




## Appendix 4: Summary of internal audit actions

In total 36 actions were followed up for the October 2018 Audit Committee – this included an update on all actions whether they were due or whether they had a later due date. In the detailed follow-up report, the previous action dates are shown along with the new revised date.

20 out of 36 actions have been completed which equates to 55.5% (55% in June 2018). Of these, 4 High rated actions have been completed. Two actions that originally arose as part of high risk audit findings, have been reclassified as “low”, as the majority of work needed to mitigate the risk has been completed.

In-Progress and Completed internal audit actions are set out in the tables below.

Name of review	Agreed actions due	Outstanding			Completed actions
		 High	 Medium	 Low	
Accounts Receivable 2016/17	2	-	-	1*	1 (1H)
Council Tax and Business Rates 2017/18	2	-	-	1	1 (1M)
Fixed Assets 2016/17	2	-	-	-	2 (2M)
Safeguarding 2016/17	1	1	-	-	-
Planning & Planning Enforcement 2017/18	7	-	1	2	4 (2M / 2L)
General Ledger 2017/18	10	-	2	-	8 (1H / 3M / 3L)
Housing Benefit 2017/18	4	1	-	1*	2 (2H)
Taxi Licensing 2017/18	6	-	2	2	2 (2M)
Building Control 2017/18	2	-	1	1	-
<b>Total</b>	<b>36</b>	<b>2</b>	<b>6</b>	<b>8</b>	<b>20 (55%)</b>

\* The original action was part of a high risk finding. The majority of the actions to reduce the risk have been completed; the remaining action is considered “low” risk and has been reclassified.

## Progress update on overdue/not yet due actions

<b>Name of review</b>	<b>Action</b>	<b>Finding risk rating</b>	<b>Update</b>	<b>Revised Date</b>
Accounts Receivable 2016/17	Identify good practice (external networks eg HB Overpayments) and benchmark debt management	High  (original action was part of a high risk finding)  Remaining action to complete is considered "low" risk	Various groups are attended however, to make this relevant the Council first needed good and regular debt management reports. Per the above action, the report is now produced and reported however needs to embed for some time to judge whether it is effective and therefore this has been put as in progress.  The Council are moving forward with this however it is taking longer. The main success has been with the "wurti" system provided by HRMC. In the last two months the Council have been able to obtain employment details for 651 HBOP cases and DEA are now being sent but further work is needed so a new date has been set.	<del>30/09/17</del> <del>28/02/18</del> <del>31/07/18</del> 30/11/18
Council Tax and Business Rates 2017/18	Write off procedures should be produced and approved for future use.	Low	The debt policy has now been agreed. Finance provide the monthly exceptions report, which Customer Relationship are working through. Some landlord accounts are complex and the reconciliation of these is ongoing. It's anticipated that this will be completed by the end of Oct 18. CR complete several housekeeping tasks including a daily report to monitor all payments made against HB claims and reconciling any errors.	<del>31/07/17</del> <del>28/02/18</del> <del>31/07/18</del> 31/10/18
Safeguarding 2016/17	The training records for each employee and their safeguarding level should be linked to their profile in the HR system. Moreover monthly reports should be generated and sent to managers to raise awareness of the compliance rate of each unit. Non-compliance with training should be noted in individuals' performance appraisal discussions.	High	Lists of non completion have been sent to Assistant Directors to follow up with individuals. Expected to be concluded for existing staff by December 2018.  As has been reported in other reviews (eg H&S), the Council does not currently have a robust system of assessing training needs and tracking completion of mandatory compliance training. This is being addressed corporately through the implementation of the new HR	<del>31/12/17</del> <del>31/05/18</del> <del>31/08/18</del> 31/12/18

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			system. In early 2019 the new eLearning Hub will be launched and this will provide access to eLearning and the ability to record and monitor completion. Until then, there is no readily accessible data to monitor training completion.	
Planning & Planning Enforcement 2017/18	Proactive planning enforcement needs to be undertaken per the Planning Enforcement Plan. Formal reporting to the Group Manager/Assistant Director on a quarterly basis is needed to assess the effectiveness with action taken thereafter	Medium	Due to staffing and capacity challenges, this has not progressed. The Council has carried out an initial review into what forms of proactive work they may be able to deliver within available resource and will report to Env & Living Scrutiny Committee on this in October 2018. There will be a further report in February 2019.	<del>31/03/18</del> <del>31/10/18</del> 31/03/19
Planning & Planning Enforcement 2017/18	Pre application costs need to be substantiated to set out how hourly costs have been calculated and specifically setting out the recovery of any administration costs	Low	The Council has increased planning costs in line with inflation from 1 April 2018 and will be re-assessing this for 1 April 2019. There is also now a high level breakdown of the costs which make up the fees. This needs developing further.	<del>31/03/18</del> <del>31/09/18</del> 31/03/19
Planning & Planning Enforcement 2017/18	Pre application costs need to also cover the use of consultants (temporary staff) specifically identifying and applying their costs	Low	Per above	<del>31/03/18</del> <del>31/09/18</del> 31/03/19
General Ledger 2017/18	The reconciliation manual should be completed, identifying frequency and responsibility for each financial reconciliation.	Medium	This is now included in the monthly "checks and balances" report. The reconciliations have been reviewed by the Strategic Finance Manager with a number still outstanding.	<del>30/06/18</del> <del>30/09/18</del> 31/03/19
			Work is ongoing to ensure system interfaces with TechOne are fully documented, automated and working effectively. This is "live" as new system implementations are in progress as part of the Connected Knowledge Strategy. There is a clear mandate that Finance need to be involved in all system changes which impact on the GL. The "data exchange" project is reviewing Salesforce and	

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			<p>Northgate interaction with Tech One – this is supported by the Finance Systems Administrator.</p> <p>Further work is required to review financial controls around the automated processes to ensure they are working and the data on the GL is complete and accurate. Key reconciliations are identified as:</p> <ul style="list-style-type: none"> <li>• CT &amp; HB (Northgate)</li> <li>• Planning, Building Control, Licensing (Salesforce)</li> <li>• Garden Waste (Bartec)</li> <li>• Payroll (will be XCD from Nov18)</li> <li>• Parking (Sidem)</li> </ul> <p>It is unlikely that a “reconciliation manual” as envisaged by previous finance manager will be the most effective action to ensure robust reconciliation across systems. Progress on automated/manual reconciliation controls for the above areas will continue to be reported to the Finance Steering Group (and Connected Knowledge).</p>	
General Ledger 2017/18	Officers with responsibility for reconciliations should be trained to ensure process are carried out	Medium	Per above	<del>30/06/18</del> <del>30/09/18</del> 31/03/19
Housing Benefit 2017/18	When the automatic reconciliation process is established, determine frequency of reporting and investigation of any differences (at least monthly)	High	Finance provide the monthly exceptions report, which CR are working through. Some landlord accounts are complex and the reconciliation of these is ongoing. We anticipate that this will be completed by the end of Oct 18. CR complete several housekeeping tasks including a daily report to monitor all payments made against HB claims and reconciling any errors.	<del>30/04/18</del> <del>31/07/18</del> 31/10/18
Housing Benefit 2017/18	Identify sufficient /additional resources to enable effective recovery of housing benefit overpayments. This should include proactive measures	High  (original action was part of a high risk	There is now a HBOP officer and DEA are now run through ASH. The team also receive a weekly report from Tech One of Overdue Invoices and broken payment	<del>30/06/18</del> <del>31/07/18</del> 31/03/19

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	such as “attachment to earnings” and profiling of balances to ensure those with most chance of recovery are prioritised. Target recovery rates should be agreed to justify the return on any additional financial investment in resource.	finding)  Remaining action to complete is considered “low” risk	arrangements.  This is still in progress yet as target recovery rates have not been agreed.	
Taxi Licensing 2017/18	Management conducts sample testing on at least a quarterly basis to confirm whether applications and service request records on Salesforce contain appropriate and sufficient evidence and action records. Evidence of check must be retained and exceptions must be recorded and communicated to the Group Manager – Regulatory Services.	Medium	The Council have set up a template where at least 3 cases per employee are picked and checked each monthly with feedback given immediately. The template was reviewed and is sound to capture key compliance issues. As staff are currently being trained it was deemed right not to start the monthly cases spot-checks until they have had the training - we agree with this judgement and therefore this is in progress until this mechanism becomes operational.	<del>30/06/18</del> <del>30/09/18</del> 30/11/18
Taxi Licensing 2017/18	Set out standard timeline parameters for processing decisions and protocols for where the Council diverge from these timelines.	Medium	The training is complete and reporting of cases over 28 days is in place, due to staff change the date for service level agreements has been put back to the start of Nov when the team will be complete.  They team can now see over 28 days cases and reasoning for it i.e. waiting for DBS. Backlog has increased and needs to be reviewed to understand why - expect this done by November.	<del>30/05/18</del> <del>31/07/18</del> 30/11/18
Taxi Licensing 2017/18	Licensing Committee Member training should be reviewed to ensure that all requirements in the Councillors Handbook are sufficiently covered	Low	This has been delayed until November where Member training will take place.	<del>31/07/18</del> 30/11/18
Taxi Licensing 2017/18	A summarised hand out of training notes should be provided to Members for future reference.	Low	Per above	<del>31/07/18</del> 30/11/18
Building Control 2017/18	The Building Control fees should be reviewed to ensure that they recover all costs incurred, including:	Medium	Implementation of Sales Force project is still on-going which has caused delay. Due to capacity in team focussing on new software	<del>30/06/18</del> <del>31/08/19</del> 31/12/18

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	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Premises</li> <li>• Transport</li> <li>• Supplies and Services</li> <li>• Third Party Payments</li> <li>• Support Services.</li> </ul> <p>Tables 1-3 within the CIPFA Local Authority Building Control Accounting Guidance detail an example of how to calculate the productive hourly rate of the team as a whole</p>		<p>means this is in progress. This is expected to be completed by December 2018.</p> <p>It should be noted that there is a clear fees schedule however the supporting information to breakdown the internal costs which compiles this has not been done.</p>	
Building Control 2017/18	Management should consider ways of automating the manual process that is currently in operation for the checking of charges.	Low	Per above. New built environment is almost at closedown and 95% of work considered complete with closedown in early October 2018. After this the Team can focus on this.	<del>30/08/18</del> 31/12/18

## Completed actions

<b>Name of review</b>	<b>Action</b>	<b>Finding risk rating</b>	<b>Update</b>
Accounts Receivable 2016/17	For all income streams, develop reports and KPIs, including aged debt reports, to effectively monitor and manage debt at the corporate and budget holder level.	High	Aged debt is now regularly reported to the Finance Review Group. Some do not have targets however this will be added once more analysis on the debt has been done. Finance business partners review debt as part of their regular budget holder meetings.
Council Tax and Business Rates 2017/18	Northgate has a feature that enables an event date to be set. This should be utilised to prompt the Council Tax team to follow up on accounts to ensure that discounts are still applicable.	Medium	Exemption reviews are complete and the disregards will commence during September 2018. Event dates are being set where necessary as part of the annual review. The officers have received training on the new process and quick reference guides are stored in a central Box folder. This is deemed complete
Fixed Assets 2016/17	<p>Finance Manager should contact the IT Manager and Fleet Manager in February each year to request:</p> <ul style="list-style-type: none"> <li>• A comprehensive listing of all capital assets they hold</li> <li>• The location of the assets</li> <li>• The unique identifier of the asset</li> <li>• The current cost estimate of the asset</li> <li>• The useful economic life of the asset</li> </ul> <p>The Finance Manager should ensure the details are received by 31 March each year. Any necessary updates to LogoTech along with the relevant accounting changes should be made.</p> <p>Ongoing, regular reconciliation should be undertaken to ensure that system errors are identified and corrected. Management should determine the frequency but of there is significant movements, this could be quarterly.</p>	Medium	<p>The Council engaged LogoTech in early March 2018 for 2017/18 year-end who provided a full days training session and support. The Council as part of this: 1) Reconciled opening balances 2) Checked system and maximised its capabilities and; 3) Year end valuation engaged with partners early December 2017. This was followed by another day in early April 2018 with LogoTech.</p> <p>All of this is considered to have significantly improved the control environment and oversight of fixed assets. and External Audit issued an unqualified opinion for 2017/18.</p> <p>The internal audit action is considered complete, but the 2017/18 external audit raised one control matter:  <i>“we identified a number of assets which should have been fully depreciated but a number of these were carrying small values. In addition there were a number of assets which were fully depreciated. We recommend that a review be undertaken into these assets”</i>.</p> <p>Action on completion of this “low” risk finding will be followed up and</p>

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			reported in due course.
Fixed Assets 2016/17	<p>When the fixed asset register is updated annually in April the following steps should be taken:</p> <ul style="list-style-type: none"> <li>• Sample checks should be conducted to verify the correct calculation of depreciation in line with the Council's Accounting Policy</li> <li>• A review of the draft fixed asset register should be performed by the Finance Manager to identify any anomalies such as those identified as part of this review and these should then be investigated and corrected</li> <li>• The above tasks should be recorded on a template to identify that one member of the Finance Team conducted the sample checks and another member of the Finance Team (i.e. the Finance Manager) reviewed these checks. The template should be signed and dated by the two separate members of the Finance Team.</li> </ul>	Medium	Per above.
Planning & Planning Enforcement 2017/18	The customer complaints process should also identify lessons learned from the types of feedback received and set actions to change processes – this should be documented.	Medium	Feedback is captured on CCC system called iCase and as a result changes have been implemented. I
Planning & Planning Enforcement 2017/18	Twice yearly Member/Officer engagement sessions are held where concerns regarding process or systems are discussed openly with jointly agreed actions made.	Medium	Regular reports go to Development Management Committee. This provides Members opportunities to feed into improvements. Also a Parish Liaison Meeting in September 2018, which Cabinet were invited to observe. engagement is considered adequate to allow comments to be acted upon.
Planning & Planning Enforcement 2017/18	The email traffic to the inbox needs to be monitored to assess the level of cases coming in. Ideally these would also be classified into type. Appropriate action based on the analysis should then be taken	Low	Statistics are now produced and applications reviewed by type and goes to Members by Ward. This has now started and findings from this new arrangement were given to Parish Conference in September 2018. These reports and communication demonstrate traffic from emails is monitored and latest positions are communicated.
Planning & Planning Enforcement	Send all Parish Councils a survey to assess the effectiveness of the PLO with clear actions set based on the	Low	A survey was sent on 20 February 2018. Per above good engagement now takes place i.e. with the Parish



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2017/18	results		Conference. Whilst actions are documented in a formal document, it is considered that these engagement sessions allow a sufficient forum to hold Planning to account. .
General Ledger 2017/18	Automated system interfaces, reporting and system configuration. This includes a lengthy list of actions including new financial management reporting, debt management, Northgate system integration, property ledger, for example. Progress on actions should be regularly reported to the Finance Steering Group.	High	The System Accountant is working closely with the Transactional Finance Team to learn more about operational side. As part of this a better understanding of interfaces will be achieved. Once this is complete further action can be taken to progress this.  Progress on actions identified in the GL report is regularly reported to Finance Steering Group. .
General Ledger 2017/18	Carry out at least quarterly reviews of changes to user access to the system to ensure access is set up accurately and restrictions remain appropriate.  <b>Introduce procedure to carry out annual reviews of user access to ensure it was appropriate (prior year action re-raised)</b>	Medium	Access reports are now run with a visual review undertaken to check if accounts active are correctly assigned and/or removed if no longer needed. A report of the latest access listing was provided on 12/09/18 to confirm the operation of the control. From review of the listing and our knowledge of staff the access levels appeared appropriate.
General Ledger 2017/18	The HR leavers reports provided to the Finance Team should be reviewed and actioned within 3 working days to ensure that access is deactivated. Responsibility for this should be formally assigned to an individual, with reviews being documented on the HR leavers report to evidence what changes were made. Any workflows which operate through an account requiring deactivation should be assigned to other users and accounts should not remain active in a dormant state to continue the workflows.	Medium	Procedure notes have now been produced which state "We should be sent a report fortnightly from HR containing all the leavers in the last two weeks. We must action the removal of users within three working days of receiving the report." It then gives guidance on how to remove individuals. Finance provided the latest leavers list on 12/09/18 and leavers were subsequently removed confirming the operation works.
General Ledger 2017/18	Access restrictions be placed on supplier accounts, with accounts being set up as and when needed for limited periods of time (prior year action re-raised)	Medium	All T1 accounts now have a specified from and to date which is assessed to ensure limits are placed on access to ensure they are not indefinite.
General Ledger 2017/18	Run reports from the Tech1 system on a quarterly basis listing all changes made to the chart of accounts within the period and review these reports to	Low	The Systems Accountant has created a report BI CHART_CHANGES in Tech1 and the latest version was provided on 12/09/18 which

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	confirm all changes are appropriate and accurate.		confirmed the review of changes takes place.
General Ledger 2017/18	Undertake quarterly reviews or spot checks of high risk journals to ensure documentation and review processes for journals are taking place appropriately	Low	A report BI enquiry – JOURNAL_POSTED has been created in the system; the latest report was provided on 12/09/18 and was reviewed. The report is reviewed by Finance and is filtered to identify and assess high risk journals.
General Ledger 2017/18	Establish control procedures to ensure high risk (non standard) journals are not prepared and approved by the same individual	Low	Per above.
Housing Benefit 2017/18	Produce monthly/quarterly monitoring reports of overpayment benefits debt issued and recovered, including reports of aged debt to the Finance Board	High	The Team now provide a report in terms of level of debt and classify by DEA and those in court procedures and produce alongside this an aged debt report and report via Northgate on recovery via on-going benefits. This now goes to Finance Steering Group at least quarterly.
Housing Benefit 2017/18	Debts deemed irrecoverable should be written off in accordance with the new debt policy	High	The new debt policy is now in place. On a monthly basis reporting of write-offs up to £1000 goes to Andrew Small and over £1000 goes to Members. This is progressing and regular approval takes place.
Taxi Licensing 2017/18	A pro-active enforcement activity programme to be created. It must document the planned activities.	Medium	A proactive monitoring schedule is in place and is documented when each review takes place. This was reviewed on-site and it is live and up to date and therefore this is deemed complete.
Taxi Licensing 2017/18	This programme must be reviewed and monitored on at least a quarterly basis. Progress and changes to the programme must be recorded in Officer meetings	Medium	Per above.