

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

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

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1.0 INTERNAL AUDIT WORK COMPLETED IN QUARTER 1 2012/13

1.1 Final reports issued

- Benefits processing
- Building Control
- Development Control
- Disabled Facilities Grant
- Car Parks income

2011/12 work

A final report has been agreed on benefits processing (see details below). Following discussions with the Head of Policy & Transformation, a revised follow up report on Information Security has been issued but no reply has been received yet.

2012/13 work

4 final reports have been agreed and a draft report has been issued on commercial and bulky household waste but the action plan has not yet been finalised. Work is also ongoing on the final accounts process, capital accounting, the Beacon collection and 2010/11 Audit Commission Profile.

In Quarter 1, support was also provided to the Payroll Department, and these days are included in total days provided.

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.

1.2.1 Benefits processing

No specific system control evaluation was made as this review was requested to look at the efficiency of benefits processing, rather than at the overall system, which is covered in a separate annual audit.

RBSS (Revenues & Benefits Shared Service) management are actively addressing performance issues in the Benefits Service. This review includes some recommendations that might assist in this process. The main areas for additional action are:

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

- Benchmarking with other councils on dealing with delays in processing documents held on Civica Comino (this may improve once Shared Desktop/Worktray introduced);
- Focus on decisions with very long delays to reduce or eradicate these, as these have a significant impact on average processing days;
- Quantify errors in awards and then prioritise some training on avoiding these in future, as may lead to need for significant recovery action;
- Reviewing role of Customer Services in smoothing the benefits process;
- Ensuring consistent, and suitably robust, accuracy checks applied across all sites;
- Confirming that errors in dates recording are not skewing speed of processing performance measures.

The main issue for the Benefits Service at Copeland is the average length of time it takes to process “decisions” on benefit. Decisions include outcomes from both new claims and amendments required as a result of changes in circumstances for existing claimants. Other key performance indicators relate to promptly putting into payment new claims and accuracy of calculation, but these are less of a concern: Prompt payment, to a great extent, relies on prompt processing so if this is efficient, payment should be made on time. Accuracy is not too far out of line with the other participating councils and low levels may relate to more stringent checking at Copeland.

RBSS has a system in place to prioritise work via a Worktray system which allocates a priority to documents, dependent on their type. This was discussed with a Benefits Team Leader and the Benefits Manager. Weekly reports are provided on document volumes and dates to all sites and there are significant delays in processing documents on the system. This is a major determinant of processing time and RBSS should undertake benchmarking with other councils that use Academy/Civica Comino to establish whether there are ways in which the backlog can be reduced or turnaround improved.

An obvious potential explanation might be that there are insufficient staff to deal with the workload but the Benefits Manager’s view was that there was sufficient staff when the existing establishment was filled. Two additional assessors are being recruited to Copeland but in the longer term (once IT issues have been resolved) staff resource will be totally flexible across all three councils. The Shared Worktray/Desktop across all councils should ensure that priorities are better targeted and that each council receives the same level of service.

A review of the Customer Services role would be beneficial as staff in Customer Services are the first point of contact for claimants. Training on dealing more effectively with claimants; use of Academy; and also ensuring good data quality of documentation would all assist in processing benefit claims. Sharing of best practice from the Carlisle office – using claim receipt forms and greater use of phone rather than communication by letter – might also improve performance.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

Performance statistics on accuracy at Copeland are not radically different from the other participating councils and this may be entirely down to a more detailed checking methodology. It is important that any comparative performance figures are calculated on a similar basis and RBSS should take steps to ensure that Quality Assurance (QA) staff have sufficient experience and adopt a similar method in applying checks.

There is good management information provided on the reasons for errors in benefit calculation and useful analyses on trends are reviewed by management. There was evidence that targeted training had been provided to address the key messages identified. The current performance measure only includes any errors that lead to an adjustment to a claim so does not pick up the most common error which relates to incorrect claim processing dates. This may mean that processing statistics are skewed and this area needs to be reviewed.

There has been some confusion over the level of checking required at Copeland but a level of 4% of all decisions appears to represent a reasonable level. To go beyond this would create additional cost but with limited benefits.

Management information is provided on a regular and timely basis and enables managers to make informed decisions about resource allocation and work priorities. The information could be enhanced by adding data on the impact of errors in benefit calculation and also data on decisions that take a very long time (ie > 50 days). The processing indicator is based on average days but few decisions take the "average" time. If very lengthy decisions were analysed and then their frequency reduced, it would have a significant impact on the average. Such a focus might also assist in prioritising training.

Management has been pro-active in tackling the issues in the Benefits Service and a Performance Improvement Plan (PIP) has been agreed and regular updates provided to the Boards. Work is ongoing in aligning policies and procedures at all sites to ensure best practice is shared and that a consistent standard is provided. The RBSS has also received external support on improving processing times for new claims from the DWP and this will also help to improve the service.

Recommendations

RBSS should undertake benchmarking with similar councils who use Academy/Civica Comino to establish whether there are ways in which the backlog can be reduced or turnaround improved.

Not agreed as necessary as RBSS has obtained support/advice from Department for Work and Pensions' (DWP) Local Authority Performance Division (LAPD).

Consider deleting aggregate speed of processing indicator for quarterly reporting to the Joint Operational Board, as this combines processing times for two processes that are totally different.

Completed.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

Customer Services staff should be trained on the use of the Academy Notes function.

A separate review will be undertaken to look at the role of Customer Services in assisting the efficient operation of RBSS at Copeland. Scope to be agreed with Head of Policy & Transformation. Resources from Internal Audit VfM provision.

Customer Services staff should ensure that legible photocopies of documents are taken prior to passing these to RBSS for scanning.

Will be covered in separate review (see above)

Consider introducing Carlisle practice for Customer Services staff at Copeland whereby claim documents are checked and a request made at that time for any missing information.

Will be covered in separate review (see above)

Adjustments to claims as a result of errors should be quantified to highlight those with greatest impact. This could inform future training priorities.

RBSS not convinced that detailed analysis will add to training needs and concerned it will work against the alignment of Quality Checking through the Capita 'QA' module which was introduced 1st June 2012 and includes a training needs analyser.

Management should review the impact of the high level of errors on recording the correct claim processing dates to ensure that this is not invalidating the key Speed of Processing (SOP) performance indicator.

RBSS not convinced the additional resource required would justify result when SOP is the national reporting measure. This analysis was trialled in May 2012 but was inconclusive and resource intensive so has been discontinued.

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.

Agreed and RBSS would support clarification.

To ensure consistency in QA process RBS should:

- **Specify essential experience for QA job role;**
- **Undertaking further training of QA staff, if required;**
- **Quality Officers to check work across all sites rather than just at their base.**

Senior Accuracy Officer has been appointed and will be responsible for ensuring Academy's 'Quality Assurance' (QA) module is rolled out to ABC & CBC. Also responsibility for staff training to allow staff to work across databases/sites.

A brief supporting commentary should be added to the monthly performance reports to Operational Board to explain key issues arising from data presented and any action needed.

The Benefits and Revenues Manager now provide commentary

A performance measure on completed claims taking > 50 days should be introduced, along with an analysis of reasons for delays and action being taken.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

Crystal database report training was completed in March 2011. A report will now be created within Civica, for Benefits Team Leaders to run as required. Accuracy Officers continue to check claims over 50 days to ensure on-line stats dates/claim dates are correct.

A separate performance measure on ongoing claims where > 50 days old should also be introduced so these can be prioritised.

Not agreed: Benefits Team Leaders can identify these claims instantly/daily. Adding further performance indicators into reporting adds to bureaucracy and consumes valuable resource. DWP dropped this indicator some years ago.

1.2.2 Building Control

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

The basic functionality of the MIS Headway system was working well. Applications were promptly dealt with in line with legislation and best practice and performance figures for Quarter 4 11/12 show a 100% completion rate for Building Regulations applications decided in less than 8 weeks.

Building Regulation fee charges are no longer set by Central Government. The Building (Local Authority Charges) Regulations 2010 (SI 2010/404) enables Local Authorities to charge for carrying out their current five building control chargeable functions and also to charge for providing substantive advice (lasting more than an hour). Local Authorities calculate charges by reference to the hourly charge-out rate of officers and the amount of time estimated for performing chargeable functions. The charges for Building Regulations work are intended to cover the cost of the Building Control services provided by the Council. The new charging system had to be in place by October 2010.

The overriding objective of the new legislation is that the authority must ensure that, taking one financial year with another, the income derived by the authority from performing chargeable functions and providing chargeable advice ("chargeable income") as nearly as possible equates to the costs incurred by the authority in performing chargeable functions and providing chargeable advice ("chargeable costs"). This replaces the prior legislative requirement for the fee-based service to cover its costs over a 3 year rolling period.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

An annual statement is required by the Building (Local Authority Charges) Regulations 2010 showing income and costs for all chargeable work. The last statement produced related to 2008-09 where it was included as a note to the Statement of Accounts. From 2009-10 CIPFA no longer required this note but the Building (Local Authority Charges) Regulations 2010 still requires an annual statement to be produced. Action should be taken to prepare the statement and report accordingly.

Regular reconciliations between MIS Headway and TOTAL are not being carried out (dependent to some extent on setting up appropriate management reports from MIS Headway). This has previously been recommended as part of the Main Accounting System audit.

The register of staff personal interests in applications exists within the department but is not being used to formally record any declarations. Staff are aware of the requirement to declare any personal interests but these declarations are not being formally recorded for future reference.

2 out of 4 members of staff were unaware of the Financial Regulations and Financial Procedure Rules or the Contract Procedure Rules and 1 member of staff did not have access to a copy of the Building Regulations Fees and Charges booklet. The relevant information has now been provided. The Building Control Manager commented that copies of the Building Regulations Fees and Charges booklet are readily available within the department and on the department's shared network drive.

Recommendations

A process is put in place to ensure the production of an annual statement of Building Control chargeable costs, income and the amount of any surplus or deficit, as per The Building (Local Authority Charges) Regulations 2010.

Declarations of interest should be recorded in the departmental register so that a formal process is implemented and a record of declared interests is held for future reference.

1.2.3 Development Control

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

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

The Development Control Team achieved top quartile performance in respect of all three categories of planning applications in 2011/12, maintaining Copeland's standing as one of the best performing authorities in the country. Clear written guidance was provided to all applicants and decisions were made in accordance with legislation.

New software (MIS Headway) was introduced in the Development Control section in mid-December 2009. Officers are now more confident in using the functions of the system. Familiarisation sessions are held when upgrades to the system are introduced or at the request of officers in the department.

The Planning Unit's schedule of charges agreed to the official list of planning fees and charges issued by Central Government.

Payments are received by cheque, BACS, Credit/Debit Card or Allpay. Payments received can be for planning applications, discharge of conditions, non-material amendments or for copies of plans, [each type of payment has its own code on the Financial Management System (TOTAL)]. Recommendation AR-DO_013 "That regular reconciliations are made to ensure that all income received matches that posted to the Development Control Ledger Codes" was made in August 2010 and confirmation was noted on the Covalent system in January 2011 that regular reconciliations were ongoing. However, we have found that reconciliations between income received and recorded on TOTAL and the Headway system had not been carried out during 2011/12. A Reconciliation of income recorded on TOTAL in April 2012 [for planning applications only] and the Headway system was carried out during the course of this audit. There were a number of changes that needed to be made highlighting the importance of regular reconciliations taking place.

A register of staff personal interests in applications exists within the department. There was one entry recorded in the register and we confirmed that the Officer had no involvement with this particular application. However, there was no date recorded on the entry and there was no evidence that the department manager was aware of the declaration of interest. This can be addressed by improving the layout of the register.

Conditions can be placed on approved applications. When the conditions are discharged the applicant needs to pay a fee. There are a number of payments received for discharge of conditions on applications that have not been entered onto the Headway system. If all information is not entered on the Headway system reconciling monies received to TOTAL cannot be carried out. Officers should be given training in this area so that they are confident in entering the details on the Headway system.

Planning applications fall outside the scope of VAT, however, charges for photocopies of plans/decisions are subject to VAT at the standard rate of 20%. A number of transactions that should have had VAT at the standard rate of 20% applied but the entries had been coded outside the scope of VAT. Payments totalling £1265 were collected during the financial year 2011/12 that should have been subject to

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

VAT at 20%, this was not the case so VAT of approximately £210 has not been included on the VAT return carried out by the finance team. The finance team has been made aware of this issue and all officers have been reminded of the importance of coding income correctly and applying the correct VAT code. A retrospective adjustment will be made on the VAT account.

Recommendations

In line with the previous recommendation AR-DO_013 steps are taken to carry out regular reconciliations to ensure that all income received matches that posted to the Development Control Ledger Codes.

The register of personal interests held in the Development Control department is reviewed and columns added to record the date of the entry and confirmation from the department Manager that he is aware of the declaration.

Training is given to Officers on how to enter discharge of conditions on the Headway system. Training should enforce the requirement for entering the fee received to aid with the reconciliation process.

1.2.4 Disabled Facilities Grant

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

The main findings of this review related to the client/contractor relationship. On examination of documents, it was not clear who the contractual relationship for works was between as it was the Council, in most cases, which invited contractors from a non-comprehensive list to tender and also awarded works to successful contractors. To ensure the contract remains between the applicant and the contractor, the instructions for both should be directly from the client.

Clear written guidance was provided to all applicants and for all of the grants in our sample, approvals were made in accordance with the policy.

A register of staff personal interests exists within the department. There were ten entries recorded in the register. However, the Housing Services Manager had not signed the register to confirm that he was aware of the interest declared.

Local procedures require applicants to provide supporting documents with their application for proof of income/outgoings. We found that 5 out of 10 Disabled

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

Facilities Grants had no proof of income/savings on file. [There was a note on file saying that these had been checked, however, copies of documents should be taken for file reference].

Section 34, subsection 3(a) of the Housing Grant, Construction and Regulation Act 1996 states that if the authority notify the applicant under subsection (1) that the application is approved, they shall specify in the notice (a) the eligible works. However, the eligible works are not stated on the letter which is sent to the client on approval of the grant.

9 out of 10 payments made were correct. Form 24 (Grant Final Payment Calculation) is completed on receipt of invoices from the contractor completing the works. Form 24 had been completed and authorised by the appropriate officer for all of the payments in the sample tested. However, 1 invoice included VAT where this was not eligible to be charged for the works carried out. [The Housing Renewal Support Officer was made aware of the error during the course of the audit and she confirmed that a credit would be sought from the contractor].

Information provided by the department during the course of the audit was included on various spreadsheets. On examination it was found that there were gaps in the information and data quality issues. The Housing Renewal Support Officer confirmed that it is an on-going process to bring these up to date and back fill the information held on these. The department is currently looking to replace the existing system (MVM) as its licence is due for renewal in 2012 and the system is no longer meeting the needs of the department. This would reduce the need for manually updating these spreadsheets and duplication of work as well as reducing data quality errors.

The Council website states that if the client is eligible for a grant then a Technical Officer from the Council will visit along with the Occupational Therapist to identify the works needed and complete a schedule of works. This is not always the case, as with stair lifts specialist firms attend the properties for inspection. The Council website is currently under review. The Housing Technical Officer will ensure that the relevant information on the website is updated to reflect actual practice.

Recommendations

The application form should be updated to make it clear the contract will be between the client and contractor and not the organisation.

Names of Contractors with the necessary experience, if provided to the applicant, should be updated to include all contractors in the area to ensure a fair selection process.

Template letters should be amended to ensure that the client selects preferred contractor at each stage therefore establishing client/contractor relationship and confirming acceptance of any financial implication if choosing the highest estimate at the same time.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

The register of personal interests held in the Housing Services department should be signed by the Housing Services Manager to confirm his awareness of the interest declared and declarations should be requested/reviewed annually.

Staff are reminded that all supporting documentation should be examined to ensure that it is original and, for example, on official headed paper. A photocopy should always be taken for the file, and this should be signed and endorsed with "true copy".

The approval notice template should be amended to reflect the requirement in legislation to specify the eligible works approved.

Invoices received that include VAT should be thoroughly examined to ensure that VAT is an eligible charge.

1.2.5 Car Parks income

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

The provision of the car parks cash collection and banking arrangements was brought back in-house in December 2010 and has been managed by the Enforcement and Support Services Team Leader and the Enforcement Officers. The contract for service has been put out to tender recently but all submissions were more expensive than continuing to deliver the service in-house.

Cash collected and banked between April 2011 and March 2012 was in excess of £357k. All income was banked promptly and was reconciled to the TOTAL financial ledger. All the cash collections from the ticket machines have been carried out by Copeland's Enforcement Officers and counted, reconciled and banked under Copeland's normal Cash Receipting procedures. Adequate insurance cover is in place under the Fidelity Guarantee Insurance and an additional £10,000 limit for the loss of money in transit in the custody of employees.

Full Council on 22 February 2012 approved an increase in car parking fees but, due to the need to order new microchips for the ticket machines and the requirement to advertise the increases (in accordance with Section 35(c) of the Road Traffic Regulations Act 1984), the increases were not implemented until 18 June 2012.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

Car park ticket machines are checked daily and if faults are found the current service level agreement call out response is up to 48 hours, but the majority are serviced within 24 hrs. Procedures ensure machines are logged and reported immediately if found to be faulty, vandalised, etc. It is not practical for manual collections to be undertaken whilst machines are faulty and so revenue would be lost until the machine is repaired, but the service level agreements that are in place would ensure repairs are done promptly and potential loss of income minimised.

Collections during 2011/12 have been made regularly and additional collections are made on occasions of increased demand. Reduced income has been received for one car park (South Shore) where the machine is out of service. It is due to be removed and replaced with a solar powered machine.

The analytical review of income highlighted a discrepancy on the use of detail codes on TOTAL financial management system for recording income collected from car parks in Egremont. The Enforcement and Support Services Team Leader has discussed the issue with Finance and the detail code descriptions will be amended.

Car Parking Passes are currently provided for one month, three months, six months or one year, and passes are issued and recorded by the Customer Services Cashiers. However, there are no formal written terms and conditions in place and the Parking Passes spreadsheet does not record the amount of the fee charged.

Testing of car parking passes issued between April 2011 and March 2012 found that the correct fees had been charged and the payments were traced to the Civica cash receipting system. 1 pass had been issued for a reduced annual fee as per a longstanding agreement.

The majority of key controls were effective and being complied with in relation to the areas tested, with the following exceptions where improvements need to be made:-

- Reasons for any shorts/overs to be documented (non-material shorts found); and
- Written procedures need to be in place if the service is to remain in-house for the foreseeable future.

Recommendations

Formal terms and conditions for the use of Car Parking Passes are introduced and made available to customers on the issue of the pass. Consideration should be given to introducing a formal application form which could also contain the terms and conditions.

A separate record of the sequential numbers used for the car park pass print runs is kept so that a new print run will not duplicate a previously used sequence of numbers.

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

The actual payment amount is also recorded on the Parking Pass spreadsheet, so that a validation check can be made of the fee charged re the car park and the length of the pass.

Written procedures for the Car Parks income collection service need to be compiled and communicated to staff.

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 June 2012, are set out at Appendix A. There are 40 overdue recommendations overall. For completeness the summary now includes recommendations made by the Audit Commission as well as Internal Audit.
- 1.3.2 Priority 1 recommendations outstanding include the brought forward recommendation on partnership risk management and governance, although a revised timescale has been agreed for implementation; a new overdue recommendation on payroll resilience and 1 Audit Commission recommendation, not previously included, on accuracy of benefits.
- 1.3.3 Priority 2 recommendations outstanding include brought forward recommendations on Information Security and 3 Audit Commission recommendations, not previously included.
- 1.3.4 The Chief Executive has reviewed the overdue recommendations and confirmed that the actions still allocated to the Director of Resource and Transformation are currently being reviewed by the Corporate Leadership Team with a view to these being reassigned to relevant members of the Corporate Leadership Team.

2.0 INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

- 3.1 Internal Audit performance is set out at Appendix B.

4.0 CONCLUSION AND RECOMMENDATION

- 4.1 Audits completed in this period have assessed controls operating as either good or satisfactory. Progress continues to be made on outstanding audit recommendations.
- 4.2 It is recommended that Members note this report.

List of Appendices: Appendix A – Outstanding Key recommendations due by 30 June 2012
Appendix B – Performance Indicators

AUDIT COMMITTEE 02 08 12
AUDIT MONITORING REPORT: QUARTER 1 2012/13

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: 24 July 2012



SUMMARY OF OVERDUE RECOMMENDATIONS		
	Priority 1	Priority 2
Total Overdue Recommendations as at 05/04/12	1	30
“New” Recommendations due in Quarter 1	4	26
Audit Commission Recommendations Added	15	4
TOTAL RECOMMENDATIONS TO BE IMPLEMENTED Q.1	20	60
IMPLEMENTED FROM LAST QUARTER’S REPORT		3
“NEW” BUT IMPLEMENTED THIS QUARTER	3	19
COMPLETED AUDIT COMMISSION RECOMMENDATIONS	14	1
Total implemented in the Quarter	17	23
CANCELLED SINCE LAST QUARTER		
OUTSTANDING FROM LAST QUARTER	1	27
OVERDUE ADDED THIS QUARTER	1	7
AUDIT COMMISSION OVERDUE ADDED THIS QUARTER	1	3
Total Overdue Recommendations as at 24/07/12	3	37


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><div>50%</div></div>	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><div>15%</div></div>	31-Mar-2012	Annual Governance Report 2010/11.	<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</p>




Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							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	<div><div>0%</div></div>	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_020 Ensure that the implementation of a new asset register is progressed. Ensure that Internal Audit verify that the audited closing balances on the old asset register have been accurately transferred to the new asset register.	2	Head of Corporate Resources	<div><div>0%</div></div>	31-Mar-2012	Annual Governance Report 2010/11.	30-Apr-2012 Date by which a clear plan will be in place for the 2011/12 accounts, and a view taken on the longer term solution. Considered previously using existing Consilium software but not progressed due to resource implications and uncertainty as to the suitability of this software to deliver all the requirements of the Council




Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							from both Property Services/Finance perspectives. Further analysis of needs will be undertaken during the year to ensure systems provide the necessary information to enable the Accounts to be prepared efficiently, and provide transparent working papers for the audit process.



Code & Title AR-C Corporate



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-C_031 Ensure that risk management and governance arrangements weaknesses in partnerships are addressed (Point 1).	1	Chief Executive	<div><div>75%</div></div>	31-Mar-2010	Use of Resources Dec 2009	24-Jul-2012 CLT will consider a report on this area at their meeting on 25 July 2012.
							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.
							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

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							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_054 That consideration is given to resourcing a post of Information Security Officer. This officer could co-ordinate security arrangements and develop the management user role across the Council.	2	Director of Resource and Transformation	<div>0%</div>	31-Mar-2011	Information Security 2010/11	<p>13-Jul-2012 This would have a resource implication to appoint an Information Security Officer. A formulated Corporate approach to Information management will be developed led by the Transformational Programme Manager as part of the wider approach to change within the Council in the next 2 years.</p> <p>29-Nov-2010 This will be considered as part of service reviews and the management restructure.</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-C_055 That a cross-functional group should be formed to oversee, manage and co-ordinate information security across the Council.	2	Director of Resource and Transformation	<div><div></div></div> 0%	31-Mar-2011	Information Security 2010/11	13-Jul-2012 A formulated Corporate approach to Information management will be developed led by the Transformational Programme Manager as part of the wider approach to change within the Council in the next 2 years.
							29-Nov-2010 J Wagstaffe will set up and lead an Information Management Group. Senior Leadership Team will nominate members for the Group.
	AR-C_056 That the requirements for maintaining appropriate contacts with relevant authorities, specialist groups and partners should be included within the Information Security Policy. The policy should request the need to record all external contacts. (Point 1)	2	Head of Corporate Resources; Head of Policy & Transformation	<div><div></div></div> 20%	31-Mar-2011	Information Security 2010/11	10-Jan-2011 Contact made with County wide Group. Currently considering their draft pro-forma agreement.
							29-Nov-2010 Data Sharing Protocol will need to be considered corporately. Lead Officer – Data Protection Officer.
	AR-C_057 That arrangements to provide third parties with access	2	Head of Corporate Resources; Head	<div><div></div></div> 20%	30-Jun-2011	Information Security 2010/11	10-Jan-2011 -- This duplicates AR ...56 --


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	to Council information should be centrally recorded, confirming that a risk assessment has been completed and that an information sharing / confidentiality agreement is in place.		of Policy & Transformation				29-Nov-2010 Corporate lead is needed. Lead officer – Data Protection Officer.
	AR-C_058 That a list of all information assets and their owners should be produced and held centrally. This should include an inventory of paper records, where the data is not held electronically.	2	Director of Resource and Transformation	<div>0%</div>	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed as part of the corporate records management review.
	AR-C_059 That the Council should produce a Records Management Policy, in line with the Information Security Policy.	2	Director of Resource and Transformation	<div>0%</div>	30-Sep-2011	Information Security 2010/11	13-Jul-2012 This will be driven forward as part of the Information Management Group 29-Nov-2010 This will be addressed as part of the corporate records management review.
	AR-C_061 That the categories for the classification of information should be reviewed to include the categories of information	2	Director of Resource and Transformation	<div>0%</div>	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed as part of the corporate records management review.

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	maintained by the Council and guidance should be given on both defining the classifications and classifying information against them.						
	AR-C_063 That the Council should produce a document identifying all the areas which require additional physical security to protect equipment or sensitive / critical information from fire, flood, etc. – both within the IT and user areas of responsibility.	2	Director of Services	<div><div></div>25%</div>	30-Jun-2011	Information Security 2010/11	<div>13-Jul-2012 Tested during Oscar 10 in March 12, learning from this exercise will incorporate into the next business continuity exercise, and learning from both will inform the business continuity plan to identify specific areas.</div> <div>29-Nov-2010 This will be addressed through updating business continuity arrangements.</div>
	AR-C_064 That, once information owners are formally designated, they should undertake risk assessments associated with unauthorised access, unintentional modification or misuse of information and services, caused	2	Director of Resource and Transformation	<div><div></div>0%</div>	30-Sep-2011	Information Security 2010/11	



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	by inadequate segregation of responsibilities.						
	AR-C_065 That a review should be undertaken to identify all critical paper documents and, where information is not held electronically, document imaging should be considered or alternative security arrangements should be put in place.	2	Director of Resource and Transformation	<div>0%</div>	30-Sep-2011	Information Security 2010/11	29-Nov-2010 This will be addressed through the Information Management Group.
	AR-C_069 The revised Code of Corporate Governance needs to be revised in line with the CIPFA supplementary guidance and formally adopted by Full Council.	2	Democratic Services Manager	<div>0%</div>	30-Jun-2011	Corporate Governance 2010/11	<div>13-Jul-2012 Due 30/9/2012</div> <div>30-Apr-2012 As part of the Corporate Governance Audit 2011/12 a new target date of 30/09/12 has been agreed.</div> <div>05-Apr-2012 To be reported to June Council Meeting</div> <div>16-Jan-2012 To be reported to March Council meeting</div> <div>16-Mar-2011 This will be taken through the Constitutional Working Group and then submitted</div>

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



Code & Title AR-CS Customer Services

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-CS_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><div></div>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 recommendations will be considered as part of a separate IA review of Customer Services interaction with Benefits staff.




Code & Title AR-DO Operations


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-DO_038 The Strategic Asset Management Strategy should incorporate a strategy on assets such as plant and equipment, given their value.	2	Director of Resource and Transformation	<div><div></div></div> 0%	31-Oct-2011	Asset Management 2011/12	
	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	<div><div></div></div> 0%	30-Apr-2012	Sundry Debtors 2011/12	01-Mar-2012 Procedure will be put in place




Code & Title AR-DS Strategy

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

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


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-F&MIS_141 That adequate and effective cash flow forecasting records are established and maintained on a regular basis, showing daily transactions and the estimated net position.	2	Interim Technical Accountant	<div><div></div><div>85%</div></div>	30-Apr-2009	Loans and Investments 2008/09	04-Apr-2012 A cash flow forecasting record has now been established and populated with historic data. Further work is needed to link actual cash flows to balances held and available. It is expected that this will be completed and the cash flow record become operational within Q1 of 2012/13.
	AR-F&MIS_279 That the Information Security Policy should explain how system administrators and other privileged users are controlled.	2	Director of Resource and Transformation	<div><div></div><div>0%</div></div>	31-Mar-2011	Information Security 2010/11	
	AR-F&MIS_291 Procedures should be updated to support the annual processes. These could be referenced to the Code/system flow charts provided by the Audit	2	Financial Management and Treasury Accountant	<div><div></div><div>0%</div></div>	31-Dec-2011	Capital Accounting 2011/12 (2010/11 Process).	26-Jun-2012 As stated in the Capital Accounting 12/13 report an extension has been given for completion of this recommendation. It is



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	Commission.						<p>expected that procedures will be completed by end of December 2012 when the asset register will have been loaded onto TOTAL from current spreadsheet format. This will allow time for testing of the data transfer.</p> <p>04-Apr-2012 Revised procedures will be written up following completion of the capital close down and are expected to be available at the commencement of the external audit.</p>
	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	<div>0%</div>	31-Mar-2012	Loans and Investments 2011/12	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



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							completed.
	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 given where appropriate.	2	Financial Reporting and Technical Accountant; Financial Services Manager	<div><div>50%</div></div>	01-Apr-2012	Insurance 2011/12	05-Apr-2012 Procedure manual updated. Training programme still to be put in place
	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	<div><div>0%</div></div>	01-Apr-2012	Insurance 2011/12	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.
	AR-F&MIS_304 Permanent capacity and resilience within	2	Director of Resource and	<div><div>50%</div></div>	31-Oct-2011	Annual Governance	30-Apr-2012 Restructure department and


Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	finance department needs to be improved as reliance on 2 senior employed on temporary contracts.		Transformation			Statement 2010/11	<p>appointment of permanent Head of Corporate Services and Accountancy Manager.</p> <p>30-Apr-2012 Department restructure completed. Accountancy Services Manager not yet in place. To ensure that robust financial planning and management is continued it is proposed that the existing support arrangement is formalized for a 2 year period and that the interim deputy S151 arrangements are also made permanent.</p>

Code & Title AR-LD Legal & Democratic
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Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	AR-LD_027 That all organisations with which there are exchange of information arrangements should be listed and suitable	2	Head of Corporate Resources; Head of Policy & Transformation	<div><div>20%</div></div>	30-Jun-2011	Information Security 2010/11	29-Nov-2010 This is linked to recommendations AR-C_056 and AR-C_057.



Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	standard agreements put in place.						
	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	<div><div>0%</div></div>	31-Dec-2011	Licensing 2011/12	<div>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.</div> <div>26-Aug-2011 Budget constraints could be the deciding factor but other avenues will be investigated.</div>
	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)	2	Democratic Services Manager	<div><div>0%</div></div>	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
	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	<div><div>50%</div></div>	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 amendment to existing codes of conduct.	2	Legal Services Manager	<div><div>0%</div></div>	31-Dec-2011	Register of Gifts/Hospitality & Disclosure of Interests 2011/12	<p>05-Apr-2012 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 Shares Services Managers</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							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	<div><div>95%</div></div>	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-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><div>88%</div></div>	31-Mar-2011	Annual Governance Statement June 2010	<p>13-Jul-2012 The following milestones have now been completed:-</p> <p>2. Address need to reduce medium term revenue budget- This will be done by Medium term financial strategy and the overall savings programme.</p> <p>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 completed. 3 outstanding actions are</p> <p>1. Grants protocol & procedure to be agreed</p> <p>2. Address need to reduce medium term revenue budget</p>

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
							3. Improve risk management on partnership working
							07-Apr-2011 4 out of 9 milestones set for this action have been completed.
							06-Jul-2010 All actions in progress.
	AR-PP_057 That, to provide a comprehensive overview of the role and responsibilities of the Council as a whole, a general induction document is introduced.	2	HR Manager	<div><div>30%</div></div>	31-Mar-2011	HR Management : Recruitment 2010/11	06-Jul-2011 6- July-2011 “e-induction” project to be completed by 31 12 11.
							13-Aug-2010 Recommendation not accepted, pending further review of induction process, and possible use of “e-induction” for this type of information, rather than a document.
	AR-PP_069 All Managers are reminded that they should monitor personal calls made by employees using CBC mobile phones. The calls should be identified, verified and costs	2	Director of Resource and Transformation	<div><div>0%</div></div>	31-May-2011	General Tax Issues 2010/11	21-Jul-2011 Reminder of policy on acceptable use of Council-provided phones included in corporate information section of Latest Word on 1 July 2011.

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	recorded.						Separate note still required for Managers with staff who have council mobiles to review usage and agree re-imbursement.
	AR-PP_070 Managers ensure that the Payroll Officer is informed of any deductions that are required for personal calls in a timely manner. This must be the next available pay date from when the Vodafone invoice is received.	2	Director of Resource and Transformation	<div><div>0%</div></div>	31-May-2011	General Tax Issues 2010/11	
	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><div>0%</div></div>	30-Jun-2012	Payroll 2011/12	10-Apr-2012 Availability of appropriate report from 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.
	AR-PP_076 The monthly reconciliation made between the current and previous months gross pay by department should	2	HR Manager	<div><div>0%</div></div>	30-Jun-2012	Payroll 2012/13	10-Apr-2012 Availability of appropriate report from Sage to simplify reconciliation of gross pay

Status Icon	Action Code & Title	Priority	Managed By	Progress Bar	Due Date	Description	All Notes
	be reintroduced to ensure that all changes have been input accurately and in full.						month-to-month to be discussed with Sage UK. Extension of checks on Payroll Officer's work by HR staff to be explored.

AUDIT PERFORMANCE INDICATORS – 1 APRIL 2012 TO 30 JUNE 2012

Input measures

Note	Indicator	2012/13 Target	2012/13 Actual to date
1	Cumulative days provided	601	150
	% of audit plan days provided – cumulative year to date	25%	25%
2	Days provided this quarter	150	150
	% of audit plan days provided – this quarter	100%	100%

Output measures

Target	Actual
Complete 95% of audit plan by 31 March - fundamental system audits	Only 2 of these 12 audits are usually started in Q1 (capital accounting and final accounts process).
Complete 95% of audit plan by 31 March – non-fundamental system audits	<p>4 of 19 audits have been completed in relation to 2012/13 audit plan. 1 draft report awaiting response – Commercial/Bulky waste collection income.</p> <p>Approximately 20 days used in completing 2011/12 audits, mainly Information Security follow up (draft issued, awaiting response).</p>

Notes

- 1 601 days target based on 95% of 633 total days in plan. 150 days provided representing 25% 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 1, 150 days were provided.