

**SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS
ISSUED QUARTER 4, 2015/16**

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Warwick Plant Maintenance (Procurement) – 10 September 2015				
4.1.6	Orders should be raised on either TOTAL or Active H for all goods or services at the earliest opportunity, normally in advance of the purchases being made.	Medium	Energy Manager	<p>WPM provides a responsive service that needs spares to be acquired immediately in order to keep the services on line.</p> <p>We are now improving the quantity and scope of high-demand service items held on site, a process being enhanced now that the Asset Management Team (AMT) redesign has been completed and embedded to allow for an accurate assessment of what materials need to be kept on site.</p> <p>Purchase cards have been introduced, on recommendation of the Procurement Team, to allow for better management of purchasing.</p> <p>We have moved all H&PS payments to ActiveH with the exception of energy and related payments. WPM sourced orders have been be part of this process.</p> <p>Complete.</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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4.1.8	All invoices should be paid in a timely manner.	Medium	Energy Manager	<p>The redesign of the AMT resulted in a fragmentation of certain administrative functions during the transition phase. This has now been resolved by:</p> <ul style="list-style-type: none"> • Completing the re-allocation of tasks and resources across the service to resolve this problem. • Introducing purchase cards. <p>Complete.</p>
4.1.10	Appropriate Warwick Plant Maintenance staff should be given access to TOTAL and Active H to allow them to raise purchase orders.	Low	Energy Manager	<p>Newbold Comyn, where WPM is based, has poor ICT services, we understand, as a result of its location in relation to networks.</p> <p>The Technical Inspector did not always have sufficient time to routinely attend RSH (to facilitate regular access to TOTAL and ActiveH) because of his need to co-ordinate the work of the team. Time for this will be embedded in the revised work schedules of the new Technical Inspector currently being recruited.</p> <p>31 May 2016.</p>

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4.2.4	The appropriate contractors should be used for all works placed.	Medium	Energy Manager	<p>The Council reserves the right in contracts to remove work from one contractor and place it with another if any particular contractor is unable to provide the services required to the standard expected. Public Contract Regulations allow us to do this (Section 72).</p> <p>H&PS are performance managing Renuvo with a view to either terminating the contract or securing adequate performance to end the need to use D&K. This approach is essential to guarantee continuity of service at critical sites.</p> <p>Trade accounts were established with the approval and assistance of the Procurement Team. The level of procurement in these cases remains with the threshold set in the CoPP for the Head of Service to arrange directly, after prior consultation with the Procurement Manager. Formal written agreements will be checked and if necessary updated and drawn up in all necessary cases.</p> <p>August 2016.</p>

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4.2.6	The Procurement team should be approached in order to assist in setting up formal 'supply chain solutions'.	Medium	Energy Manager	<p>The nature of the work of WPM necessitates a logistically practical supply chain i.e. close to where the spares are needed. This may mean that there are occasions when supplies have to be purchased from the most convenient provider to avoid down-time at the leisure facilities and excessive travel and delivery costs and delays. The use of procurement cards allows for the management of short order items to be maintained and monitored. This is considered to be a formal supply chain solution to the particular circumstances of WPM. The issuing of procurement cards was prompted by a previous audit report.</p> <p>Clarity will be sought from the Procurement team as to how the procurement threshold for short order items will be applied, i.e. to the supplier or the nature of goods being procured. This is because one supplier could supply a vast range of items, but each in a small quantity, or one item could be sourced from a vast range of suppliers.</p> <p>It should be noted that for a number of items there is a limited number of suppliers because items need to be compatible with plant and existing equipment, e.g. tied down parts for pool chemical dosing equipment.</p> <p>Formal agreements will be established where they do not already exist.</p> <p>August 2016.</p>

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4.2.9	The use of the (non-contracted) suppliers identified in the table at 4.2.1 should be discussed with Procurement to ascertain whether their continued use needs to be formalised or subject to competition.	Medium	Energy Manager	<p>The use of procurement cards allows for the management of short order items, which are those supplied by non-contracted suppliers. This allows the level of purchasing to be monitored and gives early warning of any instances when it may be prudent to re-examine how the supply requirement is met.</p> <p>H&PS recognised the need for formalisation and have discussed with the Procurement Team the case of formal contracts only being in place with two of the suppliers, with a view to this being resolved as soon as practicable within the overall work load of the team. The level and fluctuation of spend of this work is low compared to higher value, higher risk activities across the Council.</p> <p>H&PS has now prepared a technical specification for the procurement of air filters from HVDS and are now liaising with the Procurement Team for a timetable to subject this work to a competitive process. Previous supply arrangements, in which the direct purchase of air filters had resulted in financial benefits to the Council compared to the previous arrangement of filters being supplied and fitted by the air conditioning contractor, had been agreed with the Procurement Team in 2011. No national or international regulations were breached by this approach.</p> <p>Musco Lighting is a unique supplier as they are the only firm able to supply spares (tied down parts) for the flood lighting equipment.</p> <p>Target implementation date not applicable.</p>

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4.2.11	Ensure payments made are coded to the correct ledger codes.	Low	Energy Manager	<p>Payments had not been miscoded. WPM had started using EM&I to supply parts for them to fit, under the provisions for materials and day works.</p> <p>Contractors have been reminded to code works correctly to WPM that have been commissioned by WPM.</p> <p>Complete.</p>
4.2.12	The practice of using trade accounts of contractors should stop.	Low	Energy Manager	<p>We acknowledge that this should not have happened but it was an action taken by WPM to speed up the supply of spares for essential repairs. The contractor would diagnose a problem, WPM would repair but would ask the contractor to supply the spares identified - a one-stop-shop solution that, while practical, was not necessarily complaint with good procurement practice.</p> <p>The recommendation has been accepted and enacted.</p> <p>Complete.</p>

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4.3.3	Formal expenditure limits should be agreed for Warwick Plant Maintenance staff.	Medium	Energy Manager	WPM needs the flexibility to buy parts immediately to resolve repairs, with approval later. In effect, WPM need to be trusted to act responsibly and without having to refer back to their manager when rapid action is needed to maintain services. The procurement cards have single transaction limits and monthly limits. Above these limits, escalation to managers has to take place. Complete.
4.4.3	A formal review of stock control should be undertaken.	Low	Energy Manager	H&PS are now improving the quantity and scope of high-demand service items held on site. This process is being enhanced now that the AMT redesign has been completed and embedded to allow for an accurate assessment of what materials need to be kept on site. 30 June 2016.
ICT Strategy and Policies – 22 March 2016				
3.1.13	Regular progress reports should be made to the ICT Strategy Group (and Executive management)	Low	Head of ICT / Deputy CE(AJ)	Part of the ICT Steering Group's ToR is "Taking oversight of developments to ensure they adhere to budget and schedule". This overarching role will continue throughout the delivery of the Digital Strategy. Accountability has been strengthened by the inclusion of all Service Heads on the Steering Group. The Deputy Chief Executive will update the Executive as appropriate. No Further Action.

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3.1.14	A deadline for the strategy action plan should be determined. The action plan should include timescales for the development of the principal and subsidiary actions (or projects).	Medium	Head of ICT	The immediate priority for the ICTSG is to determine the projects it wishes to take forward as part of the Digital Strategy. This will commence on the 28 th April 2016. June 2016.
3.2.4	The relevant policies associated with the new digital strategy are identified and reviewed, and if necessary amended, to ensure they match and support the business functions and delivery methods.	Low	Head of ICT / Democratic Services Manager	As described in the report, the Council's security and governance policies are updated when appropriate and are also subject to annual review. No further action.
Housing Stock Asset Management – 31 March 2016				
No recommendations were issued.				
Payroll and Staff Expenses – 31 March 2016				
3.10.5	A suitable document and record management solution for HR and payroll supporting documentation should be explored.	Low	HR/OD Manager	We are reviewing the benefits of the FORTIS system as part of our ongoing review of document management. December 2016.
Business Applications: Civica OPENRevenues – 10 March 2016				
3.4.3	The purpose of the identified account should be reviewed and replaced with a named individual account or disabled in the event it is no longer required.	Low	Exchequer Manager	It has been confirmed that the account is required by the Application Support team to log onto OPEN Vision to investigate systems issues. Complete.

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3.7.2	Management should consider implementing the auditing of failed login attempts.	Low	Exchequer Manager	An exercise will be undertaken to determine available options for implementing the auditing of failed logins. 1 April 2016.
3.8.4	Testing of Civica Open Revenues should be included in next DR test. The testing should be documented and include the time taken to recover systems and services, whether recovery objectives have been met and include detail on any issues and actions arising from the testing.	Medium	Exchequer Manager	IT have been contacted and this will be included in the next DR test. The Exchequer Manager is to liaise with IT as required. 1 April 2016.
Business Applications: APP Civica – 7 March 2016				
3.2.3	The 'Min Password Lifetime' parameter should be changed to one or greater, thus limiting the user's ability to reuse passwords.	Low	Licensing & Support Team Leader	The password settings have now been updated and the 'Min Password Lifetime' parameter has been changed to one. Completed.
3.4.2	A yearly account re-certification process should be introduced. This should require team managers to confirm that users under their supervision have appropriate access rights within the application and that all leavers have been removed from the system.	Low	Licensing & Support Team Leader	A regular exercise of verifying the access rights of users with team managers will be introduced. Completed.
3.4.3	The identified accounts should be reviewed and any generic accounts replaced with named individual accounts for those requiring access.	Low	Licensing & Support Team Leader	The accounts will be reviewed and any unnecessary accounts removed / renamed. 1 April 2016.

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3.5.3	The two active accounts should be disabled. In addition an exercise of cross-matching Civica accounts against HR leaver data should be introduced and performed on a regular basis. This will help ensure all leaver accounts are disabled in a timely manner in the event they are not reported by the leaver's manager.	Low	Licensing & Support Team Leader	The two leaver accounts will be disabled. The Licensing & Support Team Leader will contact HR and arrange for regular leaver reporting to be provided for use in ensuring all leaver accounts have been disabled in a timely manner. A compensating control is also in place in that network access will be removed by IT, so the leavers would not be able to access the system. 1 April 2016.
3.8.5	Testing of Civica APP should be included in next DR test. The testing should be documented and include the time taken to recover systems and services, whether recovery objectives have been met and include detail on any issues and actions arising from the testing.	Medium	Licensing & Support Team Leader	Management will liaise with ICT to create a plan for the testing of Civica APP. 1 April 2016.

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Data Security – 21 March 2106				
3.2.3	Management should consider the option of requiring all future mobile devices purchased to support encryption.	Low	Head of ICT.	<p>Mobile devices - including smartphones - which support transactional or service delivery activities are encrypted and managed within the mobile device management system. The applications on these are also encrypted and Sandboxed (which stops data leakage). However, mobile phones – including smartphones – which are used only for telephone calls and email may not be encrypted (where a PIN is not implemented). The devices purchased for all the above are outside the control of ICT. In the short term this is unlikely to change but the Cyber Essentials Scheme may cause this to be reviewed. No action proposed in short term, but will be kept under review.</p> <p>No further action.</p>

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3.5.5	Management should investigate the possibility of adding the ability to restrict password re-use as an enhancement to the TotalMobile application.	Low	Head of ICT.	TotalMobile were contacted on 22nd March 16 regarding the recommendation. The following response was received on 23 rd March 2016: <i>"In the upcoming release we are introducing the option to force users to change their password (Turn on / off in Webadmin settings default will be off)."</i> <i>As part of that work we now prevent the user from changing their password to the existing one. However there is a roadmap feature to extend that further to look at preventing the user from making use of the last X passwords.</i> No further action.
Public Services Network – 13 January 2016				
3.5	Management should consider adapting and maintaining the 'Code Template' spreadsheet as a tool for recording and monitoring its compliance with key PSN obligations and requirements.	Low	Head of ICT.	Accepted – A template will be designed to demonstrate compliance against the new requirements in time for the Council's next submission. Oct 2016.
Employee Absence Management – 16 March 2016				
4.6.7	Managers should be instructed to retain all documentation relating to employee sickness absence for an indefinite period.	Medium	HR Manager	<ol style="list-style-type: none"> 1. As part of Managers Guide to Self-Serve – Managers keep copies of the Self Certification and HR keep copies of the Fit Notes. 2. Highlighted in HR Workshops e.g. Managing Attendance. Actions completed and ongoing.

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Royal Pump Rooms (including Art Gallery and Museum) – 12 January 2016				
4.4.3	The petty cash imprest should be reduced to £50 and the balance returned to the FS Team in Finance and paid in.	Low	Heritage and Arts Manager	A member of the AG&M staff has been in touch with the FS Team to arrange to reduce the petty cash imprest from £300 to £50. Finance will reimburse recent expenditure to restore the petty cash float to £300; £250 will then be returned to Finance to leave a petty cash imprest of £50. 29 January 2016.
4.7.5	Art Gallery staff should liaise with Finance staff to agree what information they need in order to be able to perform worthwhile monitoring of takings and bankings.	Medium	Heritage and Arts Manager	A member of staff from Finance will visit the AG&M on 26 January to discuss VAT issues and agree what additional information is required for more effective monitoring of takings and bankings. 26 January 2016.
4.7.7	The Heritage and Arts Manager should ensure that staff are aware of and apply the correct room hire charge.	Low	Heritage and Arts Manager	All AG&M staff have been instructed to ensure that the current rate (as of 1 January 2016) is applied for the hire of the Craft Studio / Education Room. To ensure that staff are aware of future changes to the hire charge it has been agreed that the Culture Business Support Team will advise AG&M staff of changes after the council's fees and charges report in the autumn. 19 January 2016.

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Electoral Registration – 26 February 2016				
3.6.10 (1)	A repeat duplicate electors test should be resourced at an appropriate juncture so that the results arising can be promptly followed up.	Medium	Democratic Services Manager / Electoral Services Manager	Will seek to run a test later in 2016 in partnership with Internal Audit to utilise their data audit software tools. TBA after 2016 EU referendum.
3.6.10 (2)	A data quality review should be considered utilising available system reports.	Low	Democratic Services Manager / Electoral Services Manager	Will be considered as resources permit. TBA after 2016 EU referendum.
Building Control – 13 January 2016				
3.4.6 (1)	References to discontinued mitigation measures in the Development Services Risk Register should be identified and removed and the applicable risks re-evaluated as appropriate.	Low	Interim Head of Consortium	Risk Register to be reviewed.
3.4.6 (2)	Future reviews of the Development Services Risk Register should ensure that risk mitigation measures specified truly represent actual procedures being followed.	Low	Interim Head of Consortium	Risk register to be reviewed.

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Section 106 Agreements – 8 March 2016				
4.12	A specific protocol should be put in place for receiving all s106 agreements from Legal Services and recording them on the monitoring spreadsheet. Consideration should also be given to including reference to potential agreements on the spreadsheet when case officers deal with the planning applications.	Low	Development Manager	Agreed. A protocol for the receipt of s106 agreement will be implemented. Potential agreements will also be included as suggested. 1 May 2016.
4.13	A formal process should be established for updating the monitoring spreadsheet with any variations identified.	Low	Development Manager	Agreed. A process will be implemented. 1 May 2016.
4.23	The MSMO should be included in the monthly update emails from the IIO so that he can formally advise of the status of each of his sites.	Low	Development Manager	The MSMO will update the master spreadsheet directly going forward. Ongoing.
Health & Safety Enforcement in the District – 11 March 2016				
No recommendations were issued.				
Leaseholder Service Charges – 9 February 2016				
4.3.5	A formal process for regular monitoring and chasing of leaseholder service charge debts should be put in place.	Medium	Income Recovery Manager	Agreed. The Income Recovery Manager in the Sustaining Tenancies section will implement a process for dealing with these debts.

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4.3.7	The service charges spreadsheet should be reviewed to ensure that formulae have been correctly applied when calculating the charges for individual properties.	Low	Business Administration Manager	The Scheme Accounting module of the Active H system will be implemented to ensure that the service charge for each property is correct.
Car Parking – 31 March 2016				
4.8.3	Neighbourhood Services staff should review the figures and consider whether the amounts insured are adequate and whether the timings of the machines being emptied by the contractor is appropriate.	Low	Contract Services Manager	All cash volumes from P&D machines will be reviewed as part of the contract re-let. Where higher levels of cash are being reported these machines will see an increased level of collection frequency. Oct 2016.
4.8.4	Inventories should be updated and should include other items of valuable, portable or desirable nature (e.g. cameras).	Low	Senior Contract Officer	All equipment inventories will be updated annually and variances referred to Insurance & Risk Officer for inclusion. June 2016.

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4.8.6	Risks to staff should be included in the Car Park Services risk register and a Ranger Service risk register should be created.	Low	Contract Services Manager	<p>Risks to staff in the Ranger Service are covered in detail on the Assessnet system and, in consultation with the Head of Service, we believe this is the correct location for these risks to be managed. There is a high level risk indicator in the "Neighbourhood Services Corporate Risk Register – Generic" item 10 which covers risks to all Neighbourhood Services staff.</p> <p>The Ranger service is an integral part of Car Parks Service and, even though it has a different name, it is covered through the "Neighbourhood Services Corporate Risk Register – Car Park Services". Once the review of the Ranger Service is completed we may consider changing the title to Car Parks and Ranger Service.</p> <p>July 2016.</p>