

Rossendale Borough Council

Internal Audit Service

2015/16 audit year

**Outstanding recommendations report
covering the period to 29 February 2016**

1 Introduction

- 1.1 At the meeting on 29 September 2015 the Audit and Accounts committee requested details of actions outstanding. This report details the actions points required following an audit and the action points which remained outstanding at the point of a follow up.

2 Key issues

- 2.1 As reported on the 29 September 2015 the work we have done to follow up the actions agreed by management to improve several of the council's control systems indicates that progress on these is slower than managers anticipated, resulting in the need to agree revised dates for implementation. The table on the following pages highlights the outstanding actions.

3 Use of this report

- 3.1 This report has been prepared solely for the use of Rossendale Borough Council and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and, in particular, we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

Rossendale Borough Council recommendations log: 2015/16 previously reported outstanding recommendations

Asset management: Follow-up report – August 2015 Original report – October 2014 – limited assurance				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
Action 1 Guidance will be developed which clearly states the duties and responsibilities relating to the management and administration of lettings.	Medium	Property Services Manager	Implemented.	Guidance is available as at August 2015.
Action 2 The review of the Asset Management Plan (AMP) will be completed and the updated document submitted to Cabinet.	Low	Property Services Manager	Ongoing.	The revised AMP will be completed and presented to Cabinet by November 2015.
Action 3a The position at the Civica User Group regarding support for enhancements to the asset module will be monitored. There is optimism that more authorities will take the Assets module and make the required development worthwhile.	Low	Finance Manager	Ongoing, but with no change in position.	Support for enhancements to the Civica asset module will be monitored at the Civica User Group.
Action 3b A tenancy schedule record will be developed covering all assets available to let and including information to enable monitoring that there is key documentation for each asset.	Medium	Property Services Manager [the data]; Finance Manager [the system]	Staffing resources and other priorities mean that the work will not be completed by the intended date.	A tenancy schedule record will be developed covering all assets available to let and including information to enable monitoring that there is key documentation for each asset by March 2016.
Action 4 The exercise to identify and rectify missing tenancy documentation will be concluded. Where no existing agreement can be found, new agreements will be arranged if rent is being paid and notices to quit issued in other cases.	Medium	Property Services Manager	Incomplete: the review of tenancy files has not been completed due to other priorities	Leases will be arranged when it is identified that there is currently no agreement and instructions passed to Exchequer Services to set up arrangements to collect rent. Outstanding agreements for historical cases will be addressed on an ongoing basis.

Asset management: Follow-up report – August 2015 Original report – October 2014 – limited assurance				
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<p>Action 6</p> <p>Action will be taken to repossess and re-let any asset where it is identified that the current occupier will not sign an agreement and does not pay the required rent on the due date</p>	Medium	Property Services Manager	Incomplete.	See Action 4 above.
<p>Action 8</p> <p>A process will be put in place to enable the section issuing tenancy notifications to know that required action has been taken by services.</p> <p>This should be addressed through implementation of Action 1.</p>	Medium	Property Services Manager	Not implemented, although this is being addressed by other actions.	See Action 1 and Action 3b above.
<p>Action 9</p> <p>Tenancy notifications, including full details of the rent to be charged and the period of tenancy, should be sent to all appropriate services on a timely basis and no later than the start date of the tenancy.</p>	Medium	Property Services Manager	Notifications are now sent, but not on a timely basis.	The responsible officers will ensure that tenant start and end dates are promptly notified to Exchequer Services.
<p>Action 13</p> <p>Rents will be reviewed annually and proposals to increase put to the Head of Finance and Property if considered justified and worthwhile. Consideration will be given to how rent information should be published, ideally within the budget setting fees and charges review.</p> <p>Automatic rent increases are not considered appropriate, for example, the Council has to consider whether increasing rents would result in a loss of tenants and income.</p>	Medium	Property Services Manager	Garage rents have been reviewed and increased however a number of reviews in other areas remain outstanding.	<p>Industrial unit tenants paying less than the base rate of rent will be written to regarding a review of their rent by the end of March 2016.</p> <p>A decision will be made regarding the implementation of the rent increase due on the café property and whether any increase should be backdated by the end of March 2016</p>

Asset management: Follow-up report – August 2015				
Original report – October 2014 – limited assurance				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
Action 19 Minutes of Property Services debtors meetings will be distributed promptly to remind officers of what they have agreed to do before the next meeting. Note that other priorities may affect the ability to deliver on the commitment to take agreed action on a timely basis.	Medium	Any officer agreeing to take specified action	Minutes are distributed promptly and actions are noted, however whilst comments and agreed actions to progress these debts are recorded on the minutes they remain outstanding.	Required action will be taken promptly to progress debt recovery and ensure that the Council's assets are not used unless the required charges are paid.

Planning: Follow-up report – August 2015				
Original report – February 2014: substantial assurance over planning and development control; limited assurance over the use of English Heritage Funding and the management of S.106 agreements.				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
The Planning Manager should undertake a detailed re-forecast of expected income, considering the expected planning applications during Q3 and Q4, to establish the potential impact on budgetary targets.	Medium	Planning Manager	Not implemented.	The Planning Manager should undertake a review of the planning fee budget to ensure this is valid and reflects actual outturn. Implementation date: 30 June 2015
a) Officers should be requested to record all pre application advice and enquiries on the new IDOX system including confirmation of payment receipt and whether the payment was exempt and the reason it is not due. b) Undertake monthly checks to ensure the correct treatment of pre application cases and ensure fees	Medium	Planning Manager	Partly implemented.	Management should periodically audit a sample of pre application enquires to ensure accuracy of records and fees charged. Implementation date: 30 June 2015

Planning: Follow-up report – August 2015 Original report – February 2014: substantial assurance over planning and development control; limited assurance over the use of English Heritage Funding and the management of S.106 agreements.				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
<p>have been applied and collected in accordance with the strategy.</p> <p>c) The pre application charging strategy should be reviewed to ensure it provides guidance on how applications not specified in the strategy should be treated for charging purposes.</p>				
<p>a) Planning Officers should be reminded to use the validation checklist in all instances and ensure these are retained on file.</p> <p>b) Officers approving planning applications should undertake checks to confirm that records on M3 are consistent with manual file records. This should form part of an overriding checklist surrounding review and approval of planning applications by approved officers.</p>	Low	Planning Manager	Partly implemented.	<p>Management should periodically audit a sample of planning applications to ensure accuracy and consistency of validation records.</p> <p>Implementation date: 30 June 2015</p>
<p>The file index is updated to add a requirement for Planning officers to formally sign off the provision of the five week update to applicants/agents.</p>	Medium	Planning Manager	Not implemented.	<p>Management should periodically audit a sample of planning applications to ensure there is evidence of the five week update to applicants/agents.</p> <p>Implementation date: 30 June 2015</p>
<p>Officers approving planning applications should undertake checks to confirm that records on M3 are complete and that these are consistent with manual paper file records. This should form part of an overriding checklist surrounding review and approval of planning applications by approved officers.</p>	Low	Planning Manager	Not implemented.	<p>Management should periodically audit a sample of planning applications to ensure consistency in electronic and paper file records.</p> <p>Implementation date: 30 June 2015</p>

Planning: Follow-up report – August 2015 Original report – February 2014: substantial assurance over planning and development control; limited assurance over the use of English Heritage Funding and the management of S.106 agreements.				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
a) Planning Officers should monitor conditions on approved planning applications which are required to be fulfilled prior to commencement of work on-site and ensure these are completed accordingly through liaison with the Enforcement Team. b) Enforcement cases that have been ongoing for over 6 months are followed up with a view to closing off these cases.	Medium	N/A	Partly implemented.	Management should ensure the enforcement process agreed with Building Control is enforced as soon as possible. Implementation date: 30 June 2015
a) A new three-year Conservation Strategy is developed and subsequently agreed with English Heritage and Cabinet. b) The targets and actions in the existing Strategy are revisited to establish their validity and appropriateness as this will inform the development of the new Strategy. c) Timescales for the reporting of progress with the actions is agreed with English Heritage. d) Reporting of progress against the Strategy is agreed with Members.	Medium	Conservation Officer	Partly implemented.	Management should continue to review and update the Conservation Strategy and ensure updates are reported to Cabinet and English Heritage. Implementation date: 31 July 2015
a) Actions agreed should be formally documented at each meeting; b) Actions should be appropriately allocated to an individual; c) An update on all actions should be provided at each meeting; d) Actions identified and agreed at the meetings should include timescales for implementation.	Medium	Principal Planner (Forward Planning)	Partly implemented.	Management should improve the action tracking documentation presented at each meeting of the group to allow more effective monitoring. Implementation date: 30 June 2015

Planning: Follow-up report – August 2015 Original report – February 2014: substantial assurance over planning and development control; limited assurance over the use of English Heritage Funding and the management of S.106 agreements.				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
a) The Forward Planning team should keep up to date records on the database and periodically reconcile these records to the Finance team spreadsheet. b) Reports showing unpaid deposits, unspent monies etc. should be set up in the database and periodically reviewed to ensure effective monitoring of live agreements.	Medium	Principal Planner (Forward Planning)	Not implemented.	a) The Forward Planning team should keep up to date records on the database and periodically reconcile these records to finance team records. b) Exception reports should be set up in the database and periodically reviewed. Implementation date: 30 June 2015

Elections: Follow-up report – August 2015 Original report – February 2015 – substantial assurance				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
Second stage reminder letters have been posted to allow residents a further opportunity to register and allow time to recruit canvassers to carry out the visits on a monthly basis. Before passing the final visits to personal canvassers we will endeavour to check properties against council tax records to establish whether they are still resident. A one-off exercise is being carried out whereby household notification letters are being delivered to all properties in Rossendale to inform who is registered in each property and how to make changes prior to the May 2015 election.	Medium	Elections Manager	Ongoing.	Personal visits to properties where there have been no responses to Invitation to Register (ITR) forms is a new requirement necessitating additional staff and funding. The work has taken time to formulate, but is now scheduled on a monthly basis so that there will be monthly canvassing of ITR forms in each ward. Implementation date: November 2015

Elections: Follow-up report – August 2015 Original report – February 2015 – substantial assurance				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
<p>Legislation states that the Electoral Registration Officer must be satisfied that a person is who they say they are in order for them to be registered.</p> <p>Discussions to take place with the Electoral Registration Officer to clarify the level of satisfaction required. Propose that, where name and one identifier match with council tax, a person be added to the register if other residents with the same surname match (this is commonly the case where a female marries and DWP do not have the name change). Also to discuss where females match at one property, then register at a new property in their married name and don't match.</p>	Medium	Elections Manager	Ongoing – the process is still being developed.	<p>Within the individual electoral registration process many functions now require documentary evidence before a change to elector details can take place. Working procedures are being documented and staff training is ongoing to ensure adherence. Suitable evidence to support changes will be obtained for any Register of Electors changes other than administrative corrections. Electoral system records will indicate what supporting evidence was provided.</p> <p>Implementation date: Ongoing</p>
<p>Recruitment forms for canvassers visiting properties to include a request for convictions and cautions, regardless of whether they are spent or not. References to be taken for canvassers not employed (or previously employed) by the Council.</p>	Medium	Elections Manager	Ongoing.	<p>A standard recruitment form will be developed for future use, which will include convictions and cautions. Appropriate checks will be carried out on potential canvassers as and when they are recruited or it is subsequently considered necessary.</p> <p>Implementation date: Ongoing</p>

Members' allowances: Follow-up – August 2015				
Original report – January 2015 – substantial assurance				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
Finance is copied into notifications to Payroll regarding changes to be made to councillor or special responsibility allowance payments. Finance will check through the budget monitoring process that the requested payments have been made correctly.	Medium	Finance Manager	Notifications are sent by Committee and Member Services to Payroll however testing established errors in the payments.	Finance staff will undertake: A formal review of the June allowance payments to Members, after the new Council make-up is confirmed; and A quick review of the December payments, to inform the Q3 monitoring report sent to Cabinet in February. Implementation date: With immediate effect.

Operations: Follow-up – November 2015				
Original report – February 2015 – substantial assurance				
Recommendations	Risk rating	Responsible officer	Status at follow-up	Further action agreed
A minimum threshold is to be set, above which all assets will be added to the asset register.	Medium	Technical Officer	Action is ongoing.	The asset register of vehicles, plant and equipment above the £50 threshold will be completed. Implementation date: End of November 2015
Non calibration tools will be added to a register of fixed assets and subsequently monitored and controlled accordingly.	Medium	Head of Operations	Action is ongoing.	The asset register of vehicles, plant and equipment will include any non-calibration tools valued above the £50 threshold. Implementation date: End of November 2015