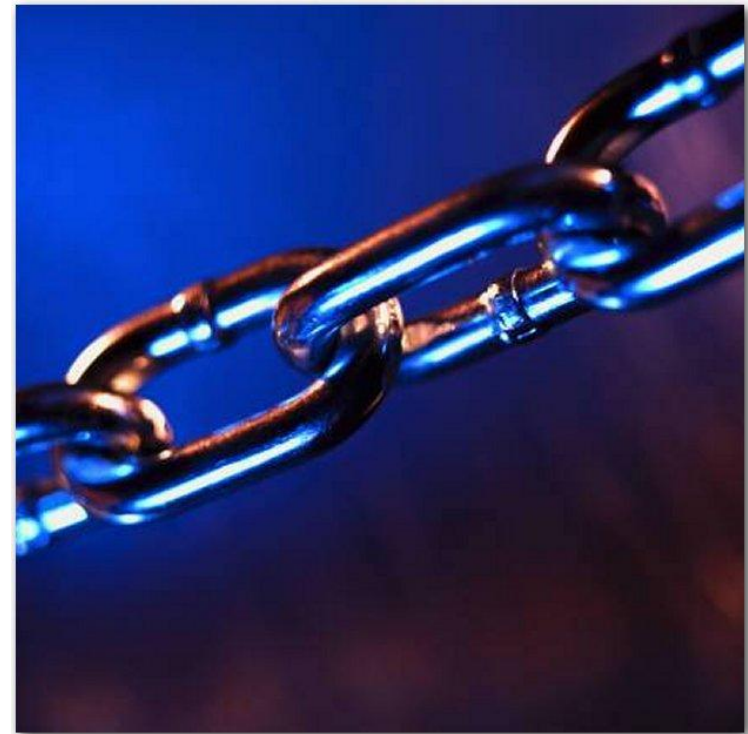


cw audit services

Oadby & Wigston Borough Council

Internal Audit  
Progress Report 2014/15

February 2015



## 1. Introduction

This report summarises the work of Internal Audit for the period to early January 2015. The purpose of the report is to update the Committee on progress made in delivering the 2014/15 audit plan.

## 2. Progress summary

The agreed internal audit plan for the 2014/15 year totals 257 days. Section 5 provides details of all of the audit assignments included in the 2014/15 year, together with details of the point in the year at which each assignment is planned for delivery and an update on progress where assignments have commenced. We have delivered 150 days of work against the 2014/15 plan to early January 2015, which is in line with our planned profile at this stage of the year.

## 3. Reviews completed

The following reviews have been completed and final reports agreed with management since the last meeting of this Committee.

Review	Status	Level of assurance
Treasury Management	This review has been completed and a final report agreed with management	Significant
Street Cleansing & Grounds Maintenance (review of managerial processes)	These reviews have been completed and a final report covering both agreed with management	Limited
Individual Electoral Registration	This review has been completed and a final report agreed with management	Significant
Planning Control (2013/14)	This review has been completed and a final advisory report agreed with management	Significant

At the request of the Committee at its February 2014 meeting, and as subsequently agreed with the Chair of this Committee, to ensure members are provided with further detail only on issues which may warrant their concern, we now aim only to report specific findings, recommendations and agreed actions arising from our audits where these relate to matters we deemed to be

high risk/priority. Since the last meeting we have highlighted such issues in relation to the above audits and these are set out below for the Committee's information.

## Street Cleansing & Grounds Maintenance

**System Control Objective 1: Arrangements are in place to ensure the setting, achievement and monitoring/reporting of suitable cleanliness service standards.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>1.3 Cleanliness Service Standards – completion of cleaning</b>	<p>There is no (documented) checking to any master list or otherwise to confirm that required areas per daily rounds sheets or for areas where daily round sheets are not used, have been cleaned on a cyclical basis. Further there is no evidenced review to confirm that all completed rotas have been returned by the operatives in a timely manner and that these have been checked to confirm that expected work has been completed and where this is not the case reasons are determined and relevant cleansing work undertaken as necessary. Audit testing of the files provided for the period April 2014 - August 2014 highlighted the following pertinent examples in relation to the completed Daily Rounds Sheets and Clean and Green Weekly Worksheets where the return of and preparation of were incomplete respectively.</p> <ul style="list-style-type: none"> <li>• Carriageway Sweeper - missing for week commencing 19 May; w/ 26 May missing because on annual leave [Only available from 21 April];</li> <li>• Oadby Parks Litter Picker - missing for period 11 - 18 June 2014. [only available from 14 April];</li> <li>• Oadby Footway Sweeper - only for 7 daily rounds present on file during the period 11/4 -11/05</li> </ul>	<p>Daily cleaning rounds and other expected cleaning requirements not complied with.</p> <p>Areas remain uncleaned.</p> <p>Adverse impact on the Council's reputation.</p>	2	<p>It should be ensured that there is evidenced checking to ensure that all areas in the borough have been cleaned on a cyclical basis.</p> <p>To support this checking it should be ensured that all completed Daily Rounds Sheets are returned by the operatives and checked by the foremen in a timely manner and anomalies followed up immediately.</p> <p>To maintain a trail of the continuity of work attendance these forms should also be completed and returned by staff for periods of annual leave and when required daily work has not been completed due to equipment failure eg punctures.</p> <p>The "Clean and Green" Weekly Worksheet maintained by the foremen for all the operatives which details which tasks are allocated to each operative for each day should be completed for each working day and used to assist with this checking. Arrangements should be made to ensure that this is done when</p>	<p>Agreed. The Clean and Green Team will be reminded of the need to complete and return daily rounds sheets at the team meeting scheduled for 24 September 2014. They will also be requested to complete the sheets for periods of annual leave and when required daily work has not been completed due to equipment failure eg punctures.</p> <p>The "Clean and Green" Weekly Worksheet will be completed for each working day and used to assist with evidenced checking on a sample basis of returned daily rounds sheets and for the selection of random streets for checking against NI 195 performance criteria. Arrangements will be made to also do this when either foreman is absent from work due to annual leave or other</p>	Brian Kew Depot Manager	Completed

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<p>2014);</p> <ul style="list-style-type: none"> <li>Wigston Footway Sweeper - missing for the periods 27 June; 7-8 July and for 1 other days in the period when on annual leave and on 27 June when the vehicle had a puncture. [Only available from 22 April].</li> </ul> <p>It is acknowledged that in some cases where the Rounds Sheets were missing this was due to annual leave but this could not always be confirmed to the Annual Leave Chart maintained on a wall at The Depot.</p> <p>Audit testing of the files provided for the period April 2014 - August 2014 highlighted the following in relation to the Clean and Green Weekly Worksheets:</p> <ul style="list-style-type: none"> <li>Only prepared for the period from 22 April 2014. worksheets for weeks ending 13 &amp; 20 July 2014 were missing due to a foreman being on leave.</li> </ul>			<p>either foreman is absent from work due to annual leave or other reasons.</p> <p>The random street checks undertaken by the foremen to determine performance against NI 195 should be based on a selection of the returned Daily Rounds Sheets as this would give assurance that operatives have cleaned an area as recorded on the sheets, and to the expected standard.</p>	reasons.		
<b>1. 5 Cleanliness Service Standards – graffiti removal</b>	<p>There is no recorded evidence of managerial review of the returned forms and photos to confirm that the graffiti has been appropriately removed and that appropriate documentation has been completed and retained (in particular the disclaimer form for private property -"Graffiti Removal Program" (GRP) and the Graffiti Removal Form (GRF) which sets out the details of the graffiti removal) and that no further action is required.</p> <p>Audit review of documentation for graffiti removal for the period August 2013 - August 2014 highlighted the following. Three cases of graffiti removal from private property as follows:</p> <ul style="list-style-type: none"> <li>11/3/2014 – 9 Allport Way, Wigston – GRP attached but not signed. (Recorded on the form that occupants</li> </ul>	<p>Insufficient supporting evidence for the removal of graffiti.</p> <p>Graffiti not appropriately removed.</p> <p>Private owners permission for graffiti removal not documented.</p> <p>Council liable for damage to property.</p>	2	<p>There should be recorded evidence of senior review of the returned forms and photos to confirm that the graffiti has been appropriately removed, appropriate documentation has been completed and retained (in particular the disclaimer form for private property -"Graffiti Removal Program" and the Graffiti Removal Form) and that no further action is required.</p> <p>Whatever the circumstances the GRP should always be signed by the appropriate third party before the removal of the graffiti to reduce the risk of exposing the Council to any liability for</p>	Agreed. The audit recommendation will be implemented.	Brian Kew Depot Manager	Completed

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
	<p>not in – the Depot Manager confirmed that the house was empty and up for sale and the agents had phoned and asked for the graffiti to be removed to hasten the sale process).</p> <ul style="list-style-type: none"> <li>20/01/2014 – 116 Gloucester Crescent, South Wigston- no GRF but GRP signed. -</li> <li>15/08/2013 – 289 Leicester Road Wigston - no GRF but GRP signed.</li> </ul>	Adverse impact on Council's reputation.		damage to property.			
<b>1.8 Grounds Maintenance Service Standards – completion of maintenance</b>	<p>There is no (documented) checking to any master list or otherwise to confirm that required areas per the grounds maintenance rotas, have been maintained on a cyclical basis. Further there is no evidenced review to confirm that all completed rotas have been returned by the operatives in a timely manner and that these have been checked to confirm that expected work has been completed and where this is not the case reasons are determined and relevant maintenance work undertaken as necessary. Apart from evidence of Grounds Maintenance Mowing Rounds rotas being completed and returned to the Depot no evidence was provided of other rotas / schedules being returned.</p> <p>Additionally Audit review of the available returned Mowing Rounds Maintenance Rotas highlighted a significant number of areas which indicated the work had not been completed for the rotas relating to the following periods: 2/4 - 14/4; 16/4 - 30/4; 2/5 -16/5;6/6-20/6;23/6 - 2/7; 9/7 -21/7;28/7-17/8.</p>	<p>Grounds maintenance requirements not complied with.</p> <p>Areas remain unmaintained.</p> <p>Adverse impact on the Council's reputation.</p>	2	<p>It should be ensured that there is evidenced checking to ensure that all areas in the borough have been maintained on a cyclical basis. To support this checking it should be ensured that all completed maintenance rotas are returned by the operatives and checked by the foremen in a timely manner and anomalies followed up immediately.</p> <p>The "Clean and Green" Weekly Worksheet maintained by the foremen for all the operatives which details which tasks are allocated to each operative for each day should be completed for each working day and used to assist with this checking. The random checks undertaken by the foremen for performance monitoring should be based on a selection of the returned maintenance rotas as this would give assurance that operatives have maintained an area as recorded on the sheets, and to the expected standard. The results of these random checks should be retained for reporting. See 1.9 below.</p>	See response at 1.3 above.		

**System Control Objective 5: Arrangements are in place to ensure key risks to the service including health and safety risks, are soundly managed.**

Expected Control	Audit Finding	Risk	Risk Ranking	Recommendation	Response	Who	When
<b>5.1 Key service risks</b>	<p>In relation to our querying the key risks to the Clean and Green Service, the Depot Manager provided a file containing some 40 various risk assessments for tasks undertaken by the operatives, 39 of which had been prepared in December 2012 and were due for review in 2013. He has had no involvement in the production of these assessments. There is no evidence that the risks within these assessments are being reviewed and appropriately managed. Further, there is no evidence that a Risk Register detailing the key service risks and the management of those risks is operational.</p> <p>(This applies also to the Grounds Maintenance Team within the Clean and Green Team).</p>	<p>Key risks not identified and managed.</p> <p>Out of date risk assessments therefore risks not being appropriately assessed and reflected in safety plans/ risk registers.</p> <p>Non compliance with statutory requirements.</p> <p>H&amp;S breaches risking injury and death to officers and the public.</p> <p>Liability claims against the Council.</p> <p>Adverse impacts on the reputation of the Council.</p>	2	<p>It should be ensured that all the risk assessments identified by Audit and/or due for review are reviewed in a timely manner. Additionally new risks to the service should be identified and assessed. Based on the evaluated risks rating undertaken as part of these risk assessments (reviews and additionally identified risks), key service risks should be identified and included in a Risk Register which should then be kept under constant review.</p>	The Depot Manager will instruct foremen to carry these out.	Brian Kew Depot Manager	31 Mar 2015

Members will note that as part of his responses to the report the relevant manager has advised that the agreed actions have already been completed in most of the above cases; this is the manager's response and not verified by us.

## Planning Control

Our review on this area focussed mainly on the timeliness and efficiency of processing of applications, and we made a number of recommendations to management in an advisory report. We have been advised that a separate management report on this agenda will aim to address our findings and recommendations together with those of a separate service review commissioned by management.

## 4. Recommendation tracking

We provide a system for tracking the actioning of agreed Internal Audit recommendations, as a management assurance tool for the Council and specifically this Committee. Managers are responsible for updating actions taken and other key information directly on the system. An update for the Committee is provided below. This refers to all relevant actions agreed and due by 31/12/14. The first table represents the status of agreed actions due to be implemented by that date, the second table the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit have verified the status.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 31/12/2014	-	11	115	50	176
Implemented	-	10	105	44	159
Closed (effectively implemented or system changed)	-	-	2	1	3
Still to be completed	-	1	8	5	14

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	1	1	-	2
3 – 6 months	-	-	2	2	4
Greater than 6 months	-	-	5	3	8
Total	-	1	8	5	14



We have agreed with the Interim Chief Financial Officer to provide further detail on the most recent status known in relation to the issues outstanding over 6 months, which is as follows:

\*the table below refers to management updates unless specifically stated to be from Internal Audit's own follow-up work.

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
11/12 Corporate Governance: Tenon review- Pest Control service review	a) Management should report the financial benchmarking data that compares the service to other local Authorities in Leicestershire to the Senior Management Team and the Service Delivery Committee. b) Management should also undertake a value for money review of the Pest Control Service to ensure that the Council is managing this area in the most economic and effective manner.	3	a) An annual report to Senior Management Team and Service Delivery Committee. - May 2012 b) A value for money review of the service will be undertaken. - March 2013  Anita Pathak-Mould, Head of Community	Service Delivery and PFD committee agree for review on service in October meetings with a report to committee in Feb 2015  Revised date Feb 15
12/13 Debtors	Management should review current working practices/ procedures in light of the revised policy.	4	Delayed implementation of the new Policy was agreed by members. This will be implemented by the end of May.  30/6/13 – Paul Loveday, Head of Finance	The new draft debt recovery policy will be presented to the Policy, Finance and Development Committee in March 2015. It will be consistent with financial regulations.  Revised date 31/3/15
12/13 Debtors	Management should review the appropriate level of authorisation needed to write off different levels of debt and ensure these are reflected consistently in both the corporate Debt Policy and Financial Regulations.	4	Agreed  30/6/13 – Paul Loveday, Head of Finance	The new draft debt recovery policy will be presented to the Policy, Finance and Development Committee in March 2015. It will be consistent with financial regulations.  Revised date 31/3/15

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
12/13 Risk Management	An exercise should be undertaken to review all existing partnerships and projects to establish what risk registers are currently in place. A review should then take place to standardise the format of partnership and project risk registers and ensure that all partnerships and projects maintain such registers.	3	Agreed  28/6/13 – Paul Loveday, Head of Finance	A consultant for Zurich has been commissioned to further embed risk management including this recommendation as part of the service provided under our insurance premium.  Revised date 31/3/15
12/13 Risk Management	Priority should be given to identifying and implementing a bespoke Risk Management IT package that will allow the Council to develop from a process driven risk management function to one that is fully embedded.	3	In view of budgetary constraints the purchase of a bespoke IT package this cannot be a high priority at present but this will be kept under review. Other methods and initiatives of embedding the function within the Council will be considered in the meantime  31/7/13 – Paul Loveday, Head of Finance	A consultant for Zurich has been commissioned to further embed risk management including this recommendation as part of the service provided under our insurance premium.  Revised date 31/3/15
13/14 Debtors	Consistency – Write-off levels: The Corporate Debt Policy (2012) should be updated to reflect the authorisation limits and officers as per the revised Financial Regulations (July 2013).	4	The Finance Manager will remind the relevant Heads of Service (Customer Services and Communities) of the need to update the Corporate Debt Policy in line with the revised Financial Regulations.  31/3/14 – Paul Loveday, Head of Finance	The new draft debt recovery policy will be presented to the Policy, Finance and Development Committee in March 2015. It will be consistent with financial regulations.  Revised date 31/3/15

Review	Recommendation	Risk Rating	Response/proposed implementation date	Most recent status per management update*
13/14 Business Rates	Charitable Relief: It should be ensured that Charitable relief is reviewed prior to the 2014/15 Business Rates billing so that charges can be made against any property that no longer meet criteria.	3	Agreed.  31/12/13 - David Coe, Senior Revenues Officer	Report has been prepared for members. It will go to Full Council for approval in February 2015.  Revised date 28/2/15
12/13 Building Control	Management should consider  a) review and cleansing of system data to ensure all data is up to date and as accurate as possible b) visiting a small sample of higher risk sites where no inspections have been carried out as work has not been reported as started, to ensure this position is accurate. Taking any necessary steps to regularize matters where b) identifies unreported and thus uninspected works.	3	a) Agreed – A data capture exercise has been outsourced to IDox and the review and cleansing of data will be undertaken as part of this exercise. However the end date for this process has yet to be determined. b) This is already undertaken for larger Commercial properties. Where staffing levels permit this will be undertaken for domestic properties. Where identified this will be undertaken as per the Regularisation fees already set in place.  No specific implementation date set – Jonathan Lee, Building Control Manager	Project still ongoing with IDOX, pilot data due to be loaded for testing.  Revised date 31/3/15  Owner now Chris Forrett, Planning Control Manager

## 5. 2014/15 Internal audit plan

Review	Scheduled Start	Status	Level of assurance
Emergency Planning	May/June 2014	Final report issued	<b>Significant</b>
Additional: Grant funding – member request	May 2014	Report issued; further work now underway following additional request	<b>N/A</b>
Anti Fraud & Corruption-targeted fraud prevention/detection work*	June/July 2014	Draft report issued and under further discussion	
Corporate Governance – Counter- Fraud policies and awareness for 2014/15*	June / July 2014	Final report issued	<b>N/A</b>
Street Cleansing	July 2014	Final report issued	<b>Limited</b>
Grounds Maintenance	July 2014	Final report issued	<b>Limited</b>
Income Management & Cash Receipting	Jan 2015 onwards	In progress	
Elections / Electoral Registration	Oct 2014 onwards	Final report issued	<b>Significant</b>
Budgetary Control/Medium Term Financial Strategy	Oct 2014	Draft report issued, response awaited	
Creditors	Oct – Dec 2014	Draft report issued, response awaited	
Debtors	Jan 2015 onwards	In progress	
Treasury Management	Oct – Dec 2014	Final report issued	<b>Significant</b>
Main Accounting	Oct - Dec 2014	Draft report issued, response awaited	

Review	Scheduled Start	Status	Level of assurance
Council Tax	Nov – Dec 2014	In progress	
Business Rates	Nov – Dec 2014	In progress	
Benefits	Nov – Dec 2014	In progress	
Strategic Procurement / Shared Services Value for Money	March 2015		
Private Sector Housing/Disabled Facilities Grants	Jan 2015 onwards	Scoping	
Refuse & Recycling collection	March 2015		
Greening the Borough	Now scheduled for 2015/16		
Capital Projects	Jan 2015 onwards		
Payroll & Expenses	Feb 2015	Scope agreed	
Planning Control (follow up)	Now scheduled for 2015/16		
Housing Rents	Jan – Mar 2015		
Housing Repairs & Maintenance	Now scheduled for 2015/16		
Housing Landlord services	Jan – Mar 2015		
Void Property Management	Jan – Mar 2015		

Review	Scheduled Start	Status	Level of assurance
Additional review: grant funding - capacity	Jan 2015	In progress	