</div>	31-Mar-2011	Annual Governance Statement June 2010	<p>10-Oct-2012 The Grants protocol and procedures will be reviewed as part of the change programme and will be completed by March 2013.</p> <p>13-Jul-2012 The following milestones have now been completed:- 2. Address need to reduce medium term revenue budget- This will be done by Medium term financial strategy and the overall savings programme. 3. Improve risk management on partnership working- this is currently being worked on through Audit Recommendation AR-DS_004</p> <p>19-Oct-2011 6 of 9 actions</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>completed. 3 outstanding actions are</p> <ol style="list-style-type: none"> 1. Grants protocol & procedure to be agreed 2. Address need to reduce medium term revenue budget 3. Improve risk management on partnership working <p>07-Apr-2011 4 out of 9 milestones set for this action have been completed.</p> <p>06-Jul-2010 All actions in progress.</p>
	AR-PP_057 That, to provide a comprehensive overview of the role and responsibilities of the Council as a whole, a general induction document is introduced.	2	HR Manager	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #ccccff; display: inline-block;"></div> 30%	31-Mar-2011	HR Management : Recruitment 2010/11	<p>06-Jul-2011 6- July-2011 “e-induction” project to be completed by 31 12 11.</p> <p>13-Aug-2010 Recommendation not accepted, pending further review of induction process, and possible use of “e-induction” for this type of information, rather than a</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							document.
	AR-PP_069 All Managers are reminded that they should monitor personal calls made by employees using CBC mobile phones. The calls should be identified, verified and costs recorded.	2	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 re-imburement.</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 when the Vodafone invoice is	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>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	received.						
	AR-PP_075 Managers address issues in Payroll dept: Segregation of duties within payroll; Management checks/reviews of work by the Payroll Officer, e.g. monthly payrun; Business Continuity, in the absence of the Payroll Officer.	1	HR Manager	<div style="border: 1px solid black; width: 100px; height: 15px; background-color: #ADD8E6; display: inline-block; margin: 2px;">50%</div>	30-Jun-2012	Payroll 2011/12	<p>08-Oct-2012 The HR Manager advised Internal Audit that SAGE succeeded in overcoming the technical problem which had prevented running a report to carry out the monthly reconciliation between the current and previous months gross pay by department. This check was to be reinstated from August 2012 onwards.</p> <p>01-Oct-2012 Payroll resilience and independent checking needs to be improved to ensure that this key business system is not compromised (Annual Governance Statement 2011/12 Effectiveness of Governance). Agreed target date of 30/09/12.</p> <p>10-Apr-2012 Availability of appropriate report from</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							<p>SAGE to simplify reconciliation of gross pay month-to-month to be discussed with SAGE UK. Extension of checks on Payroll Officer's work by HR staff to be explored.</p>

AUDIT PERFORMANCE INDICATORS – 1 APRIL 2012 TO 30 SEPTEMBER 2012

Input measures

Note	Indicator	2012/13 Target	2012/13 Actual to date
1	Cumulative days provided	601	255
	% of audit plan days provided – cumulative year to date	50%	42%
2	Days provided this quarter	150	105
	% of audit plan days provided – this quarter	100%	70%

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. The two planned audits for Q2 have been completed (capital accounting and final accounts process) and work on treasury management is at draft report stage.
Complete 95% of audit plan by 31 March – non-fundamental system audits	11 of 23 non-fundamental reviews have been completed. Local Development Framework audit has been taken out as assurance will be provided by an independent Planning Inspector but additional reviews added to plan as follows: <ul style="list-style-type: none"> • Crematorium investigation; • W Cumbria Arts Project grant claim • Debt management

Notes

- 1 601 days target based on 95% of 633 total days in plan. 255 days provided representing 42% of 601.

- 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 2, only 105 days were provided because work was not available to start, for example, partnership arrangements, health & safety, on street parking contract, performance management and efficiency savings.

