INTERNAL AUDIT 2015/16 MONITORING

SUMMARY OF AUDIT REPORTS

This report provides an update of the implementation of recommendations from all key 2015/16   and 2014/15 audits. These are designated as Red, Amber /Red or key advisory reviews and are shown in red.

	ALL 2015/16 AUDITS	OPINION	RECOMMENDATIONS		
			HIGH	MED	LOW
1	ATTENDANCE	GREEN	-	1	1
2	RECRUITMENT	AMBER/GREEN	-	1	5
3	REVIEW OF ANTI FRAUD AND ANTI BRIBERY ARRANGEMENTS	ADVISORY	1	5	3
4	CASH HANDLING	AMBER/GREEN	1	2	3
5	VENUES	AMBER/GREEN		1	1
6	INFORMATION GOVERNANCE	AMBER/GREEN		2	8
7	**PROPERTY MAINTENANCE**	**AMBER/RED**	1	1	2
8	**PCI COMPLIANCE**	**AMBER/RED**	3	6	
9	**PROJECT MANAGEMENT**	**ADVISORY**		7	
10	**CONTRACT MANAGEMENT**	**ADVISORY**		7	
11	**INCOME FROM CAR PARKING**	**AMBER/RED**	1	1	1
12	FLEET MANAGEMENT	GREEN			2
13	PAYROLL	AMBER/GREEN		1	3
14	CAPITAL ACCOUNTING & ASSET MANAGEMENT	GREEN			0
15	GREEN WASTE INCOME	AMBER/GREEN		2	1
16	SOFTWARE LICENSING	AMBER/GREEN		4	2
17	PERFORMANCE MANAGEMENT	AMBER/GREEN		2	1
18	**FACILITIES MANAGEMENT CONTRACT REVIEW**	**ADVISORY**			
19	DATA QUALITY	REASONABLE PROGRESS		1	2
	2014/15 KEY REPORTS	OPINION	RECOMMENDATIONS		
			HIGH	MED	LOW
1	**PROCUREMENT AGENCY STAFF**	**RED**	5	3	1
2	**PROCUREMENT**	**RED**	5	4	1
3	**PAYROLL**	**AMBER/RED**	1	5	1
4	**POST IMPLEMENTATION REVIEW OF CRM**	**ADVISORY**	1		
5	**DATA QUALITY**	**AMBER/RED**	-	5	1

DETAILED UPDATED ON RED & AMBER/RED REPORTS AND KEY ADVISORY REPORTS

2015/16 AUDITS

PROPERTY MAINTENANCE (January2016) - Amber/Red			
Summary	.		
	Recommendation	Status	
L	Independent condition surveys are not currently affordable for all buildings. However there is a programme of investment needs for all buildings and it is planned to refresh this.	A schedule identifying a 10 year programme of maintenance has been completed and funding needs to be considered. Once funding is agreed further condition surveys can be commissioned.	A
L	The programme of property investment needs does not factor in a schedule of condition surveys.	Conditions surveys to be prepared as above.	A
H	Review the property portfolio with a view to reducing future liabilities.	The Head of Property is undertaking a review of all land and properties including sales and acquisitions to review the Council's property portfolio	A
M	Management does not receive reports of statutory testing and maintenance completed by contractor.	Improved reporting mechanisms are being put in place.	A
PCI COMPLIANCE (PAYMENT CARD INDUSTRY)(November2015) - Amber/Red			
Summary	A new PCI policy was approved in October by the Leadership Team. This clarifies roles and responsibilities, training requirement s and clarifies ICT security and dataflow.		
	Recommendation	Status	
M	A training schedule for specific annual PCI Training has been agreed		G
M	A PCI Policy was agreed by the Leadership Team in October 2016		G
M	An ICT have a mapping document has been developed .		G
M	No PCI Data Flow Diagram exists that sets out the high level view of PCI data flow. - This was not put in the strategy but the dataflow is explained in the mapping document		G
M	A compliance certificate will be requested from all 3rd party suppliers. To ensure there is a mechanism is in place to track the PCI status for 3rd parties.		G
M	Adelante have confirmed that they are fully PCI compliant		G

H	The Council's VPI call recording software is not PCI compliant as the vendor does not support PCI requirements.	This is still under review and being tested	A
L	A formal PCI specific training schedule and policy are in place.		G
H	A screen is in place to cover the computer screen in reception ensuring the credit card numbers cannot be viewed by the CCTV camera, breaching security. A		G
H	The formal PCI roles and responsibilities have been documented within the policy .		G

PROJECT MANAGEMENT (January2016) – ADVISORY

Summary	This advisory review identified a lack of formal project management and an inconsistent approach. They recommended a range of improvements. This included a single set of project management documents and templates with a key set of principles, a complete register of projects should be maintained. All key projects should have a sponsor or a Board and all should have a lessons learnt review at the end. All risks should be recorded and escalated when necessary. A project management toolkit has been developed with a set of templates. They are already in use and further training will be given at the Managers Huddle in November. A list of all key corporate projects is maintained and monitored by the Leadership Team. Post Implementation Reviews have been undertaken on a number of projects to identify lessons to be learnt and a number are planned in 2017.

CONTRACT MANAGEMENT (January 2016) – ADVISORY

Summary	This review was undertaken concurrently with the project management review and identified similar issues. There were limited formal contract management arrangements were in place. A contract register has been completed and further work will be done on this through the procurement improvements. Once the project management training has been completed, training will arranged for all managers on good contract management principles to ensure there is good governance and priority to the larger contracts.

INCOME FROM CAR PARKS (March 2016) - Amber/Red

Summary	.All completed		
	Recommendation	Status	
L	A sign out sheet has been introduced at the Ashley Centre office for the removal of parking machine keys		G
H	All significant discrepancies both positive and negative are now investigated and the amount collected reconciled to the audit ticket by the Parking Supervisor. All differences over £10.00 are reported to the Head of Service in a monthly report.		G
M	A write -off procedure for PCNs is now in place.		G

FACILITIES MANAGEMENT UPDATE LATE (September 2016) – ADVISORY

Summary	The Building Surveyor is the nominated Contract Manager and has been working with Kier to improve contract monitoring arrangements		
	Recommendation	Status	

Advisory	The Council should work with the supplier to revise the KPIs within the contract so that they more accurately measure the service being provided.	Meetings are now held monthly and not quarterly. The Snr Building Surveyor is in the process of agreeing revised KPI's	A
Advisory	A formal programme of pre -planned maintenance must be agreed which can be performance managed. A monthly KPI score to determine the effectiveness and efficiency of work carried out in the area.	This will be included within the new contract mont arrangements	A
Advisory	The Council should consider strengthening protocols for managing variable work orders. This should include with formal sign offs. :	A log of all new instructions is now maintained	G
Advisory	Improve involvement of all stakeholders in the contract including user satisfaction surveys.	Surveys are issued to clients to comment on the service. Client meetings will be held quarterly to discuss contract issues.	G
Advisory	The Council should monitor the value of the contract to the supplier and how much additional work is awarded to the supplier and use this information when re-tendering.	The log of all new instructions recorded the work allocated to different contractors	G
Advisory	The Council should monitor the risk of cost escalating as a result of the condition of the estate.	This is part of recommendations within the property maintenance audit	A
Advisory	The Council should review provisions within the contract and explores their use in improving performance and holding the supplier to account.	The performance issues will be addressed through the monthly meetings and improved KPI's. Formally holding the supplier to account is difficult due to the contract conditions.	A
Advisory	Where possible, the Council should consider introducing penalties, sanctions and incentives to changes to the contract during its current term. And in the longer term when the contract is up for renewal in 2018.	These will be considered when the contract is retendered.	A

2014/15 AUDITS

PROCUREMENT - AGENCY STAFF (January 2015) –Red			
	Recommendation	Status	
Summary	The recommendations are completed. The new Matrix SCM system went live on 1st August 2016 ensuring the council are fully compliant with procurement legislation and the Agency Worktime Directive		
H	Planned approach to comply with EU procurement directive		G
H	Added as a risk on Corporate Risk Register		G
L	Rates of pay for Agency Staff should meet the living wage		G
M	More formal undertaking that agencies pay the same rates the Council		G
M	Review of Pinpoint Recruitment terms of business		N/A
M	Review of Berry Recruitment terms of business		N/A
H	Procedures should be developed to provide HR with details of agency staff		G
H	The Corporate Management Board should consider what options it wishes to follow in the short-term to address the issue of non-compliance with procurement regulations.		G
H	Need a formal process for preparing the outline business cases for the preferred option or options, which can identify costs, savings, benefits and disadvantages in detail to inform a decision by the Board		G

PROCUREMENT (February 2015) –Red			
	Recommendation	Status	
Summary	A project group has been working to address the outstanding recommendations, although there have been limited staff resources resulting in some slippage. The CSO's have been updated, the Procurement Strategy is being drafted and the Contract Register is being updated. The e-tendering system can go live once the terms and conditions are agreed and staged roll out has been agreed.		
H	Revise and update the Procurement Strategy	In draft. This needs to be reviewed and agreed.	A
M	Performance Monitoring of key procurement functions	Use of PO's now monitored. KPI's will be agreed.	A
M	CSO's have been updated and reviewed		G
M	Procurement Toolkit to be updated	Will form part of Procurement Strategy and guidance	A
H	Use of PO's was mandatory from 1st October and is being monitored		G
H	Improved monitoring arrangements for non-	Thresholds updated in CSO. Monitoring to be agreed	A
H	Update the Contract Register	To be sent to all managers	A
L	Potential duplicate was repaid		G
H	Risks recorded in the Leadership Risk Register		G

M	Requirements of the Transparency Agenda	Mostly compliant some additional actions to be completed	A

PAYROLL (May 2015) – Amber/Red

	Recommendation	Status	
Summary	All recommendations have been implemented and followed up in 2015/16 review		
M	Reducing errors on net pay , a secondary verification is in place		G
L	Reconciliations are now timely		G
H	Procedures to be updated to ensure that BACS is authorised prior to submission and in the event no senior officer is available the Chief Executive must be notified are in place		G
M	Improve the segregation of duties - no BACS key cards to be shared is in place		G
M	All BACS to the HMRC are authorised in advance and a monthly timetable agreed		G
M	Finance Team and Payroll operate one overpayments list		G
H	Regular meetings are now held with the Finance Team and Payroll .		G

POST IMPLEMENTATION REVIEW OF CRM (June 2015) – Advisory

Summary	The audit report identified that the CRM was high risk due to the lack of support and workarounds in place and recommended that the system be stabilised, designed, developed and supported or that there was a full re-implementation of CRM 2011. The CRM Board was established to address the issues and they have developed an action plan for both the short term and medium term requirements. A halt was placed on any further development work. Solutions to some problems are addressed in house and an external support contract has been agreed. A number of workshops have been held with the Leadership Team to start considering the medium term options in replacing the current system to establish what service will be required.

DATA QUALITY (December 2014) - Amber/Red

Summary	The new performance management framework has been agreed which has simplified the process and altered the PI's collected. Once the first committee cycle is completed new corporate PI's will be agreed by the Leadership Team. Data Quality was audited in 2015/16 and given reasonable assurance.		
	Recommendation	Status	
M	Evidence of primary systems verification - form to be amended to show confirmation and submission of evidence		G
L	Timetable /Action plan for Green Waste discrepancies	A timetable was agreed although there is slippage chasing up customers	A
M	Customer Services should report PI's such as income collected from Green Waste to the Leadership Team	Superseded whilst PI's reviewed.	A
M	Monthly reconciliation of PCN's to Si Dem should be completed		G
M	Purchase of updated software to record homeless cases		G
M	Dip sampling of sickness levels should be completed to ensure all is recorded and the documentation available for longer absences	Completed and reported to HR Panel and will be monitored by the Leadership Team	G