Rossendalealive
BOROUGH COUNCIL

Subject:	Internal Audit Recommendation Log	Status:	For Publication		
Report to:	Audit and Accounts Committee	Date:	18 March 2014		
Report of:	Head of Internal Audit	Portfolio Holder:	Finance and Resources		
Key Decision:	☐ Forward Plan ☐	General Exception ☐		Special Urgency	☐
Community Impact Assessment:	Required:	No	Attached:		No
Biodiversity Impact Assessment	Required:	No	Attached:		No
Contact Officer:	Ian Rushworth Audit Manager	Telephone:	01772 534779		
Email:	ian.rushworth@lancashire.gov.uk				

1.	RECOMMENDATION(S)
1.1	The Committee is asked to consider the internal audit recommendation log for the period to 28 February 2014.

2. PURPOSE OF REPORT

2.1 To present the internal audit recommendation log as at 28 February 2014.

3. CORPORATE PRIORITIES

3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **Responsive Value for Money Services**: This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
- **Clean Green Rossendale**: This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition

4. RISK ASSESSMENT IMPLICATIONS

4.1 This report is provided for information and to support the Audit and Accounts Committee's role in relation to risk management.

5. BACKGROUND AND OPTIONS

5.1 In the context of fulfilling its responsibility to monitor the adequacy and effectiveness of the internal audit service, and to review internal audit reports, the Committee is asked to consider the outstanding internal audit recommendations as at 28 February 2014.

5.2 The report, at Appendix A, provides a summary of the internal audit recommendations raised during 2012/13 and any previously raised recommendations that remain outstanding.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Any financial implications are commented upon in the report.

7. **MONITORING OFFICER**

7.1   Any legal implications are commented upon in the report.

8.   HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

8.1   No Human Resource implications.

9.   CONSULTATION CARRIED OUT

9.1   Reported findings have been discussed and agreed, including management responses to the recommendations, with respective service managers and heads of service prior to reporting.

10.   CONCLUSION

10.1   Management progress with implementing our internal audit recommendations is satisfactory.

No background papers

Internal Audit recommendation tracking log

1 Background

1.1 At the September 2013 Audit Committee a report was presented detailing the internal audit recommendations raised during 2011/12 but which remained outstanding from our follow-up work during 2012/13. It was agreed that these recommendations would be reviewed by management to assess if the agreed recommendations were still appropriate, particularly given the resource pressures facing the council, and an updated report presented back to the Committee in March. Outstanding recommendations will also be included in future annual audit reports.

1.2 We have discussed the outstanding recommendations with management and have updated the recommendations log which is included at Appendix A.

2 Key issues

2.1 The log includes 28 recommendations which were raised in 2011/12 but had not been implemented when we reviewed the recommendations in 2012/13. None of the outstanding recommendations were rated as high priority.

2.2 Of the 28 outstanding recommendations, 14 have either been implemented or are no longer deemed to be appropriate. For the outstanding recommendations revised deadlines have been provided and will be included in our future follow-up work.

2.3 The table below breaks down the number of recommendations and provides an overview of the progress being taken to implement the recommendations.

Audit description	Outstanding recommendations		Summary of current status
	Sept 2013	March 2014	
Accounts Payable 2011/12	2	1	Our 2013/14 audit is nearly complete and has found that from a sample of 25 orders, 9 were confirmation orders.
Accounts Receivable 2011/12	3	3	Our 2013/14 audit is nearly complete. The 3 recommendations were to be addressed as part of the review of the debt management policy scheduled for 2013/14. Our 2013/14 audit has found that these issues remain outstanding.

Asset management 2011/12 follow-up	10	8	Management have re-considered our recommendations and have decided that action is no longer appropriate for 2 of the recommendations. The remaining 8 are being considered as part of the review of the Asset Management Plan which is to be reviewed by the end of the year.
Information Governance 2011/12	7	2	The majority of the recommendations have been implemented. 2 recommendations remain outstanding and are scheduled to be implemented by June 2014. These relate to the approval of a revised ICT Security Policy and a training plan covering information governance.
Public Health 2011/12	8	N/A	The Public Health Lancashire (PHL) team for East Lancashire has now been established, although a detailed work plan has not been developed. These recommendations are no longer applicable as RBC has no plans for developing/implementing a health profile/health and wellbeing strategy separately to PHL. These recommendations are therefore treated as closed.

Appendix A - Rossendale Borough Council recommendations log: All previously reported outstanding recommendations

Plan year	Review area	Assurance level	Recommendations	Risk rating	Responsible officer and implementation date	Initial management response	Current status as at March 2014	Further action required
2011/12	Accounts Payable	Substantial	The duplicate payments report is run on a monthly basis and the identified refinements to the report are implemented as soon as possible.	Medium	Finance Manager - September 2012	Agreed – the report is now run monthly and the changes recommended should be in place by September 2012.	Recommendation not to be implemented	It has not been possible to develop a manageable and efficient process for identifying and checking potential duplicate payments. There are however, compensating controls which are deemed to be adequate.
			Ordering officers are provided with guidance regarding the circumstances when a confirmation order is/ is not acceptable. The use of confirmation orders should be monitored for appropriateness.	Medium	Exchequer Manager - from July 2012	Such instances are only apparent when the Exchequer officers are processing invoices, therefore the Exchequer Manager will monitor the situation. In addition:- A reminder instruction guide will be prepared and issued to all officers with access to the ordering system. The training process for new officers accessing the ordering system will be strengthened to emphasise the deterrence of this practice. Any repeat instances will be targeted for further training.	Not implemented	From our 2013/14 audit work - in a sample of 25 orders, 9 were found to be confirmation orders.
2011/12	Accounts Receivable	Substantial	As previously agreed, the debt management policy is reworded to reflect the Council's stance on charging interests on debts.	Medium	Finance Manager - 31 December 2012	Agreed.	Not implemented	The debt management policy will be updated at the next opportunity during 2013/14.
			The debt management policy is updated to reflect that the delegated authority limits for the Head of Financial Services to write off bad debts is now £5,000.	Low	Finance Manager - 31 December 2012	Agreed.	Not implemented	The debt management policy will be updated at the next opportunity during 2013/14.
			A minimum limit is agreed for the raising of debts. This debt management policy should be updated to reflect the limit and disseminated to applicable officers for reference.	Low	Finance Manager - 31 December 2012	Agreed.	Not implemented	The minimum limit for invoicing will be reviewed and updated in the debt management policy.
2011/12	Asset management - follow-up. [Original report finalised January 2011]	Original report - Substantial	Consideration is given to ensuring that the next time the plan is revised it is the final version that is submitted for approval.	Low	Property Services Manager - Summer 2011	Agreed.	Not implemented	MF to update the AMP (by 31/03/14). MF to discuss with SS if Cabinet approval require or officer delegation
			That a timetable/schedule is introduced to ensure that the CAMP is reviewed on an annual basis. A record should be maintained of the review.	Medium	Property Services Manager - Summer 2011	Agreed. A periodic review of the CAMP will be performed.	Not implemented	Delegation to Management (from the above). MF to prepare annual update
			The asset management plan is revised and updated as a matter of urgency to ensure it reflects the current operational practices within the Authority.	Medium	Property Services Manager - Summer 2011	Agreed. Changes will be incorporated into the CAMP at next review.	Not implemented	MF to incorporate any matters via 1 above (possible matters: V Centre, OSS, HSP, Stubblylee)
			That the format of the action plan is revised to facilitate the recording of progress and outcomes against planned actions. However, this will not be required if the actions are recorded on Covalent. See paragraphs 5.24 and 5.27 later in this report. Members are formally advised of the progress of the actions, at least on an annual basis.	Medium	Property Services Manager - Summer 2011	The action plan contained within the CAMP will be brought up to date and recorded on Covalent. Performance statistics recorded on Covalent are reported to members on quarterly basis.	Not implemented	MF to revise the actions as part of 1 above. Depending on the detail, we will consider the use of Covalent.
			The information from the systems link system is transferred onto the IPF asset management database at the earliest opportunity.	Medium	Property Services Manager - Summer 2011	Will be addressed immediately with a target of completing the exercise by Summer 2011.	Not implemented	JC to investigate using classification codes within the Civica General Ledger to link asset running costs to individual assets. Investigation work planned for autumn 2014 with a view to implementation from January 2015.
			Management ascertains what information is required from the CAMP, then utilises the management information on the system by scheduling regular reports and scrutinising the content.	Low	Property Services Manager - Summer 2011 ahead of the final accounts	Exercise will be undertaken to ascertain the key requirements of the CAMP and the information/data required to monitor action plan points. Reporting from the system will be established to fulfil these needs with a particular focus on the key council sites and leisure facilities.	Not implemented	Developments of the Civica system are unlikely for the forseeable future. JC to investigate the possibility of alternative ways of logging the CAMP data in such a way that progress can be monitored. This work is planned for autumn 2014.
			Vehicles, plant and equipment are included on the asset management database at the earliest opportunity.	Low	Head of Finance and Property Services - immediate	Point noted but will continue to use the existing spreadsheets for non-property assets.	Recommendation not to be implemented	Most vehicles, plant and equipment are included within the Civica Asset register, especially where thease are above the de-minimis £10k level. Items of equipment below this level are kept track of through departments responsible, eg Parks equipment and IT equipment. Because of the individual value of these items it is not appropriate to identify each separately within the Civica system. Replacements are funded from revenue budgets. Given control by D Heyes, not a top priority. This will not be actioned (03/03/14)
			Consideration should be given to including the CAMP actions on Covalent.	Low	Property Services Manager - Summer 2011	Asset management plan actions will be incorporated into Covalent and this will be used as a basis for monitoring and reporting performance against the actions	Not implemented	We will add if we consider that they warrant highlighting to the wider organisation. With this in mind any such actions will be included in the annual business plans as a consequence of the AMP update (31/03/14)

Appendix A - Rossendale Borough Council recommendations log: All previously reported outstanding recommendations

Plan year	Review area	Assurance level	Recommendations	Risk rating	Responsible officer and implementation date	Initial management response	Current status as at March 2014	Further action required
			Consideration should be given to establishing more formal performance indicators which should be managed using the IPF database and progress recorded on Covalent to ensure performance of the Council's assets is managed as efficiently and effectively as possible.	Medium	Property Services Manager - Summer 2011	Exercise will be performed to identify key drivers and performance KPI's and these will be monitored accordingly on Covalent.	Not implemented	Pis will be considered as part of the AMP update (31/03/14). If any material Pis are identified they will be included in the annual business plan and therefore included in Covalent.
			More emphasis is placed on the benchmarking information produced by CIPFA and acted upon promptly when received. Outcomes should be reported to the Executive Leadership Team with consideration also given as to whether the information is subsequently reported to members.	Medium	Finance Manager - November 2010 & Property Services Manager - March 2011	The CIPFA VFM benchmarking exercise for 2009/10 data was completed during October and November 2010. Evidence was properly collated and returned. Results will be received by the finance manager and then analysed and reported on by the property services manager in conjunction with the wider VFM benchmarking exercise for 2009/10 data, to the Overview and Scrutiny Committee.	Recommendation not to be implemented	Given the size of the property portfolio and recent consolidation, benchmarking is not deemed appropriate. As a side note we need to identify clearly those assets not currently contributing to Council (Kay st, liberal club/Valley Centre - albeit action plansw are in place for all these assets.)
2011/12	Information Governance	Limited	The council should establish an effective information governance framework based on best practice identified from the LGA Data Handling Guidelines.	Medium	Director of Business/ Head of Customer Services - Sept 2011	ICT Steering Group will undertake the Information governance role.	Implemented	
			The Executive Management Team should appoint a responsible officer as Senior Information Risk Owner with clearly defined roles and responsibilities.	Medium	Director of Business/ Head of Customer Services - Sept 2011	Director of Business to undertake role of SIRO, which has been confirmed by EMT. Roles and responsibilities have been defined and briefed to the SIRO.	Implemented	
			The roles and responsibilities of Information Asset Owners should be defined and allocated.	Medium	Director of Business - Sept 2011	IAO positions established and roles and responsibilities have been defined and briefed to the relevant personnel. EMT will assume the role of Information Asset owner for their respective service area.	Implemented	
			A group with clearly defined roles and responsibilities for information governance should be established.	Medium	Director of Business/ Head of Customer Services - Sept 2011	The ICT Steering Group to assume the role of Corporate Information Governance Group, and this has recently been agreed by the Steering Group. By including information governance within the remit of this existing Group prevents the creation of an additional group.	Implemented	
			Information asset owners should be tasked with the identification and initial assessment of the risks associated with the information systems and assets they are responsible for.	Medium	EMT will assume the role of Information Owner for their respective data sets. Ongoing	EMT will assume the role of Information Asset owner for their respective service area.	Implemented	
			The revised ICT Security Policy should be completed and a framework of standards, procedures and guidance should be developed to support the implementation of the council's information governance policies.	Medium	Head of Customer Services - July 2012 following predefined approval process.	The following policies have been revised: ICT security policy, Email & Internet acceptable use, Mobile phone, Code of Connection 4.1.	Not implemented	A revised ICT Security Policy is being developed and will be finalised by the end of June 2014.
			A training strategy should be implemented to support information governance both as a new development and as an ongoing requirement of the Council.	Medium	Director of Business - Ongoing	A training programme is currently being devised. In addition, SIRO will provide training documents details roles and responsibilities for IAO.	Not implemented	A training plan is being developed and will be reviewed by the SIRO by the end of June 2014.
			We recommend that the Council undertakes a review of the Health and Wellbeing Strategy and continues with the development of the corporate health and wellbeing action plan and incorporates this into the strategy once complete.	Medium	Director of Public Health - Public Health Lancashire (PHL), Lancashire County Council (LCC) PHL to be established as part of LCC by April 2012. Offer of staff to Districts to be developed by April 2012	Now that it is clear that Public Health responsibility will sit with Public Health Lancashire (hosted by LCC) it is appropriate for this action to be picked up by them. They have committed to developing an 'offer' to District Councils which would appear to include staff being accommodated with DCs. Following the findings in this report, we will feed back to them the importance of those resources being staff who can deliver projects on the ground. Thus the Health and Wellbeing Strategy will be developed by the Health and Wellbeing Board at County level and delivered by LCC as part of their statutory duty; and the practical delivery of that at the local level will be by LCC staff working in Districts.	No longer applicable	The Public Health Lancashire (PHL) team for East Lancashire has now been established, and will take responsibility for these areas. RBC will feed into any detailed PHL work plans.
			We recommend that roles and responsibilities are clearly documented including specific objectives and timescales for achieving these in order to improve clarity in roles, responsibility and accountability.	Medium	Director of Public Health - Public Health Lancashire (PHL), Lancashire County Council (LCC) PHL to be established as part of LCC by April 2012. Offer of staff to Districts to be developed by April 2012	Now that it is clear that Public Health responsibility will sit with Public Health Lancashire (hosted by LCC) it is appropriate for this action to be picked up by them. They have committed to developing an 'offer' to District Councils which would appear to include staff being accommodated with DCs. Following the findings in this report, we will feed back to them the importance of those resources being staff who can deliver projects on the ground. It is anticipated that specific objectives and timescales for achieving these will be developed in partnership between PHL and RBC.	No longer applicable	As above

Appendix A - Rossendale Borough Council recommendations log: All previously reported outstanding recommendations

Plan year	Review area	Assurance level	Recommendations	Risk rating	Responsible officer and implementation date	Initial management response	Current status as at March 2014	Further action required
2011/12	Public Health	Limited	We recommend that the Council establishes the operational resources available internally and, as the lead agency, obtains the commitments of all partner organisations in delivering the identified actions in respect of ongoing projects. In addition, the established action plan for the Alcohol RIG should be updated to include timescales for completion.	Medium	Director of Public Health - Public Health Lancashire (PHL), Lancashire County Council (LCC) PHL to be established as part of LCC by April 2012. Offer of staff to Districts to be developed by April 2012	Now that it is clear that Public Health responsibility will sit with Public Health Lancashire (hosted by LCC) it is appropriate for this action to be picked up by them. They have committed to developing an 'offer' to District Councils which would appear to include staff being accommodated with DCs. Following the findings in this report, we will feed back to them the importance of those resources being staff who can deliver projects on the ground. Thus the Health and Wellbeing Strategy will be developed by the Health and Wellbeing Board at County level and delivered by LCC as part of their statutory duty; and the practical delivery of that at the local level will be by LCC staff working in Districts. With regards to the RIG, following the confirmation from the Consultant in Public Health that it is not their role to project manage and deliver this project, this group has been disestablished. Instead, work to tackle alcohol related harm in Bacup town centre is now being co-ordinated by the Locality Manager from RBC as part of a wider partnership plan to tackle a range of issues in Bacup town centre, and work in two wards with high levels of alcohol related harm is being planned in for delivery by the Health Improvement Team who are employed by the NHS provider service in East Lancashire. This work has been further delayed by the loss of resources from that team. Actions around the former Alcohol RIG are being picked up as part of day to day delivery for the RBC Communities Team and the NHS EL Health Improvement Team.	No longer applicable	As above
			We recommend that documented health profile is regularly updated and potential actions towards addressing the issues identified are agreed and documented in an action plan as soon as possible.	Low	To be established by LCC. To be established by LCC	As part of the new proposals for PHL, the public health intelligence function will sit with PHL in LCC. It is anticipated that the PHL staff working in the Districts will be responsible for action planning and delivery.	No longer applicable	As above
			We recommend that a timescale for completion of the actions in the alcohol RIG action plan are appropriately assigned.	Low	Please see response to recommendation 3	Please see response to recommendation 3.	No longer applicable	As above
			We recommend that the Council identifies SMART targets and performance measures towards the achievement of health improvements and reduction in health inequalities and processes are put in place for the ongoing monitoring, management and reporting of performance.	Medium	Please see responses to recommendations 1 and 2	Please see response to recommendations 1 and 2. Performance management structures will be agreed between LCC and RBC when the staff are available to deliver.	No longer applicable	As above