

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

18th NOVEMBER 2009

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

COMPLETED AUDITS

1. Purpose of Report.

1.1. To summarise for members the findings of the audits recently completed by the Internal Audit Division.

2. Connection to Corporate Improvement Plan / Other Corporate Priority.

2.1. Internal Audit's work impacts on the Corporate Improvement Plan/other corporate priorities.

3. Background

3.1. Internal Audit conducts reviews according to an annual audit plan and reports findings to Audit Committee.

4. Current situation / proposal.

4.1. Recently completed audits are summarised in the following table:

Report	System Overview	Work Finalised	Audit Days	Key Messages	Audit Opinion	Key Action Plan Dates
Housing Benefits	<p>The overall objective of the Benefits section is to "To promptly pay Housing and Council Tax benefits to those who are properly entitled to them".</p> <p>During 2008/09 the section processed in excess of £41 million of benefits payments (Council Tax Benefit and Housing Benefits) this represents an increase of approximately £4 million on 2007/08 and is reflective of economic conditions. This is reflected in the caseload numbers which have increased by approximately 6% over the same period.</p> <p>In addition, over the same period, the section has had to implement the changes brought in as a result of the Local Housing Allowance.</p>	September 2009	15 days	<p>Year on year, the section continues to demonstrate robust controls. During the audit a number of key strengths and examples of good practice were identified, namely:</p> <ul style="list-style-type: none"> • Performing strongly against DWP quarterly performance indicators. • Improved performance in collecting amounts previously overpaid to claimants. • Actively promoting the take up of benefits in the Borough. <p>A small number of recommendations were made during the course of the audit. The only significant recommendation relates to the possible risks that may materialise from the use of white boards to record data relating to ongoing fraud investigations. The boards are fully visible to staff and anyone who visits the section. We are concerned that this could jeopardise ongoing cases and have Data Protection implications.</p>	Substantial Assurance	October 2009

Sundry Debtors		<p>The main objectives of the section are to:</p> <ul style="list-style-type: none"> • Distribute invoices raised by departments. • Monitor debt and initiate recovery action where necessary. • Provide management information to departments regarding debt recovery. • To raise invoices promptly for the Property Section under the current SLA. <p>In 2008/09 23,600 invoices with a value of approximately £23 million were processed through the sundry debtors system.</p>	September 2009	9 days	<p>Given the high levels of assurance that we have been able to provide in the past, the 08/09 audit focused on the key controls in the central function. It was noted that:</p> <ul style="list-style-type: none"> • Good working relationships exist with departments when attempting to resolve invoice queries. • Invoices raised on behalf of the Property section are done so in a timely manner. • A suitable system is in place and operating effectively for the write off of debts. • The services and costs of alternative debt collection agencies are explored to ensure that value for money is being achieved. <p>A small number of 'merits attention' recommendations were made during the audit:</p> <p>It is anticipated that our 09/10 work on the Sundry Debtors system will more heavily focus on the controls in place within departments and directorates.</p>	Substantial Assurance	April 2010
Cash Control		<p>The Cash Control function is responsible amongst other things for:</p> <ul style="list-style-type: none"> • Processing of postal remittances and 	September 2009	13 days	<p>It is pleasing to report that controls to the Cash Control system have remained robust during the period of change experienced. As a result only a</p>	Substantial Assurance	October 2009

Education Grants work	<p>debit/credit card payments.</p> <ul style="list-style-type: none"> • Costing of credit items received via the main bank account. • Acting as a central collection point for the security courier for income received throughout Civic Offices. • Monitoring and investigation of the cash control suspense account. <p>In recent years there have been a number of significant changes to the section including staffing, integration into the Accountancy Function and creation of the Customer Services Centre who have taken over responsibility of collection of income from members of the public.</p>	September 2009	1.5 days	<p>few minor recommendations were made during the audit, namely:</p> <ul style="list-style-type: none"> • The timely update of certain procedures to reflect current working practice and the ability of all staff to access the updated procedures. • The relocation of the safe to within the close proximity of the Cash Control section. • The updating of the authorised signatory list for the collection of controlled stationery. 	N/A	N/A
	As part of the Terms and Conditions of smaller WAG grants, Internal Audit are required to review the operation of the grant and the grant claim on an annual basis. This work has been conducted for the Community Focused			The documentation relating to the expenditure incurred was reviewed to ensure it complied with the Terms of Conditions of the grant. Only one minor improvement to the administration process has been recommended. That is, the need to document any decisions to increase the level of grant	N/A	

Health and Safety Team - Public Protection (Follow Up)	Schools Grant.	September 2009	Part of general Follow Ups budget.	<p>funding distributed to projects after the initial award has been made.</p> <p>As this was a minor point, the necessary assurance could be provided to WAG.</p>	Substantial Assurance	N/A
Petty Cash (Follow Up)	The Health and Safety Team form part of the Public Protection Department. Their role, along with the HSE, is to regulate health and safety risks arising from work related activities. They are the enforcing authority for work places such as retail outlets, offices, hotels, warehouses, etc.	September 2009	Part of general Follow Ups budget.	<p>Testing confirmed that the recommendations agreed in the original audit have been implemented. This includes:</p> <ul style="list-style-type: none"> • Management reviewing the visit risk assessment scores where there has been a significant change in score since the last inspection. • Principal Environmental Health Officers accompanying other Officers on a sample of visits per year. • The introduction of department procedures. <p>As a result we have increased the level of assurance given to the Authority.</p> <p>Since the original audit, a more comprehensive and integrated system has been developed, with the role out to departments due to commence imminently.</p> <p>The introduction of the new system means that the recommendations made during the original audit will be have been implemented, or will be implemented in the coming months as procedures are</p>	Substantial Assurance	N/A

Development Control (Follow Up)	The Development Control function forms part of the planning department and deals with the planning applications received from members of the public.	September 2009	Part of general Follow Ups budget.	<p>finalised.</p> <p>We are pleased to report that management has confirmed that the recommendations made during our original audit have all been implemented. This includes:</p> <ul style="list-style-type: none"> • Keeping records of missing receipt numbers and performing checks on the missing numbers. • Updating procedures relating to appeals. • Using a more suitable format to record declarations of interest. 	Substantial Assurance	N/A
Economic Development Unit (Follow Up)	The service works to support existing and potential new businesses including start up companies. Activities include managing enterprise centres and awarding grants.	September 2009	Part of general Follow Ups budget.	<p>The one recommendation arising from the original audit involved management reviewing the administration and arrangements for two Enterprise Centres. Management has confirmed that this review has taken place and responsibility for the sites has been transferred to the Property section.</p>	Substantial Assurance	N/A
Industrial Sites (Follow Up)	The management of the industrial sites owned by the Authority is the responsibility of the Property section who ensure that occupancy rates remain as high as possible, instigate income collection, evaluate compliance with Health	September 2009	Part of general Follow Ups budget.	<p>Management has informed us that all recommendations made during the original audit have either been implemented or are in the process of being implemented. Implemented recommendations include:</p> <ul style="list-style-type: none"> • The use of a time recording system to allow management to review performance data. 	Substantial Assurance	N/A

Re-ablement (Follow Up)	and Safety legislation, approve repair work, etc.			<ul style="list-style-type: none"> A review of the methodology for calculating service charges for units. Use of email instead of paper memos to request debtor accounts to be set up by the Sundry Debtors section. <p>The recommendations still in the process of being implemented are:</p> <ul style="list-style-type: none"> The development of a strategy to inform future decision making relating to industrial site sales. A review of all estates to assess the levels of rents being charged and any constraints with existing contracts. 	Substantial Assurance	N/A
	The Re-ablement team is a partnership between the Authority and Bridgend Local Health Board. Their work forms part of the Intermediate Care Strategy that aims to prolong independent living within the community thus reducing long term periods in hospital.	September 2009	Part of general Follow Ups budget.	<p>Of the recommendations agreed during the original audit, a change in situation has meant that one recommendation is no longer relevant. Management has informed us that the remaining recommendations have been implemented. Namely:</p> <ul style="list-style-type: none"> The team is now utilising the DRAIG computer system to record data. Admin staff levels are now sufficient to allow key statistics to be calculated from all data. <p>It is noted that management has estimated that the number of hospital bed days saved has increased from 3 to 5 days since the original audit.</p>		

Emergency Planning (Follow Up)	One of the remits of the Emergency Planning team is to prepare for major incidents, which due to their scale may affect the health and safety of large parts of the borough at any one time.	September 2009	Part of general Follow Ups budget.	It is pleasing to report that management have informed us that of the recommendations that remained relevant at the time of the follow up review, all have been implemented including:- <ul style="list-style-type: none"> Improved budget processes and budgets are set in line with previous Cabinet Office grant monies. A Business Continuity Group exists that has representatives from all directorates. 	Substantial Assurance	N/A
Youth Services (Follow Up)	The Youth Service provides a range of innovative and diverse activities that respond to the identified needs of young people. A variety of different approaches are used which include providing access to:- <ul style="list-style-type: none"> Detached and outreach work. Centre-based work. Drop-in centres. Advice and counseling services. The Duke of Edinburgh's Award Scheme. Basic skills opportunities are provided to acquire training and work experience. 	September 2009	Part of general Follow Ups budget.	A number of recommendations were made during the original audit. Management has informed us that all have either been implemented or are ongoing. This includes: <ul style="list-style-type: none"> Completion of detached worker risk assessments. Reducing the number of staff with 'super user' access to the management information system. Receipt of all project progress reports to allow the Youth Services annual progress report to be more meaningful. Records maintained of meetings between Youth Services and Finance. 	Substantial Assurance	N/A

4.2 Members are invited to raise any issues on these audits or to request the production of a fuller report at the next meeting.

5. Effect upon Policy Framework& Procedure Rules.

5.1. None

6. Legal Implications.

6.1. There are no legal implications.

7. Financial Implications.

7.1. None

8. Recommendation.

8.1. That Members note the report

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Background documents

Internal Audit reports relating to the above audits held within the Internal Audit Division