

**Internal Audit Plan 2013/14**

**Progress to the end of Quarter 2 – 2013/14**

**Chief Executives Directorate**

The following areas have been completed in quarter 2

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Print Room	B	Adequately controlled	0	3	0	0

The main issues arising from the above review can be summarised as follows;

**Print Room** – the main objectives from this review were to ensure that;

- the ordering of stock is done so in accordance with the Council’s Financial Regulations and that best value is achieved;
- stock levels are reasonable and that all stock can be accounted for;
- adequate security arrangements are in place for the Print Room;
- all printing work is appropriately requisitioned and documented;
- all external work is appropriately authorised and is carried out in accordance with the Council’s regulations;
- work is logically and efficiently scheduled;
- all work is appropriately charged and that the relevant sections are recharged accordingly;
- adequate maintenance agreement arrangements are in place;
- all relevant risks have been identified and recorded accordingly.

Overall controls were found to be operating well, however a number of recommendations were made with a view to improving current processes, these can included;

- undertaking a stock take on a quarterly basis
- Making an electronic form available on the Intranet, which would act as a cost checker for clients
- ensuring that all outstanding health and safety risk assessments are completed and then reviewed on an annual basis

**Resources and Support Services Directorate**

**Areas completed in Quarter 2 of the 2013/14 Audit Plan**

The following areas have been completed in quarter 2

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Human Resources – Attendance Management	A	Less than adequately controlled	1	1	1	3
National Fraud Initiative	A	Adequately Controlled	0	3	0	3

The main issues arising from the above audits can be summarised as follows;

**Human Resources – Attendance Management**, the main objectives for this review are to ensure that;

- the Council has an approved, up-to-date Attendance Management Policy;
- the correct absence process has been consistently followed for all employees;
- all documentation has been correctly completed and has been promptly forwarded to Human Resources.
- management receive timely attendance management information and this is acted upon where required.

As a result of the findings from this review a number of recommendations were made, these can be summarised as follows;

- All relevant personnel should receive refresher training to remind them of their responsibilities with regards to Absence Management.
- All relevant personnel should be asked to forward all Absence Management Documentation to Payroll electronically, rather than manually, or through the post

**National Fraud Initiative** – the main objectives of this review are to ensure that all identified cases had been completed, or were in progress.

In summary it was found that;

- 23 reports (56.10%) had been fully completed, i.e. there were no unopened cases.
- 18 reports (43.90%) still had cases unopened, of which:
  - 15 reports (36.59%) had 100% of cases unopened.
  - 2 reports (4.88%) had between 50% and 100% of cases unopened.
  - 1 report (2.44%) had less than 50% of cases unopened.

As a result of these findings, recommendations were made to the relevant departments for work to be undertaken on the outstanding cases to ensure that the data matching exercise was completed within the prescribed timescales.

## **Operational Services**

### **Areas completed in Quarter 2 of the 2013/14 Audit Plan**

The following areas have been completed in quarter 2

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Jubilee 2	B	Adequately Controlled	0	3	6	9
Kidsgrove Sports Centre	B	Adequately Controlled	0	3	4	7
Allotments	B	Well Controlled	0	0	5	5
Waste Management Services	B	Adequately Controlled	0	2	3	5

The main issues arising from the above audits can be summarised as follows;

**Jubilee 2 and Kidsgrove Sports Centre**- the main objectives for both these reviews were to ensure that;

- procedural guidance is issued to staff with regards to the operations at the centres,
- all banking procedures and financial records could be validated.
- gym memberships are managed in line with procedure
- processes in respect of swimming lessons are operating correctly
- corporate procedures are followed for both course booking and group hiring of leisure facilities. That any current promotions are actively advertised.
- controls are in place and operating adequately in respect of saleable stock
- corporate responsibilities including Health and Safety and Information Security are addressed.

As a result of reviewing the objectives above a number of issues were identified that resulted in recommendations being made in respect of both centres, these recommendations are designed to help improve the service and can be summarised as follows;

- system procedures should be completed in full at the earliest opportunity and stored centrally along with current forms, in order that all staff have access to up to date information and documentation
- an escalation process for the recovery of outstanding debt in respect of defaulting DD members (following first notification) should be devised and implemented to ensure that contracted members fees are collected in full, following premature membership cancellation
- A reconciliation process for saleable stock items should be implemented at the earliest opportunity whereby till sales are reconciled to reductions in stock
- All membership documentation should be checked to ensure that;
- Membership type is stipulated
- PARQ forms are completed and signed by both member and NULBC official in all cases
- Induction sheets are completed and signed in all cases
- Induction fees should be charged in all cases where applicable and recorded on the Gladstone system
- All operational risks recorded on the GRACE risk management system which are overdue for review should be reviewed at the earliest opportunity and in line with risk management policy in future
- Health and Safety Risk assessments on the Target 100 system should be reviewed with the Health & Safety Officer as in some cases it is unclear whether the review date refers to the last review or the next due review. Any outstanding RAs should be reviewed immediately

**Allotments** - the main objectives for this review are to ensure that;

- appropriate procedural guidance is available;
- only those who have completed the relevant application forms have been allocated a plot;
- all money due to the Council is correctly calculated, recorded and received;
- measures are taken to fill vacant allotment plots;
- the plots are maintained to the standards expected of the 'owners'; and
- performance is monitored, discussed and rectified where necessary.

It was acknowledged as part of the audit that there was currently an ongoing review in relation to the provision of Allotments throughout the Borough. As a result of the audit the following recommendations were made;

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- Upon completion of the Allotments Review, detailed documented procedures should be created that cover all aspects of the processes in place
- Where a concession has been entered into with a tenant, thus giving a reduced rent, evidence should be held alongside the tenancy agreement and tenant checklist. This should be requested and updated on an annual basis for the concessions for unemployed tenants
- The tenant checklist that supports the agreement should be updated to allow a field to be completed identifying whether the tenant is to claim a concession
- It should be considered that keys are only sent to a new tenant upon receipt of first payment. As such once a signed agreement has been received the Council's debtors department should be informed. Monitoring can be undertaken on the Civica debtors system by Allotment staff to identify whether payment has been made
- It should be reviewed as to the reasons why allotment tenants have not been invoiced by the debtors department despite notifications being sent

## **Waste Management Services** - the main objectives for this review are to ensure that;

- contracts have been awarded in accordance with Standing Orders and Financial Regulations
- a time recording system is in place for the recycling and waste collection operatives, which is completed, authorised and monitored, in order to ensure that the service is operating efficiently.
- the Council has an up-to-date Waste Management Strategy, which is reviewed on a regular basis
- procedures are in place to ensure that work is performed to a set standard and to correct any shortfalls in performance.
- equipment used within the function is securely maintained.
- vehicle usage is monitored appropriately and in accordance with the Council's guidelines.
- there are adequate management procedures in place to operate the service.
- procedures exist to monitor the expenditure against the budget and that regular management reports are produced.
- there were adequate controls in place to protect the ICT equipment used within the function from misuse/damage.
- performance indicator data is collated and reported accurately.
- risk assessments are up-to-date and have been received by the Corporate Health and Safety Officer and that adequate insurance cover exists.
- stocks and stores are securely held, with a suitable stock control system in place.
- the recycling and waste collection service has been adequately promoted, that educational activities are carried out and that customer feedback is sought and provided.
- the assisted collection scheme is properly monitored, with only bona fide customers using this facility.
- adequate procedures and processes are in force with regards to the Waste Transfer Station.
- customers have been billed in accordance with the Council's Scale of Fees and Charges.

The findings and recommendations from this review can be summarised below;

- Mitrefinch should be used to record start and finishing times for all Council employees within Waste and Recycling services. Where entries are missing, these should be reviewed and approved on the system by the appropriate line manager at least fortnightly. The Streetscene Manager, Operations and Performance should be given access / advice to monitor Mitrefinch clockings.

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- Stock reconciliations for recycling hardware and bin containers held at the depot should be undertaken at least quarterly. The stock take should include stock brought forward, stock received; stock issued and be subsequently verified physically to stock on hand (it is acknowledged that stock issues can only be accurately monitored when CRM information is fully available).
- Upon completion of the exercise to update the new CRM system with details of assisted bin collections, a full review of clients who have not been assessed in the past 12 months should be undertaken.
- The 'bulky collections' page of the Council's website should be reviewed to ensure that advertised charges are in line with those approved in the Council's scale of fees and charges
- Outstanding Health and Safety and CPC training should be provided to relevant staff at the earliest opportunity

**Park Attendants** – the main objectives of this review were to ensure that;

- A Park Attendant was on duty at the park.
- Receipt books were in use at the Park and had been issued to all paying customers.
- All charges were made in accordance with the Council's Scale of Fees and Charges.
- Daily takings were securely stored in a locked receptacle and are collected on a regular basis by the Senior Rangers.
- an inventory was held, in relation to the Westlands Sports Ground.

All controls were found to be operating well and there was just one recommendation arising from this review which related to the completion of an inventory.

**Corporate Reviews**

These are audit reviews that cut across all Service Areas, as such Audit Briefs go out to all Executive Directors, Corporate and Service Managers and reporting is done on an individual service level in order to retain confidentiality of the issues identified.

**Areas completed in Quarter 2 of the 2013/14 Audit Plan**

The following areas have been completed in quarter 2

Audit Area	Risk Category	Level of Assurance	Number of Recommendations and Classification			Total
			High	Medium	Low	
Performance Management	A	Well controlled	0	4	0	4
Mileage Travel & Subsistence	B	Adequately Controlled	0	2	1	3

The main issues arising from the above audits can be summarised as follows;

**Performance Management** - the main objectives of this review was to ensure that;

- all performance indicators have been received within the specified time limit
- variances in the analytical review are in line with expectations given our knowledge of the Authority and this performance indicator
- the performance indicator is calculated and recorded correctly
- the correct definition has been used in the calculation of the performance indicator
- the performance indicator is derived from a system and formal records of the Authority

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- the performance indicator is easily identifiable/is numbered, and a definition is in place
- there is evidence that the indicator submitted has been checked for accuracy/reasonableness by the Policy and Performance team
- To ensure all working papers are attached to the Performance Indicator return. Where they are missing, they have been chased by the Policy and Performance team
- the Performance Indicator return has been signed and dated where indicated
- the systems and processes have been adequately described on the Performance Indicator return, and this has been checked by the Policy and Performance Team
- all guidance boxes have been completed by the relevant service area, and this has been checked by the Policy and Performance Team
- any amendments to Performance Indicators are accepted only within a prescribed deadline, and are documented in full
- where problems/queries exist relating to current indicators, there is assurance that a plan is in place to resolve the queries for the following year

On the whole it was found that controls were operating well and no major issues identified. Only a small number of recommendations were made which related to reminding officers of the need to submit data within the prescribed timescales and ensuring that all indicators are calculated accurately and in accordance with their definitions.

**Mileage Travel and Subsistence** - the main objectives of this review was to ensure that;

- All claims for travel and subsistence are made in accordance with the Councils Financial Regulations in that;
- All claims are arithmetically correct and correctly authorised
- All journeys undertaken are logical and appropriate
- All claims are submitted within the appropriate timescale
- All claims are submitted with the appropriate receipts
- In the case of Post Entry Training expenses that the appropriate agreement has been signed in respect of fees being repayable upon leaving employment of the council
- drivers have adequate insurance cover for business use.
- policies and procedures are in place covering the rules governing travel and subsistence.

The issues and recommendations that arose from this report can be summarised as follows;

- to ensure that all current insurance documentation, MOT Certificates and Driving Licenses are held by the Council for any employee who makes a travel and subsistence claim when using a private vehicle
- The travel and subsistence claim procedure should be refined so as to allow for scanned copies of receipts to be attached to the electronic claim form that is forwarded to the employee's line manager and subsequently the payroll department
- when claim forms are completed the destinations should be clearly stated so that routes can be verified. If multiple routes have been taken ensure that supporting evidence is attached

### **Note on recommendations**

*Recommendations fall into one of three categories;*

**High (H):** *action that is considered imperative to ensure that the authority is not exposed to high risks;*

**Medium (M):** *action that is considered necessary to avoid exposure to significant risks;*

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**Low (L):**

*action that is considered desirable and which should result in enhanced control or better value for money.*

Classification: NULBC **UNCLASSIFIED**