

INTERNAL AUDIT OUTTURN REPORT 2013/14

Cabinet Member **Cllr Neal Davey**
Responsible Officer **Audit Team Leader**

Reason for Report: To update the Committee on the work performed by Internal Audit during the 2013/14 financial year as required by the Public Sector Internal Audit Standards.

RECOMMENDATION(S): That the Audit Team Leader continues to report back to the Committee on any outstanding audit recommendations from the 2013/14 financial year as part of the regular progress reports.

Relationship to Corporate Plan: Effective Internal Audit plays a fundamental role in assisting the Council with its governance and assurance process.

Financial Implications: None

Legal Implications: None

Risk Assessment: Potential breach of the Public Sector Internal Audit Standards.

1.0 Introduction

- 1.1 This report summarises the activities of Internal Audit for the year ended 31 March 2014, as required by the Public Sector Internal Audit Standards (PSIAS).
- 1.2 The PSIAS define Internal Audit as; '*an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*'
- 1.3 The conclusion from the work conducted by Internal Audit is that generally the systems reviewed contained a satisfactory level of internal control, achieved their desired objectives and complied with the requirements of the Financial and Contract Procedure Rules as laid down in the Authority's Constitution.
- 1.4 Where during the course of our work we have identified areas where financial and management controls could be improved or where laid down procedures were not fully followed, recommendations for change and improvement have been agreed with appropriate officers and corrective action planned and/or implemented accordingly.
- 1.5 We have used SPAR to monitor and report on outstanding recommendations which has improved the management of audit action plans. The SPAR reports are attached as appendices to this report.

2.0 Compliance with Professional Standards

- 2.1 The practices and procedures of Internal Audit are periodically reviewed; self-assessment is done annually as part of the evidence gathering process for the Annual Governance Statement.
- 2.2 The most recent external review was by the Audit Commission in 2007/08. Plans are already in place to carry out externally validated assessments in accordance with PSIAS requirements. For this year only this will be carried out by an outside independent Auditor, in future this will be via reciprocal arrangements with Devon Audit Group.
- 2.2 PSIAS 2450 requires the Audit Team Leader to provide an annual report to the Audit Committee timed to inform the Annual Governance Statement, This must include:
- An opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control
 - The expectations of senior management, the board and other stakeholders
 - Disclose any qualifications to that opinion, together with reasons for the qualification
 - Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance
 - Draw attention to any issues the Audit Team Leader judges particularly relevant to the preparation of the Annual Governance Statement
Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and targets
 - Comment on the compliance with the PSIAS
 - The results of the internal audit quality assurance and improvement programme

3.0 Scope of Internal Audit Activities

- 3.1 The scope of Internal Audit within the Council is unrestricted in that the Audit Team Leader is responsible for the review of all aspects of internal control across the Council's activities.
- 3.2 Internal Audit was afforded unrestricted access to all relevant personnel, records, documents and correspondence to enable audit reviews to be conducted effectively in the 2013/14 financial year.
- 3.3 The Audit Team Leader also has access to the Chief Executive, the Section 151 Officer, the Leader of the Council and Chairperson/Vice Chairperson of the Audit Committee as outlined in Section 18.3.3 of the Financial Regulations (approved by Cabinet on 24 April 2013).

4.0 Basis and Completion of the Annual Internal Audit Plan 2013/14

- 4.1 The 2013/14 Strategic Audit Plan was presented to the Audit Committee at its meeting on 19 March 2013, where it was approved. The Internal Audit Section usually has 2.8 FTE staff although 1 is presently on Maternity Leave.
- 4.2 The sections below give a summary of the work completed by Internal Audit in the 2013/14 financial year against the approved Audit Plan: A total of 20 audit reviews were conducted for the 2013/14 financial year, the same as the previous year. The audit opinions are reproduced in full below.
- 4.3 **Core Audits** – All 11 core audits for 2013/14 were completed i.e. Council Tax & NNDR, Income and Cash Collection, Main Accounting System, Housing Benefits, Creditors, Housing Rents, Treasury & Cashflow Management, Payroll, Recovery, Trade Waste (biennial with Car Parking Income) and ICT Core.
- 4.4 Three of these, included at 22-24 below, have not previously been discussed at Audit Committee.
- 4.5 **Systems Audits** – The following 9 were completed: Travel & Subsistence, Procurement, Development Management, Corporate Health & Safety, Private Sector Renewal Grants, Grounds Maintenance, Housing Homeless Persons, Elections & Electoral Registrations and Gifts & Hospitality.
- 4.6 Audits not completed have been prioritised for 2014/15 as well as some regular changes such as making an increased number of audits annual or biennial.
- 4.7 **Corporate Work** – Included work on SPAR, analysing and reviewing the adequacy of the council's risk management arrangements, job evaluation panels for Human Resources, data quality, investigations, and the annual Stores stock take.

5.0 Grounds Maintenance

- 5.1 During the previous Audit in 2006/07, it was identified that there was an inadequate number of Grounds Maintenance operatives who had received any Emergency First Aid Training. Since then 12 of the 17 Operatives have now received this training which is a significant improvement.
- 5.2 The Grounds Maintenance Service has endeavoured to make savings by changing the planting arrangements of some ornamental beds in order to reduce or eliminate on-going maintenance costs. Also the wood chippings made from tree felling are used to put onto the flower beds which has some beneficial effects, and saves the costs of having to dispose of the chippings. There has also been a slight reduction in scheduled grass cutting.
- 5.3 At the time of the Audit, there did not appear to be sufficient documentation concerning the arrangements that the Grounds Maintenance Service had for invoicing third parties; e.g. both the DCC Website and the MDDC website state that MDDC will cut the grass in DCC owned areas 6 times per year.

This has been reduced to 4 cuts per year, and DCC are invoiced for that amount plus any ad-hoc work but there was no written contract to reflect this change. However, this has now been resolved as an order and specification for work has now been received for 2013 -14.

- 5.4 Although invoices to all third parties are raised promptly based on a scale of charges for the GM services, it is unclear as to whether the service is actually covering its costs adequately.
- 5.5 It is the overall opinion of the auditor that the system is well controlled.

6.0 Private Sector Renewal Grants

- 6.1 It is acknowledged that there has been a conscious move away from discretionary grants towards loans via Wessex Reinvestment Trust. This particular policy has in addition to the risk identified at 5.2.iii caused the problem that the loans need to be repaid in order for the money to be recycled as intended under the scheme. This is outside MDDC's control but an audit on Wessex itself is due soon so this would then be looked at.
- 6.2 Success has been had in getting Empty Homes back into use, MDDC has targeted both the private sector and its own hard-to-let properties, and succeeded in getting 33 homes back into use against a target of 15 for the year.
- 6.3 As regards Disabled Facilities Grants (DFGs) there are a number of weaknesses that need to be addressed; it would appear that these are caused partly by lack of resource as the section has only 2 full-time members of staff out of 5 and admin support has been affected by maternity leave. As a result application packs are not being sent out on a timely basis to applicants and applications can take a very long time once received.
- 6.4 There is also the difficult task of allocating limited funds to urgent cases over the entire year because once the money is spent no more is available. This could result in failure to allocate DFG money to those most in need which could mean vulnerable people suffering needlessly in their homes.
- 6.5 It is the overall opinion of the auditor that the Private Sector Renewal Grants system is adequately controlled.

7.0 Procurement

- 7.1 The procurement SharePoint pages are well equipped, have lots of information for users and are kept up to date and relevant. However there are a lot of requisitioners and authorisers who use the eProcurement system therefore there is always going to be a certain amount of user error e.g. users don't use the system very much or aren't aware how to "under receive" etc. The Corporate Procurement Manager has recently carried out training for all users in line with the upgrade and took the chance to address these issues as well.

- 7.2 One area of weakness in Procurement is contracts. It was identified that there are suppliers where annual spend is exceeding the £50,000 value and a contract should be in place but is not. The Corporate Procurement Manager is aware of this situation and has taken on another member of staff on a 12 month fixed term contract to help address this situation.
- 7.3 Another weakness is that some employees are not aware of the existence of the Financial Regulations which include requirements for procurement let alone their content. Lack of training appears to remain a problem despite recent attempts to address this. During testing it was found that although the correct procedures are not always followed the majority of users were found to be pro-active in finding/using suppliers who can provide value for money. It was encouraging to find that employees are trying their best to achieve value for money.
- 7.4 It is the overall opinion of the auditor that the Procurement system is adequately controlled.

8.0 Elections & Electoral Registrations

- 8.1 The Elections and Electoral Registration Team were found to be very efficient and performing well. For the Electoral duties, testing was carried out to see if, after an election, any issues which were highlighted as errors on the register had been followed up and actioned. The issues were followed up and actioned as required, this had been a weakness last time an audit was carried out on this area so this was an improvement. Elections fall in most years and the Team appear to be very competent in running a smooth operation and are vigilant in carrying out checks for areas such as mileage claims etc.
- 8.2 An area of concern is that currently the accounting for the elections has been an integral part of Mid Devon District Council's accounts. The accounting of elections falls under the remit of the Returning Officer and not Mid Devon District Council it is therefore vital that accounting procedures are robust to ensure transparency and negate any separation of duty concerns.
- 8.3 The Electoral Registration Officer has made the decision not to run house to house canvassing due to the financial cost, which he has every right in deciding. Mid Devon does have a high percentage of forms that are returned without the house to house canvassing so this may not be an issue, however due to this the Electoral Commission have reported the Electoral Registration Officer for Mid Devon District Council as underperforming in this area.
- 8.4 It is the overall opinion of the auditor that the Elections and Electoral Registration system is well controlled.

9.0 Corporate Health & Safety

- 9.1 The area of Corporate Health & Safety is held within the Environmental Health Services Section. The duties for Corporate Health & Safety are covered by one of the Environmental Health Officers who spends 50% of his time dedicated to Corporate Health and Safety in his capacity as the Health and Safety Advisor. The Health and Safety Advisor reports to the Environmental

Health Services Manager and it is felt that this could be a difficult situation at times due to the Environmental Health Services Manager also being responsible for 3 high risk operational areas across the Council and there could be separation of duty issues and reporting difficulties.

- 9.2 There were some areas of good practice and procedures in place. These being:
- There are processes and procedures in place with regard to health and safety for sub-contractors and as part of the tender process.
 - There are procedure notes in place highlighting what to do in the case of a fire or bomb alert.
 - The Council has adequate procedures in place to cover out of hour's emergency calls, although the cover for the Facilities and Corporate Buildings Manager as regards alarms (including fire) is weak.
- 9.3 Currently the Health and Safety Advisor covers updating of all Corporate Health and Safety Policies, deals with any Health and Safety enquiries, although logs of these are not retained, and focuses on addressing high risk areas of the Council as much as is possible in the time available. There is currently no job description or business plan for the post of Corporate Health and Safety Advisor which causes a lack of direction, aims and goals for the post and the Council. Putting this in place will help to create transparency for the post.
- 9.4 However, there are a number of weaknesses in the systems of internal check and control that need to be addressed. At present there is a lack of Health and Safety Unison representatives and this does not appear to be a situation that is going to be resolved in the short term. It is felt that this needs to be addressed as a matter of urgency to enable the Council to fulfil its obligations under the HSE guidelines and to arm itself with strong Health and Safety ethics which will be beneficial in the long term. Other areas of concern are:
- 9.5 Health and Safety awareness throughout the Council – there was very mixed views from employees about whether there is enough awareness, some feel that as they have completed the e-learning modules they have enough but did say that it is not a topic that is discussed at team meetings. Whereas, others feel that there is a lack of awareness. Health and Safety is not actively promoted by way of Link or the Senior Officer Forum and it was not found to be discussed regularly at Management Team.
- 9.6 The Council has a Health and Safety Committee in place in line with HSE guidelines. Whilst relevant topics are discussed it appears that this is as far as it goes and that discussions are not being actioned and in some cases the topics are not revisited after an action was agreed to ensure that everything has been addressed appropriately.
- 9.7 Currently, there are only 2 qualified Unison Health & Safety Representatives instead of the 3 required for a quorum. Despite attempts by Unison to encourage more representatives, this has not been successful. Under HSE

guidelines, it is possible to have non-union representatives who are suitably trained to ensure that the Council comply with HSE law and the Health & Safety Committee Constitution.

- 9.8 Thankfully no serious accidents have happened at MDDC. The number of reported accidents for 2009/10 when the audit was last carried out was 15, for 2012/13 it was 61. However the Health and Safety Advisor believes this to be at least partly due to improved reporting of accidents.
- 9.9 The Council has developed the bones of a framework that can be used to address all the issues mentioned above (i.e. a Health and Safety Committee and risks now being addressed on the Spar system). There is still a long way to go, but it is felt that what is in place can be built upon very easily to develop a strong Health and Safety ethic and which comply with the HSE guidelines.
- 9.10 It is the overall opinion of the auditor that MDDC is insufficiently proactive about Corporate Health & Safety at present.

10.0 Travel & Subsistence

- 10.1 Testing established that expense claims are paid accurately by the Payroll Section in accordance with the authorised claims received.
- 10.2 At present although the Payroll Manager cannot check all the expense claims he does spot and correct some errors as he goes along. When the self-service phase of the new HR/Payroll system is introduced there will be extra resource for spot checks going forward as manual inputting of expense claims by the Payroll section will cease.
- 10.3 However, responsibility for the approval of expense claims lies with Service Managers at present and will remain so with the new system, there are weaknesses in this which are identified below.
- 10.4 The main issue is existing procedures, policies and rules are not being followed or enforced as well as they should be.
- 10.5 It is the overall opinion of the auditor that the authorisation of Travel and Subsistence claims is poor.

11.0 Housing Homeless Persons

- 11.1 The homelessness legislation places a general duty on housing authorities to ensure that advice and information about homelessness, and preventing homelessness, is available to everyone in their district free of charge. The legislation also requires authorities to assist individuals and families who are homeless or threatened with homelessness to apply for help.
- 11.2 The previous audit was carried out in 2006/07 and since then, there have been a number of improvements to the Homelessness system following the recommendations made. The processing of applications and appeals to the Homelessness Team are dealt with efficiently and in line with the DCLG 'Homelessness Code of Guidance for Local Authorities'.

- 11.3 The process now in place for raising Sundry debtor invoices correctly and in a timely manner for temporary B & B accommodation, removal and storage costs and for the Deposit and Rent in Advance Scheme (DARs) repayments has improved since the last audit and is now much more robust.
- 11.4 There is a new Homelessness Database on the Metastorm System which has improved functionality; a real time export from the Council's financial management system (e-Financials) updates the DARs repayments in the database which means that these accounts can be monitored from one system. It is hoped that other information such as housing benefit receipts will also be transferred into the system via an interface. This will enhance the information available on the cases held in the system and improve efficiency as all of the relevant information will be held within the Homelessness system, instead of on spreadsheets.
- 11.5 However, the way in which the information relating to the amounts owed for the DARs repayments and the removal and storage costs is monitored is still unsatisfactory. At present it is still not possible to reliably report on the exact amount outstanding on all of the DARs accounts.
- 11.6 It is recognised that due to the financial position of the applicants, this is always going to be a difficult area for the recovery of debt. It is therefore recommended that a different approach is taken to record and monitor the outstanding debts in respect of the DARs repayments, and that very old debts are written off. (See 2 below)
- 11.7 Although the processing of applications is carried out efficiently, the scanning of documents for these cases onto the Council's DMS (Document Management System) is an area that requires improvement.
- 11.8 It is the overall opinion of the auditor that the Homelessness system is adequately controlled.

12.0 Development Management (Including Enforcement)

- 12.1 In March 2012, the government introduced the National Planning Policy Framework which aimed to consolidate planning statements, circulars and documents into a single simpler document. LPA (Local Planning Authorities) were given 12 months to comply with the guidance. Changes in legislation and putting policies in place to reflect these changes can be challenging and time consuming.
- 12.2 The Planning and Enforcement teams' workload, for example is dependent on the number of planning applications received or complaints received for enforcement. The Development Management department has written an 'Enforcement Plan' which now needs to go before the Planning Committee to be adopted. This document will outline the priorities of the Enforcement Team.
- 12.3 There have been other considerations and challenges placed upon the Planning department including the Local Development Plan which includes major projects such as the Tiverton Urban Extension. There have also been a

lot of staff changes within the department which has caused problems with knowledge retention and staff learning new skills, this has had a corresponding impact on performance.

- 12.4 During the audit it was found that the planning website contained a comprehensive range of information which was easy to follow, very informative and current.
- 12.5 The Head of Planning has put in place an appropriate scheme to allow his team to make delegated decisions on his behalf.
- 12.6 There are, however, some areas which require improvement.
- Planning decisions are not always meeting the department's performance targets and this is reflected in the Spar PI's where performance has fallen over the last 2 financial years.
 - It was found that there are no reconciliations carried out between the Section 106 Access database and eAnalyser.
 - There does not seem to be an adequate process in place to ensure that all enforcement cases are closed down promptly on CAPs.
 - Since October 2012 delegated powers were withdrawn from Principal Planning Officers although during testing it was found that on occasions Principal Planning Officers are still signing off planning decisions.
- 12.7 It is the overall opinion of the auditor that the Development Control (including Enforcement) system is adequately controlled.

13.0 Gifts and Hospitality

- 13.1 Since the previous Audit was carried out in July 2012 the Members' Code of Conduct has been reviewed and was approved by the Council on 24/04/13. As a result of new legislation introduced through the Localism Act members are now expected to declare any 'Disclosable Pecuniary Interest' and 'non Pecuniary Interests' (these are personal interests as per our code). All of the Members have completed, signed and returned new forms and these will now appear on the MDDC website (with signatures redacted), from the end of October 2013.
- 13.2 New employees are required to agree to the terms and conditions of the Officers' Code of Conduct before they start work. This is an area that has greatly improved since the last audit with all but one of the forms being returned to Human Resources before or on the start date, and the form that wasn't was signed before employment commenced was completed within a week of the new employee's start date.
- 13.3 All members have received training on the new Members Code of Conduct within the last year and all of the Members' Declarations of Acceptance of Office had been completed and returned to the Monitoring Officer correctly.

- 13.4 There have been no declarations of Gifts and Hospitality made by Members since the last Audit in July 2012.
- 13.5 Civic Expenses expenditure was examined as part of this Audit and all expenses were found to be legitimate and well within budget.
- 13.6 A reminder of Officers responsibilities and guidance on how to disclose any Personal Interests or offers of Gifts and hospitality was sent to Officers via an item in the Link in January 2013 by the Monitoring Officer. The Officers' Register of Interests has had one addition since the previous Audit.
- 13.7 It is the overall opinion of the auditor that gifts and hospitality are adequately controlled.

14.0 Income & Cash Collection

- 14.1 The processes for cash receipting, banking, refunds and post opening are robust and very well controlled. Following recommendations from the last Audit, system improvements have been implemented for refunds and recording/posting of cheques. A cheque processor has now been installed in the Post Room for entering the cheques as they are received when the post is opened. This ensures that cheques are dealt with promptly and it also reduces the risk of any being lost or mislaid as cheques being taken out of the post room are logged and counted back in when the relevant departments return them to the cashiers for processing.
- 14.2 Written procedures are now in place for refunding customers and these have been followed correctly; all authorisations are obtained at each stage of the process as required and there are separate procedure notes for refunding using the chip and pin method.
- 14.3 However, there are a number of weaknesses in the system of income recognition. Departments are still requesting invoices to be raised *after* goods or services have been supplied, instead of before. Also, despite the Finance department issuing a pro-forma for sales invoices, there are still a number of alternative ways in which invoices are being requested. It is therefore, still not possible to ensure the completeness of income, as there do not appear to be any checks carried out by the departments to see if all invoices requested have actually been raised.
- 14.4 It is the overall opinion of the auditor that the Income and Cash Collection system is adequately controlled.

15.0 Housing Rents

- 15.1 There are aspects of Housing Rents that are well run and follow good practice. To name a few, there is clear separation between debit and collection which ensures a good standard of separation of duties, the list of Council stock and the amount of rent applied to each account within the Orchard system was all accurate.

- 15.2 Housing Performance is well documented and monitored, with the Council using the Housemark system as a benchmarking tool. The Housemark organisation is jointly owned by the Chartered Institute of Housing (CIH) and the National Housing Federation (NHF), and is a leading provider of social housing performance improvement services. Monitoring reports are produced on a monthly or quarterly basis and are circulated to Housing Staff & Managers, the Scrutiny Performance Group (SIG) and the Housing Performance and Improvement Group. This gives these groups the opportunity to comment on or give feedback about Housing Performance.
- 15.3 One of the main areas of concern highlighted in the past has been the rent arrears recovery procedures. A new procedure was in the process of being written at the time of the previous audit and was introduced on 4th March 2013. One of the criticisms of the previous process was that it was overcomplicated, but the new procedure has addressed this with clear and concise actions at each stage. This process has greatly improved the monitoring and chasing of the current tenant arrears and in all of the samples selected for this test, the procedures had been followed correctly.
- 15.4 Other areas that require some attention include:
- When looking at user access to the Orchard system, there were some issues highlighted that require attention. It was disappointing to see that some of the issues were points that were made on the last audit, (one of them on the last 2 years audits) that have not been actioned.
 - The reconciliation process between Orchard and e-Fin remains complex and appears to rely largely on the work of the Housing & Performance Team to identify any differences. Where this doesn't happen the differences are written off and while these are certainly not material amounts this does not seem a very worthwhile exercise.
- 15.5 It is the overall opinion of the auditor that the Housing Rents system is adequately controlled.

16.0 Creditors

- 16.1 There are a number of areas that were found to be well controlled.
- The controls for raising electronic and manual cheques are all in place and are working well. Reconciliations are being carried out on a monthly basis for manual cheques, with raised but un-cleared cheques being recognised. Users of manual cheque books are set with limits for the amount they can raise a cheque for. The number of electronic cheques issued has reduced year on year.
 - There are controls in place to create separation of duties for Creditors which negates their ability to raise payments to themselves or someone known to them.

- 16.2 Testing identified that there are some areas of weakness which require some work for improvement.
- VAT is not always being identified and processed when making credit card payments. This means that our input VAT is currently being understated therefore the Council is not re-claiming the full amount of VAT possible at present.
 - It was found that GRN's are not being entered accurately and promptly after good/services have been delivered. Also, auto match errors are not being dealt with promptly enough.
- 16.3 It was also found that the number of invoices paid on-time has slipped this financial year, while some of this is due to staff changes and annual leave it is felt that with some more training for users, the above issues could be easily rectified which would be beneficial and may help to improve the proportion of invoices paid on time.
- 16.4 It is the overall opinion of the auditor that the Creditor system is adequately controlled.

17.0 Trade Waste

- 17.1 It is acknowledged that there have been a lot of changes to the management of Trade Waste since the last audit which will have had a big impact on the service and changes are still ongoing. Due to the changes a lot of the recommendations from the last audit are still outstanding.

The invoicing/administration side of Trade Waste seems to be very organised with new customers and any variations to services being correctly and promptly invoiced.

- 17.2 However, there were a number of areas where, it is considered, there is need of improvement to provide a more efficient and effective service.

There is a general lack of recorded procedures, poor audit trail and out of date documentation throughout.

The complaints procedure does not seem to be consistent with other areas of the Council.

- 17.3 The area of invoicing is currently being reviewed which will save the Council money on support costs and improve the invoicing process. Some of the points above can be addressed with the implementation of the new system which will help to make some efficiency in processes for the service.

It is felt that the service could easily and quickly be improved with the implementation of processes and procedures for the Trade Waste service to work with and the implementation of the new invoicing system.

- 17.4 It is the overall opinion of the auditor that the Trade Waste system is poorly controlled.

18.0 Council Tax and NNDR

- 18.1 The areas of Council Tax and NNDR that are performing well are:
- 18.2 There is good separation of duties between administration (creation of debt) and collection of monies/payment.
- 18.3 Suspense accounts are being regularly monitored and cleared out.
- 18.4 Non payers and missed payments are being followed up and well managed according to the processes in place.
- 18.5 Collection rates are regularly monitored and collection rates for 2011/12 and 2012/13 are encouraging.
- 18.6 The impact on workflows of Customer First taking calls remains unclear; they do not have access to the customers' accounts which reduces their efficiency. This will be followed up on the Customer First audit we are due to do early next year.
- 18.7 However, there are some areas of weaknesses in the systems of internal check and control that need to be addressed:
- 18.8 For a number of years we have been informed that there have been no changes made to the procedure notes, therefore we have not looked at them again this year. These need to be reviewed as soon as possible to ensure that they are up to date. They should include all processes with meaningful and realistic targets in order for performance to be monitored. For instance, the process of checking NNDR valuations are adequate but this is let down by the amendments not being carried out in accordance with the current Service Level Agreement of 'aiming' to complete within 5 days from download date. Currently no member of staff is adequately trained to carry out the NNDR valuation amendments in the absence of the Business Rates Officer.
- 18.9 There isn't an adequate audit trail in place to ensure that the number of invoices printed matches the number that was posted.
- 18.10 The Cash Balancing Reconciliations for months of April 2013 – August 2013 were not carried out until the month of August 2013.
- 18.11 It is the overall opinion of the auditor that the Council Tax and NNDR system is adequately controlled.

19.0 Treasury Management

- 19.1 Treasury Management is very good but there are one or two minor variations from investment policy which do not appear to have been authorised by the Head of Finance and Finance Cabinet Member in accordance with their delegated powers.
- 19.2 It is the overall opinion of the auditor that the Treasury Management system is well controlled.

20.0 Housing Benefits

20.1 There were a number of well managed areas within the Benefits department, these being:

- The BACS payments authorisation process is well controlled. There is appropriate separation of duties and authorisation at each stage of the process.
- All appropriate evidence for change of circumstances is obtained before implementing the change.
- The overpayment receipts are reconciled on a monthly basis to the e-Financials system.
- Access on the Northgate system was all in accordance with the requirements of the users.
- There is adequate provision for bad debt.

20.2 However, during busy periods there are occasional gaps in management checks or reduced checks. It was also found that in the sample selected, the calculation of monthly accuracy percentages was incorrect.

20.3 It is recognised that the people who have incurred overpayment debts are those on low income, but it appears that benefit overpayments are not being adequately chased increasing the risk of the debt becoming irrecoverable. Also, some of the sundry debtors are in need of writing off. The Fraud & Overpayments Team Leader confirmed that this process is about to be carried out so this is now being addressed. It was found that there are some old accounts (prior to 2012) that don't seem to be on the Workflow system which seems to be as a result of an upgrade.

20.4 It is the overall opinion of the auditor that the Housing Benefits system is adequately controlled.

21.0 Recovery

21.1 The process of raising the twice yearly Trade Waste invoices and ah-hoc Trade Waste invoices has now transferred from the Recovery Section to the Debtors Section in the Finance Department which ensures that there is a clear separation of duties between the raising of invoices and debt recovery.

21.2 The Recovery section has continued to follow their written procedures for chasing and monitoring debts well. However, as before the procedure for the Service Manager referrals has seen no improvement and this part of the process remains the same, with little feedback from Managers to the Recovery section. When debts are referred to other service areas there are often long delays before further action is taken, increasing the likelihood of debts becoming irrecoverable.

21.3 It is the overall opinion of the auditor that the Recovery Service is adequately controlled.

22.0 ICT Core

22.1 The procedures for backing up the systems at frequent intervals and for having a satisfactory contingency plan in place in the event of an IT failure remain robust and well controlled.

22.2 ICT has updated areas of their starters and leaver's procedure which has made the procedure for authorising/denying access to systems more streamlined and efficient. ICT also act promptly and in line with their policy when an employee changes roles or duties, but this process relies upon them being informed by HR or the line manager to ensure access is available (or taken away from) the user at the correct time.

22.3 One area that does need to be improved is the reviewing and updating of the ICT policies on Sharepoint several of which are out of date.

22.4 It is the overall opinion of the auditor that the Core ICT system is well controlled.

23.0 Main Accounting

23.1 It is pleasing to see that overall there are good controls around the main accounting system. However it is less satisfactory that there are agreed recommendations brought forward from earlier years once again.

23.2 It is the overall opinion of the auditor that the Finance system is well controlled.

24.0 Payroll

24.1 The Payroll Manager now has an extra member of staff who is able to offer support and assistance, which addresses some of the main concerns in previous Audits where there was a lack of cover and separation of duties. The Payroll & HR Officer can offer cover for the Payroll Manager and if needed, would be able to run the payroll process if required. This area of the process has improved vastly and is now considered to be well controlled which is a marked improvement from last year when it was assessed to be poorly controlled.

24.2 The system of manually calculating salaries for starters, leavers and grade amendments is now automated, although they are still being verified by the Payroll and HR Officer to ensure accuracy. However, as part of the year end procedures it would be prudent to introduce a process to verify the system parameter changes for items such as changes as Tax code updates, pay increases, SSP updates etc.

24.3 It is the overall opinion of the auditor that the Payroll system is well controlled.

25.0 Comment on the Council's Control Environment

25.1 Following on from the individual audit opinions above, the table below provides a summary of the Auditor's judgement on the control environment from the areas being reviewed (i.e. well controlled, adequately controlled or poorly controlled). The data for 2012/13 is also included to provide a comparison.

	2012/13	2013/14
Well Controlled	4	6
Adequately Controlled	14	11
Poorly Controlled	2	3
Total	20	20

25.2 It is the opinion of the Audit Team Leader that the Council's control environment was, on the whole, adequate and effective in the 2013/14 financial year. If the audit recommendations on the action plans are carried out the adequately controlled systems would become well-controlled. Indeed 2 more Core Audit areas were judged as well controlled than last year. The areas for which a poor opinion was given are further considered below.

25.4 There were 2 "poor" opinions given in 2012/13 which were for Standby and Payroll. There have been significant improvements to both areas since the audits were carried out. The new payroll system has been in use for over a year now; this has resolved a significant proportion of the weaknesses which were evident in the old system as the new system is fully integrated with HR records. This has contributed to Payroll receiving a "well-controlled" audit opinion this year.

25.5 For Standby the main weaknesses were also to do with HR matters such as job description and transparent recruitment procedures. These are also now largely resolved.

25.6 There were 3 "poor" opinions given for 2013/14; Corporate Health & Safety, Travel & subsistence and Trade Waste. There have been significant improvements to these areas as well:

25.7 The underlying problems regarding Health and Safety were a lack of awareness and evidence of work done although all the operational areas were carrying out risk assessments correctly. There is now increased membership on the Health & Safety Committee ensuring all services and MDDC locations are represented, in addition the CEO now attends meetings. The work on SPAR received the approval of the Zurich insurance risk advisor.

25.8 For travel & subsistence now that the new system is operational the Payroll and HR Assistant scrutinises expense claims and challenges them for e.g. lack of receipts. The introduction of Myview for self-service expense claims later on this year should improve things further.

25.9 Lastly for Trade Waste the recycling service is planned to be extended, a new Manager is in the process of being recruited. Paper Waste Transfer Notes which was a weak area are being withdrawn and replaced with an on-line

system and the new invoicing process now done by Finance via Metastorm from 1 April 2014 resolves a lot of other issues identified.

26.0 Work Undertaken by Other Assurance Bodies

26.1 Grant Thornton commenced their appointment as External auditors in the 2013/14 financial year. No service specific reviews were completed. Two grants claims were certified for the year.

27.0 Performance Information

27.1 The Audit Strategy outlines the quality assurance process. The Head of Communities & Governance and Audit Team Leader supervise the Audit Team and review their work for each audit, prior to the draft report being issued to the audit client.

27.2 Where the Audit Team Leader has carried out an audit directly the Head of Communities & Governance reviews her work.

28.0 Conclusion

28.1 This report contains a summary of the work undertaken by Internal Audit in the 2013/14 financial year as well as ensuring that the requirements of the PSIAS are met.

28.2 I would like to take this opportunity to formally record my thanks to the Audit Team for their hard work and for the consistent quality of the work that they have produced during the 2013/14 financial year.

Contact for more Information: Catherine Yandle 01884 234975

Circulation of the Report: Cllrs Peter Hare-Scott and Neal Davey

Audit Report - CEX

Annual report for 2013-2014

Arranged by Service

For Kevin Finan

**Filtered by Performance Status: Include Project Status: Milestone Missed,
Behind schedule**

**Exclude Project Status: Cancelled, No Data available, On / ahead of
schedule, Completed and evaluated**

Key to Performance Status:

Projects:

	No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - CEX

Service: Management Team	Head of Service: None	Portfolio: n/a
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Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Ensure that recommendations from H&S Committee are followed through.</u>	28/02/2014 (due)	24/10/2013	Kevin Finan CEO now attends H & S Committee		It has been identified from H & S Committee meeting minutes over the last 18 months that many of the recommendations have not been actioned, or followed up. (SK)

Audit Report - Customer First

Annual report for 2013-2014

Arranged by Service

For Liz Reeves

Filtered by Performance Status: Include Project Status: Milestone Missed, Behind schedule

Exclude Project Status: Cancelled, No Data available, On / ahead of schedule, Completed and evaluated

Key to Performance Status:

Projects:		No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - Customer First

Service: Customer First

Head of Service: Liz Reeves

Portfolio: n/a

Projects

Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Stop paying mileage to the Area Office and Surgeries Community Officer with immediate effect.</u>	31/03/2014 (due)	07/11/2013	Mileage for the individual is taxed.	Will review the need to bring post over from Crediton now building control is no longer at that office.	For one employee there is a major issue; they are claiming mileage from Crediton (where they are based) 3 days a week for their mileage home. This has been justified on the basis that they bring the post over from Crediton to Phoenix House on their way home from work. (CY)

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Audit Report - EH

Annual report for 2013-2014

Arranged by Service

For Paul N Williams

Filtered by Performance Status: Include Project Status: Milestone Missed, Behind schedule

Exclude Project Status: Cancelled, No Data available, On / ahead of schedule, Completed and evaluated

Key to Performance Status:

Projects:		No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - EH

Service: Fleet Management		Head of Service: Paul N Williams			Portfolio: Working Environment and Support Services - Cllr Brenda Hull	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Carry out annual driving licence checks in accordance with Pool Vehicle Policy</u>	28/02/2014 (due)				The Authorised Drivers Lists is held on CRM, for the majority of drivers the annual driving licence checks are now overdue. (CY)
Milestone Missed	<u>Clarify training use of Pool Cars is allowed in Policy now training and casual mileage rates are the same</u>	31/03/2014 (due)				Casual Mileage is still being claimed for training mileage even now it is the same rate for all mileage. Policy and rates are at odds with each other. (CY)

Service: Management Team	Head of Service: None	Portfolio: n/a
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Audit Report - EH						
Service: Management Team		Head of Service: None			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Produce a business plan or structure of works for the area of Corporate Health & Safety</u>	31/03/2014 (due)	09/01/2014	Requirement included in H & S advisor JD	2014/15 business plan needs to be submitted to MT in March	During testing, a Business Plan could not be found for Corporate Health & Safety. (SK)

Service: Private Sector Housing		Head of Service: Paul N Williams			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Ensure the checklists at the front of files are used</u>	30/06/2013 (due)				the front to show what has been done so far. Whilst the case above did not appear to be particularly delayed by the filing it would help if the checklists at the front of files were used properly (CY)
Milestone Missed	<u>Ensure files are maintained in date order</u>	30/06/2013 (due)				Some of the files are misfiled, very out of order etc. and in one of the sample in particular (out of 9) this has led to multiple approaches to Building Control and planning which wastes everyone's time. (CY)

Service: Waste Management		Head of Service: Paul N Williams			Portfolio: n/a	
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Audit Report - EH						
Service: Waste Management		Head of Service: Paul N Williams			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Send Trade Waste advertising leaflets to all new NNDR customers.</u>	31/03/2014 (due)				Sending Trade Waste advertising to new NNDR customer could source extra business. The additional bonus is that the Council would have an opportunity to target the new business before other companies even knew about the new customer. (SK)
Milestone Missed	<u>Ensure that there is an adequate procedure in place to ensure Controlled Waste Transfer Notices are obtained for all customers.</u>	31/03/2014 (due)				It was found that there is no procedure in place to chase up Controlled Waste Transfer Notices that had not been received back from the customer. (SK)
Milestone Missed	<u>Work on increasing the customer base and increasing income.</u>	31/03/2014 (due)				As part of testing the customer base was compared to last times audit and there was a net loss of 49 customers. (SK)
Milestone Missed	<u>The period and basis of discounts given should be recorded in the</u>	31/03/2014 (due)				It was found that a couple of the samples had been given a

Audit Report - EH						
Service: Waste Management		Head of Service: Paul N Williams			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
	<u>customers file.</u>					discount but there was no record/note held to explain the basis on why the discount had been awarded. (SK)
Milestone Missed	<u>Ensure that the Trade Waste Collection Agreement states an effective date and that the invoice period ties in with the effective date.</u>	31/03/2014 (due)				During testing it was found that there is not always an effective date on the Trade Waste Collection Agreement. (SK)
Milestone Missed	<u>The practise of raising invoices for internal charges should cease and any internal 'payments' should be done using the Internal Transfer method (i.e. journal entry) authorised by the department incurring the expenditure.</u>	31/03/2014 (due)				The process of charging other Mid Devon Services for Trade Waste was to raise an invoice. This is a costly and time consuming process when it would be far more efficient to raise an Internal Transfer (journal) for the process. (SK)
Milestone Missed	<u>Ensure that any outstanding debt is paid before a service is resumed, after suspension for non-payment of invoices.</u>	31/03/2014 (due)				During testing it was found that there was an instance where a customer account was taken off of suspend before

Audit Report - EH						
Service: Waste Management		Head of Service: Paul N Williams			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
						receiving money from the customer to reduce the debt. (SK)
Milestone Missed	<u>Ensure that suspensions are applied promptly, if no payment has been received, on expiry of the 2nd reminder letter.</u> <u>Extract from audit report: Trade Waste: December 2013; recommendation: 3.6</u>	31/03/2014 (due)				It was found that there is a delay with suspensions being implemented after the expiry of the 2nd reminder. (SK)
Milestone Missed	<u>Don't publish prices on the website, give individual quotes.</u>	31/03/2014 (due)				The Trade Waste and Trade Waste Recycling collection prices are advertised on the Council website. During a benchmarking test it was found that other organisations do not advertise the prices which could give them a commercial advantage. (SK)
Milestone Missed	<u>Update the website to address discrepancies listed on Appendix A.</u>	31/03/2014 (due)				When looking at the Trade Waste area on the Mid Devon District Council Website
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Audit Report - EH						
Service: Waste Management		Head of Service: Paul N Williams			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
						there were several changes required to bring the information up to date for customers. (SK)

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Audit Report - Finance

Annual report for 2013-2014

Arranged by Service

For Andrew Jarrett

Filtered by Performance Status: Include Project Status: Milestone Missed, Behind schedule

Exclude Project Status: Cancelled, No Data available, On / ahead of schedule, Completed and evaluated

Key to Performance Status:

Projects:		No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - Finance

Service: Building Control

Head of Service:
Jonathan Guscott

Portfolio: n/a

Projects

Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Enter refunds/credit notes and write offs onto the CAPs system and include as part of the reconciliation process</u>	28/09/2012 (due)				When looking at the CAPs to eAnalyser reconciliation it was found that the invoice side of the process is reconciled but does not include reconciliation of credit notes, refunds and writeoffs. (CY)

Service: Financial Services

Head of Service:
Andrew Jarrett

Portfolio: n/a

Projects

Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Look at streamlining</u>	31/03/2014 (due)				A lot of work goes into the budget

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Audit Report - Finance						
Service: Financial Services		Head of Service: Andrew Jarrett			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
	<u>procedures throughout the year to try to reduce the amount of work that is needed at year end.</u>					monitoring process throughout the year which by being on a monthly basis may detract from work on the year-end Financial statements. Especially where amendments are not made to e-Fin. (SK)

Service: Procurement		Head of Service: Andrew Jarrett			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Ensure that all employees, especially Managers, are aware of the Financial Rules and that they need to comply with them.</u>	30/06/2013 (due)				During testing it was found that one of the authorisers was not aware of the guidance, for ordering, within the Financial Rules. I.e.: that orders between the values of £10,000 - £50,000 require 3 quotations. (SK)
Milestone Missed	<u>The signed sheet from the tender documents should be forwarded to the</u>	31/07/2013 (due)	14/06/2013	No Tenders finalised since August 2012	Procedure in place	

Audit Report - Finance						
Service: Procurement		Head of Service: Andrew Jarrett			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
	<u>Information Management Assistant so they can be logged for Data Protection purposes</u>					
Milestone Missed	<u>i. All Tenders must be carried out in accordance with the Financial Rules</u>	30/06/2013 (due)				During testing, for 1 sample out of 5 (Orders between £10,000 and £50,000) although 3 quotes were correctly obtained the process was more like a tender process. The contract is over £50,000 so should therefore be added to the contracts register It was not recognised as a contract because Procurement were unaware of its existence. Also, the cheapest quote should be selected unless it could not provide a good enough service; the criteria were unclear. (SK)

Audit Report - Finance

Service: Procurement

**Head of Service:
Andrew Jarrett**

Portfolio: n/a

Service: Recovery

**Head of Service:
Andrew Jarrett**

Portfolio: n/a

Projects

Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Behind schedule	<u>Look into the benefits of having a Council wide debt recovery team, which will look at debts as a whole, rather than by individual service areas.</u>	30/09/2013 (due)	06/03/2014	Corporate debt group exists has been revived.	Corporate Debt Working Group is including this in the corporate debt policy	During other core audit testing it could be seen that on occasions debt is rising in there is debt building up for the same Tenant in various departments of the Council which leads to quite a large outstanding debt with the Council. (NC)
Milestone Missed	<u>Ensure that Credit Notes are issued for services that have been cancelled</u>	31/07/2013 (due)				During testing it was identified that in some instances invoices were still being raised for a service, even though the service had been suspended in a previous period. (NC)
Milestone Missed	<u>Carry out cost/benefit analysis to see if extra resource would be beneficial to improve debt recovery</u>	31/07/2013 (due)				During testing it was identified that there is 1 full time employee and 2 part time employees who are responsible for chasing outstanding debt. The full time employee concentrates on

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Audit Report - Finance						
Service: Recovery		Head of Service: Andrew Jarrett			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
						Council Tax debt and the 2 part time employees are required to cover car park debt and miscellaneous income debt. For the number of accounts of outstanding debt and part time hours trying to keep up with the chasing is a tough challenge. (NC)
Milestone Missed	<u>Write off debts that are very old and are no longer being chased</u>	31/07/2013 (due)				During testing it was found that there are some very old debts that are no longer being chased and are in need of being written off. (NC)

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Audit Report - Housing

Annual report for 2013-2014

Arranged by Service

For Nick Sanderson

Filtered by Performance Status: Include Project Status: Milestone
Missed, Behind schedule

Exclude Project Status: Cancelled, No Data available, On / ahead of
schedule, Completed and evaluated

Key to Performance Status:

Projects:		No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - Housing

<u>Service: Housing Services</u>	Head of Service: Nick Sanderson	Portfolio: n/a
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Projects

Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Investigate developing the Homelessness database to incorporate B&B and storage & removal invoices from eFinancials (sales and purchase ledger invoices) and housing benefit receipts from Northgate to record against applicant accounts</u>	30/09/2013 (due)				During testing it was established the financial information for the DARs payments is now being interfaced into the Homelessness database. However, the financial information in respect of the B&B invoices is manually recorded on a spreadsheet against the applicants account number, and is not currently automatically

Audit Report - Housing						
Service: Housing Services			Head of Service: Nick Sanderson		Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
						transferred. (NC)
Milestone Missed	<u>Carry out and document formal risk assessments for Standby working.</u>	31/10/2013 (due)	06/06/2013 (overdue)		Will be done by new deadline	No formal risk assessments have been drawn up specifically for the standby function although risks have been identified (ZL)
Milestone Missed	<u>a) Ensure that all documentation is scanned before passing to Tenancy</u> <u>b) Ensure documentation is scanned to the DMS in a timely manner</u>	30/11/2013 (due)				During testing it was found that for a number of samples selected (6 out of 20) the application forms and documents had not been scanned to the DMS as per the agreed procedure. (NC)

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Audit Report - HR & Development

Annual report for 2013-2014

Arranged by Service

For Jill Stimpson

Filtered by Performance Status: Include Project Status: Milestone Missed,
Behind schedule

Exclude Project Status: Cancelled, No Data available, On / ahead of schedule,
Completed and evaluated

Key to Performance Status:

Projects:		No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - HR & Development						
Service: Human Resources		Head of Service: Jill Stimpson			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Provision for reviewing and recording drivers' insurance details consistently and in a centralised manner should be agreed and included in the Transport Policy. (see 2.4 below)</u>	31/03/2014 (due)				Casual drivers self-certify that they are covered for business mileage as part of their expenses claim form but there is no physical evidence and anecdotal evidence suggests there is not enough attention drawn to this and that compliance is weak in practice. (CY)
Milestone Missed	<u>Consider schedule of fixed mileages for selected journeys e.g. Phoenix House to County Hall,</u>	31/03/2014 (due)				For example if travel to Cullompton /Exeter is made by A396 instead of M5 my calculations indicate MDDC would save approximately
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Audit Report - HR & Development						
Service: Human Resources		Head of Service: Jill Stimpson			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
	<u>CVSC to Phoenix House.</u>					£20k a year. (CY)
Milestone Missed	<u>Ensure that there are adequate records/audit trail for equipment held by employees to ensure that goods are recovered should the employee leave (maybe look at building this into the new HR/Payroll system).</u>	01/04/2014 (due)	03/03/2014		This is a manager responsibility as previously discussed however going forward with the implementation of 'My View' the inputting of a termination date will automatically produce a workflow to the manager. In the meantime the equipment list will be attached to the exit interview form and sent to the manager to return to HR when complete.	During testing the HR files were checked to see evidence of returning all MDDC items/equipment. It was not clear from the files whether the employees had items/equipment to return or if they had been returned. (SK)
Milestone Missed	<u>(i) Look at the Human Resources Policy section on SharePoint and make it more user friendly for employees. (ii) Combine policies for employees and managers</u>	31/03/2014 (due)	08/11/2013 (overdue)		Set up spreadsheet to record policies and review dates	The Human Resources Policies were reviewed on SharePoint to establish whether all the relevant information and guidance was readily available for staff in relation to Sickness Absence and Special leave. Most of the policies had separate

Audit Report - HR & Development						
Service: Human Resources		Head of Service: Jill Stimpson			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
						guidance for Managers and employees. (SK)
Milestone Missed	<u>Investigate whether the expiry date of drivers' insurance can be included along with valid driving licence details on the new HR/Payroll system</u>	31/03/2014 (due)				<p>HR has got a process to chase up essential car users for their insurance documents; an e-mail is sent to the driver when the insurance has expired to ask them to complete the form and get their line manager to check their insurance and original licence documentation.</p> <p>However only one chase up e-mail could be provided as evidence and the process relies on reports from the diary reporting tool on the old HR system and spreadsheets (CY)</p>
Milestone Missed	<u>Line Managers must be reminded to ensure that all employees sign and return their Code of Conduct form to HR as per the</u>	31/03/2014 (due)	08/11/2013	this could be set up for MYVIEW and chase the managers by April 2014	Can be set up in MYVIEW	It was found that only 6 out of the 8 employees sampled had returned their signed copy of the code of Conduct for Local Government Employees. This is not being monitored and employees are not

Audit Report - HR & Development

Service: Human Resources	Head of Service: Jill Stimpson	Portfolio: n/a
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Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
	<u>induction check list. HR need to monitor that the induction check list has been completed and returned to them, and check that all the relevant forms are on file.</u>					being chased up for these forms. (ZL)
Milestone Missed	<u>Make the process more robust by ensuring the policy for managers is more prescriptive and less subjective.</u>	01/04/2014 (due)	30/10/2013	Policy is written in draft Has been updated in the light of the recent tribunal	Needs to go to consultation	During testing it was identified that HR are following their Sickness and Absence policy well, although the process is less robust when managers decide not to take the recommended course of action advised by HR, especially in respect of frequent minor ailments (SK)
Milestone Missed	<u>Ensure that any changes made to the Payroll systems parameters are verified and checked by an officer other than the person making the amendment</u>	31/03/2014 (due)	06/11/2012			

Audit Report - HR & Development						
Service: Leisure Services		Head of Service: Jill Stimpson			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>If no reliance is to be placed on the “declared figure and as the bankings are closer to the “calculated” figure one of 2 actions needs to occur.</u> <u>a) Don’t bother with the declared figure</u> <u>b) Check that it is correct and reconcile bankings to that figure instead of “calculated” and record unders/overs declared</u>	31/03/2013 (due)	03/01/2013 (overdue)	This is under investigation by ICT We will continue to monitor		When the takings are cashed up a declared figure is entered by the cashier for each payment method. The xN system calculates a figure based on what has been entered into the till for the day and the two are compared producing a variance. The accountant agrees the bankings to the calculated figure not the declared figure and no record is made of the unders and overs declared on the Cascade prints. (ZL)

Service: Management Team		Head of Service: None			Portfolio: n/a	
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Investigate the possibility of having all of the mandatory courses including the induction training, transferred on to one system to prevent overlap of courses and confusion. This would enable</u>	31/03/2014 (due)	24/10/2013	L & D have arranged a corporate induction review	First meeting scheduled for 13/01/14	During testing it was found that there are several systems used to cover training and induction which causes there to be overlap in some areas and gaps in others. Having this system in place

Audit Report - HR & Development**Service: Management Team****Head of Service: None****Portfolio: n/a****Projects**

Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
	<u>better monitoring of H & S courses completed.</u>					also makes it very hard to monitor. (SK)

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Audit Report - ICT

Annual report for 2013-2014

Arranged by Service

For Christina Cross

Filtered by Performance Status: Include Project Status: No Data available, Milestone Missed, Behind schedule

Exclude Project Status: Cancelled, On / ahead of schedule, Completed and evaluated

Key to Performance Status:

Projects:		No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - ICT

Service: I C T	Head of Service: Christina Cross	Portfolio: n/a
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Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Ensure Policy review programme is followed and completed</u>	31/12/2013 (due)	13/09/2013	Policy roll out continues with Member training taking place in September. However, when this was tested again for 2013/14 Audit 11 out of the 21 policies were out of date.		The list of policies from 2011/12 were reviewed and checked against the review programme agreed with Member services. Several policies are overdue for review. (CY)

Service: Management Team	Head of Service: None	Portfolio: n/a
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Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes

Audit Report - ICT						
Service: Management Team		Head of Service: None		Portfolio: n/a		
Projects						
Project Status	Objective	Project End	Last Review Date	Achieved	Arising	Officer Notes
Milestone Missed	<u>Investigate the possibility of having all of the mandatory courses including the induction training, transferred on to one system to prevent overlap of courses and confusion. This would enable better monitoring of H & S courses completed.</u>	31/03/2014 (due)	24/10/2013	L & D have arranged a corporate induction review	First meeting scheduled for 13/01/14	During testing it was found that there are several systems used to cover training and induction which causes there to be overlap in some areas and gaps in others. Having this system in place also makes it very hard to monitor. (SK)

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Audit Report - Planning

Annual report for 2014-2015
 Arranged by Service
 For Jonathan Guscott
 For MDDC - Services

Filtered by Performance Status: Include Project Status: Milestone Missed, Behind schedule
 Exclude Project Status: Cancelled, No Data available, On / ahead of schedule, Completed and evaluated

Key to Performance Status:

Projects:	<input type="text"/>	No Data available	Milestone Missed	Behind schedule	On / ahead of schedule	Completed and evaluated
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Audit Report - Planning										
Service: <u>Building Control</u>			Head of Service: Jonathan Guscott				Portfolio: n/a			
Projects										
Project Status	Code	Title	Next Milestone	Project End	Last Review Date	Achieved	Missed	Arising	Reviewed By	Officer Notes
Milestone Missed	A - 2012 - BC 4.2 - L	<u>CAPS/Reconciliation</u>		28/09/2012 (due)						When looking at the CAPs to eAnalyser reconciliation it was found that the invoice side of the process is reconciled but does not include reconciliation of credit notes, refunds and writeoffs. (CY)

Service: <u>Development Management</u>										
Head of Service: Jonathan Guscott			Head of Service: Jonathan Guscott				Portfolio: n/a			
Projects										
Project Status	Code	Title	Next Milestone	Project End	Last Review Date	Achieved	Missed	Arising	Reviewed By	Officer Notes
Milestone Missed	A - 2013 - DM - 2.2 - L	<u>Document Sign Off</u>		31/10/2013 (due)						The process for signing off planning decisions is for the person with delegated powers to sign off the officer's report. During testing it was found that for 4 out of 20 samples the officer's report had not been signed off. (SK)
Milestone Missed	A - 2013 - DM - 2.1 - M	<u>Draft Reports</u>		31/10/2013 (due)						During testing it was found that 4 out of 20 draft reports had not been signed off During the exit interview the DM Professional Services Manager clarified that the Officers report

Audit Report - Planning										
Service: Development Management			Head of Service: Jonathan Guscott					Portfolio: n/a		
Projects										
Project Status	Code	Title	Next Milestone	Project End	Last Review Date	Achieved	Missed	Arising	Reviewed By	Officer Notes
										is the most important document that needs signing off and not the draft report. (SK)
Milestone Missed	A - 2013 - DM - 1.1 - L	<u>Enforcement</u>		31/03/2014 (due)						During testing it was found that 7 out of 20 cases were pending. 2 out of the 7 should have been closed down on the CAPs system but had not been done. (SK)
Behind schedule	A - 2013 - DM - 4.1 - M	<u>Performance Reporting</u>		30/11/2013 (due)	12/05/2014	First 2 quarters 2013/14 were reported on 4 December 2013			Jenny Clifford	The Planning Committee Agendas were checked for performance reports; the last time Performance was on the agenda was in January 2013. (SK)
Milestone Missed	A - 2013 - DM - 4.2 - M	<u>Planning Decisions</u>		31/03/2014 (due)						During testing it was found that 5 out of 20 planning decisions did not meet the planning target deadline. (SK)
Milestone Missed	A - 2013 - DM - 2.3 - L	<u>Sign Off Procedure</u>		30/11/2013 (due)						During testing it was found that there is no clear procedure in place for documentation sign off. (SK)

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