

SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS
ISSUED QUARTER 4, 2010/11

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date
Capital Accounting – 28th January 2011				
The controls and procedures in place provide substantial assurance that the council can demonstrate proper accounting arrangements for capital assets – no recommendations arising.				
Administration of Housing & Council Tax Benefit – 31st March 2011				
4.2.2.2	The Senior Officers Decision forms should be dated by the relevant officer when approving payments under Regulation 13.	Low	Benefits & Fraud Manager	Senior officers have been advised to date all forms. Done.
4.3.2.1	The update and review of the corporate debt recovery policy should be undertaken as soon as possible.	Medium	Benefits & Fraud Manager	There is currently a financial inclusion group and work on the debt recovery policy has been put on hold until the outcomes of the financial inclusion work is known as this will feed into the policy. September 2011.

¹ Risk Ratings are defined as follows:

- Low - Minimal adverse impact on achievement of the Authority's objectives if not adequately addressed.
- Medium - Moderate adverse impact on achievement of the Authority's objectives if not adequately addressed.
- High - Requires urgent attention with major adverse impact on achievement of Authority's objectives if not adequately addressed.

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Accounting and Budgetary Control – 31st March 2011				
5.1	Consultations should be arranged with a view to agreeing formal service level standards for the budget monitoring process covering the roles of the budget managers, Finance (and other) support, information resources and training.	Medium	Head of Finance	Being considered as part of Financial Management Systems Intervention. A protocol rather than SLAs to be developed. Training to be considered in light of what is required within this. September 2011 for protocol.
5.2	The form of senior management reporting on budget monitoring should be re-examined with consideration given to alternative formats of presentation to Senior Management Team and use of informal briefings where there is no requirement on the meeting agenda to submit a formal report.	Low	Head of Finance	Outline for format of report has been reviewed for 2011/12. April SMT being developed at present, Exec report to be reviewed prior to August meeting. August 2011.
5.3	The principle and application of Finance and Audit Scrutiny Committee calling budget managers to account for failures in managing their budgets in accordance with approved standards should be explored in consultation with senior management, Portfolio Holder and Committee Chair as appropriate.	Low	Head of Finance	To be discussed with appropriate officer members as part of the consideration of the Q1 report. To be included within Budget Monitoring Protocol (subject to member approval). August 2011 seek member approval. November Executive Report.

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Housing Rent Collection – 29th March 2011				
4.1.3	A canvass of all users of the ActiveH system should be undertaken as soon as possible and repeated at yearly intervals.	Low	Senior Finance Officer	All users of Active H to be canvassed by 30/4/11, and a Procedure to be put in place so that this is repeated at yearly intervals. 30/4/11, then annually.
4.2.3	A re-evaluation of rebuilding costs of the Council's property assets should be considered to ensure adequacy of insurance cover.	Medium	Head of Housing and Property Services	The Property Manager to commission a re-evaluation of rebuilding costs of the Council's property assets to ensure adequacy of insurance cover. 31/8/11.
Housing Repairs & Maintenance – 4th February 2011				
4.2.2 (1)	Electronic copies of all post-inspection selection reports should be retained in .pdf format and organised in appropriate network folders for future reference.	Medium	Repairs Manager	This recommendation will be taken to the IT Transformation Board to be included in the Project Plan as there is a facility on ActiveH Repairs to manage the post-inspection process. 31/7/11.
4.2.2 (2)	Checks should be made when generating post-inspection selection reports that the date periods follow on directly from those previously used to ensure no omissions.	Medium	Repairs Manager	This recommendation will be taken to the IT Transformation Board to be included in the Project Plan as there is a facility on ActiveH Repairs to manage the post-inspection process. 31/7/11.

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4.2.2 (3)	The configuration of post-inspection selection reports should be reviewed and amended as necessary to ensure that completions on work orders raised under prior year contracts are incorporated.	Medium	Repairs Manager	This recommendation will be taken to the IT Transformation Board to be included in the Project Plan as there is a facility on ActiveH Repairs to manage the post-inspection process. 31/7/11
4.3.2	The procedure for closing work orders in the MIS system when the related payment certificates have been released should be reviewed to determine the potential for automation of the process or more effective checks.	Medium	Property Manager	This recommendation will be taken to the IT Transformation Board and be included in the Project Plan. There is a facility in ActiveH Repairs release 5.9.0 that will automate the process of closing works orders. In the meantime a manual check of each payment certificate report will be made by the Technical Administration Team. 31/7/11
Performance Management – 31st March 2011				
The assessment concluded that in overall terms the measures approved to monitor the benefits of the Change Programme are appropriate. However as the report indicates it has been difficult in some areas to provide meaningful measures and in other areas some additional measures may be needed. As the measures are “an initial set”, experience of using them and the benefit of time will prove how relevant they are and if any amendments are required. Thus, no recommendations arising.				
Emergency Planning – 21st March 2011				
The review found that a substantial degree of assurance can be given that the systems and procedures in place for the management of Emergency Planning are appropriate and working effectively.				

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Business Continuity Management – 21st March 2011				
Departmental Service Area Crisis Plans were found to be generally patchy and incomplete, in need of updating and, for two service areas, absent altogether. Consequently, only a moderate degree of assurance could be given that the systems and procedures in place to deal with Business Continuity Management are appropriate and working effectively.				
Document Management Centre – 28th February 2011				
4.2.8	A review of the dependencies on the Reception for handling cash receipts should be undertaken, preferably as part of a wider strategy aimed at eliminating as far as possible the handling of cash at Riverside House and preparing for the discontinuation of cheques in the banking system.	Medium	Head of Customer and Information Services	Review will be undertaken as part of Channel Strategy review. April 2011.
IT Applications: Email and Instant Messaging – 1st March 2011				
4.1.2	A feasibility study should be performed to determine the cost and benefits of using Instant Messaging as an additional channel for communication. The results of the study should be submitted to management for review and approval.	Low	ICT Services Manager	The use of Instant Messaging will be raised at the Agile Working Project Board to identify if the technology has a perceived benefit. May 2011.
4.2.2	The Email Acceptable Usage policy should be amended to make specific reference to the personal usage of Council email accounts.	Low	ICT Services Manager	Agreed. The Email Acceptable Usage policy has been amended accordingly. Complete.

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4.4.3	A risk assessment should be performed, particularly in relation to use of email services within the Council, and the operational risk register updated where appropriate.	Low	ICT Services Manager	Agreed. A risk assessment has been performed. Complete.
4.5.6	Disable / delete the email accounts of staff that were identified as having left the employment of the Council and investigate the cases where their employment status was not known (as per the listing supplied to ICT Services during the audit).	Low	Technical Support Manager	Agreed. The identified email accounts have been investigated and action has been taken accordingly. Complete.
4.5.6	The monthly reporting, and associated monitoring, of inactive email accounts should be implemented.	Low	Technical Support Manager	Agreed. The monthly reporting has now been implemented. Complete.
Banking Arrangements – 29th March 2011				
4.8.3	The Principal Accountant (Capital and Treasury Management) should make all relevant staff aware of the timing issues relating to the weekly transfer of funds to the payments account.	Medium	Principal Accountant (Capital and Treasury Management)	Staff briefed to make sure that all relevant transactions are included in the weekly transfer sheet relating to the week in which they occur. Completed.

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4.8.4	An effort should be made to clear the entries that have remained in suspense for a long period.	Low	Principal Accountant (Capital and Treasury Management)	Level of transactions remaining in PARIS suspense reviewed by Principal Accountant as part of year end procedures. 2010/11 review completed 30 & 31/3/11. Completed.
Housing Environmental Functions – 14th February 2011				
4.7.5	The balance on the HIMO Licences Fund should be reviewed to ensure that it remains appropriate for purpose. It should be taken into account in future reviews of the licence fees.	Medium	Acting Divisional Environmental Health Officer (Private Sector Housing)	Budget monitoring takes place on a monthly basis. Licence fee income to be considered in the context of this audit report with Finance colleagues, and there will be a review of HMO licensing in regard to HMO licences starting to fall due for renewal in December 2011. Monthly with intention to review HMO Licensing function (including expected expenditure and income for licence renewals) by September 2011.

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4.7.6	A copy of the till receipt for payment of the HIMO licence should be retained on the individual property files.	Medium	Acting Divisional Environmental Health Officer (Private Sector Housing)	HMO Administration Officer has been briefed to ensure receipts are attached to the licence application form. Acting DEHO to make quarterly checks on licence files to audit paperwork. On investigation, it was apparent that this deficiency is largely an historic one, when licence income was under the control of Environmental Health administration. February 2011.
Gypsy and Traveller Sites – 29th March 2011				
3.2.2	Risks in respect of gypsy/traveller sites should be identified and assessed under the corporate risk management framework.	Medium	Housing Strategy Manager	Update Corporate Risk Register. 30/6/11.
3.3.4	Lead officer contact details should be reincorporated into the published Warwickshire Protocol and enquiries made on details of the other agencies where they are omitted.	Low	Housing Strategy Manager	Request submitted on 19/5/11 to Warwickshire County Council's Gypsy & Traveller Service Officer (Team Leader) to update details. 30/6/11.
Royal Spa Centre – 30th March 2011				

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3.3	The existence of the £50 cinema float should be confirmed or alternatively details supplied of how and when it was repaid.	Low	General Manager Royal Spa Centre	<p>Cinema originally had a £100 float allocated. Entry/payment to the cinema was moved to the main box office in mid 2010, and £50 returned as per the report findings. The remaining £50 float was retained as a float for the merchandising stand and is still in place. This change of use however may not have been recorded. The current £50 box office float marked on the ledger is this float and should be renamed as merchandising float for clarity.</p> <p>Immediate (Finance team copied into email response).</p>
3.7	Takings should not be used for other purposes but banked regularly and intact. The amount of the overall bar and catering float should be reviewed and if necessary an increase should be requested.	Low	General Manager Royal Spa Centre	<p>For busy shows more change is required in the tills than is in the current catering floats. In this instance an amount of takings from previous night's takings are not banked and added to the floats, before being banked with the takings for the busy night. If this practise is unable to continue then we will need to increase the general float amount held, which would permanently increase the cash holding on site and would therefore appear to be in contradiction with rec. 3 below. Please advise.</p> <p>TBC subject to advice.</p> <p>Internal Audit Response (advised to Manager) – see below:</p>

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3.8	All staff involved in cash collection, security and banking should be made aware of the situation regarding the absence of insurance cover for cash and of the importance of banking regularly.	Low	General Manager Royal Spa Centre	<p>Noted and staff advised. Banking was reviewed and amended in line with previous recommendations (31 March 2010).</p> <p>Immediate.</p> <p>Internal Audit Response (see above):</p> <p><i>Recommendation 3 was made as it was apparent that some staff were unaware that the Council has not insured cash for some years now and therefore it is important to bank all takings regularly on the usual collection days so that large amounts of cash do not accumulate on the premises.</i></p> <p><i>Recommendation 2 was made because it is conventional accounting practice to bank income intact on the relevant collection day and not to use it for any other purposes. It is perfectly normal to use takings in between bankings to supplement the change float if necessary but in this case Rosemary had failed to bank the coffee bar takings for the previous week (£554.55) in order to increase the size of the float. They should have been banked the previous day.</i></p> <p><i>Change floats are set at an appropriate level for the normal operating conditions of the service. If the bar and coffee bar change floats are proving inadequate then a request should be made to the Fast Team for an increase to a level that better meets your needs. I accept that increasing the size of the floats will increase the amount of cash on the premises but I do not see that this conflicts with recommendation 3.</i></p>

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Town Hall Lettings – 28th March 2011				
<p>The review focused on the significant issues raised in the last audit report (2009). It found that these have been essentially addressed, whether by direct implementation of the recommendations or through the business development programme currently in progress for the Royal Spa Centre and Town Hall combined. A noticeable exception applies to the absence of booking forms for internal hirings.</p> <p>From the overall assessment and given the transitional status of development for the booking system, only moderate assurance can be derived as to the capability of the systems in place to ensure that all hire income due is received and properly accounted for. Given the anticipated transformation of the system in tandem with that of the Royal Spa Centre under the business development programme, it would not have been appropriate at this juncture to make any specific recommendations.</p>				
Development Control – 31st March 2011				
4.1.9	All signed delegated decision worksheets should be scanned into IDOX to ensure that evidence is retained confirming that applications have received appropriate approval.	Medium	Area Planning Officers	Agreed. Area Officers will ensure approved delegated reports are signed. Administrative staff will be reminded that it is essential that the decisions are only sent out when the delegated report is signed and that signed delegated reports are scanned into IDOX. May 2011.
4.1.10	Planning Officers should be reminded of the need to record a note relating to the discussions held at team meetings against each relevant record on the Acolaid system.	Low	Area Planning Officers	Agreed. Planning Officers will be reminded of the need to record a note relating to the discussions held at team meetings against each relevant record on the Acolaid system. May 2011.

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4.3.12	The relevant Acolaid fields should be completed with submission dates for the relevant documents in all cases.	Low	Senior Appeals Officer	Agreed. The appeals officers will liaise with appeals administrative staff to ensure that the date when appeal documents have been dispatched to the Inspectorate are recorded in all cases and to prioritise the routine completion of such Acolaid screens. July 2011.
4.3.12	Efforts should be made to ensure that all documentation is submitted within the deadlines set out by the Planning Inspectorate.	Low	Senior Appeals Officer	Agreed. Taking account of appeal priorities, efforts will be increased and electronic reminders will be improved to ensure more appeal documents are submitted within the deadlines set out in the Inspectorate start date letters or any renegotiated deadlines. July 2011.
Policy, Projects and Conservation – 10th March 2011				
5.1	A Team Operational Plan should be formulated for the Policy, Projects and Conservation Group (or each team in the Group) on an annual basis aligned with the Service Plan for Development Services.	Medium	Group Leader (Policy, Projects and Conservation)	Draft TOPs for 2011/12 have been prepared but awaiting final Service Plan to be prepared. Not known.

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5.2	Documented updates on progress against the Team Operational Plan(s) should be produced at least monthly and reported to Development Services management meetings once they are resumed.	Low	Group Leader (Policy, Projects and Conservation)	Query what value this adds to the service we deliver to the customer and how this action fits with systems thinking principles under Fit for the Future. Not known.
Economic Development – 31st March 2011				
4.4.9	Finance should be made aware of the correct fees and the VAT position so that they are accurately recorded in the next fees and charges report produced for approval by Executive.	Low	Enterprise Support Officer & Business Enterprise Manager	A correct report was requested in autumn 2010 by Finance and was provided by the Enterprise Support Officer on 14/09/2010. A further copy will be provided ASAP for their file. We have, however, changed tack with regard to the VAT increase and have adjusted our figures for subscribers and 'hot deskers'. Completed.
4.5.5	Confirmation should be obtained that the delegated powers are in place for the Enterprise Development Manager or the Business Enterprise Manager to offer incentives to prospective tenants.	Low	Enterprise Development Manager & Business Enterprise Manager	To be discussed and obtained. End of April 2011.
4.7.1	The operational risk register should be reviewed to ensure that it covers all relevant risks relating to the provision of the enterprise facilities.	Low	Enterprise Development Manager & Business Enterprise Manager	Operational risk register to be reviewed and revised. End of April 2011.

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4.7.3	The inventory for the enterprise facilities should be reviewed on an annual basis with updates being performed as necessary.	Low	Enterprise Support Officer & Business Enterprise Manager	Enterprise facilities inventory to be updated and diarised for annual revision, with major additions etc. being actioned as and when required. End of April 2011.
Refuse Collection – 1st January 2011				
4.1.8	Customer satisfaction surveys should be performed on an annual basis, as per the contract specification.	Low	Contract Services Manager	The Contract Services Manager will check with relevant staff to see if other 'corporate surveys' are being performed that may cover this area. If not, a survey will be performed. April 2011.
4.2.3	The contingency plans should be formally documented.	Medium	Contract Services Manager	Agreed. The contingency plans that are in place will be formally documented. April 2011.