WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

19 SEPTEMBER 2012

SUBJECT:	**INTERNAL AUDIT UPDATE**
WARD/S AFFECTED:	**ALL**
REPORT OF:	**CHIEF INTERNAL AUDITOR**
KEY DECISION	**NO**

1.0 EXECUTIVE SUMMARY

1.1 This report identifies and evaluates the performance of the Internal Audit Section and includes details of the actual work undertaken during the period. 1ST June to 31 August 2012. There are five items of note concerning audit work undertaken that are brought to the attention of the Members for this period and these are identified in order of risk at Section 2.6.

2.0 BACKGROUND AND AUDIT OUTPUT

2.1. This report summarises the audit work completed during the period 1st June 2012 to 31st August 2012. The specific nature of the work that has been undertaken or is currently ongoing is identified in Appendix I. 35 audits were undertaken during this period identifying 48 high priority recommendations to address risks and improve systems in operation across the Council. Management has agreed to implement all of the recommendations made within a satisfactory timescale and follow up audits are scheduled to monitor progress. Those reports identifying high priority recommendations are analysed in more detail in section 2.6 of this report.

2.3 Internal Audit Performance Indicators

2.3.a The Service constantly evaluates and measures the effectiveness of its performance in terms of both quality and productivity by means of a number of performance indicators in key areas as identified below. These include delivery of the annual Internal Audit Plan and ensuring that all of the audits identified in the plan are completed on schedule. This is particularly important at the present time as the requirement for Internal Audit involvement in a number of important corporate initiatives has increased dramatically.

IA Performance Indicator	Target (%)	Actual (%)
Delivery of Internal Audit Plan.	100	53
Percentage of High priority recommendations agreed with clients.	100	100
Percentage of returned client survey forms indicating satisfaction with the Internal Audit service.	80	98
Internal audit reports issued within 10 days of the completion of fieldwork.	100	95

2.3.b Due to significant shortfalls in staffing resource experienced during 2011/12 and the resulting problems that this caused regarding delivery of the audit plan this situation will continue to be monitored very closely and reported to Members, the Chief Executive and the Section 151 Officer for appropriate remedial actions to be taken.

2.3.c There are currently no issues arising.

2.4 Audits Identifying High Priority Recommendations

2.4.a The table at Appendix 1 identifies audits undertaken over the period which include recommendations of **a high priority nature** where a fundamental risk has been identified that might affect the ability of a specific service area to achieve it's key objectives. The table also indicates the audit opinion provided on the effectiveness of the overall control environment.

2.4.b All of the action plans in respect of the audits identified have been returned fully completed. These all identify appropriate timescales for the implementation of recommendations agreed to mitigate or remove weaknesses.

2.5. Follow Up Audits

The table attached at Appendix 2 identifies the current status of those recommendations made in internal audit reports that have been followed up during the period:

2.6 Items of Note

2.6.a CYPD: Metro Catering Income

A review was completed of the system for the recording, collection, banking and reconciliation of income in respect of Metro Catering. This resulted in a one star opinion and eight high priority recommendations. The recommendations related to:

- The preparation of documented procedure notes for the recording, collection and banking of income.
- Comprehensive training for Metro kitchen staff in the procedures documented.
- Consistent completion of income records in the school kitchens.
- Consistency and clarity of income to banking records held at schools.
- The need for a clear format and consistent completion of documents in school kitchens and independent checking of these.
- The need for full income reconciliation both in the schools and centrally.
- Timely payment by staff for meals taken.

There has been a positive response by the Department and assurances have been provided that actions to address the recommendations are ongoing. This will be substantiated at the forthcoming follow up audit.

2.6.b   DASS: Personal Budgets

An audit of Personal Budgets was undertaken in the Department of Adult Social Services in June 2011. Eleven recommendations were made, six of high priority and five of medium priority. The recommendations related to:

- The production of a checklist to provide evidence that the service user understands the choices and rules relating to their personal budget.
- A review of the resource allocation system so as to ensure that this is still the most appropriate.
- A review of the Indicative budget following the completion of phases 1-3.
- Review of information capture to ensure consistency.
- Review of the carers' resource allocation system on a six monthly basis.
- Review of the allocation system to ensure this is still the most appropriate system.
- Updating Members annually on the resource allocation system and any amendments made to it.
- Introduction of a feedback form monitoring system.
- Review of the funding formula used for the voluntary sector.
- Enquiries with the voluntary sector to ensure sufficient staff resources.
- Endorsement of a quarterly report presented to the Safeguarding Adult Partnership Board, and actions arising clearly minuted.

The original implementation timescales indicated that all recommendations would be implemented by April 2012. The follow up audit was commenced during June 2012, and although an assurance has been provided that one recommendation has been implemented and the remaining ten are in the process of being implemented, evidence of implementation progress has not been provided. Revised target dates for implementation have been set, of September and October 2012, representing significant slippage from the original dates indicated.

2.6.c   CYPD: Bidston Village CE Primary School

An audit of Bidston Village CE Primary School was undertaken in December 2011. This was highlighted to this Committee in January 2012 as the audit opinion was one star and there were seventeen high priority recommendations, indicating many areas of concern. A follow up audit has now been completed which has indicated a very positive response to the recommendations, and it was pleasing to report that evidence has been provided of the implementation of all recommendations made.

2.6.d   BIG and ISUS

An audit has been on-going since September 2011 to investigate allegations about the operation of 2 Council schemes (BIG and ISUS) which were established to assist local businesses, and involved contracts with a local company. The investigation followed the raising of serious allegations by two former employees of an organisation which was contracted to deliver these schemes. A draft report on the BIG scheme is being completed and will be

finalised after all relevant persons have been consulted. The report has been discussed with the then current Acting Chief Executive and the Chief Executive designate, and issues shared with this Committee's Chair.

The draft report on ISUS is near completion. Information to support the allegations has been provided by the complainant in many frequent e-mails, as well as at interviews. It was decided that the complainant would be notified on 20 August that no further information provided by him after his e-mail of 12 August, would be accepted or considered. He had previously been asked at a meeting on 7 March, to confirm that he had no further information to provide, which he did, but subsequently asserted that he considered he would be further contacted to assist in aspects of the investigation .He accepted the decision of 20 August and enquiries are continuing in relation to issues in his 12 e-mails sent in the period up to 12 August, which included the time when the Chief Internal Auditor, the investigator, was on leave.

The intention is to subsequently present the reports to this Committee together with any actions decided upon.

2.6.e   Information and Communications Technology

There are two areas of concern:

- A number of Internal Audit reports have remained at the Draft stage without Responsible Officers and implementation dates for recommendations being agreed. Reasons for the lack of progress include the complexity of systems which span more than one department or section of the Authority, and a lack of defined responsibility for systems which are developing and are not yet embedded within the Authority's management arrangements.

- There are several Information Assurance-related recommendations which currently have no defined owner, or which have not been implemented, due either to the developing nature of the Authority's Information Governance processes and procedures, or to the temporary absence of Senior Officers with Information Governance responsibilities.

Despite the lack of clarity on the status of the recommendations progress has been made in several of the risk areas identified in the audit reports. Internal Audit is reviewing the status of all outstanding and unassigned recommendations and will meet with system managers and Heads of Service to agree a way forward.

3.0   RELEVANT RISKS

3.1   Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.

3.2   Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

4.0   OTHER OPTIONS CONSIDERED

4.1   No other options considered.

5.0   CONSULTATION

5.1   Members of this Committee are consulted throughout the process of delivering the Internal Audit Plan and the content of this regular routine report.

6.0   IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1   There are none arising from this report.

7.0   RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1   There are none arising from this report.

8.0   LEGAL IMPLICATIONS

8.1   There are none arising from this report.

9.0   EQUALITIES IMPLICATIONS

9.1   Has the potential impact of your proposal(s) been reviewed with regard to equality?

      No because there is no relevance to equality.

10.0   CARBON REDUCTION IMPLICATIONS

10.1   There are none arising from this report.

11.0   PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1   There are none arising from this report.

12.0   RECOMMENDATIONS

12.1   That the report be noted.

12.2   That Members instruct officers to implement outstanding recommendations identified in 2.6.b in line with the revised target dates and provide a progress report of actions taken to the next meeting of this Committee.

12.3   That Members request officers to provide a progress report of actions taken to address issues identified in 2.6.a to the next meeting of this Committee.

12.4   That Members note the issues identified in 2.6.c, d. and e.

13.0   REASON FOR RECOMMENDATION

13.1   To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.

13.2	To ensure that risks to the Council are managed effectively.

13.3	To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

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APPENDICES

Appendix 1: Follow Up of Audit Recommendations Status
Appendix 2: Audits Identifying High Priority Recommendations
Appendix 3: Key Report Definitions

REFERENCE MATERIAL

Internal Audit Plan 2012/13

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Routine report presented to all meetings of this Committee.

Audits Identifying High Priority Recommendations

The following table identifies audits undertaken over the period which include recommendations of **a High priority nature** where a fundamental risk has been identified that might affect the ability of a specific service area to achieve it's key objectives. The table also indicates the audit assurance opinion provided on the effectiveness of the overall control environment. A key to the assurance and recommendations ratings is provided at Appendix 3.

Audit	Total Recs Agreed (H)	Recs Not Agreed	Audit Opinion Provided	High Priority Recommendations
Merseyside Pension Fund – Investments, Governance and Strategy	2(2)	-	Limited (2*)	**1.** Contributions should be received from all employers within the deadlines set in accordance with the Scheme Rules. The LGP41's should be checked upon receipt to ensure the correct employer/employee contribution rate has been calculated and received. The Pension Fund should determine the circumstances/criteria under which they intend to levy a penalty charge. Once agreed the policy should be documented and available to relevant staff for reference. **2.** To ensure the correct rate has been received it should be ensured that all employers have completed their LGP41 in full. The LGP41's should be checked upon receipt to ensure the correct employer/employee contribution rate has been calculated and received and any discrepancies identified should be followed up and the reasons for any variances should be noted on file for reference.
Compromise Agreements	3(3)	-	Minimal (1*)	**1.** The system, process and procedure for all Compromise Agreements (whether above or below the threshold for referral to the Sub-Committee of the Employment & Appointments Committee), should be documented. This should include:

				• The purpose and background to Compromise Agreements, including guidance on the evidential, litigation and commercial risk evaluations to be undertaken throughout a case; • The Officers responsible for negotiating and agreeing Compromise Agreements within Law, Human Resources & Asset Management and Legal Services, and their respective roles & responsibilities; • The approval process for approving Compromise Agreements; • The requirements for reporting, including the distribution list, the frequency of reporting and the information to be reported. **2.** The Sub-Committee should be formed as approved by Cabinet. The following steps should be included in the new approval process: • The need for pre-approval to offer a Compromise Agreement by a Sub-Committee of the Employment & Appointments Committee; • Procedures for convening the Sub-Committee as quickly as possible, consistent with the requirements of the Council's Constitution and Access to Information Rules, so that approval can be sought, and changes approved quickly, should these occur. This may be particularly important when timescales are tight, for example when Judicial Mediation is used at an Employment Tribunal, and attendees from the Council are expected to have authority to agree the Terms & Conditions of agreements quickly as part of the Judicial Mediation process; • As an alternative to forming and re-forming the Sub-Committee of the Employment & Appointments Committee should Terms & Conditions change, Officers may seek delegated approval to amend less significant Terms & Conditions in Compromise Agreements. Financial and non-financial parameters within which pre-approval

				can be delegated to HR/ Legal Services senior Officers, should be agreed. This delegation should be to nominated senior Officers only;

• The need for re-approval by the Sub-Committee should the 'final' negotiated Compromise Agreement be outside the pre-authorised parameters;

• The timetable for completion and its introduction.

3. Officers from HR should clarify the requirement of the Employment and Appointments Committee to have all COT3 agreements reported but not compromise agreements. |
| Risk Management – Finance Department | 3(2) | - | Limited (2*) | **1.** More consistent evidence is required to capture the discussions undertaken regarding:

• Risks raised,
• Risk amended or deleted.

As part of the wider programme of improvements to the authority's Risk Management Framework and Processes. For example, documentation supporting the changes made to the Finance Departmental Risk Register should be referenced (and hyperlinked) to the DMT minutes.

2. The department should liaise with Legal and Democratic Services (in preparation of for the review of the Partnership Framework and Toolkit and the Partnership Register). So as to link and begin the process of assessing risks with all influential organisations/partners.

Linked to this, it must be ensured that an up to date Register of third party access to Wirral Council ICT facilities is maintained. |

Completion of Contracts	2(2)	-	Limited (2*)	**1.** A robust procedure should be implemented (which is to be led by Corporate Procurement, utilising the Corporate Procurement Board where appropriate) to ensure that all formal tender exercises (whether they are led by Corporate Procurement or by a departmental officer) are promptly progressed to completion with a formal contract being drawn up and signed/sealed accordingly.
				It may be possible to utilise 'The Chest' to help ensure: all details required for formulating the contract are submitted as a matter of course and a clear audit trail exists confirming what details have been sent, by whom and when.
				It must be ensured that Corporate Procurement liaise with the lead/appropriate officer for the following two contracts:
				▪ Financial Leasing Services ▪ Variable Message Signs
				and it is ensured that a formal contract is completed through Legal and Member Services for each, as a matter of urgency.
				2. It should be ensured that the Contracts Register is an accurate reflection and contains details of all appropriate contracts; including those highlighted within the Finding (5.3.2):
				- Transport to Swimming Baths - Supply, Installation and Maintenance of Multi-Functional Devices, Photocopiers and Desk Top Printers - Frozen Food – Distribution and Supply - Free Loft and Cavity Insulation Programme for Wirral
				(Please note the previous recommendation, as at 5.2.3: to ensure that a contract is completed for all appropriate tendering exercises and all details required for formulating the contract are submitted as a matter of course. Hence such information could be utilised in compiling the Contracts Register)
				It must also be decided in cases where a contract has been let via

				an external framework, whether details of the contract are required by Legal and Member Services (this may also be required in relation to collaborative contracts for which the Authority is not the lead and hence has not drawn up the contract).
The Observatory School	9(3)	-	Limited (2*)	**1.** The petty cash system should include a separation of duties. An independent check of the petty cash should take place and be evidenced with a signature and a date. **2.** The non order system should be used for utilities only. **3.** The M44 staff absence returns should be reviewed and authorised by another member of staff authorised to do so before being sent to EAT.
DASS – Court of Protection	17(13)	-	Minimal (1*)	**1.** The Director of the Department of Adult Social Services should establish and carry out all appropriate responsibilities as the designated Court of Protection Deputy. This should include processes for receiving ongoing assurance that the administration of Court of Protection cases are being carried out effectively. A decision should also be made and agreed as to whether the Director should authorise expenditure of clients' monies. **2.** A review of how Court of Protection cases should be managed should be carried out and formalised. Roles and responsibilities of the Financial Protection Team and those of social care should be clarified, agreed and documented to ensure that all processes are carried out efficiently and effectively. **3.** The Service Manager (Self-Directed Support) should establish a process for monitoring Court of Protection clients to ensure that all clients are made subject to regular visits and that the minimum two reviews each year are carried out, documented and kept on file. Action should be taken where non-compliance is identified. **4.** i) Assurances should be obtained that all items that were previously held in the storage boxes agree to the respective clients' inventory.

				ii) All items retrieved from client's properties should be stored securely in the locked room with access restricted to appropriate members of staff only. **5.** i) Where possible, all cash recovered during a Protection of Property search should be counted by both officers at the location. If this is not possible, the use of protective sealed bags should be considered to ensure that cash can be counted back in the office. ii) Separation of duties should be in place between: - Retrieving cash and items from a Protection of Property visit and recording the details in the safe contents book. - Banking cash and verification of banking. **6.** i) Clients' monies recovered from Protection of Property visits should not be used as a method of payment for any purpose that does not comply with the Court of Protection or Office of the Public Guardian procedures. ii) A policy decision on whether the assessment of capacity charge should be levied against the client or the Council should be made and agreed. If the Department of Adult Social Services continues to charge clients for the assessment, it should be determined whether this should be agreed and detailed in the schedule of charges for the Department. **7.** Corporate Procurement should be consulted as to whether a preferred supplier list could be established of firms available for house clearance that represent value for money whilst meeting any other specific need (e.g. houses that may need to be cleared and cleaned immediately). If a preferred supplier list cannot be compiled due to compliance with procurement requirements, it should be ensured that three quotes are obtained on each occasion where practical. **8.** A procedure should be developed and implemented for

			controlling access to online bank accounts during periods of staff absence.

9. Independent and prompt reconciliations of bank statements should be carried out for all Court of Protection clients. Each Financial Protection Officer should only reconcile bank statements of clients managed by another Officer. All reconciliations should be signed and dated as evidence of when it was carried out and by whom. As an additional check, a manager should carry out a number of random spot check reconciliations each month.

10. Comprehensive, documented procedures should be compiled and formally agreed for all systems and processes carried out by the Financial Protection Team for managing Court of Protection clients. The procedures should be made subject to annual reviews or immediately upon any changes made by the Court of Protection or the Office of the Public Guardian.

11. A process should be established to ensure that the justification and reasons for payments made on behalf of clients – including new standing orders or direct debits - are reviewed, authorised by a manager and documented for probity.

12. A procedure for verifying that purchases made on behalf of clients have been received should be introduced.   The procedure should take into account the type and value of items that have been purchased in determining whether verification checks are required.

13. All care homes should be required to submit personal allowance expenditure reports on a periodic basis for each client detailing how monies were spent and evidence that that the client has received the monies / items declared. Reports should be reviewed to ensure that:

i) Expenditure is appropriate for the client;
ii) Action on any suspicious activity is taken; and
iii) The amount of personal allowance to be paid is adjusted |

				promptly, where appropriate. Where personal allowance is taken to the care home, procedures should ensure that it is signed for by the client on the compliments slip, if they have the capacity. If this is not possible, the receipt of the personal allowance should be evidenced on the periodic expenditure report received from the care home. This item is reported in more detail elsewhere on the agenda.

Equality and Diversity	3(2)	-	Limited (2*)	**1.** A consistent and accurate data capture system is required to ensure that all Officers and Members throughout the authority are trained up in Equality and Diversity. In the meantime it would be prudent to consider focusing on:
				
				a) Managers and Councillors that have not been trained up because these individuals should:-
				
				   • Be leading by example.
				   • Effectively embedding Equality and Diversity into Wirral Councils culture.
				
				b) Staff identified as having a 'Protected Characteristic'.
				
				c) Staff who do not have access to computers e.g. Managers at team brief to communicate with their staff on their preferred methods and times available for training. This should then be communicated to the relevant Senior Officers who should then proactively project manage (schedule) the training out across the authority. Officers who are scheduling the training must also consider merging groups from Departments together rather than dealing with one department at a time (saves time, money and also gives Officers the opportunity to meet other colleagues from other areas of the organisation).
				
				2. In order to embed and fully comply with the Equality Duty 2010

				the Council needs to:- • Ensure that a significantly high level Manager chairs the Corporate Equality Group meetings. • A Cabinet Portfolio Holder is allocated responsibility for the Corporate Equality Scheme. • Continue to proactively share and evidence working practices with other authorities, organisations and working groups.
Case Management	2(2)	-	Limited 2*	**1.** Steps should continue to be taken to ensure the Casework System is fully operational as soon as possible, without detriment to the robustness of the system and the data/information which it contains. The proposed Employee Relations Report should then be produced and reported at the earliest opportunity (and subsequently on an ongoing basis). • It should also be ensured that Members are informed, at the next opportunity, of the delay to the system becoming fully operational (due to them having been informed in March 2012 that the system would go fully live in April 2012). **2.** In relation to the Casework System (particularly prior to the system going fully 'live') the following should be considered and a decision taken to ensure: • Appropriate separation of duties/system access levels are in place: for example, the same person is not enabled to enter a Case and then subsequently delete and/or close a Case. • Staff awareness is raised in terms of the system, its purpose, and what constitutes a 'Case' (and hence which procedures/policy will apply). This may be achieved by including an 'overview of the system' via the intranet. • A process is formalised, and included within system procedures, of the requirement to declare an interest in a case should one exist. • Monitoring and evaluation of the Casework System continues

				to be undertaken and also for a period after the system has gone fully 'live', in order to assess the system's performance with any problems identified being rectified within a reasonable time period (a process for system users to feedback during this period may be beneficial). This will also need to include a review of the accuracy of the information which is relied upon, and fed in to the system, from ResourceLink and any problems that may have arisen. • All remaining 'Designated Users' of the Casework System who have yet to attend a training session, receive the appropriate training in using the system (it is acknowledged that one member of staff is currently on maternity leave and will require training upon her return.
CYPD - Emergency Payments	9 (7)	-	Minimal (1*)	**1.** The review of the petty cash procedures should be completed and procedures should be updated to reflect the current system in place. The procedures should include Head of Branch approval and guidelines on the goods and services that can be purchased, including the rule that cash payments should only be issued in exceptional circumstances as detailed in Section 17 of the Children's Act of 1989. **2.** A receipt should be obtained and held on file for the total value of the payment issued. If a receipt has not been obtained the reason should be documented appropriately. **3.** i) All PB11A forms should be authorised and dated before a payment is issued. ii) HOB documents should be completed appropriately including the name of the approving Head of Branch. iii) The procedures should be updated to include the level above which a HOB should be obtained. All localities should adhere to the correct procedure for HOB approval. See 5.2. iv) Access, alteration and approval of the HOB document should be limited to authorised staff.

			(red)	**4.** The parent/carer should sign and date the PB11A form to confirm a payment has been received. **5.** Emergency cash payments should be monitored and action taken as appropriate Evidence of monitoring should be held on file to confirm. Consideration should be given to allocating a separate code for emergency cash payments. **6.** Cash should be held in a safe which is locked when not in use. Access should be limited to authorised staff. Consideration should be given to reducing the number of staff authorised to issue payments. **7.** The Planning and Resources Branch should liaise with the Accountancy Section to discuss updating the annual petty cash return document to ensure that it includes the requirement to record the bank balance. Furthermore, the £272.72 interest identified as the variance for one locality should be clarified as to what action should be taken. The discrepancy highlighted on the petty cash return for one locality should be investigated and resolved. Internal audit should be informed of the outcome. This item is reported elsewhere on the agenda.
Contract Register	2 (1)	-	Limited 2*	The outstanding retentions must be researched, monies released where possible and annotated within the Contract Register. For the retentions that the Council can not release, reasons must be documented within the register and approved by senior management.
Wallasey School	13(5)	-	Limited 2*	**1.** The request for staff and Governors to complete a Business and Pecuniary form should be recorded in the minutes. Once

				completed, forms should be readily available for reference.
				2. The interim arrangements for payroll should be approved by Full Governing Body.
				3. The Financial Procedures Manual should be updated to reflect the interim payroll arrangements in place.
				If the school decides to bring the payroll arrangements in house, the procedures should be updated to reflect this. The following should be included in the procedures:
				(i) action to be undertaken in the event of errors occurring prior to payment of payroll
				(ii) independent checking of payroll input
				Once updated, the procedures should be presented to the Full Governing Body for approval.
				4. The Authorised Signatory List should be updated to reflect the current position at the school. Once updated, approval should be sought from the Full Governing Body.
				5. A standard authorised form must be utilised for every change to the establishment list.
				A record of transfer of original documents to the payroll provider should also be maintained.
Town Lane Infants School	11(4)	-	Limited 2*	**1.** The Financial Procedures Manual should be updated to include the following:
				i) Data recovery procedures. The procedures should state the CARS system of data management is in operation at the school

				(which is the responsibility of the LA). ii) Written procedural notes clearly defining duties and responsibilities of staff involved in the event of an incident leading to an insurance claim. iii) The duties and responsibilities of staff involved in the payroll system including checking the monthly returns to the payroll provider. **2.** The non order system should be used for utilities only eg. gas and electricity. **3.** The Charge Policy should be reviewed and updated to include all charges made by the school, including lettings. The basis of the charge for lettings should be documented. The Charge Policy should be reviewed and approved periodically by the Governing Body and evidenced in the minutes. **4.** The record maintained of payments received for school meals should include the following details: • The date payment is received. • The period covered by the payment received. • The daily total number of meals purchased.

| Liscard Primary School | 8(2) | - | Limited 2* | 1. An official order must be raised for all purchases with the exception of utilities, such as gas and electricity.

2. i) The £65.20 income banked but not credited to the school's budget should be reported to the Governing Body for retrospective write-off.

 ii) All income banked should be reconciled back to the budget tabulations to ensure that the school's budget has been credited correctly. Any discrepancies should be reported to Accountancy Section promptly to ensure that immediate remedial action can be taken. |

FOLLOW UP OF AUDIT RECOMMENDATIONS – STATUS

Audit name		Opinion	Recommendations			RAG Status
	Follow-up date		High	Med	Low	
CIVICA DIP System - Access Controls	08/12	Substantial	1	4	1	All Implemented G
Sundry Debtor Refunds	07/12	Substantial	1	1	0	All Implemented G
Debtors On Line – Technical Services	07/12	Limited	5	4	0	All Implemented G
Merseyside Pension Fund: Benefits and Payroll	06/12	High	0	1	1	Implemented G

Members ICT Governance	07/12	Limited	0	5	2	2 Medium risk and 2 low risk recommendations implemented last financial year. 3 Medium risk recommendations followed up 1 has been implemented and 2 remain outstanding. 1) "A paper should be presented to Cabinet for approval that: - The Head of Legal and Democratic Services is owner of the Code of Practice, and has responsibility for ensuring it up to date, remains relevant and continues to provide best practice guidance in the use of ICT. - The Head of IT Services should provide technical advice and guidance to the Head of Legal and Democratic Services in the production and review of the Code, to ensure it is in line with the Council's ICT Security Policy. - The Code of Practice for use of ICT by Members should be reviewed on at least an annual basis, in line with the review of the ICT Security Policy, and updated where necessary by Officers." 2) "The CoP should be amended to state that, in the event of a Member resigning, access to systems should cease immediately, and equipment should be returned as soon as practicable." A

HR SelfServe	07/12	Limited	1	1	2	1 Low risk recommendation actioned last Financial year. 1 High risk recommendation followed up by email on 26/03/2012, 18/05/2012 and 13/07/12 and to be discussed with Head of ITS on 4th September 2012. 1 Low risk recommendation followed up by email on 13/07/12 – not yet actioned. 1 Medium risk not due for action until 31/08/2012. **A**
Bidston Village CE Primary School	07/12	Minimal	17	0	0	All Implemented **G**
CQC Improvement Plan	07/12	Limited	2	0	0	All Implemented **G**
The Priory Parish CE Primary School: General Financial Procedures	07/12	Limited	4	2	0	1 High Risk and 2 Medium Risk recommendations have been implemented. 3 High risk recommendations are outstanding but in the process of being implemented. A full review of the FPM is expected to be completed in October 2012 **A**

Irby Primary School	07/12	Substantial	2	6	1	All Implemented **G**
Youth Service Bank Accounts	07/12	Minimal	12	7	0	5 High and 3 Medium recommendations have been implemented. 7 High Risk and 4 Medium Risk recommendations are in the process of being implemented. A new target date has been set for end of November 2012 **A**
DASS: Personal Budgets	07/12	Minimal	6	5	0	An area of concern as there has been slippage on all original implementation dates. **R**
Calday Grange Grammar School	08/12	Minimal	6	2	0	Awaiting evidence of implementation. **A**
St Werburgh's Catholic Primary School	08/12	Substantial	3	4	0	All Implemented **G**
Townfield Primary School	08/12	High	0	2	0	All Implemented **G**

Ganneys Meadow Early Years Centre	08/12	Limited	5	3	0	5 High Risk and 3 Medium Risk recommendations are in the process of being implemented. A new target date has been set for end of September 2012 **A**
St Peters CE Primary Heswall, Payroll and Personnel	08/12	Substantial	2	4	0	All Implemented **G**
Corporate Contracts	08/12	Limited	1	0	0	Largely implemented, issue of regular examination of maverick spend remains, resource issue here, ongoing audit input via planned work and Corporate Procurement Board. **A**
DASS: Procurement Of Commissioned Care	08/12	Limited	5	1	0	All implemented with the exception of one high recommendation which is in progress. To be kept under review, overall satisfactory position. **A**
Pension Admin and Pensioner Payroll system implementation	08/12	Substantial	0	2	0	All Implemented. **G**

Removable Media - Compliance Check	08/12	Limited	1	0	0	No action to date. Although a number of work-streams are in progress which will improve Information Assurance, the SMART Action Plan recommended in this audit report has not yet been produced and as such there are no clear milestones or documented success measures for the management of Information Assurance risks. **R**
Freedom of Information	08/12	Substantial	1	1	0	Medium risk recommendation outstanding - to be followed up end of November 2012 **A**
Non-staff access to Wirral ICT infrastructure	08/12	Limited	3	1	0	2 High risk recommendations not due for 2nd follow up until 31/08/12 1 Medium risk recommendation not due for 2nd follow up until 31/08/12. 1 High risk recommendation outstanding, but work in progress. **A**
Mobile Phone Usage	03/12	Minimal	5	2	0	All outstanding - awaiting meeting with responsible officers. **R**

KEY REPORT DEFINITIONS:

Assurance Opinion	
HIGH (****)	There is a sound system of control designed to achieve the system objectives and these are being consistently applied. No High recommendations made.
SUBSTANTIAL (***)	Whilst there is a basically sound system there are weaknesses which put some of the control objectives at risk and/or there is evidence that the level of non compliance with some controls may put the system objectives at risk. No High recommendations made.
LIMITED (**)	Weaknesses in the system of control are such as to put the system objectives at risk and/or the level of non compliance puts the system objectives at risk.
MINIMAL (*)	Control is generally weak leaving the system open to significant error or abuse, and/or significant non compliance with basic controls leaves the system open to error or abuse.

RAG Status		
G -	**Audits**	Actions agreed and implemented.
	Follow Ups	Actions implemented.
A -	**Audits**	Actions agreed and officers committed to implement within agreed timescale.
	Follow Ups	Actions in process of being implemented within agreed timescale with some implemented.
R -	**Audits**	Actions agreed
	Follow Up	Little or no progress made to implement actions within agreed timescale.

	Recommendation Priority Rating
HIGH	Matters that are **fundamental and material** to the system of internal control for the area under review. We believe that matters observed might cause a system objective not to be met or leave a risk unmitigated and need to be addressed as a matter of urgency.
MEDIUM	Matters that are significant to the system of internal control under review but do not require immediate action. A system objective may still be met in full or in part or a risk adequately mitigated but the weakness represents a significant deficiency in the system.
LOW	Matters that require attention and would improve the overall control levels for the area under review but are not vital to the overall system of internal control.