

Dacorum Borough Council - Internal Audit Report

Follow Up of Recommendations

Distribution list:

Audit Committee

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Key dates:

Date of fieldwork: Ongoing

Date of report: February 2012

This report has been prepared on the basis of the limitations set out in Appendix B.

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1. Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
Priority 1	Recommendations which are fundamental to the system and upon which the organisation should take immediate action.
Priority 2	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Priority 3	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed.
System Improvement Opportunity	Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

2. Executive summary

2.1. Background

As part of the Internal Audit programme for 2011/12, approved by the Audit Committee in February 2011, we have undertaken a follow-up of agreed internal audit recommendations. Priority 1 recommendations that were found to be either partly implemented or outstanding are restated in this report with a progress update and revised implementation date.

2.2. Objectives and Scope

The objective was to assess the degree to which the recommendations made in 2010/11 and 2011/12 internal audit reports have been implemented. Auditees were asked to provide an update on recommendations of all priorities (1 to 3). The auditee responses were used to determine implementation of priority 2 and 3 recommendations whilst, for priority 1 recommendations, evidence was requested to support the responses. It should also be noted that where a further audit is scheduled in the 2011/12 internal audit plan, the responses provided as part of the follow-up will be confirmed as part of the audit testing programme.

2.3. Summary Table 2010/11

The following table summarises our findings:

2010/11 Audit	Raised	Implemented	Partly Implemented	Outstanding	Not yet due	No longer applicable
Accounts Payable	2	2				
Accounts Receivable	4	4				
Agency Cost (Depot Agency Staffing)	4	3		1		
Aids and Adaptations	6	4	1	1		
Asset Security - Tenant Services	11	10	1*			
Budgetary Control	2	2				
Business Rates	4	2	1			1
Capital Accounting	4	1	2	1		
Carbon Reduction	4	2			2	
Contract Tendering Arrangements	6	6				
Members Services	4	3	1			
Council Tax	4	2	2			
Data Protection & Freedom of Information	3	3				
Data Quality	4	3	1			
Elections	2	2				
Homelessness	3	2	1			
Housing and Council Tax Benefits	2	1	1*			
Housing Rents	2	1				1
Income Management	2	2				
Land Charges	5	1	3*	1*		
Licensing	5	3	2			
Main Accounting	3	3				
Payroll	2	2				
Regeneration	3	2				1
Risk Management	7	6				1
Section 106 Agreements	1			1		
Trade Waste	7	5	1	1		
Treasury Management	4	3	1*			
Voids	6	5				1
Total	116	85	18	6	2	5

* Unable to confirm position since the time of the last Audit Committee.

2.4. Summary Table 2011/12

The following table summarises our findings:

2011/12 Audit	Raised	Impleme- nted	Partly Impleme- nted	Outsta- nding	Not yet due	No longer appli- cable
Budgetary Control	2	1		1		
Corporate Governance	2	2				
Food Safety	5	1	4			
Health & Safety Follow Up	10	5	4	1		
Housing Repairs and Maintenance	8	4	4			
HR Recruitment	6	6				
Partnerships	8	4	3	1		
Payroll	3	1			2	
Planning Applications	7	3	2	2		
Property	4	2	1		1	
Risk Management	6	4	2			
Waste Recycling	6	4		2		
Total	67	37	20	7	3	0

3. Outstanding & Partly Implemented Priority 1 Recommendations

Licensing – 2010/11

Periodic premises inspection	Priority	Responsible Officer	Revised Date	Follow Up
<p>Recommendation</p> <p>Licence premise inspections should be carried out in a timely manner. Furthermore, all licensed premises should be assigned to a risk band rating to enable periodic inspections to be performed.</p> <p>Date due – 31/01/11, revised to 31/12/11</p> <p>Observation</p> <p>All licensed premises are assigned a risk rating which determines how often the premises should be inspected. High risk premises should be inspected annually, medium risk inspected every 18 months and low risk premises are inspected every two to three years.</p> <p>During testing audit found that, out of 442 premises, there were 20 premises that were not assigned to a risk band, 276 premises had next inspection dates that were overdue, there were 155 premises that did not state when the last inspection date was and there were 11 records that did not have a next inspection date.</p>	1	Regulatory Services Group Manager	31/03/12	<p>Partly Implemented</p> <p>September 2011 update:</p> <p>The majority of premises have been risk rated.</p> <p>The premises inspections process is being reviewed following some recent changes. Inspections are now also triggered by the complaint history and changes in DPS/Premise License Holder.</p> <p>December 2011 update:</p> <p>Appropriate resource allocation, following Phase II of the realignment, will ensure that inspections are properly monitored. The Environmental Health database now reflects such amendments.</p>

Health & Safety Follow Up – 2011/12

Review / Audit of Health & Safety Systems	Priority	Responsible Officer	Revised Date	Follow Up
<p>Recommendation</p> <p>A formal annual review / audit of all areas of the Health and Safety system should take place in order to ensure that procedures are being adhered to by each service area. The review should include all areas of the Council and findings should be reported to Senior Managers and the Corporate Management Team. Where areas of concern are identified, an action plan should be agreed in order to mitigate Health and Safety risks.</p> <p>Date due – 31/12/11</p> <p>Observation</p> <p>There should be a means of auditing the performance of the Health and Safety system and this should be reported to senior staff. Such an audit should encompass all areas of the Council and action plans should be agreed where necessary in order to improve performance.</p> <p>It was confirmed that for two of the three areas reviewed (IT and Customer Services) there was no evidence that an annual review had taken place.</p>	1	Corporate Safety, Health and Care Officer	29/02/12	<p>Partly Implemented</p> <p>January 2012 update:</p> <p>The audits have recently commenced. They have been scheduled to take place from 12/01/12 to 16/02/12.</p> <p>The Council restructure has required new Health & Safety Co-Ordinators to be assigned. 50 Co-Ordinators have been appointed, spanning the new Council structure. This is documented in the new 'Health & Safety Organisation Structure' dated 21/11/11.</p> <p>The Co-Ordinators have been offered training if required, with sessions attended on 28/11/11 and 01/12/11. A guide to the Role & Responsibilities has also been emailed to each Co-Ordinator.</p> <p>Prior to the scheduled audits, Co-Ordinators have been sent a 'Self-Audit Questionnaire' to complete and return. These were due by 29/11/11 although only 16 (circa 25%) had been received back as at 19/12/12.</p>

Partnerships – 2011/12

Sports Trust Delivery Plan & Funding Approval	Priority	Responsible Officer	Revised Date	Follow Up
<p>Recommendation</p> <p>The Dacorum Sport Trust 'Sportspace' should prepare a three year development plan and obtain Portfolio Holder approval for the Dacorum funding contribution.</p> <p>Date due – 31/12/11</p> <p>Observation</p> <p>The financial commitment to partnerships should be supported by a delivery plan or service level agreement with the partnership. Such plans provide assurance that the Council is obtaining value for money from the partnership. Funding awards should be approved in accordance with the Council's financial regulations to prevent unnecessary or unauthorised partnership expenditure.</p> <p>Audit were not provided with evidence that a delivery plan was in place for 2011 and beyond. Similarly, there was no evidence that the actual financial commitment of £525,000 had been approved by Portfolio Holder or Cabinet prior to inclusion in the annual budget. However, the funding award is reviewed by officers every year (Deputy 151 Officer, Assistant Director Strategy and Transformation, Group Manager, Sportspace Chief Executive and Finance Director).</p>	1	Group Manager (Partnerships & Citizen Insight)	31/03/12	<p>Partly Implemented</p> <p>January 2012 update:</p> <p>A three year business plan has been produced by Sportspace and sent to the Assistant Director (Strategy and Transformation, Community and Organisation). The plan confirms the Dacorum funding contribution.</p> <p>The Council have drafted a Sports Policy Statement for approval by Cabinet on 27/03/12.</p> <p>The Council are meeting with Sportspace in February to discuss revision of the three year business plan to align it with the Council's new Sport Policy Statement.</p> <p>Plan, Policy Statement & Portfolio Holder approval are expected to be complete by 31/03/12.</p>

Appendix A – Staff interviewed

Staff from all directorates were contacted as part of this follow-up work. We would like to thank the staff involved for their co-operation during the audit.

Appendix B - Statement of responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. The assurance level awarded in our internal audit report is not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board.

Deloitte & Touche Public Sector Internal Audit Limited

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