

**SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS
ISSUED QUARTER 3, 2014/15**

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date
Corporate Governance Services – 7 October 2014				
<p>The examination questioned:</p> <ul style="list-style-type: none"> a) Are Executive resolutions being implemented as intended in a timely manner? b) Are there any procedures in Service Areas to monitor the implementation of decisions? c) What is the scale of the issue and are there any general or soft controls to ensure that resolutions are implemented? d) Do the results of sample testing indicate that decisions are not being implemented and so formal monitoring is required? <p>The work involved selecting a sample of Executive resolutions made since April 2013 and then checking to ensure that they had been implemented. In most cases this involved some form of evidence but in some cases reliance was placed on assurances from senior managers. Some Heads of Service were asked, by e mail, for their views on the subject and how they ensured that Executive resolutions were dealt with fully and in a timely manner.</p> <p>The audit suggests that member decisions are being implemented although not always in a timely manner. It noted that the introduction of a formal monitoring system is a management decision that should be based on risk, cost, increases in workload and the improvement in overall governance.</p>				

¹ Risk Ratings are defined as follows:

- High: Issue of significant importance requiring urgent attention.
- Medium: Issue of moderate importance requiring prompt attention.
- Low: Issue of minor importance requiring attention.

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Payroll and Staff Expenses – 19 December 2014				
4.1.3	The establishment on the HRMS system should be reviewed and updated to ensure that it reflects the current agreed structure of the council.	Medium	Senior HR Officer (SF)	This is being addressed as part of the project to move the HR and Payroll database to Coventry. March 2015.
4.1.3	The quarterly reports to managers should be reinstated to enable managers to review their staffing lists.	Medium	Senior HR Officer (SF)	As above.
4.1.5	The HR Handbook should be reviewed to ensure that all details are still relevant.	Low	Senior HR Officer (EP)	This work is already in progress. April 2015.
4.1.9	Proforma email forms should be created for changes to permanent payroll information to ensure that all relevant information is received at the same time.	Low	HR Transactional Payroll Project Manager	This will be picked up as part of the rollout of Manager Self Service. July 2015.
4.1.9	The authorised signatory list should be amended to include details of which officers can send through the email notifications.	Medium	HR Transactional Payroll Project Manager	This will be automatic when self-service is rolled out. July 2015.
4.4.3	Checks should be undertaken to ensure that all documents have been saved correctly following scanning onto FORTIS.	Low	HR Transactional Payroll Project Manager	Staff are going to attend a training course on the use of FORTIS. Double checking is not, however, deemed to be cost effective. March 2015.

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4.4.6	Checks should be undertaken following any changes to pay rates to ensure that all affected elements on the system have been updated.	Medium	HR Transactional Payroll Project Manager	Payroll staff will review pay elements every time there is a pay award where these elements are fixed amounts as opposed to being linked to an employee's hourly rate. January 2015.
4.5.7	A formal decision should be made as to whether the shortfall in monies recovered in respect of the car loan interest payments should be pursued with the ex-employee.	Low	HR Manager	It has been decided to write off this amount in the circumstances. Immediate.
4.6.2	An independent review of the 'update own record' report should be reinstated.	Medium	HR Transactional Payroll Project Manager	The reports are created monthly already. These will be scrutinised by the HR Manager on a monthly basis and signed off or investigated further as deemed appropriate. Immediate.
4.10.10	All manual calculations should be checked by another member of Payroll staff.	Low	HR Transactional Payroll Project Manager	The recommendation will be complied with. Immediate.
Section 106 Agreements – 14 January 2015				
4.2.9	A standard list of consultees should be drawn up for major applications.	Low	Development Team Leader	Agreed. The recommended action will be complied with. End Feb 2015.

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4.2.11	Evidence should be obtained to support all requests for s106 contributions for each individual application as appropriate.	Medium	Development Team Leader	Agreed. The recommended action will be complied with. End Feb 2015.
4.2.14	Consultees should be formally made aware of the outcome of relevant applications including in relation to any contributions that are to be paid to them.	Low	Development Team Leader	Agreed. The recommended action will be complied with. End Feb 2015.
4.3.6	A sealed copy of the relevant s106 agreement should be obtained.	Low	Development Manager (in conjunction with Legal Services)	Agreed. The recommended action will be complied with. End Feb 2015.
4.4.9	The planned monitoring processes set out should be put in place as a key priority.	High	Development Manager & Enforcement Manager	Agreed. The course of action is included in the Development Services draft Improvement Plan. In view of the complexity of the project, the Development Manager will advise Internal Audit should any issues come to light which may affect the completion date. End Feb 2015.
Licensing Services – 20 January 2015				
4.5.13	The Licensing Team should liaise with NDR to arrange access to council held Rateable Value data.	Medium	Regulatory Manager	NDR access to be arranged.

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4.5.13	When RVs are available the current bandings for premises licences should be compared.	Medium	Regulatory Manager	Work will be undertaken annually or upon receipt of a new or variation of an existing application.
4.5.13	Access should be arranged to Valuation Office schedules of changes to the Valuation List. They should be assessed regularly for any possible changes to premises bandings.	Medium	Regulatory Manager	Access to valuations list to be arranged. Frequency of access to be determined.
Flood Risk Management – 27 November 2014				
4.7.4	The Procurement Team should be contacted for advice on market testing the work currently undertaken by Wilkinsons.	Medium	Environmental Sustainability Manager	Tender documents to be prepared in January in readiness for awarding a new contract on 1 April 2015. 1 April 2015.
4.8.9	Invoices for work undertaken for WCC should be raised at regular intervals on predetermined dates.	Medium	Environmental Sustainability Manager	HCP Business Support Officer to raise annual invoice at start of the year 1 April 2015.
4.8.9	Invoices should be raised in advance and not in arrears in accordance with the Code of Financial Practice.	Medium	Environmental Sustainability Manager	Area Engineers to provide HCP Business Support Officer with relevant and timely information. 1 April 2015.
4.9.4	The situation with income from the County for Highways Culvert maintenance in 2013/14 should be investigated and reported as part of the corporate budget monitoring process.	Medium	Environmental Sustainability Manager	ESM to discuss with WCC. 31 January 2015.

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4.9.4	As part of ongoing monthly budget monitoring any significant variations should be investigated and reported so that action can be taken as appropriate.	Medium	Environmental Sustainability Manager	ESM to action. 1 January 2015.

Administration of Housing Benefit & Council Tax Reduction – 13 November 2014

The audit reviewed the controls in place over the processes for making payments and reclaiming and stopping overpayments. The approach to the audit was to ascertain and evaluate the controls in place by applying the CIPFA Control Matrices for these subsystems on the Housing Benefits and Council Tax Reduction System. These comprise Internal Control Questionnaires (ICQs) that are completed following a discussion with the main audit contact and are designed to identify any control weaknesses. These are followed by the completion of a set of compliance tests that are linked to the ICQs.

There is a phased approach to the audit of Housing Benefits and Council Tax Reduction System with the aim being to cover all of the modules over a three year cycle. On this occasion the payment and overpayments modules were audited.

Controls in these two modules were examined under the following areas:

Payments:

- Policies and procedures
- Payments including those to landlords
- Checks and reconciliations
- Performance
- Security of data

Overpayments:

- Policies and procedures
- Identification and calculation
- Recording and notification
- Recovery
- Reduction and write off
- Performance
- Security of data

In respect of the areas examined the audit found that there are sound systems and procedures in place to manage Housing Benefits and Council Tax Reduction.

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Treasury Management – 4 December 2014				
3.1.1	The daily procedure notes should be updated to reflect current practices, with the manual being updated to include current documentation.	Low	Principal Accountant (Capital & Treasury Management)	The daily procedure notes will be updated as soon as possible. March 2015.
3.11.1	A quarterly detailed reconciliation between Treasury Management investment spreadsheet records per counterparty/money market fund should be prepared and signed off as correct.	Medium	Principal Accountant (Capital & Treasury Management)	Quarterly detailed reconciliations will be performed and signed off at the end of each quarter beginning December 2014. January 2015.
3.11.1	The above reconciliation should detail any incorrect transaction values requiring journal adjustment between principal and interest received, with the objective of ensuring that the financial reporting to Executive is facilitated.	Medium	Principal Accountant (Capital & Treasury Management)	Any adjustments revealed during the quarterly reconciliations will be journaled on completion of the reconciliation in order to ensure that TOTAL is kept up to date. January 2015.