

REPORT TO: Audit and Governance Committee

MEETING DATE: 18 March 2014

BY: Depute Chief Executive (Resources & People Services)

SUBJECT: Internal Audit Follow-up Report

1 PURPOSE

- 1.1 To inform the Audit and Governance Committee of the recent follow-up work undertaken by Internal Audit.

2 RECOMMENDATION

- 2.1 That the Audit and Governance Committee note the findings of Internal Audit's follow-up work on Travel and Subsistence, Carbon Management Reduction and Purchase Cards.

3 BACKGROUND

- 3.1 As part of the audit plan for 2013/14 Internal Audit has followed up the recommendations made in previously issued audit reports to ensure that they have been implemented as agreed by Management. Our findings are detailed below.

Travel and Subsistence

- 3.2 Internal Audit's report on Travel and Subsistence was issued in November 2012. Our follow-up review has identified that of the 5 recommendations made, 3 have been fully implemented, 1 is currently outstanding and 1 has been partly implemented. The recommendations that are currently outstanding or partly implemented are detailed in Appendix 1 together with Management's response.

Carbon Management Reduction

- 3.3 Internal Audit's report on Carbon Management Reduction was issued in September 2012. Our follow-up review has identified that of the 6 recommendations made, 5 have been fully implemented and 1 is currently outstanding. The recommendation that is currently outstanding is detailed in Appendix 1 together with Management's response.

Purchase Cards

- 3.4 Internal Audit's report on Purchase Cards was issued in March 2013. Our follow-up review has identified that of the 8 recommendations made, 5 have been fully implemented and 3 are partly implemented. The recommendations that are partly implemented are detailed in Appendix 1 together with Management's response.

4 POLICY IMPLICATIONS

- 4.1 None

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - None
6.2 Personnel - None
6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 None

AUTHOR'S NAME	Mala Garden
DESIGNATION	Internal Audit Manager
CONTACT INFO	01620 827326
DATE	6 March 2014

Appendix 1

TRAVEL AND SUBSISTENCE

Our follow-up review has identified that of the 5 recommendations made, 3 have been fully implemented, 1 is currently outstanding and 1 has been partly implemented. The recommendations that are currently outstanding or partly implemented are detailed below together with Management's response.

PARA REF	RECOMMENDATION	RESPONSIBLE OFFICER	MANAGEMENT RESPONSE	REVISED DATE OF COMPLETION
3.2.3	<p><u>Currently Outstanding</u></p> <p>An authorised signatory list should be established and distributed to all members of the Payroll Section who have responsibility for checking payroll documents.</p>	Payroll Manager	<p>A new add on to the Human Resource System (HR21) will resolve the need for a manual authorisation list.</p> <p>The new facility will enable the appropriate managers to authorise staff data electronically i.e. travel expenses, sickness absence.</p>	December 2014
3.2.6	<p><u>Partly Implemented</u></p> <p>Management should ensure that appropriate guidance is in place to allow a consistent approach to be applied to subsistence payments.</p>	Depute Chief Executive – Resources and People Services	Draft Travel and Subsistence Guidance has been developed and is awaiting final approval.	March 2014

CARBON MANAGEMENT REDUCTION

Our follow-up review has identified that of the 6 recommendations made, 5 have been fully implemented and 1 is currently outstanding. The recommendation that is currently outstanding is detailed below together with Management's response.

PARA REF	RECOMMENDATION	RESPONSIBLE OFFICER	MANAGEMENT RESPONSE	REVISED DATE OF COMPLETION
3.5.1	Management should ensure that appropriate segregation of duties exist in the collection, recording and compiling of CRC Energy Efficiency Scheme data.	Service Manager – Engineering Services & Building Standards	Agreed	March 2014

PURCHASE CARDS

Our follow-up review has identified that of the 8 recommendations made, 5 have been fully implemented and 3 are partly implemented. The recommendations that are partly implemented are detailed below together with Management's response.

PARA REF	RECOMMENDATION	RESPONSIBLE OFFICER	MANAGEMENT RESPONSE	REVISED DATE OF COMPLETION
3.3.3	Management should ensure that the existing guidance in place is being complied with and that purchase cards are only being used where alternative procurement routes are not available. Purchase cards should not be used to pay supplier invoices or for large items. These should be purchased via the Council's normal procurement processes.	Heads of Service (Council wide)	Both Property Maintenance and Amenity Services are to review current use and affirm instruction to individual purchase card holders.	March 2014

PARA REF	RECOMMENDATION	RESPONSIBLE OFFICER	MANAGEMENT RESPONSE	REVISED DATE OF COMPLETION
3.3.3 (cont)	Where an existing contract is in place, the Council's contracted suppliers should be used.		As above	
3.5.1	Cardplus Supervisors should review all cardholders' transactions on the Cardplus system on a monthly basis to ensure that they are valid.	Cardplus Supervisors (Council wide)	Agreed	March 2014
3.6.1	Management should ensure that all purchase card transactions are supported by an appropriate invoice or receipt.	Cardplus Supervisors (Council wide)	Property Maintenance Service Management to affirm instruction to individual purchase card holders and ensure governance checks are in place.	March 2014