

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

9th June 2008

RECOMMENDATION TRACKER

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Head of Financial Services

1. SUMMARY

1.1 To present a summary of progress to date against the previously selected audit report “priority one” recommendations.

2. RECOMMENDATION

2.1 The Audit Board is recommended to:

- Review the “priority one” recommendations detailed in Appendix A.
- Agree any necessary action and reporting process.

3. BACKGROUND

3.1 Following completion of an audit review, recommendations are made to assist Heads of Service and Managers to improve their operational effectiveness. Each recommendation is included in a final report and is prioritised based on the following matrix:

Priority 1: Recommendations that are **fundamental** to improving the controls within the system.

Priority 2: Recommendations that are **important** to improving the controls within the system.

Priority 3: Recommendations that are **desirable** to improving the controls within the system.

Prioritising recommendations enables Heads of Service and Managers to implement recommendations based on importance, in order to improve control within their systems and processes.

3.2 Heads of Service and Managers are contacted on a quarterly basis and an update is requested on each key “priority one” recommendation included on their audit reports. Progress is monitored along with any action completed.

4. RECOMMENDATION TRACKER REPORT SUMMARY

4.1 Attached in Appendix A is a summary of 16 key “priority one” recommendations that have been reported since 1st April 2006. The summary report includes the following information:

- Audit Review Title;
- Service Area;
- Final Report Date;
- Recommendation;
- Due Date; and
- Current Position.

4.2 From the 16 recommendations:

- Seven have been implemented;
- Six are ongoing and within the target date originally agreed or rescheduled; and
- Three are ongoing but are outside the target date.

For the three recommendations that are outside target but ongoing, progress is being regularly monitored.

5. FINANCIAL IMPLICATIONS

5.1 None outside existing budgets.

6. LEGAL IMPLICATIONS

6.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2006 to “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”.

7. COUNCIL OBJECTIVES

7.1 Council Objective 02: Improvement.

8. RISK MANAGEMENT

8.1 The main risks associated with the details included in this report are:

- Non-compliance with statutory requirements.
- Ineffective Internal Audit service.
- Lack of an effective internal control environment.

8.2 These risks are being managed as follows:

- Non-compliance with statutory requirements:

Risk Register: Financial Services

Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

- Ineffective Internal Audit service:

Risk Register: Financial Services

Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

- Lack of an effective internal control environment:

Risk Register: Financial Services

Key Objective Ref No: 3

Key Objective: Efficient and effective Internal Audit service

8.3 Service specific improvements and actions are also monitored as part of each individual service risk register.

9. **CUSTOMER IMPLICATIONS**

9.1 No customer implications.

10. **EQUALITIES AND DIVERSITY IMPLICATIONS**

10.1 No equalities and diversity issues.

11. **VALUE FOR MONEY IMPLICATIONS**

11.1 Although there are no obvious value for money implications, implementing recommendations should improve the Council's overall control environment.

12. **OTHER IMPLICATIONS**

Procurement Issues: None
Personnel Implications: None
Governance/Performance Management: Effective governance process.
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

13. **OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (Services)	No

Executive Director - Partnerships and Projects	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

14. WARDS AFFECTED

14.1 All Wards are affected.

15. APPENDICES

15.1 Appendix A: Recommendation Tracker Report.

16. BACKGROUND PAPERS

16.1 None.

CONTACT OFFICER

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Recommendation Tracker Report

Appendix A

Priority 1 Audit Recommendations – Current Status

Current Position Key:

GREEN	Recommendation implemented
AMBER	Work currently ongoing
RED	Work yet to start

No.	Audit Title	Recommendation	Due Date	Current Position
1	CCTV System (Culture and Community Services) Final Report Issued: 14 th September 2006	<u>CCTV Code of Practice</u> We recommend that the CCTV Code of Conduct be formally approved and adopted.	Nov. '06	<u>GREEN</u> The Council's RIPA Policy has been and adopted and all staff have received the appropriate training / refresher sessions. The annual review is currently being completed. No further Action required.

No.	Audit Title	Recommendation	Due Date	Current Position
2	<p>Data Protection (Legal and Democratic Services)</p> <p>Final Report Issued: 3rd October 2006</p>	<p><u>Retention of Documents</u></p> <p>We recommend that staff be reminded to ensure regular housekeeping is carried out in all areas to ensure data is not held for longer than is necessary and is disposed of in a secure manner.</p>	Jan 07	<p><u>GREEN</u></p> <p>Information Management audit has been completed and the report is with the Head of E-Government and Customer Services. A document Retention schedule has been created and can be found on the Intranet (Corporate > Making Information Manageable > Documentation Retention schedule)</p>
3	<p>Development Control (Planning and Environment Services)</p> <p>Final Report Issued: 30th November 2006</p>	<p><u>Planning Enforcement Procedures</u></p> <p>We recommend that workable procedures should be agreed and written which conform to the Enforcement Concordat Good Practice Guide.</p> <p>We also recommend that when agreed the Policy should be publicised where appropriate as per the above guide.</p>	Mar 07	<p><u>AMBER</u></p> <p>The draft policy and procedure document has been written and reviewed by the Head of P & E and the Legal Department.</p> <p>Comments have been received back but no further work has been allocated</p> <p>New date; N/A – ongoing</p>

No.	Audit Title	Recommendation	Due Date	Current Position
4	<p>Section 106 (Corporate)</p> <p>Final Report Issued: 15th January 2007</p>	<p><u>Procedures</u></p> <p>We recommend that a clear procedure for dealing with and managing Section 106 Agreements is written.</p> <p>The procedures should clearly document all stages of the process including the implementation and monitoring of agreements.</p> <p>You should refer to the Planning Obligations: 'Practice Guide and research other local authority' procedures for further guidance.</p>	Apr. '07	<p><u>AMBER</u></p> <p>Due to a vacancy within the Accountancy section, there has been a delay in producing the procedure. This role has since been reallocated</p> <p>New date: June 08</p>
5	<p>Housing Enabling Service (Planning and Environment Services)</p> <p>Final Report Issued: 2nd October 2006</p>	<p><u>Procedures</u></p> <p>We recommend that the action plan arising from the Audit Commission Strategic Housing Services July 2006 inspection report is implemented as soon as possible.</p> <p>As most homelessness related activities have been outsourced to BDHT, it is imperative that the action plan includes procedures for processes that are the responsibility of BDHT. Officers from BDC should consult with representatives of BDHT when compiling procedures for those activities undertaken by BDHT.</p>	Apr. '07	<p><u>AMBER</u></p> <p>Implementation of procedures is in progress but will take a few weeks to be fully operational.</p> <p>New date: July 08</p>

No.	Audit Title	Recommendation	Due Date	Current Position
6	NNDR (Financial Services) Final Report Issued: 22 nd February 2007	<p><u>Billing Procedures</u></p> <p>We recommend that a clear documented procedure for billing is established which should not just focus on the input of data into academy.</p>	Jun. '07	<p><u>AMBER</u></p> <p>An online procedure manual has been made available. However, a full internal procedure manual still needs to be collated.</p> <p>Work has commenced in Nov 07 on the internal procedure manual and is ongoing.</p> <p>New date: July 08</p>
7	NNDR (Financial Services) Final Report Issued: 22 nd February 2007	<p><u>Bill Suppressions</u></p> <p>We recommend that an adequate documented process for dealing with suppressed accounts is established.</p> <p>The process should include:</p> <ul style="list-style-type: none"> - the level of detail to be recorded on the NNDR system to support the suppressed bill; - adequate review process to ensure suppressed accounts are subject to a regular review; - the process for monitoring suppressed accounts, including the use of report 6100e; and - authorisation levels where necessary. 	Jun. '07	<p><u>AMBER</u></p> <p>Authorisation levels to suppress accounts has been reviewed and updated.</p> <p>Work is ongoing to clear bill suppressions.</p> <p>New date: July 08</p>

No.	Audit Title	Recommendation	Due Date	Current Position
8	CCTV – Lifeline System (Culture and Community Services) Final Report Issued: 18 th June 2007	<p><u>Lifeline Procedures</u></p> <p>We commend the work that has been completed in collating the new procedure manuals.</p> <p>However, we recommend that the new procedure manuals are agreed and adopted as soon as possible to ensure a consistent and high level of service delivery.</p>	Jul. '07	<p><u>GREEN</u></p> <p>Procedure manuals have been agreed, adopted and all members of staff have received appropriate training.</p>
9	Council Tax System (Financial Services) Final Report Issued: 16 th May 2007	<p><u>Arrears Reports</u></p> <p>We recommend that problems regarding the arrears reporting are investigated. Appropriate action should be taken to obtain adequate monitoring reports.</p>	Aug.'07	<p><u>GREEN</u></p> <p>Training has been completed by the Senior Revenues and Recovery Officer who is now able to produce ad-hoc reports using Academy Decision Support (ADS)</p>

No.	Audit Title	Recommendation	Due Date	Current Position
10	<p>Benefits (Financial Services)</p> <p>Final Report Issued: 5th April 2007</p>	<p><u>BACS Transmission</u></p> <p>We recommend that a separate BACS authorisation card be obtained for Revenue and Benefits.</p> <p>This card should be:</p> <ul style="list-style-type: none"> - specific to one member of staff with a deputy; - only allow access to the Revenue and Benefits BACS files; and - stored securely. 	Sep.07	<p><u>GREEN</u></p> <p>Separate cards have been obtained for Accountancy, Revenues & Benefits and Payroll.</p> <p>Accountancy and Revenues & Benefits cards were registered with BACs 28th December 2007 and are in use.</p> <p>Payroll is moving over to Redditch in April 2008 – therefore the card has not been registered.</p>
11	<p>CCTV – Lifeline System (Culture and Community Services)</p> <p>Final Report Issued: 18th June 2007</p>	<p><u>Lifeline Training</u></p> <p>We recommend that once the new procedures are adopted, staff are fully trained on the new processes.</p> <p>Refresher training should also be completed as and when required.</p>	Sep. 07	<p><u>GREEN</u></p> <p>As point 8, new procedures have been created and implemented and all staff have received appropriate training.</p> <p>CCTV and Lifeline Manager spends a lot of time in the CCTV room providing refresher training on a 1-2-1 basis.</p>

No.	Audit Title	Recommendation	Due Date	Current Position
12	<p>Disabled Facilities & Improvement Grants (Planning and Environment Services)</p> <p>Final Report Issued: 25th October 2007</p>	<p><u>Work Not Undertaken by Original Contractor</u></p> <p>We recommend procedures to be followed when original contractors are unable to undertake the work are clearly documented. The procedures should detail:</p> <ul style="list-style-type: none"> - accepted circumstances for being unable to carryout the work i.e. workload, bankruptcy, etc.; - confirmation in writing required on the contractor's official paperwork; and - agreements with the new contractor made official and the change recorded. <p>We further recommend that when written the policy should be made available to all applicants, agents and contractors as appropriate.</p>	Nov. '07	<p><u>GREEN</u></p> <p>This recommendation is confirmed as completed</p>

No.	Audit Title	Recommendation	Due Date	Current Position
13	<p>Disabled Facilities & Improvement Grants (Planning and Environment Services)</p> <p>Final Report Issued: 25th October 2007</p>	<p><u>System Reports</u></p> <p>We recommend that a review of the M3 system be completed that identifies a full list of potential reports that can be used to aid the section and inform management decision. Examples of reports include:</p> <ul style="list-style-type: none"> - new grant applications; - approval decision dates; - approved grant amounts; - work commenced dates; - work completed dates; - payments made or outstanding; and - payments over approved amounts. <p>Once a list of reports has been identified, we recommend that a timetable be created that details:</p> <ul style="list-style-type: none"> - who produced the report; - when and how often the report is produced; - who received the report; and - any action required. 	Nov. '07	<p><u>AMBER</u></p> <p>The information on the M£ system is identified by codes ie;</p> <ul style="list-style-type: none"> - 0000 procedure started - L20 Application received - 414 Grant approvals <p>The codes have been identified by the Acting Private Sector Housing Team Leader which will provide meaningful reports for both monthly monitoring and PI information.</p> <p>However due to computer system enhancements currently taking place reports are not being run regularly but have been produced from the test system.</p> <p>New date: September 08.</p>

No.	Audit Title	Recommendation	Due Date	Current Position
14	<p>Web Development / Updates (E-Government and Customer Services)</p> <p>Final Report Issued: 24th August 2007</p>	<p><u>Policies and Procedures</u></p> <p>We recommend that you develop clear policies and procedures which effectively govern the management and operation of the Internet and Intranet site.</p>	Nov. '07	<p><u>AMBER</u></p> <p>Compilation of policies and procedures is on-going. The delay in completing the action is due to a vacancy within the department.</p> <p>New date: June 08</p>
15	<p>Enforcement (Planning and Environment Services)</p> <p>Final Report Issued: 17th August 2007</p>	<p><u>Planning Enforcement Policy</u></p> <p>We recommend that a policy is written and adopted that sets out, in line with the Concordat Principles, the service standards that will be applied.</p> <p>We further recommend that once the policy has been adopted, all officers in the enforcement section should be made aware of its existence and purpose.</p>	Dec. '07	<p><u>AMBER</u></p> <p>A Draft Policy has been written by the Senior Enforcement Officer and was submitted to Head of P & E Services and the Legal Department for comments at the end of October.</p> <p>Comments have been received back but no further work has been allocated.</p> <p>New date: N/A – ongoing.</p>

No.	Audit Title	Recommendation	Due Date	Current Position
16	Budgetary Control System (Financial Services) Final Report Issued: 9 th May 2007	<p><u>Accountancy Procedures</u></p> <p>We recommend that an Accountancy Procedure Manual be created and distributed to all staff.</p> <p>The manual should include:</p> <ul style="list-style-type: none"> - aspects of the budget setting and monitoring process; and - all relevant operations fulfilled by the section. 	Mar. '08	<p><u>AMBER</u></p> <p>Work has been completed on collating a full task list of Accountancy roles and responsibilities.</p> <p>Work has started on allocating tasks and preparing procedure manuals for the relevant areas.</p> <p>New date: N/A – ongoing</p>
