

**INTERNAL AUDIT RECOMMENDATION STATUS REPORT**  
**PERIOD: 01 APRIL 2013 TO 28 MAY 2013**

**Completed Audits**

| Audit / Date                            | Dept            | Control Environment | Compliance | Organisational Impact | Actual High Priority Recommendations   | Total Recs (H) | Timescale / Officer Responsible      | Follow Up Scheduled | Outcome  | RAG Status |
|---|-----------------|---------------------|------------|-----------------------|--|----------------|--------------------------------------|---------------------|--|------------|
| Fernleigh Resource Centre<br>11/04/2013 | F & W<br>[DASS] | Minimum             | Minimum    | Minor                 | <p>In accordance with Corporate HR Policy, all staff should be requested to complete a Conflict of Interest form on an annual basis. The form should be completed in ink and a 'nil return' noted where appropriate.</p> <p>Timesheets should be completed, signed and dated by the employee. Timesheets should be checked for accuracy and approved by an authorised signatory. The rota should be signed and dated to verify the check has been completed.</p> <p>Orders should only be approved by an authorised signatory and evidence retained to ensure an effective management trail is in operation. Evidence of robust budget monitoring should be maintained to ensure appropriate levels of supplies are ordered and waste is kept to a minimum</p> <p>A Security Policy should be produced covering all aspects of the site and assets held. Staff should be made aware of the policy.</p> <p>Budget monitoring reports should be reviewed monthly to ensure adequate monitoring of the budget takes place, evidenced by a signature and a date.</p> | 11<br>(7)      | August 2013<br>Establishment Manager | Aug-13              | All recommendations formally agreed with prompt target dates for implementation. | A          |

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|  |  |  |  | <p>The missing file should be located. Confidential records should be held securely at all times.</p> <p>The 'Room Inventory' form should be amended to reflect that any monies held outside of the safe, including the locked drawer, is done so at the individual's own risk and that the Authority cannot be held liable in the event of a claim. The wording used on the form should be agreed with the Risk and Insurance Manager and if appropriate Legal Services.</p> |  |  |  |  |  |
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## Follow-Up Audits Completed - RED or AMBER flag

| Follow-Up Audit / Date                   | Dept   | Original Opinion | Original Recommendations (H,M,L)  | Original Total Recs (H) | Timescale / Officer Responsible              | Further Follow Up Scheduled | Outcome   | RAG Status |
|--|--|------------------|---|-------------------------|--|-----------------------------|---|------------|
| Overseas' Travel (25/04/2013)            | T&R<br>[Human Resources]<br>and Authority-Wide | Limited          | Original audit completed in May 2012 resulting in 1 high and 3 medium priority recommendations. High priority recommendation was:<br>Reporting of overseas visits to Members should be reinstated and retrospective reports presented listing travel undertaken and the associated costs and benefits for all overseas travel undertaken since 31 December 2007.            | 4 (1)                   | August 2013<br>Frank Games and Tony Williams | Aug-13                      | 1 high priority recommendation is in the process of being implemented. Following completion of the review of the Constitution an appropriate Committee will be identified and reporting will resume. The 3 medium priority recommendations will be implemented when the overseas' travel policy is reviewed and approved by Members'. | A          |
| Use of Council Credit Cards (23/04/2013) | T&R<br>[Finance]<br>and Authority-Wide         | Limited          | Original audit completed in May 2012 resulting in 1 high, 4 medium and 1 Low priority recommendation. High priority recommendation was:<br>Each department should introduce a procedure for a senior officer, other than the cardholder to review and approve the expenditure as shown on the monthly statement and supported by relevant invoices, receipts, vouchers etc. | 6 (1)                   | August 2013<br>Lynda Burns                   | Aug-13                      | 1 high, 2 medium and 1 low priority recommendation has been implemented. The 2 remaining medium priority recommendations have not been implemented by all departments. Lynda Burns to issue a reminder to departmental contacts.  | A          |

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| Cambridge Road (09/04/2013) | F&W [DASS] | Limited | <p>Original audit completed in November 2012 resulting in 10 high and 10 medium priority recommendations. High priority recommendations were:</p> <ol style="list-style-type: none"> <li>1. Conflict of Interest forms should be completed as soon as possible by all staff. A 'nil' return should be noted where appropriate. The forms should be completed annually and updated as changes occur.</li> <li>2. A Register of Gifts and Hospitality should be maintained. The Register should be used to record all items received and refused and should be subject to a periodic review by the Acting Manager.</li> <li>3. The Financial Procedures should be developed to ensure that all of the following areas of financial activity are included: Petty cash, Income. Comprehensive procedures should be produced for the following areas: Purchasing, Personnel and Payroll. Once the procedures have been produced, these should be approved and periodically reviewed. All staff should be made aware of the procedures.</li> <li>4. Staff should be made aware of the insurance limit for the safes and the procedure when the limit is exceeded. This procedure should be documented</li> <li>5. i) A Security Policy should be produced covering all aspects of the site and assets held. ii) The charge made to service users for tea and coffee should cease until confirmation of approval of the charge has been sought and obtained. If the charge has not been approved, the decision should be made whether a charge should or should not be levied. The charge should then be approved and applied consistently by all establishments. A Charge Policy should then be produced for the Centre which includes all charges levied. Once produced the policies should be approved and staff should be made aware.</li> <li>6. Petty cash vouchers should be signed by the person making the claim when payment is received. The Imprest limit should be raised to a reasonable level to cover expenditure and to allow for the delay in reimbursing the petty cash.</li> <li>7. The record of income received should be updated to include the period the payments cover.</li> </ol> | 20 (10) | June 2013 Establishment Manager | Jun-13 | <p>11 recommendations have been implemented of which 5 are of a high priority and 6 of a medium priority. 5 recommendations are in the process of being implemented of which 3 are of a high priority and 2 of medium priority. The remaining 4 recommendations of which 2 are high and 2 are medium are yet to be actioned.</p> <p>There is a commitment by the management to implement all outstanding recommendations by the next follow up date of June 2013</p> | A |
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|  |            |         | <p>8. Guidance should be sought from Head Office to confirm what income should be paid into the budget and into the Amenity Fund.</p> <p>9. A review of the key holding arrangements should take place. An independent person should monitor the use of the facilities. The application form for lettings should be updated to include the charge per session and the requirement for the manager to accept and approve the letting.</p> <p>10. Orders regarding health and safety issues should be investigated and actioned as a matter of urgency. The communication between the Department for Adult Social Services establishments and the Property Services team should be strengthened. The roles, responsibilities and service provision between the two departments should be documented and approved.</p>   |       |                           |        |   |   |
| Stanton Rd Primary School (09/04/2013) | F&W [CYPD] | Limited | <p>Original audit completed in November 2011 resulting in 5 high priority recommendations:</p> <p>The Charging Policy should be updated to incorporate all charges for hiring's and lettings, and presented annually to the full Governing Body for approval. The Letting Policy should be approved by the full Governing Body.</p> <p>The Governing Body should agree the charges and terms and conditions of hiring/letting for the use of school facilities and services.<br/>An official hiring/letting agreement should be in place for all individuals or clubs who hire the schools facilities and premises.<br/>Invoicing for all hirings/lettings should be on the day of the hiring/letting or in advance for regular block bookings.<br/>An independent person should monitor the hiring/letting invoicing through Sundry Debtors reporting.</p> | 5 (5) | June 2013<br>Head Teacher | Jun-13 | This is the 2nd follow up audit with no recommendations having been implemented following the 1st. 3 recommendations have now been implemented with assurances provided that the remaining 2 are in the process of being implemented. | R |

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|                            |                |         | <p>An effective separation of duty should be in place on the income system and evidenced with a signature and date. Envelopes containing lunch money should be opened on a witness basis.</p> <p>The income record should be updated to include the banking period.</p> <p>The bank paying in slips should be reconciled to the income records and dated and signed. An independent review of the income received to the income banked should take place regularly and evidenced with a signature and date.</p> |       |  |        |   |   |
|                            |                |         | <p>The Financial Procedures Manual should be updated to include all the relevant areas of the income system. All staff should be made aware of the procedures which should be adhered to at all times. A regular review of the Financial Procedures Manual should take place and approved by the governing body. The approval should be evidenced in the minutes of the full Governing Body.</p>  |       |  |        |   |   |
|                            |                |         | <p>A procedure should be in place to confirm receipt of income. If receipts are to be issued upon request then an official Wirral receipt book should be used.</p>  |       |  |        |   |   |
| Mobile Phones (25/04/2013) | Authority-Wide | Minimum | <p>Original audit completed in June 2011, resulting in 5 high and 2 medium priority recommendations. High priority recommendations were:</p> <p>The Mobile Phone Policy should be subject to a joint review by the Department of Law, HR and Asset Management and the Department of Finance with all further findings and recommendations made in this report considered for appropriate inclusion. It is recommended that the policy is owned by Human Resources as a corporate policy.</p>                    | 7 (5) | August 2013<br>Human Resources Manager | Aug-13 | <p>None of the recommendations have been actioned. The Human Resources Manager has committed to arrange meetings with the Chief Information Officer and Strategic Director for Transformation and Resources to agree actions necessary.</p> | R |

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| <p>Internal Audit maintains that centralising the processes for managing the Authority’s mobile phone system would provide greater control than the current decentralised arrangements. However, if this can not be implemented due to factors such as resource implications, it is then recommended that Human Resources:</p> <ul style="list-style-type: none"> <li>i) Utilise the HR system as a repository for maintaining records of all employees that have been issued a mobile phone, including defining a process to ensure that these records are updated accordingly;</li> <li>ii) Consider if pre-determined roles that require mobile phone technology can be identified, in collaboration with Council Chief Officers, and included within appropriate HR systems;</li> <li>iii) Develop a business case template for employees requesting a mobile phone; and</li> <li>iv) Establish a process for the transfer of mobile phones between employees or suspending/removing devices from the supplier's contract.</li> </ul> |
| <p>To ensure the Council is not continuing to pay for unused/unauthorised mobile phones, the Finance Department should provide Chief Officers with a list of all unknown mobile numbers in order for them to be identified. Action should then be taken to suspend/cancel appropriate mobile phone lines as appropriate.</p>  |
| <p>A procurement group should be established, consisting of representation from IT Services and Corporate Procurement, to review the use of high end mobile phones in the Council. The procurement group should establish:</p> <ul style="list-style-type: none"> <li>i) The specification and selection of suitable handsets that are based on cost, technology infrastructure and user needs that should be included in the future contract tender documentation;</li> <li>ii) The compliance requirements in respect to Government Connect Code of Compliance (CoCo) for any mobile phone deemed appropriate for use by the Council; and</li> <li>iii) Whether any approved mobile phones and dongles can be classified as catalogue items on the i-Procurement system instead of going through the non-catalogue route process to provide greater control.</li> </ul>   |

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|                                     |                |         | IT Services, in consultation with the Payments Manager, should identify the required information that should be collected at the point of order for all mobile phones to ensure electronic billing can be utilised efficiently and effectively and expenditure can be coded to the correct cost centre. Additionally, it should be ensured that all mobile phone orders are included as part of the electronic billing process.   |       |  |        |  |   |
| Mobile Telecomms Usage (25/04/2013) | Authority-Wide | Minimum | <p>Original audit completed in November 2012, resulting in 3 high priority recommendations:</p> <p>The authority should review its policy on private usage of mobile phones. The policy requirement to reimburse personal use should be enforced or abandoned. We do not believe that a technical solution identifying personal use and automatically billing officers will prove to be feasible. The available options therefore appear to be-</p> <ul style="list-style-type: none"> <li>• Centralise the management of mobile phones and appoint an officer with responsibility for administering the phones and collecting the reimbursements for personal use. (In view of the new contract, which charges a flat rate per month irrespective of usage, a view will have to be taken as to how to value personal use e.g. a flat rate per call);</li> <li>• Charge all users a flat rate for personal use deducted from salary, the onus being on the user to show no personal use to have the charge withdrawn;</li> <li>• Change the policy such that no private usage is permitted except in cases of emergency and such cases to be reimbursed.</li> </ul> <p>Pending any decision on the above, all officers with mobile phones should be reminded of the requirement to reimburse the council for private usage in accordance with the policy.</p> | 3 (3) | August 2013<br>Human Resources Manager | Aug-13 | None of the recommendations have been actioned. The Human Resources Manager has committed to arrange meetings with the Chief Information Officer and Strategic Director for Transformation and Resources to agree actions necessary. | R |



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|  |  | <p>It has been agreed with management that this recommendation and the others within this report will be addressed by taking a paper to Executive Team in order that decisions can be taken on the policies to be implemented.</p>                           |  |  |  |  |  |
|  |  | <p>Automatic roaming of phones should be disabled for all phones and re-instated on a case by case basis only in respect of officers travelling overseas on authorised business or senior officers who need to be contacted when on holiday overseas.</p>    |  |  |  |  |  |
|  |  | <p>It has been agreed with management that this recommendation and the others within this report will be addressed by taking a paper to Executive Team in order that decisions can be taken on the policies to be implemented.</p>                           |  |  |  |  |  |
|  |  | <p>We recommend that, pending any review of the council's policy on personal use, officers responsible for mobile phone bills within departments are made responsible for reviewing these for excessive and inappropriate use and reporting accordingly.</p> |  |  |  |  |  |
|  |  | <p>It has been agreed with management that this recommendation and the others within this report will be addressed by taking a paper to Executive Team in order that decisions can be taken on the policies to be implemented</p>                            |  |  |  |  |  |