

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2014/15

COMMITTEE:

AUDIT COMMITTEE

16th June 2014

Item No. 8
Finalised Audit Assignments 2014/15

REPORT OF:-

GROUP DIRECTOR, CORPORATE SERVICES

Author: Marc Crumbie (Operational Audit Manager)

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1. PURPOSE OF THE REPORT

This report provides Members with a summary of audit assignments completed between 17th April 2014 and 3rd June 2014.

2. RECOMMENDATIONS

It is recommended that Members:

2.1 Note the contents of this Report.

2.2 Consider what comments and recommendations, if any, they wish to make.

3. BACKGROUND

3.1 In line with agreed procedures, I attach at **Appendix 1** a summary of audit assignments completed between 17th April 2014 and 3rd June 2014.

3.2 I have provided Members with the Auditor's stated opinion regarding the system or service examined and have summarised the high priority recommendations made together with the management response and the anticipated implementation date for each agreed recommendation.

3.3 Members will note that, of the 4 completed assignments; 1 resulted in at least one high priority recommendation being made.

3.4 The audit assignments summarised at **Appendix 1** are: -

EDUCATION & LIFELONG LEARNING

- LLWYNYPIA PRIMARY SCHOOL
- BRYNCELYNNOG COMPREHENSIVE SCHOOL

ENVIRONMENTAL SERVICES

- TRADING STANDARDS
- STREETCARE ENFORCEMENT

4. SUMMARY

4.1 The regular provision of all summarised audit assignments to Audit Committee throughout the year is aimed at assisting Members in evaluating the effectiveness of Internal Audit work across all Council systems and services.

4.2 In doing so, it enables Members to form an opinion on the overall control environment prior to the closure of accounts process for 2014/15.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE ACCESS TO INFORMATION ACT, 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

AUDIT COMMITTEE

16th June 2014

Report of the Group Director for Corporate Services

Author: Marc Crumbie (Operational Audit Manager).

Item

File Ref:

5. Finalised Audit Assignments 2014/15

IA / MC

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FINALISED AUDIT ASSIGNMENTS

EDUCATION & LIFELONG LEARNING
LLWYNYPIA PRIMARY SCHOOL
Date: 20/5/2014
<p>INTRODUCTION</p> <p>The self-evaluation process is designed to help and advise Headteacher's and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.</p> <p>Llwynypia Primary was last subject to an internal Audit Review in February 2010, and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.</p>
<p>AUDIT OPINION</p> <p>Overall, the control environment at the school is considered to be good.</p> <p>The fieldwork for this review confirmed that all members of staff at the school have a DBS check in place. The list held at the school however; needs to be updated to include full details of all new staff members and remove all ex-members. The School has devised the relevant Safeguarding policies which are reviewed on an annual basis.</p> <p>The School Private Fund is administered appropriately and the annual certificate has been completed and sent to Education Finance. Bank statements are being received at the school on a monthly basis and are reconciled to the subsidiary records. Banking of income is undertaken regularly and recorded appropriately. Expenditure is being incurred solely for the benefit of the school.</p> <p>The Purchase Card is being administered well, an accurate transaction log is being maintained and all purchases are made in line with the Cardholder Manual. The Purchase Card and pin number is held securely and an audit trail is retained for all purchases.</p> <p>Dinner money is banked promptly and securely retained at the school. The school is pursuing all dinner money arrears and submitting a return of all pupils in arrears to Catering Finance regularly. Free school meals are only being provided to pupils who have been given confirmation of eligibility which is retained at the school.</p> <p>No High priority recommendations have been made.</p>

EDUCATION & LIFELONG LEARNING		
BRYNCELYNNOG COMPREHENSIVE SCHOOL		
Date: 1st May 2014		
INTRODUCTION		
<p>Bryncelynnog Comprehensive School is a single-site 11-18 mixed community school, situated in the village of Beddau, near Pontypridd.</p> <p>There are 840 pupils in years 7 - 11, with a further 199 students in the sixth form.</p> <p>Pupils are admitted from five main primary schools in Beddau and the surrounding area, including the villages of Tonteg and Church Village. Pupils come from a range of socio-economic circumstances, with the proportion entitled to free school meals standing at approximately 15%.</p> <p>Bryncelynnog Comprehensive School was last subject to a routine audit review in February 2011 which was subsequently followed up during April 2012.</p>		
AUDIT OPINION		
<p>Based on the audit testing undertaken, the School's internal control environment relating to its financial and governance arrangements is considered to be of a satisfactory standard.</p> <p>At the time of the fieldwork for the review, the school did not have a Purchasing Policy in place.</p> <p>When income for the School Private Fund is transferred from staff/pupils to the Administrative Assistant, only the Administrative Assistant is signing to confirm the amount passed over, thus increasing the risk to her should any discrepancies occur. Additionally, records maintained by staff for trips/functions need to be improved and hence there is a need to improve and promote consistency in the records maintained, with all staff reminded of the importance of complete records.</p> <p>Audit testing has identified a need to introduce standard documentation for the hire of facilities as currently there is no central record or application form.</p> <p>The implementation of the recommendations made within the audit report will enable the Headteacher to enhance the standard of administration at the School.</p>		
Report Reference Number	High Priority Audit Recommendations made & Agreed by Management	Agreed Implementation Date
7.1.1	<p>AGREED RECOMMENDATION</p> <p>A Purchasing Policy, approved by the Governing Body, should be introduced at the school and incorporated / referred to within the main financial procedures document.</p> <p>Such a policy should specify those staff authorised to commit the school to expenditure, any limits placed on this authority, the procedure to be followed to ensure value for money is achieved etc.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed. A Purchasing Policy (which includes names of budget holders as an appendix) has been drawn up and will be discussed at the next Finance Committee meeting for approval prior to approval by main Governing Body.</p>	Implemented.
7.2.1	<p>AGREED RECOMMENDATION</p> <p>The school should formulate and introduce application forms to be completed by hirers (of school facilities) and signed off by the Headteacher. The application forms should also include all Terms and Conditions of hire and payments.</p>	Implemented.

	<p>Consideration should also be given to the introduction of a central lettings diary or register, which should be held in a location allowing ease of reference by staff taking enquiries regarding bookings.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed. Since the audit review all hirers have completed a letting agreement/ application form indicating the facility, purpose, dates, day and times the facility are required.</p> <p>The cost of the hire has also been included and signed by both parties.</p>	
7.3.1	<p>AGREED RECOMMENDATION</p> <p>When income is handed over by staff to the Administrative Assistant for banking, both the Administrative Assistant and the member of staff handing over the income should sign the receipt confirming the handover as confirmation of the amounts involved.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed. All receipts of income will now be signed by the Administrative Assistant and the member of staff handing over the income.</p>	Implemented.
7.3.2	<p>AGREED RECOMMENDATION</p> <p>In accordance with the School Private Fund Regulations all staff involved in the collection of income should be reminded of the importance of ensuring that records are maintained detailing the amounts received from individual pupils, as per the standard pro forma.</p> <p>Additionally, where fund raising activities are organised, a statement of account should be prepared detailing the amount of income received, expenditure incurred and the net profit paid into the Private Fund.</p> <p>All records should be signed and dated by the event organiser as confirmation of the amounts involved, and provided to the Treasurer for retention.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed.</p> <p>Trip organisers/budget holders (Private Fund) have been issued with a copy of the Private Fund Regulations together with the appendices.</p> <p>All staff have been reminded that accurate records must be kept and maintained of the collection of income/monies for all accounts within private funds on the appropriate form</p> <p>All staff have been reminded that the Private Fund Regulations must be adhered to and a statement of accounts prepared at the end of each organised trip/fund raising activity.</p>	Implemented.

ENVIRONMENTAL SERVICES
TRADING STANDARDS
Date: 20th May 2014
INTRODUCTION <p>The main aim of the Trading Standards section is to protect consumers and traders in Rhondda Cynon Taf. To do this they:</p> <ul style="list-style-type: none">• enforce government legislation• offer advice to consumers• provide advice and inspections for businesses• deal with public complaints and trade enquiries, and• investigate offences and prosecute offenders. <p>They advise on and enforce laws that govern the way we buy, sell, rent and hire goods and services. Trading Standards officers advise on consumer law, investigate complaints and, if all else fails, prosecute traders who break the law. These laws cover a wide area, which include:</p> <ul style="list-style-type: none">• consumer safety• counterfeit goods• product labelling• weights and measures• under-age sales• animal welfare <p>Approximately 2000 referrals are received to the section each year from consumers and traders.</p>
AUDIT OPINION <p>Based on the audit testing undertaken, the administration surrounding referrals and seized goods is considered good.</p> <p><u>Referrals in Flare</u></p> <p>A sample of 20 referrals logged in Flare (the computer system used to help manage the workloads of the service) were examined, it was established that each had been appropriately actioned and responded to by a Trading Standards officer. However, additional testing established that there were currently 99 cases classed as 'open' in Flare from 2013 and from a sample of 10 of these, audit testing confirmed that 4 could be closed. This suggests that a review of all 'open cases' is overdue.</p> <p><u>Seized Goods</u></p> <p>Good practice is noted in that management has developed guidelines for staff in relation to the storage of seized goods at its designated sites. However, this review identified anomalies, such as:</p> <ul style="list-style-type: none">• The database not always accurately reflecting the position of the goods.• Goods were being held in storage that should be destroyed, and <p>A small number of recommendations have been made within the audit report aimed at strengthening the control environment further.</p> <p>No high priority recommendations made.</p>

ENVIRONMENTAL SERVICES

STREETCARE ENFORCEMENT

Date: 13th May 2014

INTRODUCTION

Streetcare Enforcement is undertaken by the Service Director, Streetcare under the governance of the Group Director, Environmental Services. Operationally, enforcement is delivered under the management of the Streetcare, Cleansing & Enforcement Manager.

The Council takes Enforcement Action against the depositing of litter - including fly posting, dog fouling, fly tipping, as well as other infringements such as non-compliant disposal of trade / domestic waste, illegal carriage of waste/salvage etc.

The Council derives enforcement powers from the 1990 Environmental Protection Act and the 2005 Clean Neighbourhood and Environment Act. Essentially this allows the Council to issue Fixed Penalty 'On the Spot' Fines, which can be supported by Court action for non-payment.

In 2007, procedures for the issuing of fixed penalty notices were documented and distributed to Officers, with those procedures being reviewed and updated in October 2013. Compliance with these procedures provided the focus for this Internal Audit review.

AUDIT OPINION

Assurance can be reported that the Flare system provides an appropriate framework for managing Streetcare Enforcement.

The Flare system could be further utilised to record the progress / outcome of cases after they have been referred to the Legal Officer for recovery. Controls may also be strengthened if each case is 'closed' by an 'independent officer' i.e. an officer who has not previously managed the actions on the case.

The Environmental Enforcement Manual is considered to be an important source of reference for operational Officers. In essence it remains fit for purpose, and adding a flowchart for Waste Carrier offences, and including the penalty value for Graffiti / Fly-posting offences would improve the document further. The expected frequency of review should also be noted within the Manual.

It is reported that offenders may request to pay Fixed Penalty Notices in instalments; the Manual does not give guidance as to how many instalments would be acceptable, how long the instalment period should be along with what factors would need to be taken into account.

There is assurance that a variety of payment methods are available to pay Fixed Penalty Notices, however this would be strengthened if a facility to make card payments by phone / online were introduced.

No high priority recommendations made.

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