APPENDIX 3

SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS ISSUED QUARTER 3, 2013/14

Report Reference	Recommendation	Risk Rating[1]	Responsible Officer	Management Response and Target Implementation Date
Main Accounting System – 25 September 2013				
3.4.2	The Master Hierarchical Cost Centre schedule should be periodically reviewed and discontinued codes deleted.	Low	Strategic Finance Manager	Need to be done is recognised, but have to consider retention of sufficient history for reference. March 2014.
3.6.4	Staff should be encouraged to enter clear header narratives in journal including overwriting default entries from journal templates where applicable.	Low	Strategic Finance Manager	Meeting to be arranged with the Principal Accountants to consider the form this will take. March 2014.

[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.

Report Reference	Recommendation	Risk Rating[1]	Responsible Officer	Management Response and Target Implementation Date
Housing Repairs and Maintenance – 25 September 2013				
An audit was undertaken on the systems and procedures in place to manage the day to day responsive repairs to Housing properties. The audit focused on day to day responsive repairs to HRA dwellings and garages carried out under contract by Ian Williams. Maintenance and repairs of the council's HRA properties is one of the major activities in H & P S involving thousands of transactions and millions of pounds of expenditure each year. Consequently it is often subjected to analysis with the aims of improving customer service and achieving efficiencies. As at 1 April 2013 the estimated housing stock was 5593 dwellings and 2029 garages. The estimated expenditure on responsive repairs for 2013/2014 is £1,264,400 on dwellings and £71,400 on garages. From a very early stage in the audit it became apparent that it was going to prove difficult to complete a comprehensive audit of housing repairs. The fairly broad and general content contained in the CIPFA Control Matrices could be addressed but any examination of the procedures around ordering and paying for work and the associated areas such as contract management and budgetary control would not be possible within the time allocation. The reason for this was that very early in the opening meeting reference was made to open book accounting and the role of a company called Impart Links in delivering the new approach and being actively involved in certain aspects of contract management. (The appointment of the contractors was not within the scope of the audit but has subsequently been subject to a separate review.) In broad terms the new arrangements for managing the contract were explained but it was immediately evident that there was a lot more to the process than ordering a repair and ultimately paying for it. In order to help address the knowledge gap for future audits, training on the mechanics of the open book cost management approach was delivered by Impart Links. Accountancy and Property staff were also included in this training. It was also evident that the new approach was still very much in its infancy and the involvement of consultants in contract management aspects meant that it was not being fully managed by officers in H & P S. With those issues in mind, plus the need to acquire a sufficiently detailed understanding of the various elements of managing and delivering the contract, it was felt appropriate to complete the audit using the CIPFA Matrices, which would amount to a fairly general examination of the management of repairs, and to carry out a full audit as part of next year's Audit Plan.			

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Guest Wireless Project – 6 August 2013				
The audit was undertaken to review the general implementation and ICT security controls in place to support the project. In terms of scope, the audit covered the following areas: • Project scoping • Risk assessment • Physical security • Logical security. The audit programme identified the expected controls. The control objectives examined were: • Customer demand and capacity requirements have been assessed for all WDC sites • A risk assessment has been undertaken and has been utilised in developing the control environment • Physical security controls protect wireless access points in public areas • Appropriate logical security measures are in place. The project is part of the wider 'Bring Your Own Device' project and the Guest Wireless project will allow people to connect their own devices to the internet, using the council's wireless network. Once live, use will be restricted to two types of users who will have slightly different levels of security. Guest level access will be for corporate visitors and they will be required to request a day ticket for access. Corporate guest access will be for senior staff members, and this will have a slightly different security setting but it will, essentially, offer the same basic rights regarding internet access for council owned devices. There is also a separate Riverside House corporate wireless network (RVH Wireless), which allows general network access. However, this is not part of the guest wireless project and was therefore not covered under this review. One issue was noted with regards to the lack of a proxy filter for the guest wireless networks, although no formal recommendation was thought to be warranted. However, this situation should be kept under review and be revisited should funding become available. The review was therefore able to give substantial assurance that the systems and controls in place for the Guest Wireless Project are appropriate and are working effectively.			

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Document Management Centre – 30 September 2013				
4.1.5	Staff on Reception should be reminded of the need to record sufficient levels of detail on manual receipts issued, including a form of cross referencing to the PARIS receipts subsequently produced.	Low	Team Leader (Warwickshire Direct)	The old process of attaching a copy PARIS receipt to the manual receipt will be reinstated to show the link between the two records. Immediately.
4.1.6	Staff on Reception should be reminded of the need to cash up at the agreed times.	Low	Team Leader (Warwickshire Direct)	Agreed. However, there is a possibility that the agreed times may be amended (brought forward). The reasoning behind these suggested changes will be provided separately. Immediately.
4.1.8	Staff should be reminded of the need to ensure that monies are accurately receipted, with monies being securely placed in the cash drawers.	Low	Team Leader (Warwickshire Direct)	Agreed. Staff will be reminded. Immediately.
4.1.14	Relevant departmental staff should be consulted to ask if they can promote alternative payment methods to their customers in order to reduce the amount of cash taken by Reception.	Low	DMC Team Leader	Agreed. This will be discussed with staff in the relevant service areas. The need for increased security will also be discussed with the Senior Project Coordinator for consideration as part of the Riverside House 'redesign'. 31/10/13.

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4.2.2	The DMC service catalogue on the intranet should be updated.	Low	DMC Team Leader	Agreed. This is scheduled to be updated as part of the new intranet that is due shortly. 31/12/13.
4.6.7	Recharges should be based on figures relating to the correct period.	Low	DMC Team Leader	It had been previously identified that it was extremely time consuming for the team to calculate re-charges accurately (accounting for 3 days of time in a working week). The efficiency measures of basing calculations on the DTL's knowledge of the regular services undertaken were discussed with the Head of Finance and the current approach was agreed.

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VAT Accounting – 30 September 2013				
3.4.12	The feasibility of re-configuring Paris to split VAT from Spa Centre bankings automatically should be investigated.	Low	Strategic Finance Manager	We are in the process of upgrading the PARIS system and introducing a new module "On line Returns". This module will enable service users to break down their income types at source, and the system will automatically assign the correct treatment of VAT (i.e. VATable or not). The project is currently delayed due to issues with the supplier having not resolved problems with the upgrade that needs to happen first. Once the upgrade has happened, we will proceed to test the "On Line Returns" module prior to rolling out training and using in Live. Currently, there would be limited value in using resources to implement a system that would yield a benefit for a short time. The situation is being closely monitored and if necessary, alternative measures will be introduced to action the recommendation. Reliant on Supplier. PARIS Upgrade by March 2014 at the very latest. "On line Returns" summer 2014.

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Office Cleaning Contract – 1 August 2013				
3.5.2	Council staff access to the contractor's 'cloud' system should be organised as soon as possible with appropriate training.	Low	Estates Supervisor	Already spoken with Ocean and they are in advanced stages of dealing with this. End of November 2013.
3.5.5	Contact details and e-mail links should be clearly inserted on appropriate Council website pages for Council tenants, car park users and users of sports pavilions.	Low	Estates Supervisor	Update various pages to include contact details after speaking with relevant departments as I cannot update their webpages myself. End of September 2013.
St Nicholas Park Leisure Centre – 1 August 2013				
4.1.2	All orders placed should be fully and accurately priced as far as possible and include carriage.	Low	Operations Manager	Where possible, the cost of carriage will be added to the orders when they are put on to TOTAL. July 2013.
4.1.6	Procurement options should be reviewed, with appropriate methods being employed, in line with the Code of Financial Practice, to ensure that value for money is being obtained.	Medium	Sports Facilities Area Manager	The Sports Facilities Area Manager is currently in the process of looking into contracts regarding re-sales. The issue regarding the pool chemicals may require plant to replaced. Ongoing.
4.2.2	The next imprest claim should be amended by the amount of the discrepancy identified, to bring the account back into balance.	Low	Operations Manager	When monies for receipts are returned from Finance the petty cash will be returned to the correct figure of £100. August 2013.

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4.2.3	Management spot-checks of the petty cash should be undertaken and evidenced on the log sheet held.	Low	Sports Facilities Area Manager	The Sports Facilities Area Manager to undertake spot checks at various one to one meetings throughout the year. October 2013.
4.3.3	The stated stock check frequencies are adhered to, with substitute staff being nominated in case of the absence of the Receptionist.	Low	Operations Manager	As part of the ongoing work being undertaken with the Supervisors, one of them will be allocated duties to work with the receptionist on resales. October 2013.
4.3.5	Staff should be reminded of the need to take care when ringing through stock sales on the Flex system and that stock items should not be loaned out.	Low	Operations Manager	Staff working on the reception have been emailed to remind them not to loan out stock. Completed July 2013.
4.4.5	The pay scales for the swimming teacher should be reviewed with a decision being made as to whether the amended rate should be implemented and backdated as appropriate.	Low	Sports Facilities Area Manager	The Sports Facilities Area Manager is reviewing Swim Teacher pay grades and will take the appropriate action. October 2013.
4.5.4	Staff should be again reminded of the need to ensure that refunds and voids are processed by supervisors, independently of the staff member who had processed the original transaction, with the receipts being signed off to confirm that this has been performed appropriately.	Low	Operations Manager	All reception and supervisor staff have been made aware of the need to have refunds processed and verified by Supervisors. July 2013.

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4.5.7	A member of centre staff should be present during the emptying of the weighing machine to verify the cash counted.	Low	Operations Manager	Supervisors have been made aware of this and will endeavour, where possible, to be present when the machine is emptied. Ongoing.
4.5.12	Efforts should be made to ensure that folios include an appropriate amount of detail and that all invoices are raised at the correct rates, with particular focus being given when new fee periods come into effect.	Low	Operations Manager	Staff responsible for raising the invoices have been made aware of the need to ensure accuracy on all folios. Errors identified in the audit have now been eradicated. July 2013.
4.5.15	All membership cards should be issued in sequential order to aid the monitoring of cards stocks, with this monitoring being performed on a regular (weekly) basis.	Low	Operations Manager	Reception staff have been informed to issue Get Active cards in sequential order. July 2013.

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Management of the Virtualised Server Environment Devices – 16 December 2013				
3.2.4	The current assignment of user accounts to the Administrator vCenter server/ESXi role should be reviewed and revised as necessary to ensure that only those accounts with a genuine operational need are assigned with full administrative privileges for the vSphere environment.	Medium	Database Administrator	Undertake review as per recommendation. 31 March 2014.
3.4.3	The current configuration of the Alarms facility within vCenter server should be reviewed to ensure that all key events that may adversely affect users result in a trigger being invoked and notifications being issued by email to the VMWare administration staff.	Low	Database Administrator	Undertake review as per recommendation. 31 March 2014.