

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

RECOMMENDATION TRACKER

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

1. SUMMARY

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

2. RECOMMENDATION

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 7 key “priority one” recommendations that have are ongoing since initially reported. 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 7 recommendations:

- Five are ongoing and within the target date originally agreed or rescheduled; and
- Two are ongoing with no specific date established.

For the two recommendations that are ongoing, progress is being regularly monitored.

5. FINANCIAL IMPLICATIONS

None outside existing budgets.

6. LEGAL IMPLICATIONS

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

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**

No customer implications.

10. **EQUALITIES AND DIVERSITY IMPLICATIONS**

No equalities and diversity issues.

11. **VALUE FOR MONEY IMPLICATIONS**

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

All Wards.

15. APPENDICES

Appendix A: Recommendation Tracker Report.

16. BACKGROUND PAPERS

None.

CONTACT OFFICER

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Recommendation Tracker Report

Priority 1 Audit Recommendations – Current Status

Current Position Key:

AMBER	Work currently ongoing
RED	Work yet to start

No.	Audit Title	Recommendation	Due Date	Current Position
1	Development Control (Planning and Environment Services) Final Report Issued: 30 th November 2006	<u>Planning Enforcement Procedures</u> We recommend that workable procedures should be agreed and written which conform to the Enforcement Concordat Good Practice Guide. We also recommend that when agreed the Policy should be publicised where appropriate as per the above guide.	Mar 07	<u>AMBER</u> The draft policy and procedure document has been written and reviewed by the Head of P & E and the Legal Department. Comments have been received back but no further work has been allocated New date; N/A – ongoing

No.	Audit Title	Recommendation	Due Date	Current Position
2	<p>Housing Enabling Service and Environment Services (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.</p> <p>New date: October 2008</p>
3	<p>NNDR (Financial Services)</p> <p>Final Report Issued: 22nd February 2007</p>	<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>The internal procedure work is ongoing and all Revenues staff are involved in the process.</p> <p>New date: December 08</p>

No.	Audit Title	Recommendation	Due Date	Current Position
4	<p>NNDR (Financial Services)</p> <p>Final Report Issued: 22nd February 2007</p>	<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>The Support and Reconciliation Officer will commence this work at the beginning of September</p> <p>New date: December 08</p>
5	<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: December 08</p>

No.	Audit Title	Recommendation	Due Date	Current Position
6	<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>	<p>Dec. '07</p>	<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 this policy will be the responsibility of new Principal Officer within Enforcement (as part of restructure planned to be effective from April 2008).</p> <p>New date: Sept 09</p>

No.	Audit Title	Recommendation	Due Date	Current Position
7	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>