

FOLLOW UP AUDITS REPORT

SUMMARY

- 1.1 Of the 557 audit recommendations made between 1 April 2008 and 31 May 2010:
- 430 have been implemented (77.2%).
 - 39 have been superseded by events (7.0%).
 - 62 are still in the process of being implemented (11.1%).
 - 0 are now not going to be implemented (0%).
 - 9 have passed their agreed implementation date, but we have been unable to obtain progress information (1.6%).
 - 17 have not yet reached their agreed implementation dates (3.1%).

RECOMMENDATION

- 2.1 To review the summary report in Appendix 2, that shows where agreed actions in respect of audit recommendations have not been implemented.
- 2.2 To scrutinise the report in Appendix 3, that shows those recommendations not yet implemented to determine whether members consider further actions are required to secure implementation or whether officers should be required to provide the committee with more detailed explanations of the action status.

REASONS FOR RECOMMENDATION

- 3.1 The Terms of Reference of the Audit & Accounts Committee requires that it considers a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

SUPPORTING INFORMATION

- 4.1 The report at Appendix 2 is intended to provide members with an overview of the current implementation status of all agreed actions to address the control weaknesses highlighted by audit recommendations that have passed their agreed implementation dates. Our Audit Management System has been remodelled to align all recommendations with the revised organisational structure and Appendices 2 and 3 reflect these changes of responsibility.

- 4.2 Internal Audit has sent emails, automatically generated by our recommendations database, to officers responsible for action where their recommendations' action dates have been exceeded. We have requested an update on each recommendation's implementation status, which has been fed back into the database, along with any revised implementation dates.
- 4.3 Each Chief Officer has been provided with the details of each of the recommendations made to their departments, relating to reports issued between 1 April 2008 and 31 May 2010, which have yet to be implemented. This is intended to give them an opportunity to provide Audit with an update position.
- 4.4 There are no longer any outstanding recommendations from the period 1 April 2006 to 31 March 2008.
- 4.5 We have not included the recommendations made in audit reports issued since 1 June 2010. This is to allow time for recommendations to have reached their agreed implementation dates.
- 4.6 Each recommendation made by Internal Audit is assigned one of the following "Action Status" categories as a result of our attempts to follow-up management's progress in the implementation of agreed actions. The following explanations are provided in respect of each "Action Status" category:
- **Blank** = Audit have been unable to ascertain any progress information from the responsible officer.
 - **Implemented** = Audit has received assurances that the agreed actions have been implemented.
 - **Superseded** = Audit has received information about changes to the system or processes that means that the original weaknesses no longer exist.
 - **Being Implemented** = Management is still committed to undertaking the agreed actions, but they have yet to be completed. (This category should result in a revised action date)
 - **Not Implemented** = Management has decided, on reflection, not to implement the agreed actions.

OTHER OPTIONS CONSIDERED

- 5.1 Not applicable.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Richard Boneham, Head of Audit & Risk Management
For more information contact: Background papers: List of appendices:	Adrian Manifold, Audit Manager, 01332 255686 adrian.manifold@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Summary of Implementation Status Appendix 3 – Detail of Recommendations Not Yet Implemented

IMPLICATIONS

Financial

- 1.1 None directly arising.

Legal

- 2.1 Under the Accounts and Audit Regulations 2003, the Council is required to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices.

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Health and Safety

- 5.1 None directly arising.

Carbon commitment

- 6.1 None directly arising.

Value for money

- 7.1 None directly arising.

Corporate objectives and priorities for change

- 8.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

SUMMARY OF IMPLEMENTATION STATUS											
Status of Recommendations Made Between 1 April 2008 and 31 May 2010											
Directorate	Made	Accepted	Complete		Incomplete		No Response		% Complete	% Incomplete	% Not Known
			Implemented	Superseded	Being Implemented	Not Implemented	Action Date Passed	Future Action Date			
Significant											
Chief Executives	33	33	16	3	7		7		57.6%	21.2%	21.2%
Children & Young People	14	14	12		2				85.7%	14.3%	
Resources	122	122	88	16	16		2		85.2%	13.1%	1.6%
Neighbourhoods	42	42	31	4	3		2	2	83.3%	7.1%	9.5%
Adult, Health & Housing	22	22	22						100.0%		
Totals	233	233	169	23	28		2	11	82.4%	12.0%	5.6%
Merits Attention											
Chief Executives	42	42	36	1	3		2		88.1%	7.1%	4.8%
Children & Young People	29	29	26		3				89.7%	10.3%	
Resources	174	174	136	13	24		1		85.6%	13.8%	0.6%
Neighbourhoods	57	57	41	2	4		7	3	75.4%	7.0%	17.5%
Adult, Health & Housing	22	22	22						100.0%		
Totals	324	324	261	16	34		7	6	85.5%	10.5%	4.0%
Directorate	Made	Accepted	Complete		Incomplete		No Response		% Complete	% Incomplete	% Not Known
			Implemented	Superseded	Being Implemented	Not Implemented	Action Date Passed	Future Action Date			
All Recommendations											
Chief Executives	75	75	52	4	10		9		74.7%	13.3%	12.0%
Children & Young People	43	43	38		5				88.4%	11.6%	
Resources	296	296	224	29	40		3		85.5%	13.5%	1.0%
Neighbourhoods	99	99	72	6	7		9	5	78.8%	7.1%	14.1%
Adult, Health & Housing	44	44	44						100.0%		
Totals	557	557	430	39	62		9	17	84.2%	11.1%	4.7%

Details of Audit Recommendations Not Yet Implemented

Chief Executives

736 Partnership - Governance

Report Issued

01/03/2010

Recommendation 1 Significant

Action Status Being Implemented

The Council has not adopted a consistent approach to the governance of partnerships which accords with best practice guidelines.

We recommend that the Council ensures that a consistent approach to the governance of partnerships is developed in line with best practice and these controls are communicated to all Council officers involved in, or likely to be involved in, partnership working. The responsibility for ensuring that the governance principles are applied consistently in all of the Council's partnerships, should be vested in one a senior manager, who should develop a control system which ensures the establishment and operation of partnerships is properly regulated.

Action Details

Responsible Officer

Gordon Stirling

Action Date

24/06/2010

The Council's approach for all partnerships will be detailed in the Partnership Toolkit in the form of guidance for managers. It is planned to take the final toolkit to Audit and Accounts in June 2010 for approval.

Update

Revised Action Date

30/09/2010

Update from Nick Searle: Completed. The Partnership Toolkit went to COG and was approved in June 2010. The control system has not been developed yet.

I think there is another Audit and Accounts meeting in September.

Recommendation 2 Significant

Action Status Being Implemented

The Council has not developed a policy on partnership working.

We recommend that a Council policy be developed for Partnership working which includes the criteria which Derby City Council considers to constitute each different type of partnership working. The Council's involvement in partnership working can differ greatly between each scheme. Accordingly, the Policy should clearly set out how each type of partnership should be governed. The policy should be published and clearly communicated to all relevant staff and members.

Action Details

Responsible Officer

Gordon Stirling

Action Date

24/06/2010

See response to recommendation 1.

Update

Revised Action Date

30/09/2010

Update from Nick Searle: I would say this is in progress as the Toolkit counts as Council policy. It is yet to be published.

Toolkit to be published in September 2010.

Recommendation 9 Significant

Action Status Being Implemented

A formal risk assessment was not conducted before entering into the Derwent New Deal partnership.

We recommend that formal risk assessments are undertaken prior to entering into a partnership. These should be used to determine whether or not the proposed partnership arrangements are within the Council's risk appetite. The risks identified in these assessments should be monitored throughout the life of a partnership to see whether the risks to the Council have changed and whether a different course of action would be appropriate.

Action Details

Responsible Officer

Gordon Stirling

Action Date

24/06/2010

The need to carry out risk assessments will be detailed in the Partnership toolkit.

Update

Revised Action Date

30/09/2010

Update from Nick Searle: The toolkit details that risk assessments must be taken out before entering into a partnership. The Partnership Register needs to be updated and detail when risk assessments have been undertaken. I would say this is in progress.

Recommendation 10 Merits Attention

Action Status Being Implemented

None of the partnerships sampled had arrangements in place for dispute and conflict resolution between partners.

We recommend that the Council ensures that every Partnership Agreement it enters into, contains arrangements for resolving conflicts and disputes between partnering organisations.

Action Details

Responsible Officer

Gordon Stirling

Action Date

24/06/2010

This will be in the agreement but will also be detailed in the Partnership toolkit

Update

Revised Action Date

30/09/2010

Update from Nick Searle: The Partnership Toolkit provides an outline Partnership Agreement template that partnerships should use. Each of the Council's 'high risk' partnerships will have to complete a Partnership Agreement that is signed off by the Strategic Director by the end of September.

Recommendation 1 Significant**Action Status Being Implemented**

Information required to plan the capital programme was not always being received when needed, as a timetable had not been produced to inform officers when information was required to be submitted.

We recommend that the AMP section develops a timetable/schedule which identifies when distinct information is required from each contributor. This timetable schedule should be communicated and discussed with all contributors to the capital programme planning process.

Action Details**Responsible Officer**

Julie Clarkson

Action Date

27/11/2009

Timetable for reporting of the programme is dictated by Corporate Finance. The process seems to change annually and details are received quite late, not allowing sufficient planning for AMP and Property Services. AMP to raise with Corporate Finance.

Consideration to be given to developing rolling programme of potential schemes that can be reviewed.

AMP and Property Services maintenance to establish timetable to agree where feasibility studies are required and meeting dates with prioritised schools to agree project requirements.

Joint meeting held on the 2 October 2009 between CYP and Property maintenance to discuss and agree the priorities for maintenance projects for 2010/11.

Timetables for delivery of these schemes is generally discussed and agreed at the 6 weekly design/CYP progress meetings. Further consideration needs to be given to CYP input and preparation prior to sign off of the brief. Full timetable for project delivery to be agreed and signed off by both parties.

Responsible Officers: Steve Allwood/Simon Buckley

Update**Revised Action Date**

01/09/2010

Recommendation 1 was discussed and Phil Derbyshire agreed to draw up an 'ideal' timetable to enable the Maintenance Section to identify and develop potential schemes for the capital programme. This will be fed back to the group so that CYP funding and financial reporting timescales can be added. We are planning to implement the timetable for the next cycle.

Recommendation 2 Significant**Action Status Being Implemented**

Risk assessments for each capital project were limited to project specific design and construction risks, other key risks were not being identified, analysed or mitigated.

We recommend that a complete risk management process is developed, in conjunction with the Council Risk Management section, for all capital projects. Individual risks should be regularly monitored and updated throughout the life of each capital project.

Action Details**Responsible Officer**

Julie Clarkson

Action Date

31/03/2010

Some non construction risks are currently identified by the AMP and considered as part of the project planning process but these are not currently formally logged.

The property services maintenance team and the Head of Asset Management attended risk management training with the East Midland Centre of Excellence on the 20 October 2009.

Templates and process to be developed in line with DCC and Prince 2 requirements following the training. Proposal to hold a risk management workshop at the inception of each project with regular review at project design meetings.

Responsible Officers: Philip Derbyshire/Paul Glowacki/Steve Allwood

Update**Revised Action Date**

30/09/2010

Response from J Clarkson.

5.3.10 Sub group representing AMP, Architects' Team and Property Services met to look at forms currently being used by teams and DCC Project Management Manual forms.

15.6.10 Julie met with Chris Salt and Richard Boneham to discuss corporate forms and guidance

25.5.10 Chris attended AMP Team meeting to brief team on risk management process

6.7.10 Joint session held with representatives from AMP, Architects' Team, Property Services and Chris Salt. Chris using the group as a sounding board for revised corporate guidance and 'trialling' of DCC risk template. Agreed that AMP as the client should monitor the risk log. Julie to set up workshop to trial the risk log on Ravensdale Junior Capital Project. Implementation and development of risk management process and use of log to commence following feedback from workshop. Will be rolled out the three teams. Geoff to discuss EMPA risk log template at meeting on 13.7.10

Recommendation 3 Merits Attention**Action Status Being Implemented**

The client was not signing off the tender specification to formally evidence their agreement with the content of the document.

We recommend that the client, or client's representative, should be requested to formally sign up to the tender specification prior to its inclusion in the tender package. This approval should be evidenced on the relevant Contract File.

Action Details**Responsible Officer**

Julie Clarkson

Action Date

31/03/2010

Contrary to the audit report, tender documentation is not generally received by AMP for review prior to sign off of the proposed work although the

team are now required to sign off the F10 as part of their CDM client function. There are likely to be significant resourcing implications if AMP is to check all documentation.

AMP employ Property Services as their competent project manager/designer therefore the sign off process will be employed purely to ensure the requirements of the brief are met.

The process in relation to the sign off of project work is to be reviewed. Project Log book to be further developed to include brief agreement, design freeze and specification sign off by the AMP.

Phasing
Resource implications
Change control
Progress reporting
Exception reports
Project closure
Lessons learned log

Responsible Officers: Phil Derbyshire/Paul Glowacki/ Steve Allwood

Update **Revised Action Date** 30/09/2010

22.4.10 Example prelims sent to Julie and checklist drawn up that AMP will use to sign off tender specification

13.7.10 Checklist presented to Audit group for feedback. Plan to implement use by 30.9.10

Recommendation 4 Merits Attention **Action Status** **Being Implemented**

The minutes of the capital project monitoring group did not demonstrate that "at risk" projects were being given priority attention, receiving greater scrutiny or appropriate corrective action was being taken to address the risks identified.

We recommend that capital project monitoring meetings become more flexible to allow for increased scrutiny on projects causing concern. The minutes of the meeting should clearly demonstrate the priority issues under review, any agreed actions and the responsible officers.

Action Details **Responsible Officer** Chris Edwards **Action Date** 31/03/2010

There is currently no recording mechanism for the monitoring of projects apart from the spreadsheets which are updated by Corporate Finance/Accountants therefore it has been necessary to review all projects on a regular basis. Project management software to be procured to manage contract data and produce monitoring reports estimated timescale April 2011.

Ultimately project monitoring meetings will be focussed on the exceptions in the meantime projects will be monitored based on a traffic light system, therefore identifying key, high risk schemes and any slippage.

The new database will be expected to provide :

Programme monitoring
Contract Payments
Issuing of contract documentation
Issue various reports including monthly monitoring reports

Responsible Officers: Phil Derbyshire/Paul Glowacki/ Steve Allwood

software won't be available until April 2011

Update **Revised Action Date** 30/10/2010

Still to be implemented by Phil's team. There has been some adjustment to Architect's monitoring meetings but AMP pushing for traffic light system to be introduced

Recommendation 6 Significant **Action Status** **Being Implemented**

The internal billing process has been identified as a major cause of delay in the capital contract payment process. Delays have lead to key sources of funding being withdrawn which has meant that funds have had to be sourced from elsewhere to the detriment of other important capital projects.

We recommend that a formal structured process of billing is introduced, in consultation with the Oracle Project Board, so that internal recharges can be identified promptly after completion and handover of capital projects and journals can be raised promptly in order that internal funds are transferred without delay.

Action Details **Responsible Officer** Chris Edwards **Action Date** 31/03/2010

It should be noted that the accounting system and procurement process does not allow AMP to be responsible for the payments and billing process as orders are placed directly by Property Services. Property Services to be made clear of any time limited funding at the inception/briefing stage of a project. There is always a major focus by AMP on ensuring that spending forecasts are monitored as closely as possible in order to limit funding slippage.

The internal payments process links to the Transforming Derby Report on Internal billing. Philip Derbyshire to discuss the Internal Billing Report with Steven MacNamara to find out if the report has been completed.

Property Services to look at a more proactive approach towards payment certificates
Clear funding deadlines to be built into the clients brief
Clear fee bids to be agreed at the beginning of project

Discussion to be had between AMP and Property Services regarding timely agreement and payment of final accounts.

Responsible Officers: Phil Derbyshire/Paul Glowacki/ Steve Allwood

Update

Revised Action Date 30/10/2010

13.7.10 Phil reported that maintenance charges are now being monitored before being passed to accountants and they are tightening up on regular processing of timesheets. Still a resources issue for processing charges but fees should be charged every three months to avoid block charging at end of financial year. Julie sends reminder to Paul and Phil at end of each quarter, asking for fees to be calculated and charged on larger projects. I'm not aware if there has been any consultation with the Oracle Project Board

Recommendation 7 Significant

Action Status Being Implemented

Key information regarding the availability of key funding streams some of which may be time-restricted was not effectively being communicated to the relevant officers/sections in the authority to make them aware which capital projects were a priority.

We recommend that all capital projects attracting time-restricted funding are identified and the relevant officers/sections appropriately informed in advance of the commencement of the works. Such projects should be closely monitored so that appropriate action could be taken if slippage is identified at an early stage. The risk of losing time-restricted funding should be identified in the risk management process for each capital project.

Action Details

Responsible Officer

Julie Clarkson

Action Date

31/03/2010

Time restricted funding generally relates to major projects and funding requirements/criteria to be clearly communicated to the project design team by AMP at the inception/briefing stage.

A formal recording process to be developed further to ensure that time restricted funding is identified at the brief development stage and is built into the projects risk assessment process.

Time limited funding will also be identified on the scheme commencement report and Property Services will ensure each project has a spend profile to track actual spend/progress of the project.

New asset software will be procured under the councils DECATS project it is recommended a traffic light system is implemented as part of this software to track projects and allow early identification of slippage.

Responsible Officers: Steve Allwood/Phil Derbyshire/Paul Glowacki

Timescale for procurement of system under DECATS currently unknown

Update

Revised Action Date 30/09/2010

Project forms have been identified and include Project Brief which will inform the relevant officers/sections with information on time limited funding. AMP team to use Project Forms for new projects from 1.9.10

Children & Young People

2034 Extended Schools

Report Issued

28/05/2010

Recommendation 2 Merits Attention

Action Status

The model Charging and Remissions Policy for schools to adapt and customise accordingly, made available on the LA website, was limited in detail and did not make specific reference to extended school services.

We recommend that the model Charging and Remissions Policy made available on the LA website be reviewed and updated to include reference to extended school services and schools should be notified and reminded that this policy must be in place and approved by the Governing Body prior to them making any charges for services being provided.

Action Details

Responsible Officer

Alison Parkin

Action Date

31/07/2010

Policy to be re issued and advice about how to cost out activities to be included in the financial guidance.

Update

Revised Action Date

One for Janet Lawrence. However, the policy is being included in the guidance being issued at the end of the month. The website is not available at the moment to post to as it is locked down whilst development is underway.

Recommendation 3 Merits Attention

Action Status Being Implemented

The financial guidelines provided by the Council to schools provided limited instructions on best practice for income recording and receipting procedures. Receipts had not always been issued for income received for extended services provided by the school.

We recommend that CYP Finance update the financial guidelines to include best practice for recording and receipting income. The guidelines should acknowledge that the type of receipt issued should reflect materiality. Consideration should be given to using for example 'ticket receipts' from a master roll that could be issued and supported by the register which details all the payees and the amounts paid. The guidelines should also advise schools to review their procedures for recording and receipting income and check these are in line with best practice. The schools should be reminded that income recording and receipting procedures should be recorded within the schools Financial Procedures Manual and formally approved by the Governing Body in accordance with the requirements of the Financial Management Standard.

Action Details

Responsible Officer

Alison Parkin

Action Date

01/09/2010

Guidance to be updated and reissued and procedure re-enforced.

Update

Revised Action Date 04/10/2010

Update of financial guidance in progress, estimated release date end of September.

Recommendation 4 Merits Attention

Action Status Being Implemented

Various staff members were involved in collecting income for extended services, but there was not a list of staff authorised to collect income and issue receipts who had been appropriately instructed in the correct procedures for collecting and receipting income.

We recommend a list of staff authorised to collect and receipt income be formally recorded and included within the school Financial Procedures Manual that is formally approved by the Governing Body in accordance with the requirements of the Financial Management Standard. All staff designated to collect and receipt income should also be instructed in the correct procedures for collecting and receipting income and provided with appropriate procedural guidance notes.

Action Details **Responsible Officer** Alison Parkin **Action Date** 01/09/2010

Financial procedures manual to be updated and recommendation included.

Update

Revised Action Date 04/10/2010

Response 7/9/10 This is being added to the guidance document, was also covered at the bursar conference in the summer term and is scheduled for a circular item September when schools return from the summer break for maximum impact. Update of financial guidance in progress, estimated release date end of September.

Recommendation 6 Significant

Action Status Being Implemented

Schools had been inconsistently allocating the income generated from extended services in their accounting records and income had also been banked into schools' private fund accounts and transferred at a later date.

We recommend that, to ensure that all income being generated is allocated to the relevant income and Consistent Financial Reporting (CFR) code, CYP Finance updates the financial guidance to include instructions on accounting for income generated from the provision of extended school services. This guidance should clearly indicate the accounting codes to be used and should explicitly prohibit schools from banking income in their private fund accounts.

Action Details **Responsible Officer** Alison Parkin **Action Date** 01/09/2010

Guidance to be updated to include recommendations,

Update

Revised Action Date 04/10/2010

Response 7/9/10: This is being included in the guidance document but was also covered at the Bursar Conference in the summer term and has also appeared as a schools circular item. Update of financial guidance in progress, estimated release date end of September.

Recommendation 8 Significant

Action Status Being Implemented

Checks which ensure that the income received for extended services had been appropriately banked and correctly accounted for, were not being appropriately evidenced. Also there was no evidence that management was monitoring that these checks were being undertaken in a robust and timely manner.

We recommend that CYP Finance update the financial guidance to schools to include income reconciliation procedures for extended services. Such procedures should require an officer, who has not been involved in the income collection process, to undertake timely and robust checks to ensure all income from providing extended school services has been appropriately banked and properly accounted for in the general ledger. This officer should investigate any discrepancies and rectify any errors or mis-codings and report any irregularities to management. These checks should be formally recorded and the officer should sign and date the control document. Management should monitor the timely production of this control document and should evidence their scrutiny of the process by counter-signing and dating the control record.

Action Details **Responsible Officer** Alison Parkin **Action Date** 01/09/2010

Financial guidance to be updated.

Update

Revised Action Date 04/10/2010

Response 7/9/2010: Update of financial guidance in progress, estimated release date end of September.

Resources

2020 **Cashiers 2009-10** **Report Issued** 17/05/2010

Recommendation 2 Significant

Action Status Being Implemented

The Income and Post Manager was both operating and reconciling the Sundry Payment Account. This inappropriate separation of duties and lack of independent scrutiny did not provide sufficient control against the misuse of the account.

We recommend that the reconciliation of the Sundry Payment Account to the Council's bank statement is undertaken on a monthly basis by an officer who is independent of the day to day operation of the Sundry Payment Account. Management should also monitor the timely completion of the monthly reconciliations and evidence their checks with a countersignature and date on the reconciliation documents.

Action Details **Responsible Officer** John Massey **Action Date** 30/06/2010

Accepted. We suggest that the monthly reconciliation should be carried out a member of the accountancy team, as they have the skills to check and

understand the figures which make up the reconciliation and to dig deeper if they feel it necessary. A member of Chloe Bowes' Income Accountancy team seem well placed to do this as they are likely to have other involvements with the account which will make them more familiar with it's workings. They can at the same time countersign the Income and Post Manager's reconciliation to evidence that they are happy that it has been carried out in a timely manner

Update

Revised Action Date 30/09/2010

Update 08/07/10 Not in place. Income and Post Manager will contact Chloe Bowes to find out who will carry out this check.

Recommendation 3 Significant

Action Status Being Implemented

The Sundry Payment Account was overdrawn and contained numerous uncleared items, some dating back to 2002.

We recommend that the Sundry Payment Account is cleared of transactions which are more than a year old. The credits should be removed from the account and un-presented cheques should have a stop placed on them and written back if older than six months. Additionally, we recommend that the Head of Exchequer Services, in conjunction with the Control Review Group, determines how all Sundry Payment transactions should be processed without using Accounts Payable routines in order to avoid delays and the account being overdrawn.

Action Details Responsible Officer John Massey Action Date 31/07/2010

There are three strands to the first part of this recommendation. Un-presented cheques. These are cancelled from time to time but will be done more frequently. At monthly intervals, as part of the regular reconciliation process, we will place stops on all cheques which are over six months old and arrange for the transactions to be written back. The process for doing this needs to be agreed with the Control Review Group, in tandem with the changes recommended to the reimbursement procedure (As per the second part of this recommendation) Unclaimed credits in the account. These are all payroll credits which have gone to the account by default because employees have not provided their bank details to enable their pay to be sent to their own bank account. Problems arise because in spite of us letting Payroll know about these credits, we sometimes don't get requests to pay them to the employee. We shall investigate the possibility of having any credits which are unclaimed after one month transferred out of the Sundry Payments Account, to the General Account, from where Payroll can pay them by BACS to the employee once details are obtained. Payments from the account which have not been reimbursed. The reason for this is normally that there is an error with one of the budget codes, or the VAT calculation. These errors will be picked up by AP when they enter the transaction into Oracle to reimburse us. We suspect that some of the forms containing these errors are sent back to the department which authorised the payment, but they don't reach a person who understands what has to be done, so they either get filed, or misplaced rather than corrected and returned to AP for processing. The second part of the recommendation should address this problem. Chloe Bowes has been investigating the option of her team processing the reimbursements instead of AP which should avoid the delays inherent in using the AP system. A process need to be agreed with the Control Review Group to remove the old credits and debits to enable a clean start to be made once the above processes are in place.

Update

Revised Action Date 30/09/2010

Update 08/07/10 Awaiting input from Gill R& Chloe B.

976 Controlled Financial Stationery Report Issued 17/03/2010

Recommendation 6 Merits Attention

Action Status Being Implemented

The Strategic Director – Resources was unaware of which printing companies were being used to obtain stocks of financial stationery by Departments and each printing company's security arrangements had not been vetted.

We recommend that the numbers of different printing companies currently used are identified with a view to consolidating them through an appropriate procurement exercise. Ideally one printing company should be selected for the production of all controlled financial stationery. As part of the contractual agreement, this printing company should: • Be set specific performance targets in relation to delivery and security of printing stocks and templates. • Only accept orders from officers specified by the Strategic Director - Resources. • Have their security arrangements vetted annually.

Action Details Responsible Officer John Massey Action Date 01/09/2010

In consultation with Procurement we shall source a suitable supplier complying with the recommendations outlined.

Update

Revised Action Date 01/12/2010

RS 01/09/10. This is still outstanding. As I mentioned when we met with Kath last week, I'm going to seek advice from Laura Hallom regarding the way forward, but expect to have to prepare an outline spec to cover our requirements (based on the recommendation in the report) and circulate it to several printers to get an idea of costs. I've not yet had a chance to do this. Based on the responses to this, then we would either stay with Irongate or investigate further whether one of the alternatives measure up on the security side as well as price, and move to them. Realistically, I don't think this will be a quick process because I need to get examples of the types of tickets etc and then I have to draw up an accurate and realistic spec – not something I have any experience of; and at the moment I've a lot of other priorities. I'd optimistically estimate completion to be 1 December. Would this be too far away from the original date?

888 Council Tax 2008-9 Report Issued 26/05/2009

Recommendation 5 Merits Attention

Action Status Being Implemented

Exemptions had been granted in the Academy system despite insufficient evidence being held on the Anite system.

We recommend that a senior officer reviews all Council Tax exemptions and discounts awarded on Academy, with the exception of single person discount, to confirm that adequate evidence is held to substantiate discounts granted. Where evidence held is found to be insufficient the liable persons should be contacted to supply adequate evidence or a visit be arranged to confirm whether the discount is valid. Where discounts are not justified, necessary adjustments should be made on Academy and revised Council Tax demands issued.

Action Details Responsible Officer John Massey Action Date 31/03/2010

1. These reviews will be picked up during this financial year2. Guidance to staff will be developed and published via the Procedures Manual as it is reviewed and completed3. Ongoing timetable of future reviews to be developed and managed by PO.

Update

Revised Action Date

30/09/2010

Update from John Massey on 14 Jul 10

This is to confirm our discussion this morning. We agreed the following

- That a five percent sample of council tax discounts & exemptions, excluding single person discounts, would commence.
- That based upon this a sample of 250 would be chosen at random & that the sample check would be completed by 30th September 10.
- That a spreadsheet containing details of the accounts checked, evidence expected, evidence found & remedial action to be taken if insufficient evidence found, would be kept.
- That no hard copy evidence would be required by yourself.

850 Debtors - Police Liaison

Report Issued

05/10/2009

Recommendation 1 Significant

Action Status

Being Implemented

Ultimately the Council's cash collection facility for Market Traders enabled a major fraud to be committed.

We recommend that Market Traders are informed that cash collections from market stalls are to be withdrawn by a set date, within three months of notice. All new and each existing Market Trader should be required to make all future payments via Direct Debit. All new traders in Council premises who are required to pay rent, electricity charges etc should be required to sign a Direct Debit instruction when a lease is signed. The direct debit instruction should be an integral part of the contract/lease with the Market Trader.

Action Details

Responsible Officer

Stephen Meynell

Action Date

31/01/2010

Cash collection: 1. Eagle Market and Market Hall: Cash collection of rents ceased from 11 May 2009. The alternative for traders to pay in cash/cheque at the Council House is currently still possible and there are the other various alternative payment methods that the Council accepts.2. Allenton Market is a 'casual' market and rent is now collected by officers working in pairs. Whilst it may be possible to identify regular traders and collect by direct debit in the future, this would entail entering lease agreements with traders. Confidentially, until the future of the Market is determined, we would not wish to take this course of action.3. Street traders: • City Centre traders (4) are invoiced and no cash is collected. Payment is by cheque or cash as in 1 above. • Out of city traders (regular) currently pay by cash/cheque following a letter reminding them to renew for the next year (January – December). For next year, January 2010, traders will be invoiced in advance. • Casual traders because of the need for a quick turn around of requests, it is not possible to issue invoices and obtain payment in advance of issuing a licence. All cash/cheques collected will now have receipts signed by two officers.4. Car boot sales: There is no alternative to cash collection by Council officers whilst the Market remains in the management of the Council. Cash is now collected by officers in pairs and, because of the amount collected, will be paid in by two officers to ensure insurance limits for cash carrying are not breached. Those with regular pitches (refreshments) are to be issued with an annual agreement and required to pay monthly by direct debit.5. Eagle Market parking: As an interim measure, cash is being collected by officers in pairs. Introducing direct debit for regular parking is to be considered alongside the introduction of car park ticket machines with collection by third parties (last reviewed 2006). 6. Cattle Market parking: Cash has been collected by officers in pairs since 2006. The introduction of collection by third parties will be reviewed alongside the Eagle Market parking. Payment by Direct Debit (DD)7. Eagle Market and Market Hall: Under the current lease arrangements it is generally possible to require tenants to pay by DD, although each and every lease is being checked to establish that this is possible in all cases Market trading is traditionally a cash economy. DD on bank accounts with its associated charges will increase costs to traders and this, together with lessening opportunities to pay, may result in an increase in the level of arrears, rather than reduce it. Ideally, incentives for the introduction of DD would need to be offered and would coincide with new lease agreements when rental levels are considered. However, given that lease renewals are not due until 1 August and 1 September 2010 and that income supports the Council's revenue budget and is already accounted for, the general requirement for traders to pay by direct debit is to be introduced as quickly as possible. Discussions with the Eagle Market Traders Committee on 26 August, where an officer from Resources accounts team was present, highlighted reluctance by the traders to move to DD. This reluctance stems mainly from mistrust and loss of confidence: • Two committee members, who paid in the past by DD, cancelled because they were charged incorrectly and it took a long time to recover the overpayment. • It will cost (marginally) more to operate DD. • Their experience of responses to financial queries has been poor. The Traders Committee requested confirmation from the accounts team that systems have improved for the allocation and collection of DDs and that queries arising will be dealt with speedily so that they will not remain out of pocket for long periods. If their confidence can be gained, then they will work with the Council to assist in getting other traders to pay by this method. The issue will be discussed again at the next Committee meeting, planned for October. All new tenants, or tenants wishing to move stalls, are already required to agree to make their future payments by DD. Responsible Officer: Steve Meynell Action Dates: 1. Eagle Market and Market Hall: Cessation of cash collection - Implemented2. Allenton Market: cash collected in pairs already implemented.4. Car Boot Sale: • Cash collection in pairs already implemented • Regular pitches – 30 September 2009 • Review management options – 31 January 2010/5/6. Parking: 30 November 2009/7. Eagle Market and Market Hall DDs: Partially introduced (new tenants and those moving stalls). Existing tenants – as soon as possible with a 'long-stop' date to coincide with the lease renewals (1 August/1 September 2010).

Update

Revised Action Date

01/11/2010

1. Eagle Market and Market Hall: Cessation of cash collection - Implemented 2. Allenton Market: cash collected in pairs already implemented.

3. Street traders:

. City Centre traders (4) are invoiced and no cash is collected. Payment is by cheque or cash as in 1 above.
 . Out of city traders (regular) currently pay by cash/cheque following a letter reminding them to renew for the next year (January - December). For next year, January 2010, traders will be invoiced in advance. - Implemented . Casual traders because of the need for a quick turn around of requests, it is not possible to issue invoices and obtain payment in advance of issuing a licence. All cash/cheques collected will now have receipts signed by two officers. - Implemented

4. Car Boot Sale:

. Cash collection in pairs already implemented . Regular pitches - 30 September 2009 Being invoiced now . Review management options - 31 January 2010 5/6. Parking: 30 November 2009 Not sorted yet as machines expensive. As is collection by third party so need discussion. 7. Eagle Market and Market Hall DDs: Partially introduced (new tenants and those moving stalls). Existing tenants - as soon as possible with a 'long-stop' date to coincide with the lease renewals (1 August/1 September 2010). To be part of lease renewals.
 To RB 15/03/10 - 4 Car Boot Sale Continuing with present arrangements on collection though investigating possible use of external cash collection from site. Being Implemented
 5/6 External cash collection along with 4 above being considered . New machines at Eagle market to be considered provide external cash collection is cost effective Being Implemented
 sm 14/09/10 - issue with tenants not accepting DD (and voids rising) revised action date 01/11/10.

Recommendation 3 Significant**Action Status Being Implemented**

By allowing Council staff to negotiate face to face with Market Traders regarding the payment of their arrears, Council officers have been able to take advantage of the debtors' vulnerable position to steal cash. A number of local authorities use private bailiffs to tackle Market arrears.

We recommend that to avoid opportunities for officers to enter into corrupt practices, Council officers are no longer allowed to enter into negotiations with Market Traders for the repayment of arrears. A firm of private bailiffs should be engaged by the Council to pursue all outstanding Markets debts with Market Traders. A policy would need to be determined which states at what stage the bailiffs will be called in. This can be as severe or as lenient as is considered appropriate.

Action Details **Responsible Officer** Stephen Meynell **Action Date** 28/02/2010

The face-to-face meeting with tenants is an integral part of chasing debts at the early stage as there needs to be an understanding of the issues and this needs to continue. However, from June 2009 two officers, from different departments, are present at all such meetings. These meetings often result in agreements to pay arrears in full or part and the success of this is demonstrated by the level of recovery outlined in Recommendation 2 above. The current procedures for debt recovery involve, if agreement on the payment of arrears cannot be reached, either the repossession of the stall or if the tenant has already left the Market then pursuit through the legal process. The opportunity for the use of bailiffs is limited but Finance colleagues are looking at the use of them across all Council debts. It is accepted that the judicious use of such action is both a deterrent and a solution and so once a contract is in place Council-wide such action could, if appropriate, be used to pursue Market debts. Finance will explore the use of bailiffs for market debts and present findings to Steve Meynell - February 2010

Update **Revised Action Date** 31/01/2011

SM to RB - Finance colleagues have a meeting in April 2010 to discuss scoping the retendering the bailiff service with an inception date of Dec 2010. Whilst the current contract does not allow for adding markets debts this will be explored as part of the retendering process

889 Debtors 2008-9

Report Issued 27/10/2009

Recommendation 2 Significant**Action Status Being Implemented**

The AR module cannot be configured to enforce a separation of duties which ensures that the person who raises the original invoice is unable to raise a credit note against that invoice.

We recommend that the Head of Business Systems evaluates 3rd party software (such as CaoSys) which can enhance Oracle's functionality. We understand this product may be used to enforce an appropriate separation of duties via system controls. If the enforcement of an appropriate separation of duties by 3rd party software is either not practical or not cost effective, the Revenues Manager should devise a manual process for approving credit notes for those users who can raise a credit note against an invoice that they had previously raised. The Revenues Manager should undertake random checks to ensure that credit notes processed have been appropriately approved.

Action Details **Responsible Officer** John Massey **Action Date** 31/10/2009

Software Supplier (as mentioned in Audit recommendation) will be working with Business Systems on the proposed solution. Proposed implementation date of 31/10/09. In terms of the External Payments Manager/ Revenues Manager devising a manual process of approving credit notes, this presents practical difficulties. Between April to August 2009 670 credit notes were raised. Any documentary evidence of these will be held at the Department where the transaction was completed. As such any such checks will need to be undertaken by Officers in Departments. Email sent to Carolyn Wright (14/09/09) requesting that this is added to the agenda of the Heads of Finance Meeting

Update **Revised Action Date** 30/09/2010

We have undertaken an initial review of the CoaSys product and hope to make a decision before the end of November as to whether we will be pursuing this option.

Jan update We have taken the decision not to pursue the CaoSys product because implementing this will mean that we have to licence the database on a different basis that would be very prohibitive.

JM Update 16/03/2010 This item is still outstanding. It was hoped for an IT solution to this recommendation but this is not deliverable. We are now looking to amend working practice via the TSC review, recommending that Credit Note processing should be undertaken centrally. Implementation date 30 Sept 2010

Recommendation 3 Significant**Action Status Being Implemented**

A report of all transfers was not being produced for the Head of External Payments to monitor activity.

We recommend that the Revenues Manager initiates the production of a report which identifies all transfer activity to ensure the effective monitoring of the function.

Action Details **Responsible Officer** Lynda Innocent **Action Date** 31/10/2009

Lynda Innocent has commissioned audit trail work with Teamsolve. This should be in the production environment in the week commencing 12/10/09. Once the functionality is available the External Payments Manager will devise and document appropriate checks

Update **Revised Action Date** 30/09/2010

The audit trail has been developed and we are scheduled to undertake testing over the next 2 weeks to confirm that it works as we have specified with a view to making this functionality live at the end of this month.

Jan update The audit trail work is still in development as we cannot currently produce any reports. We have therefore asked the consultant who has developed the reporting area to meet with us to outline where it does not appear to be working.

Unfortunately there has been a delay in implementing the audit trail. We are trying to get this up and running with assistance from Teamsolve.

Hopefully we will reach a conclusion to this soon. Update 22/04/10 I have agreed a revised implementation date of end September 2010 with Ranjit for this.

Recommendation 4 Significant**Action Status Being Implemented**

Periodic statements were not being sent to appropriate debtors to allow them to confirm the transactions and balances on their accounts.

We recommend that the Revenues Manager, in conjunction with the relevant Service Heads, determine which of the recurring debtors would benefit

from receiving a periodic statement of account, determine an appropriate schedule for each and provide an appropriate independent contact point for any queries. This process should be commenced at the earliest possible juncture.

Action Details	Responsible Officer	John Massey	Action Date	31/03/2010
-----------------------	----------------------------	--------------------	--------------------	-------------------

Statements are not routinely sent out as they can only be produced by customer number. This means production on an ad-hoc account basis, or a range of account numbers. The proposal was taken to the Oracle Board in September 2008, however the Board dismissed the idea. It is assumed that this recommendation is only applicable to those clients receiving periodic invoices, i.e. Estate Rents, Market Traders etc. It is proposed to include this issue in future consultation exercises with clients to identify if there is a demand for such functionality.

Update	Revised Action Date	30/09/2010
---------------	----------------------------	-------------------

JM 16/03/2010 As reported previously Oracle functionality does not allow the production of statements by client type. Investigations are ongoing regarding moving certain client types to annual billing ie Market Traders/Estate Rents. Implementation date 30 Sept 2010

965	Disciplinary & Dismissals Policy	Report Issued	20/01/2010
------------	---	----------------------	-------------------

Recommendation 1	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The recent Employment Act 2008 which came into force on 6 April 2009 was not reflected in the Policy.

We recommend that the Policy be updated. We also recommend that legislative references be included in the Policy, to make future updates easier.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	---------------------	--------------------	-------------------

The policy is being updated in response to the repeal of the Disputes Resolution regulations. However, the current procedure is compliant and fit for purpose.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	-------------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011.

Recommendation 2	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

Although the provision whereby the Council can access pension contributions was used rarely, we would expect to find mention of this in the Policy or management guidance, so a potential wrong-doer could not claim that they did not know they were jeopardising their future pension.

We recommend that a note about this provision be included in the revised policy, together with guidance as to when, or if, it is appropriate to exercise this power. The authority will also have to ensure that it records what the decision was in respect of the pension and the authority for that decision, as this will be required by the pension authority should an appeal against the access be submitted.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	---------------------	--------------------	-------------------

Recourse to this is too rare an event to be written into policy. Should be considered in the light of the offence and the outcome of the process. To include a reference in the management guidance - this will be made available for reference by all staff on the Intranet.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	-------------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in drawing up the new guidance.

Recommendation 3	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The Council has a self-imposed restriction on which officers can be involved in the disciplinary and dismissals process, including the appeal stage which required Members to be involved.

We recommend that a review of responsibility levels be undertaken to bring the Council into line with other authorities, and to expand the potential pool of officers and, if appropriate, reduce the level of Member involvement in the process.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	---------------------	--------------------	-------------------

We are already looking to do this in schemes of delegation but may be influenced by 2nd and 3rd tier restructure.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	-------------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 4	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The Council may be challenged over its approach to "spent" warnings.

We recommend that the reasoning behind being able to refer to expired warnings for possible internal promotions in the future needs to be clearly explained, both in the policy and in the contents of any formal warnings so that the employee is aware that their behaviour may impact on their future beyond the expiry of the warning period. Consideration also need to be given to the time limits applied to warnings, and to whether some roles within the authority should be classed as outside the scope of ignoring past disciplinary action (e.g. roles dealing with vulnerable adults or children when the subject has been disciplined for inappropriate behaviour in the past).

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	--------------	--------------------	------------

For inclusion in management guidance re wording of letters.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 5	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The references to cumulative misconduct in the Disciplinary and Dismissals Policy were sparse and unclear.

We recommend that a deeper explanation of this concept be given in the proposed Investigation Handbook with expanded guidance on how to deal with repeated disciplinarys.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	--------------	--------------------	------------

To be included in management guidance.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 6	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The policy states that the grounds for suspension have to be given to the employee.

We recommend that an initial suspension pending investigation pro forma letter be created in line with the existing policy. This could be used under clearly specified circumstances, with rules being drawn up as to how long such a suspension may last prior to the grounds being provided to the employee. This will simplify the process of an immediate suspension and still meet the ACAS Code. This should also outline the actions which will be taken should the terms of the suspension be breached.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	--------------	--------------------	------------

To be included in management guidance

Update	Revised Action Date	01/04/2011
---------------	----------------------------	------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 7	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The Disciplinary and Dismissals Procedure gives guidance on a limited level of delay to be permitted within the process when the subject calls in sick.

We recommend that investigators are reminded of this 14 day provision prior to requesting advice from the Occupational Health Service. Only where the Occupational Health Service confirms that the subject is not fit to attend should the hearing be delayed.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	--------------	--------------------	------------

To be included in management guidance

Update	Revised Action Date	01/04/2011
---------------	----------------------------	------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 8	Merits Attention	Action Status	Being Implemented
-------------------------	-------------------------	----------------------	--------------------------

The Disciplinary and Dismissals policy does not include any guidance on what action should be taken if an investigation subject offers their resignation part-way through the process.

We recommend that full guidance be provided together with the requirement for the decision reached, as to whether to accept the resignation, to be fully documented.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	--------------	--------------------	------------

To be included in management guidance

Update	Revised Action Date	01/04/2011
---------------	----------------------------	------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and

procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 9 Significant

Action Status Being Implemented

Appointed investigating officers have no formal support mechanism in place, to help them undertake a fair, consistent and thorough investigation.

We recommend that a corporate support mechanism be put in place where an investigating officer can go for help, advice, technical information and support. This support mechanism would include the monitoring and overview of all cases by HR to ensure that all administrative requirements are met and to ensure that the process is kept on track by highlighting deadlines for actions. Centrally provided support can also improve consistency of approach across the authority and give all staff a sense of managerial ownership which will build confidence in the process. Consideration needs to be given to assessing whether the investigation relates to a financial irregularity, in which case an initial reference to Internal Audit needs to be included in the procedure. As part of this refresher training, we also recommend that support be given to individual investigators though being able to consult with more experienced colleagues who would act as mentors. By meeting regularly, good practice can be shared, lessons learned from past investigations and any policy or procedural issues highlighted so that these can be addressed and rectified by HR. Post investigation review should be undertaken by corporate HR, the investigating officer, the Chair of the Hearing and any other involved parties to develop a "lessons learned log" to assist in future investigations.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	---------------------	--------------------	-------------------

The actual form of the support available will depend on the outcome of the HR review and the subsequent capacity and priorities for HR. At present we do not have clear knowledge of what resources will be available so this will need to be revisited. Also, as Investigations are identified, there is currently uncertainty as to whether they will be allocated to investigators on a departmental or a rota basis.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	-------------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy. The support mechanism required will depend on the revised procedures.

Recommendation 10 Merits Attention

Action Status Being Implemented

Although the training given to investigators described standard investigative documents such as witness statements and investigation reports, no samples were provided.

We recommend that an Investigation Handbook which can be used for reference or as a workbook should be developed. This should also include: Comprehensive guidance for the subject of the investigation covering all aspects of the process, as well as for the investigating officer, to ensure openness and transparency of process. A set of templates and pro formas be drawn up to ensure consistency between investigations, following known best practice as in PACE and give confirmation to the investigator that all aspects of the process have been covered. This would also include a log of all decisions made, giving the reasons, during the lifetime of the investigation.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	---------------------	--------------------	-------------------

In principle yes but finding resources to do this may be problematic.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	-------------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 11 Merits Attention

Action Status Being Implemented

Although a pool of 18 trained investigators was established in 2006, there have been no new additions to that pool since then.

We recommend that: An assessment is carried out to establish an optimum number of trained investigators and that more trained investigators are recruited to meet this requirement. Regular refresher training sessions should be set up, along the lines of the refreshers under the Recruitment and Selection Procedure to maintain the skills of the investigators. This can be an opportunity for investigators to raise issues where there may be problems in operating the procedure or where they are finding difficulty with any aspect of the process. We also recommend that criteria are set to recruit new investigators to the pool.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
-----------------------	----------------------------	---------------------	--------------------	-------------------

Accepted in principle but may have significant budget resource implications. If it is identified as a budget priority funds may be made available to buy this in otherwise would have to be requested from Employee development team.

Update	Revised Action Date	01/04/2011
---------------	----------------------------	-------------------

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 12 Merits Attention

Action Status Being Implemented

The Council has not developed a standard method of case analysis to assist investigators in establishing what aspects of the investigation they should focus on.

We recommend that a standard method of case analysis is developed and included in the training of investigators.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
Accepted in principle but may have significant budget resource implications. If it is identified as a budget priority funds may be made available to buy this in otherwise would have to be requested from Employee development team.				

Update **Revised Action Date** 01/04/2011

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 13 Merits Attention **Action Status** **Being Implemented**

Investigators may know that there is specialist help available to them in their task, but may be unaware of where to find that help.

We recommend that as part of the investigation handbook a reference section gives guidance on where to find the specialist advice and help, particularly as this can be found in-house and is therefore less expensive to the authority.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
To be included in management guidance				

Update **Revised Action Date** 01/04/2011

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 14 Merits Attention **Action Status** **Being Implemented**

The unstructured nature of personal files makes them difficult to interrogate and leads to irrelevant data being made available when a file is required by an investigator.

We recommend that the personal files be structured in such a way that investigators, managers and auditors are able to access only the relevant parts of the files for their purposes.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
Personal file structure is under review as part of the HR review, Access is covered by a separate policy Access to Personal Files currently being revised by the ESC				

Update **Revised Action Date** 01/04/2011

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 15 Merits Attention **Action Status** **Being Implemented**

The Council does not provide investigating officers with guidance as to where information can be gathered, including the personal file of the investigation subject.

We recommend that a specific instruction to check the subject's personal file should be included, and that a protocol be established such that once an investigation is initiated, any information requested by the investigating officer be provided without delay. An "access to information" protocol needs to be established giving the investigating officer rights of access to information.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
To be included in management guidance				

Update **Revised Action Date** 01/04/2011

date extended . The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

Recommendation 16 Merits Attention **Action Status** **Being Implemented**

The Council has not provided investigating officers with any guidance on briefing colleagues about their responsibilities in relation to a fellow employee under investigation.

We recommend that the Investigation handbook includes set guidance on briefing the colleagues of the suspended employee at all stages of the process from the initial suspension to the post-hearing actions, so that they are reassured and a clear and honest message is given.

Action Details	Responsible Officer	Mark Edwards	Action Date	31/08/2010
To be included in management guidance				

Update**Revised Action Date** 01/04/2011

date extended. The updating of the Disciplinary and Dismissals Policy is to be included in a revision and rewriting of an extended group of policies (including grievance, Improving Employee Performance and Probation) and this is a much bigger task than initially estimated. The policy and procedure elements are to be separated and the policy elements are undergoing work with consultation in Autumn 2010 and implementation due 1/4/2011. This recommendation will be taken into account in the procedure re-write which will follow the revision of the policy.

882 Environmental Services HR-Payroll**Report Issued** 30/10/2009**Recommendation 6 Significant****Action Status** Being Implemented

Exception reports were not reviewed within Environmental Services Payroll/HR or passed to Service managers for review and action where necessary.

We recommend that ESC managers, in conjunction with departmental managers, should define which exception reports would be of most use. Depending on the nature of the report, the ESC management should circulate reports for review and investigation where appropriate. Wherever possible this should be to an officer outside the payroll approval process. The reports should be regularly distributed, signed and dated to evidence the check.

Action Details **Responsible Officer** Nigel Dowey **Action Date** 31/12/2009

This recommendation will be carried out in full. Officer responsible for action - Faye Dulong.

Update**Revised Action Date** 01/04/2010

There is a major operation currently underway to remove all unfunded vacancies from the establishment and thereafter, establishment reports will be made available to managers on a regular basis. It is anticipated that this will be completed by 1/04/10

Recommendation 7 Significant**Action Status** Being Implemented

A separate report on variations to pay was not being produced or distributed in Environmental Services for verification by Service managers.

We recommend that, as it is intended that individual service managers will be responsible for monitoring establishment data, processes should be put in place in the ESC to ensure that changes to standing data, such as new starters, are reported to those service managers. As the service manager would be the creator of changes, they would therefore be best placed to check that the amendment has been processed correctly. Reports should be distributed regularly and discrepancies investigated.

Action Details **Responsible Officer** Nigel Dowey **Action Date** 31/12/2009

This recommendation will be carried out in full. Officer responsible for action – Mark Snape.

Update**Revised Action Date** 01/04/2010

As for rec 6 above

Recommendation 8 Merits Attention**Action Status** Being Implemented

Posts on the Environmental Services payroll are not subject to regular checks to the authorised establishment.

We recommend that under the new ESC arrangements, departmental managers are required to undertake checks of the posts in their areas of responsibility to ensure that they are set up in accordance with the Council's establishment.

Action Details **Responsible Officer** Nigel Dowey **Action Date** 31/12/2009

This recommendation will be carried out in full. Officer responsible for action – Mark Snape.

Update**Revised Action Date** 01/04/2010

As for 6 above

860 Fixed Asset Register**Report Issued** 30/09/2009**Recommendation 1 Merits Attention****Action Status** Being Implemented

Council departments did not maintain departmental asset registers of the assets they would expect to be listed in the fixed asset records.

We recommend that the Capital Team provide departmental Accountants with guidance on the development and maintenance of departmental asset registers. This should include guidance on which assets are required to be included.

Action Details **Responsible Officer** Carolyn Wright **Action Date** 15/11/2009

As per Nicola Goodacre, Group Accountant (Capital). Asset register procedure notes are being developed and in conjunction with this there will be a section for departmental responsibilities and procedures. The capital accountants will have the responsibility of ensuring that a departmental register is kept and updated on a quarterly basis.

Update**Revised Action Date** 30/09/2010

We are still looking at asset register procedures for a corporate approach which has meant a lot of investigating and info gathering from departments. Until we finalise these and decide what we actually want to happen I will not be issuing departments with separate guidance.

Update - Mar 10: We are developing a new Fixed Asset Register database and once implemented draft procedures will be prepared to complement this new system, by the end of April 2010.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing

Appendix 3

between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database(to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure an probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

23 Jun 10 - Update from Carolyn

We now only want to maintain ONE city council asset register and have procedures that ensure departments check and provide updates to their assets on the corporate FAR. If we had dept asset registers also there would be the need for a reconciliation between the two - we would be back to the same issues we had between accountancy FAR and estates FAR.

Depts do need an inventory to be maintained of revenue items and items below the £10k capital de minimus level. I will take this to APIG to agree a standard approach and deadlines. This is outside of the scope of an asset register system.

Revised implementation date agreed with Carolyn as 30 Sept 10

Recommendation 2 Merits Attention

Action Status Being Implemented

Departmental Accountants were not checking that all their department's fixed assets were listed in the Capital Team's fixed asset records.

We recommend that when departmental Accountants are forwarded a copy of the Capital Team's fixed asset records, they are requested to check through the assets listed to identify any errors or omissions. The Capital Team should also reconcile their fixed asset records to all departmental registers annually to identify potential errors and omissions.

Action Details	Responsible Officer	Action Date
As per Nicola Goodacre, Group Accountant (Capital). Agreed on a quarterly basis that the capital team would send departmental extracts of the asset register to the capital accountants to ensure the information was accurate with no omissions. This will be written into the departmental procedure notes to be undertaken and evidenced on a formal basis.	Carolyn Wright	15/11/2009

Update	Revised Action Date
As we are still working on the actual entries in the register we don't have an accurate version that I would be happy in sending out to the departments. The queries are still being worked on and as such a version will go out when we are happy with all the entries.	30/09/2010

Update - Mar 10: Capital Charge files have recently been forwarded to the Capital Accountants for scrutiny and it is hoped that this will be undertaken with more regularity in the future, with a view to including this as a standing agenda item on the Asset Management Groups monthly meetings, from April / May 2010 onwards.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database(to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure an probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

23 Jun 10 - Update from Carolyn

We now only want to maintain ONE city council asset register and have procedures that ensure departments check and provide updates to their assets on the corporate FAR. If we had dept asset registers also there would be the need for a reconciliation between the two - we would be back to the same issues we had between accountancy FAR and estates FAR.

Depts do need an inventory to be maintained of revenue items and items below the £10k capital de minimus level. I will take this to APIG to agree a standard approach and deadlines. This is outside of the scope of an asset register system.

Revised implementation date agreed with Carolyn as 30 Sept 10

Recommendation 3 Significant

Action Status Being Implemented

The fixed asset records did not clearly identify the nature of all assets listed and furniture had not been recorded on the fixed asset records as specified in SORP B28.

Appendix 3

We recommend that the Capital Team arrange for additional information to be provided by the departmental Accountants of material items of furniture from historical costs and for the Capital Team to list these additional assets types in the fixed asset records. Further to this, the departmental Accountants should provide further details of the assets listed which clearly reflect the nature of the asset where it is considered that the description does not adequately identify the make up of the asset and for the Capital Team to update the fixed asset records accordingly.

Action Details	Responsible Officer	Action Date
-----------------------	----------------------------	--------------------

As per Nicola Goodacre, Group Accountant (Capital). As part of the departmental procedure notes capital accountants will be instructed that any new purchases of significant items of furniture should be added to their departmental asset registers and notified to the central capital team through the quarterly asset register monitoring procedure.	Carolyn Wright	15/11/2009
---	----------------	------------

Update	Revised Action Date
---------------	----------------------------

As stated below this will be picked up in the asset register procedure notes which I hope to issue in march. Data gathering has taken longer than anticipated therefore the procedure notes are still in process.	30/09/2010
---	------------

Update - Mar 10: Once the new Fixed Asset Register database has been implemented draft procedures will be prepared to complement the new system, by the end of April 2010.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database(to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure an probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

23 Jun 10 - Update from Carolyn

Material items of furniture will be included in the procedure notes for on-going maintenance and added to the system provided they are over the capital de minimus level of £10k.

All assets on the register and new ones added to the asset register are given a unique reference number with acts as the key filed rather than relying on the asset name.

At present large furniture purchases in relation to a large capital scheme are embedded in the total capital scheme cost and as such do not get a separate valuation on the register. For IFRS we will be reviewing this further with regard to separate entries for material items.

Revised implementation date agreed with Carolyn as 30 Sept 10

Recommendation 4	Significant	Action Status	Being Implemented
-------------------------	--------------------	----------------------	--------------------------

There were no documented procedures relating to the compilation of the fixed asset records and evidence of write-offs had not been retained by the Capital Team.

We recommend that the Principal Capital Accountant arrange for procedural guidance notes to be prepared for the maintenance of the Capital Team's fixed asset records which incorporate the required processes for the disposal, write-off or transfer of assets. These guidance notes should be distributed to all relevant officers to ensure that standard processes are followed. The Capital Team should ensure that all supporting evidence is retained in respect of any changes to their fixed asset records.

Action Details	Responsible Officer	Action Date
-----------------------	----------------------------	--------------------

As per Nicola Goodacre, Group Accountant (Capital). In line with external audit recommendations documented procedures on the maintenance of the asset register including responsibilities will be produced and issued to estates and all departments maintaining a departmental register.	Carolyn Wright	30/10/2009
---	----------------	------------

Update	Revised Action Date
---------------	----------------------------

Again this will be picked up in the asset register procedure notes which are currently being worked through.	30/09/2010
--	------------

Update - Mar 10: Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates, by the end of April 2010. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Monthly reconciliations between the new FAR database(to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to

things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure and probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

23 Jun 10 - Update from Carolyn

As we have had to develop a new asset register system the focus and priority has had to be to get this tested and working and populated with all the data required for the 2009/10 annual accounts.

With regard to the new system - in addition to the data take-on data cleansing a full review, in consultation with external audit, has taken place of the requirements to comply with cipfa and UK GAAP accounting standards. The system has then been updated to comply with these requirements. Full records of data cleansing and data take-on have been kept. Data take-on forms, signed off by estates, have then been used to update the register for the 2009/10 accounts. Validation reports have been produced from the system which estates are signing-off.

Having gone through this process and now fully understanding all the requirements of the asset register formal procedure notes for the on-going maintenance of the system will now be finalised. This could not have been completed until we had gone through the development phase.

Revised implementation date agreed with Carolyn as 30 Sept 10

Recommendation 5 Significant

Action Status Being Implemented

Art gallery and museums exhibits (heritage assets) had not been valued recently to enable them to be recorded in the Council's fixed asset records.

We recommend that the Capital Team request that the Head of Museums considers arranging for all significant heritage assets, not purchased within the last five years, to be valued. Further to this, a five year rolling programme of re-valuations should be considered for all significant heritage assets, which could be fed into the Council fixed asset and insurance records.

Action Details **Responsible Officer** Carolyn Wright **Action Date** 25/09/2009

As per Nicola Goodacre, Group Accountant (Capital). Formal notification to be sent to the head of museums to instruct them to have the significant items of heritage assets properly valued and to continue this on a 5 year rolling programme to be added to the central asset register as soon as is practically possible.

Update **Revised Action Date** 31/03/2011

An email has been sent and Regen are currently monitoring this on a monthly basis. Until a valuation has been undertaken nothing further can happen on this.

Update - Mar 10: The Museums are due to report to Cabinet on 27 April 2010 on a revised Museums Strategy which will include the storage of artefacts. It is hoped that this will report on how they will be dealing with the valuation of heritage assets so this issue can be moved forward.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database(to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure and probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

Update from Martyn Marples - Sept 10 - The Museum Service is in the process of assessing and valuing their assets for future inclusion in the asset register and for insurance valuation purposes. This is expected to be completed in February 2011. Following this review, the assets which have been valued will be included in the FAR, and subsequent valuations will be included in the year they are revalued. An early indication of the assets which will need to be considered in the FAR, as part of the 2010/11 statement of accounts, will be reviewed with the Museum Service in March 2011.

967 Members' Allowances 2009-10

Report Issued 19/01/2010

Recommendation 3 Merits Attention

Action Status Being Implemented

Members had not been provided with any guidelines that clearly explained what the preferred methods of travel were and what the limitations were on particular journeys.

We recommend that the Members' Allowance Scheme be updated to include clear guidance on the most appropriate methods of travel for particular journeys and what can be claimed for car journeys exceeding a particular distance.

Action Details **Responsible Officer** Phil O'Brien **Action Date** 28/02/2010

We will take a report to Members Services Working Party to seek approval for adoption of guidance that matches that for employees, and thence to the Independent Remuneration Panel for a variation of the Scheme

Update **Revised Action Date** 30/04/2010

We will take a report to the April meeting of Members' Services Working Party

Status -this issue taken to Members' Services Working Party on 13 April. Instructed to prepare a paper for the next Independent Remuneration Panel

Recommendation 10 Significant Action Status Being Implemented

We identified a number of discrepancies in the Members' Allowances figures disclosed on the Council's website and Statement of Accounts presented to the Audit and Accounts Committee.

We recommend that the year-end total for Members' Allowances and expenses published on the Council website made available in the public domain, are checked and agreed with Payroll and the General Ledger prior to publication. A record of the check undertaken should be produced with supporting papers to provide an audit trail. The check should be signed and dated by the officer responsible for confirming the totals published are accurate.

Action Details **Responsible Officer** Phil O'Brien **Action Date** 31/03/2010

In recommendation 8 above we have set out our plan to undertake monthly reconciliations, subject to co-operation from Payroll in producing information that is stated in gross figures and split into Basic, SRA and T&S.

The annual reconciliation should be straightforward once the monthly check is implemented. Responsible Officer: David Walsh

Update **Revised Action Date** 30/04/2010

Status - reconciliations to be progressed, following issue this week of P60s to Members

2026 Oracle - Data Security Report Issued 30/04/2010

Recommendation 1 Significant Action Status Being Implemented

There were numerous weak or default passwords associated with active accounts in the PROD Database.

We recommend that management seeks to:• Identify the impact of changing the weak passwords to a stronger password• Strengthen the weak passwords where possible with the appropriate EBS utilities (FNDCPASS)As the Test Database on DCCORAFMS01 is an exact clone of the PROD Database from DCCORAFMS06, the same controls should be applied to both Databases.

Action Details **Responsible Officer** Lynda Innocent **Action Date** 30/04/2010

All of the weak passwords have been changed on DCCORAFMS05 in line with best practice.

Update **Revised Action Date** 30/09/2010

Paul,

We have applied these changes to the TEST service but due to lack of resources we have been unable to complete the testing and promote to the live service.

We are hoping to progress this testing in the next 2 weeks and if successful will then schedule in the promotion to live.

Just to give us some leeway can we say end of September 2010 for implementation in live.

774 Payroll 2007-8 Report Issued 09/05/2008

Recommendation 5 Merits Attention Action Status Being Implemented

The supplier of the Council's payroll system did not inform the Council that their accreditation to the Payroll Standard had ceased.

We recommend that the Council ask Selima to confirm in writing the current situation with the HMRC Payroll Standard.

Action Details **Responsible Officer** Nigel Dowey **Action Date** 30/06/2008

This will be requested as part of the contract negotiations currently taking place.

Update **Revised Action Date** 30/09/2010

The system suppliers are at present applying for one for the new system to be implemented 1 Nov 2009.

Update 25/11/09 - Selima have not formally sought or got accreditation to the HMRC Payroll Standard but will be requesting this in the future. Their contact confirmed to L Innocent that when the software is completed for release they run through the HMRC test scripts prior to release to customers. Asked Lynda for a new date so we can follow up. No response so asked N Dowey. He contacted Selima and got them to commit to a 30 Sept 2010 deadline to achieve accreditation. To follow up in October 2010.

639 Windows XP - Security Configuration Report Issued 24/10/2008

Recommendation 4 Merits Attention Action Status Being Implemented

There was an excessive amount of GPO's that were applied across our domains.

We recommend Central IT review change requests for new GPO's and determine whether the ITSP proposals are justified to develop a new group policy for these specifics, or whether these settings could be incorporated into existing policies.

Action Details **Responsible Officer** Mike Thompson **Action Date** 30/04/2009

Recommendation agreed. The activity to review and aggregate GPO's and review change requests to be carried out by Technical Design Analyst when in post

Update **Revised Action Date** 01/11/2010

A proposal has been suggested by Serco, which will take 15 days to investigate and 20 days to implement at a 9k cost. Mike to review before

pushing forward.

586	Wireless Network	Report Issued	20/08/2008	
Recommendation 5	Significant	Action Status	Being Implemented	
<p>Our current IT Service Provider performs security assessments to identify access points that have been installed without the knowledge and approval of the network administrators on an ad-hoc basis as chargeable project work.</p> <p>We recommend that the Council ensures that quarterly wireless security assessments should take place for the purpose of identifying rogue access points that have been installed without the network administrator's knowledge and approval. Such regular checks should be incorporated into any future contract specification, rather than incurring additional charges each time they are undertaken. Logs of such checks should be produced for scrutiny by Central IT.</p>				
Action Details	Responsible Officer	Miles Peters	Action Date	31/12/2008
<p>Agree, I think we have a better way to do this. We are kicking off a project to bring our existing access points under centralised management. These AP can then be used to police the "airspace" to identify access points joining our network – anything not authorised can be disabled by a denial of service attack. This obviously does not cover offices where there is not at least one corporate access point – so we need to retain the field engineer survey visits. Regular checks will be built into the specification for the new IT FM contract by way of having that service as an option from a catalogue of services which can be 'called off' when required. We can then call off the service for a specific site on an adhoc basis. Including an option for all sites as an integral part of the FM contract is not financially viable.</p>				
Update		Revised Action Date	01/11/2010	
Air Snort to be commissioned, not dates set as yet				

Recommendation 7		Merits Attention	Action Status	Being Implemented
The Council’s users of wireless technology were not being formally informed that they should turn off Bluetooth or WI-FI when it is not required.				
We recommend Central IT should incorporate such advice into either the “Guidelines for the use of mobile computing equipment” document, or any future policy documents produced which cover wireless technology. Consideration should be given to supplementing policy and procedural guidance with wireless security awareness training for all new users.				
Action Details	Responsible Officer	Miles Peters	Action Date	31/12/2008
Probably pick this up as part of the policy/guidelines identified in recommendation 6				
Update			Revised Action Date	01/11/2010
Wireless LAN controllers have been purchased, implementation date TBC				

Neighbourhoods

785	Investigation - Employee Payment Issues	Report Issued	30/11/2009	
Recommendation 5	Significant	Action Status	Being Implemented	
Overtime payments have been made to officers graded S01 and above. No evidence of Chief Officer approval has been found for these payments.				
We recommend that overtime payments to officers graded higher than SO1 should only be made in accordance with the Pay and Payments policy.				
Action Details	Responsible Officer	Nigel Dowey	Action Date	31/03/2010
Actions to be taken: Overtime payments are not processed in the ESC without authorisation. From 2 November 2009, performance management data will be reported to each departmental management team. This will include an overtime report for management to review where overtime payments are being made.				
Update		Revised Action Date	30/06/2010	
ND overtime payments will not be made without authorisation but due to payroll pressures the report will not be ready until the end of June.				

998	Leisure Centres - Income	Report Issued	15/03/2010	
Recommendation 11	Significant	Action Status	Being Implemented	
Customers were not always being issued with receipts, especially when the Torex receipting system was 'down'. On these occasions a tick sheet was being used to record transactions which were being input to Torex at a later date.				
We recommend that all Leisure Centres staff are formally reminded that all customers must be issued with a receipt. Management should determine contingency procedures for all Leisure Centres in the event of the Torex system being unavailable. These procedures must ensure that customers are always issued with a receipt.				
Action Details	Responsible Officer	Wayne Sills	Action Date	31/03/2010
Receptionists have been informed they must provide the customer with a receipt for all transactions, even though the customer may not require/want one. When the Torex system is not working, it is not operationally practical to issue each customer with a hand written receipt for each transaction.				
Update		Revised Action Date	30/09/2010	
Wayne Sills 26/04/10. All staff have been written to with regards to the issuing of receipts. A copy of the letter is attached. Centre managers are currently issuing these to appropriate staff. Confirmation of issue is also be noted. Unfortunately, no suitable system has yet been found to issue				

receipts when Torex is down. Due to two centre managers being on long term sick, my priority has been covering operational shifts and supporting assistant managers to maintain frontline operation. Thus I have not progress an alternative to date. A new completion date is required - Sept 2010

984 Museums 2009-10

Report Issued

14/05/2010

Recommendation 1 Merits Attention

Action Status

Museum policies were identified that had not been reviewed within the last 5 years and not all policies inspected included a provision for review within the policy document.

We recommend that the management reviews all museum policies in operation to determine those that have not been subject to review within the last 5 years or those which may be outdated due to the changing nature of the museum's collections and for these policies to be reviewed as soon as is practically possible. Furthermore, suitable provisions for review should be written into each policy document to ensure that future reviews are addressed.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

Roger Shelley to assess collections management policies, set out rolling and staggered five year review programme, and ensure priority review for those that have now exceeded five-year period without review. Further to the above: The Museums Service is producing a six year strategy to be completed in July 2010. The direction for the strategy was approved by Leadership in April 2010. This emerging strategy is taken forward through the Museums Service Business Plan 2010/11. The Museums will produce a plan to implement the New Approach to Collections Management as set out in report: The Future of Derby Museums Service (April 2010).

Update

Revised Action Date

Recommendation 2 Merits Attention

Action Status

A Proposal for Acquisition form had not been completed for a Treasury Warrant donated to the museum and the absolute title to a Ronald Pope Bowl had not been signed over to the Council on the Object Entry form.

We recommend that the Head of Museums formally instruct all officers with responsibility for acquiring objects to ensure that an Object Entry form and a Proposal for Acquisition form is properly completed for all acquisitions. The Registrar should check these documents upon receipt and arrange for missing information to be completed before the documents are placed on the Object History files. The Registrar should also take note, during routine duties, where information is missing on existing forms and arrange for retrospective corrective action to be taken. Furthermore, training should be provided by the Registrar to any officer requiring instruction on the completion of this paperwork and records should be maintained of the officers who have received training.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

Roger Shelley to formally set out and communicate the procedure to the collections management team to ensure that these actions are adhered to as per recommendation. Roger Shelley to ensure that training records are maintained (by the registrar or elsewhere).

Update

Revised Action Date

Recommendation 3 Merits Attention

Action Status

We identified anomalies with the information pertaining to the referencing and location of objects in stores for 3 of the 15 objects in our sample taken from the collections management database (MODES) and identified a Bronze Artefact that was taken into the collection in 1968, but has never been recorded on MODES.

We recommend that the Head of Museums formally instruct all Curators that it is their responsibility to ensure that the object location be kept up-to-date in MODES and that the objects are accurately labelled so that they can be clearly identified. The Registrar should perform periodic spot checks of a sample of objects from MODES to ensure that these can be located in stores and, in conjunction with the Curators, take action to resolve any discrepancies. Checks should also be performed to ensure that the Permanent Location field has been completed in MODES for all objects listed and action taken to populate this field where it has been left blank. Management should ensure that evidence is retained of all the checks undertaken.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

Roger Shelley to formally set out and communicate the procedure to the collections management team to ensure that these actions are adhered to as per recommendation. Roger Shelley to ensure that periodic spot-checks are undertaken and documented by the Registrar to ensure that the permanent location fields are accurately maintained in MODES.

Update

Revised Action Date

Recommendation 4 Significant

Action Status

Electronic environmental monitoring systems were not operating effectively throughout the whole museum network and results were not being acted on.

We recommend that robust systems for monitoring the environmental conditions of objects in storage are implemented throughout the museum network.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

Roger Shelley to set out short term changes to systems to address this recommendation. Further to the above, broader issues about environmental monitoring will be considered in the New Approach to Collections Management (by March 2011), including: · the potential to reduce closed storage· eliminating un-used collections· bringing more objects into the public realm

Update

Revised Action Date

Recommendation 6 Merits Attention**Action Status**

Records of the data entry checks performed on MODES by the Registrar were not being maintained.

We recommend that the Registrar maintains formal records of the data entry checks performed on MODES which are signed and dated and include the following information:· Dates of the entry period being sampled.· Details of the actual objects sampled.· Errors identified.· Corrective actions taken.· Any actions taken to prevent reoccurrence.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

Roger Shelley to ensure that formal records of the data entry checks are being maintained in line with this recommendation.

Update**Revised Action Date****Recommendation 13 Merits Attention****Action Status**

Formal collection records were not being maintained for donation income and the donation box in the Joseph Wright Gallery was not secure.

We recommend that the Museums Administrator devise an official form for recording donation income, which includes details of the museum, the location of the donation box, the date emptied and total collected, with the signature and date of both parties present. Furthermore, the donation box in the Joseph Wright Gallery should be appropriately secured in place so it cannot be easily removed.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

To be implemented by the General Office.

Update**Revised Action Date****Recommendation 16 Merits Attention****Action Status Being Implemented**

The Marketing and Audience Development (MAD) group had been operating without any Terms of Reference and public consultation was not being sufficiently used to inform the activities being held throughout the museums.

We recommend that MAD group develop a Terms of Reference that defines the purpose and objectives of the group. The group should consider including how the following issues will help it achieve its objectives:· The programming of events and activities.· Providing learning and education services throughout the museums.· The best ways to address marketing and audience development.· Public consultation with a suitable cross section of the society.· Holding specific activities and exhibits to meet the wider public expectations.· Required publications and communications.· The inclusion of non-traditional groups and minority users.· The continuous improvement of promotional material.· Producing promotional material in different formats, such as Braille or different languages.

Action Details **Responsible Officer** Stuart Gillis **Action Date** 31/07/2010

MAD group to set out terms of reference that effectively action the points in this recommendation.

Update**Revised Action Date** 30/09/2010

A Terms of Reference has now been prepared for the MAD Group to agree at the next MAD group meeting on the 16 September 2010

999 Planning & Building Control Fees**Report Issued**

02/03/2010

Recommendation 2 Significant**Action Status**

There was no plan of action or written procedures in place to deal with an emergency call should a member of staff working behind Roman House Reception activate the panic alarm.

We recommend that an action plan and written procedures are developed so that appropriate action is taken should the panic alarm be activated. We also recommend that a more appropriate person is informed of the situation and they are suitably trained in dealing with such circumstances.

Action Details **Responsible Officer** Kate Neale **Action Date** 01/04/2010

A meeting with Carol Gothard and Chriss Smythe to discuss this has been held. Chriss is preparing a report for DMT. Once this has been to DMT, we shall develop an action plan and written procedures. Responsible Officer: Carol Gothard, Senior Receptionist

Update**Revised Action Date****Recommendation 4 Merits Attention****Action Status**

Finance (R&C) did not maintain a key register to evidence who had responsibility for the safe key.

We recommend that Finance introduces a key register to officially evidence the responsible officer for the possession of the safe key. Ideally the register should cover one key and the second, spare key should be retained by an independent officer, away from the office, which could be retrieved in emergencies.

Action Details **Responsible Officer** Kate Neale **Action Date** 01/04/2010

A key register will be introduced for the main key. We would prefer for the second key to be maintained by the Finance Administrator rather than 3rd party. This ensures that the spare key remains held by an authorised cash handling officer. As the reception team also have a safe, we propose to implement a similar arrangement for the reception team. Responsible Officer: Alison Charman, Finance Administrator

Update**Revised Action Date**

Recommendation 6 Merits Attention**Action Status**

Building Regulation applicants are not reminded to submit proof of their disability to verify they are entitled to claim an exemption either on the application forms or on the exemption information on the charges document. Similarly, Building Control does not pursue, in all cases, any verification to validate the exemption claimed.

We recommend that Building Control staff provide evidence to validate an applicant's claim for a disabled exemption. This should explain why the exemption is valid and should provide details of who completed this check. Building Control section should consider not processing applications until such verification has been completed.

Action Details	Responsible Officer	Mick Henman	Action Date	01/04/2010
-----------------------	----------------------------	--------------------	--------------------	-------------------

To inform agents/applicants that we require justification for disabled exemptions. Any anomalies for this process are to be referred to Mick Watts, Access Officer. Responsible Officer, Salinda Kaur, Business Co-ordinator

Update	Revised Action Date
---------------	----------------------------

2007 Section 106 Agreements	Report Issued	23/04/2010
------------------------------------	----------------------	-------------------

Recommendation 5 Significant**Action Status Being Implemented**

Expenditure on Section 106 was not being matched against funds until the end of the financial year. Mid-year commitments were reported inconsistently across the Council, all resulting in ambiguity within reports submitted to Members.

We recommend that guidance is produced for all departmental Accountants, to ensure that the appropriate accounting principles are consistently applied to the production of Section 106 reports across the Council. This should ensure that Section 106 information submitted to Members is complete and accurate throughout the year and properly facilitates the decision making process.

Action Details	Responsible Officer	Nicola Goodacre	Action Date	31/07/2010
-----------------------	----------------------------	------------------------	--------------------	-------------------

Agreed The guidance will be incorporated into the overall capital monitoring and reporting instructions to accountants. 31 July 2010. Section 106 funding supporting approved and committed capital schemes will be recorded on the section 106 report circulated to Members, and will additionally be reported on a quarterly basis to Cabinet as part of the quarterly finance and performance report. Application of section 106 funding against the capital programme will still require reconciliation at the year end. Any adjustments to the use of funding will be reported in the annual capital outturn report to Cabinet. 31 July 2010. The capital programme reported to Council Cabinet for approval as part of each years budget process includes identification of the planned use of section 106 monies and then further new commitments are reported for approval in the monthly financial matters reports. Already in place.

Update	Revised Action Date	13/09/2010
---------------	----------------------------	-------------------

date moved on as not actioned by CW before she left then handed onto Nicola Goodacre who is currently involved with External Audit's queries

Recommendation 6 Merits Attention**Action Status Being Implemented**

The correct allocation and reallocation of funds was made more difficult by the lack of individual remittance references. This could lead to Section 106 funds being used for projects outside the scope of the agreement.

We recommend that each payment from the holding account is clearly cross referenced to the relevant Section 106 Agreement to ensure that the Council can demonstrate that funds have only been used in accordance with each relevant agreement.

Action Details	Responsible Officer	Nicola Goodacre	Action Date	30/06/2010
-----------------------	----------------------------	------------------------	--------------------	-------------------

Agreed This will also be ensured through the reconciliation and monitoring process in recommendation 5 above.

Update	Revised Action Date	13/09/2010
---------------	----------------------------	-------------------

date moved on as not actioned by CW before she left then handed onto Nicola Goodacre who is currently involved with External Audit's queries

859 Trading Standards	Report Issued	26/05/2009
------------------------------	----------------------	-------------------

Recommendation 2 Merits Attention**Action Status Being Implemented**

Officer Performance Log Sheets were not being reviewed with any regularity and the review process had not been documented.

We recommend that the Team Leader of the Inspections Team perform regular reviews of the Officer Performance Log Sheets and conduct sample checks of case records to ensure that they have been processed in accordance with documented procedures, specified timescales, codes of practice, etc and take appropriate action to address any issues identified and implement systems to prevent similar occurrences. This review process should be documented by the Team Leader and signed and dated to evidence the review.

Action Details	Responsible Officer	Julian DeMowbray	Action Date	31/08/2009
-----------------------	----------------------------	-------------------------	--------------------	-------------------

Log sheet monitoring will be incorporated within existing team internal audit programme (under ISO 9001 accreditation) and recorded as recommended in ref.2

Update	Revised Action Date	30/09/2010
---------------	----------------------------	-------------------

Log sheets are being reviewed but review process is not yet being documented. Team leader is aware this is a priority issue and will implement by the end of the financial year.

Jun 10 - Update from Julian DeMowbray, for recommendations 2 and 4, we need to do some more work and I'd suggest revised target dates of 30 Sept 2010 and 31 Dec 2010 respectively.

Recommendation 4 Merits Attention**Action Status Being Implemented**

Appendix 3

Checks were not being undertaken on the content or the accuracy of the data recorded in the APP system, other than for general completeness.

We recommend that the Team Leader of the Inspections Team arrange for monthly checks to be undertaken of the data recorded in the APP system to ensure that it is fit for purpose and that it correlates with other records held by Trading Standards. These checks can be conducted on a sample basis but should be documented and records should be signed and dated by the officer(s) conducting the review. The Team Leader should formally report any key findings to the Trading Standards Manager.

Action Details	Responsible Officer	Action Date
Monthly checks will be incorporated into the team leader's 1:1 meetings with staff and will now also form part of the team's internal audit programme. They will be recorded as recommended in ref. 4. Outcomes will be discussed at team leader's 1:1 meetings with Trading Standards Manager and reported quarterly to Management Team	Julian DeMowbray	31/08/2009

Update	Revised Action Date
Not actioned yet. IT problems have prevented installation of APP upgrade software, which needs to be done before recommendation can be implemented. APP upgrades are imminent however and this should be implemented by the end of the financial year.	31/12/2010

Jun 10 - Update from Julian DeMowbray, for recommendations 2 and 4, we need to do some more work and I'd suggest revised target dates of 30 Sept 2010 and 31 Dec 2010 respectively.
