



**Stockton-on-Tees**  
BOROUGH COUNCIL

## **Internal Audit Report**

### **Development and Neighbourhood Services Security Services**

**Report Status:** FINAL  
**Date of Issue:** 29 September 2011

**Auditor:** Christine Knaggs

**Distribution:**

**For action:** Paul Dobson, Corporate Director of Development & Neighbourhood Services  
Mike Batty, Head of Community Protection  
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**1. Background:**

Security Services are located within a secure compound and operate twenty-four hours a day. Responsibilities reviewed during the audit were Care Call, Telecare, Home care, Alarm Monitoring and Enforcement Services. The individual services appear to be efficient, with officers showing a good knowledge of their duties and responsibilities. Management attention is required to ensure corporate procedures are complied with, and a full audit trail of actions taken, is available to help prevent any risk of allegations of malpractice.

Following the conclusion of the audit, the draft report was discussed with the Security Services Manager; there was disagreement over some of the recommendations made. The Security Services Manager disagreed with some of the recommendation priority ratings and some he classed as findings, rather than recommendations. It should be noted that although there was some disagreement, fifteen recommendations were said to have been already completed when responding to the draft and that the remaining seven would be completed in the coming months. An additional factor that has contributed to this situation is the significant number of previous audit recommendations that had not been implemented when the required follow up work was undertaken during this audit.

**2. Executive Summary:**

An opinion is given of the effectiveness of the control environment and indicates the level of assurance that can be taken based upon our testing and evaluation of the system. This opinion will feed into the Annual Statement of Internal Control.

The significance of the control weaknesses identified enables us to give the following opinion:

**LIMITED ASSURANCE: The system of controls is weak and (either) is not being complied with in some significant areas, or does not cover all areas.**

The following levels of assurance can be placed on the individual control objectives examined as part of this review:

<i><b>Previous Recommendations</b></i>	<i><b>Limited Assurance</b></i>
The previous audit was carried out in September 2009 when eighteen recommendations were made. Of these, seven are considered to be fully implemented, seven are not implemented and four are no longer applicable due to changes in contracts or working practices. The not implemented recommendations are restated in the main body of this report.	

<i><b>Purchasing and Procurement</b></i>	<i><b>Limited Assurance</b></i>
A large number of routine purchases are ordered through Agresso and show correct authorisation. Management attention is needed to ensure all purchases of equipment and services comply with corporate procurement rules and a full audit trail is available to provide transparency and accountability.	

<i><b>Budgetary Control</b></i>	<i><b>Substantial Assurance</b></i>
This is a high risk budget and is therefore subject to monthly monitoring meetings between the budget holder and Accountancy. It was reported that end of year budgetary control was difficult due to large swings in predicted income. Procedures and reports have been put in place to improve this for coming years.	

<b>Care Call and Telecare</b>	<b>Substantial Assurance</b>
<p>Officers involved in the operation of Care Call and Telecare showed a very good understanding of systems in place, their operation and client base. Records are held of staff training and the systems are subject to inspections by CQC.</p> <p>Following changes to funding and the SPOCC system used by the Supporting People section, work is ongoing between officers from Care Call and Supporting People and their budget support officers to ensure systems are in place and responsibilities for administering the systems are clarified. Management should ensure this is completed as soon as possible and all officers are clear on their responsibilities to ensure payments can be made accurately and promptly.</p>	
<b>Alarm Services</b>	<b>Substantial Assurance</b>
<p>Operational activities for alarm monitoring and security of key holding are well managed. Three recommendations are made in this section which concern the administration and charging for the service.</p>	
<b>Home Care Services</b>	<b>Full Assurance</b>
<p>The section provides home care services for clients requiring care outside of the normal working hours, for other care providers. Referrals and care plans are received from social workers and the service is subject to inspection by CQC. Good controls are in place to ensure clients are receiving the correct service and officers are receiving relevant training.</p>	
<b>Use of Vehicles</b>	<b>Substantial Assurance</b>
<p>Vehicle logs were examined and show good evidence of checks being carried out each time the vehicle is used, including any changes to the vehicle, e.g. addition or removal of CCTV equipment. Running costs per vehicle are monitored by the Budget Support Officer on a monthly basis.</p>	
<b>Enforcement Services</b>	<b>Substantial Assurance</b>
<p>Enforcement Services cover a wide range of duties and are required to be accredited by Cleveland Police. Training appears to be thorough with all officers involved in the audit showing a good knowledge of their duties.</p> <p>There has been recent press coverage of a DVLA suspension being applied to a number of local authorities including SBC. This was a partial suspension whereby direct access to the DVLA vehicle database was withdrawn for a limited period and resulted from incomplete records being available. Systems were reviewed and access has been reinstated.</p> <p>There are a number of recommendations in this section that require management attention.</p>	
<b>Income and Banking</b>	<b>Substantial Assurance</b>
<p>Recording and collection of specific income streams is included in the Security Services audit programme. This section looked at the security of cash and banking of income.</p>	
<b>Petty Cash</b>	<b>Substantial Assurance</b>
<p>Administration of petty cash was noted to be good. Purchases are realistic and authorisation is in place. Two small purchases of staff uniform were identified; it should be noted by management that uniform deemed to be able to be worn away from work, i.e. does not include a logo, may be classed as a taxable benefit by HMRC.</p>	
<b>Recruitment, Payments to Staff &amp; CRB Checks</b>	<b>Substantial Assurance</b>
<p>CRB checks were reviewed with all officers having valid clearance recorded on the HR database. Recruitment procedures were not reviewed during the audit.</p>	
<b>Inventories</b>	<b>Limited Assurance</b>
<p>There are no inventory records held at the Security Centre.</p>	

**Assurance Level Methodology:**

Internal Audit has adopted the following scale of assurances that can be given to indicate the effectiveness of the control environment and the likelihood of control objectives being met for the area under review.

<b>Level</b>	<b>Definition</b>
<b>FULL ASSURANCE</b>	A sound system of controls is being applied consistently
<b>SUBSTANTIAL ASSURANCE</b>	Overall, there is a sound system of internal controls, however, the implementation of suggestions or agreed recommendations would further strengthen these controls
<b>LIMITED ASSURANCE</b>	The system of controls is weak and (either) is not being complied with in some significant areas, or does not cover all areas.
<b>NO ASSURANCE</b>	The system of controls is failing and in need of urgent management attention.

### 3. Purpose of the Audit:

The audit was designed, via a schedule of testing, to enable an opinion to be formed upon the control environment.

This report is designed to provide feedback to management on the results of audit testing.

It should be noted that the opinion relates to the control environment only. It is not designed and should not be construed as an opinion on the quality or performance of the service as a whole. It should be noted that the establishment of adequate control systems is the responsibility of management, and that an internal audit review is conducted on a test basis and cannot therefore review every transaction. Thus, while the implementation of internal audit recommendations can reduce risk, and may lead to the strengthening of these systems of control, responsibility for the management of these risks remains with the service manager.

The auditor has signed a declaration that he/she has no pecuniary interest in any aspect of the subject of this report.

### 4. Management Action Plan:

As part of the audit process, recommendations for system improvement are made where it is felt necessary. These recommendations form an action plan which is agreed with managers. The action plan resulting from this audit can be seen below.

#### ***Recommendation Priority Methodology:***

Priority	Definition
<b>(4*) URGENT</b>	Considered essential that immediate action is taken to rectify major shortcomings, e.g. no controls, major system breakdown, serious irregularities.
<b>(3*) SUBSTANTIAL</b>	Where urgent action is required to resolve serious shortcomings in systems, e.g. cash controls
<b>(2*) SIGNIFICANT</b>	Drawing attention to inadequate controls, system breakdown or weaknesses, non-compliance with legislation, accounting instructions, etc. Once it is agreed change is required the client will be expected to state a date from which changes will apply.
<b>(1*) PRUDENT</b>	Recommended system and control improvements.

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### Purchasing and Procurement

No: 01	Priority: 1 Prudent	Status: Accepted	Implementation Date: 01/09/2011
<b>Finding:</b>	A number of green invoices have been raised to refund officers for equipment purchased by them for use by the Security Centre. Copies of invoices were not attached when the green invoice was submitted for payment which meant that VAT could not be reclaimed.		
<b>Risk and Implications:</b>	VAT cannot be reclaimed without supporting invoices being submitted.		
<b>Recommendation:</b>	Green invoices should be submitted with supporting documentation to enable VAT to be reclaimed when applicable and to ensure transparency and a clear audit trail is available.		
<b>Responsible Officer Comments:</b>	Recommendation is fully completed.		
<b>Responsible Officer:</b>	Leanne Hayes		

No: 02	Priority: 2 Significant	Status: Accepted	Implementation Date: 01/09/2011
<b>Finding:</b>	A green invoice was raised for the purchase of a laptop from Currys plc for use by an officer in the office and at home. Delivery was made to a private address. ICT had not been advised of this and therefore it was not subject to laptop encryption in line with SBC policy. In addition, the officer had been paid the full invoice amount without taking into account a £15 discount that was received. ICT have advised Audit that this constitutes a security breach and may also breach licence agreements; this will be looked into further by them.		
<b>Risk and Implications:</b>	Use of unauthorised ICT equipment constitutes a security breach.		
<b>Recommendation:</b>	Purchase of ICT equipment should only be made with the agreement of SBC ICT section, who will ensure policies and licence conditions are complied with. Care should be taken when authorising invoices to ensure only the actual amount that has been paid is reimbursed.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed. The Security Services Manager supported this request based on timescale and cost. The PC now has a home use certificate provided by SBC ICT and is to be used by 3 users.		
<b>Responsible Officer:</b>	Michael McLone		

No: 03	Priority: 2 Significant	Status: Accepted	Implementation Date: 31/12/2011
<b>Finding:</b>	<p>Agresso transactions were reviewed to look at authorisations and ensure standing orders and procurement guidance had been followed. The following points were noted:</p> <ul style="list-style-type: none"> <li>• JG Uniforms are used to supply staff uniforms and protective clothing. £23,255 has been spent with this company between April 2010 and July 2011. The company is not an SBC or NEPO approved supplier, nor has a delegated decision record been completed to authorise its use in the absence of comparison quotations being received.</li> <li>• An ex-employee provides a consultancy service to the Security Centre with payments of £1,800 per quarter being made; this equates to £7,200 per annum which is over the £6,000 limit when quotations are required. Quotations have not been sought for this service, nor has a delegated decision record been authorised. In addition, the individual has not completed a declaration form to confirm his self employed status. A copy of this form was supplied to the Security Centre at the time of the audit.</li> </ul> <p>These suppliers were the subject of two previous audit recommendations.</p>		
<b>Risk and Implications:</b>	Corporate procurement procedures are not being complied with.		
<b>Recommendation:</b>	Management must ensure that comparison quotations are obtained when supplies or services exceed the financial limit, as set out in the corporate		

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	procurement procedures. When this is not possible, due to the specific nature of the supply, a delegated decision record should be completed and authorised setting out the reasons for this. When payment is made to an individual, a declaration of employment status should be completed and retained by the section.
<b>Responsible Officer Comments:</b>	Agreed. Currently MBC are undertaking a procurement exercise, if this means a reduction in costs, the tender list will be used. If the costs are higher the existing supplier will be used and a scheme of delegation decision form will be completed. A declaration of employment status has been completed.
<b>Responsible Officer:</b>	Michael McLone

No: 04	Priority: 2 Significant	Status: Accepted	Implementation Date: 15/09/2011
<b>Finding:</b>	<p>A corporate credit card in the name of the Enforcement Co-ordinator is in use at the Security Centre; statements for February, April and May were reviewed. No receipts have been passed to Xentrall resulting in no VAT being reclaimed and therefore additional costs to the Authority. Only one receipt from the sixteen transactions on the statements was available to Audit at the Security Centre. Transactions of interest that could not be verified included £39.43 from Jennings of Stockton and £698.00 from PC World.</p> <p>In addition, the statements do not evidence that they have been authorised by the card holder prior to being returned to Xentrall for payment.</p> <p>This was the subject of two previous audit recommendations.</p>		
<b>Risk and Implications:</b>	Purchases on the corporate credit card cannot be verified.		
<b>Recommendation:</b>	Receipts for all transactions on the corporate credit card should be passed to Xentrall to enable VAT to be reclaimed and therefore costs to the Authority reduced by 20% when applicable. Copies are acceptable provided the VAT registration number is shown. All credit card statements should be signed by the card holder or budget holder as evidence of authorisation.		
<b>Responsible Officer Comments:</b>	Completed, a spreadsheet is now in place logging all transactions and receipts.		
<b>Responsible Officer:</b>	Leanne Hayes		

### Care Call and Telecare

No: 05	Priority: 2 Significant	Status: Accepted	Implementation Date: 31/03/2012
<b>Finding:</b>	<p>A large number of Care Call systems are located in properties owned by registered social landlords (RSL) who are charged in accordance with the monitoring required. Details are available showing systems in place and charges for 2011, which were agreed to the invoices raised on Agresso. Abbeyfield have recently returned as clients for Care Call monitoring. Correspondence was evident showing quotations and an SLA being submitted, but a signed copy of the SLA was not held. It was stated that letters are sent to all RSL's prior to March each year to inform them of the charges to be raised for the coming financial year.</p> <p>Evidence of the notification for 2011/12, or the RSL's agreement to the charges, could not be supplied to Audit.</p>		
<b>Risk and Implications:</b>	Care Call cannot evidence agreement to terms and conditions of the service provided and charges raised for all clients.		
<b>Recommendation:</b>	Signed SLA's or contracts should be available for all current services to RSL's detailing obligations of both parties. It is accepted that the SLA remains in force until any change in service, provided this is stated in the document. <p>Evidence of correspondence to RSL's to increase charges should be available. Both these documents would be required in the event of any dispute arising.</p>		

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<b>Responsible Officer Comments:</b>	Agreed, Systems will be implemented from March 2012.
<b>Responsible Officer:</b>	Dean Kirby

No: 06	Priority: 1 Prudent	Status: Accepted	Implementation Date: 29/02/2012
<b>Finding:</b>	<p>Audit reviewed the records for fifteen self funding clients in receipt of Care Call to ensure agreements were in place and charges had been raised correctly. The following points are noted:</p> <ul style="list-style-type: none"> <li>• An agreement could not be located for three of the clients; it is acknowledged that the system has been in place for a number of years for these clients.</li> <li>• Clients who are chronically sick or disabled and are buying the services for their own personal or domestic use do not have to pay VAT for the alarm service and are required to sign an agreement to confirm their circumstances. One client from the sample reviewed has not been charged VAT, but does not have an exemption certificate on file.</li> <li>• Examination of Agresso shows that only four clients have been charged VAT for the service. Whilst this is correct as exemption certificates are not held, it would be good practice for these clients to be visited to ascertain if they are eligible for VAT relief and the appropriate certificate signed.</li> <li>• One client has not been charged for the service.</li> </ul>		
<b>Risk and Implications:</b>	Charges for the Care Call service are not being raised correctly in accordance with documents held.		
<b>Recommendation:</b>	A full reconciliation should be carried out to ensure all clients shown on the PNC database as being self funding have a payment agreement and a VAT exemption certificate in place and that charges are being raised correctly.		
<b>Responsible Officer Comments:</b>	Agreed. Not practical at this time, an exercise will be carried between November 2011 and March 2012. VAT exemption forms will have to be completed accordingly.		
<b>Responsible Officer:</b>	Dean Kirby		

### Alarm Services

No: 07	Priority: 1 Prudent	Status: Accepted	Implementation Date: 29/02/2012
<b>Finding:</b>	<p>Alarm monitoring is carried out for internal and external clients. Audit selected ten clients from a monitoring spreadsheet to ensure a signed agreement was in place covering the service provided. It was noted that agreements remain in force until any changes or cancellations are notified to the Security Centre and that a mail merge was carried out in March each year to notify clients of this and the charge for the coming year. Four of the ten clients reviewed did not have an agreement in place; changes have recently been agreed for two of these with paperwork being prepared at the time of the audit, leaving two clients without a signed agreement.</p>		
<b>Risk and Implications:</b>	In the event of any dispute, the Security Service cannot evidence agreement of the service.		
<b>Recommendation:</b>	Checks should be carried out to ensure all clients in receipt of alarm monitoring have a signed agreement in place which details the service being delivered.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed. SLA's are currently being sent out to all customers and returns monitored.		
<b>Responsible Officer:</b>	Leanne Hayes		



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<b>No: 08</b>	<b>Priority: 1 Prudent</b>	<b>Status: Accepted</b>	<b>Implementation Date: 01/09/2011</b>
<b>Finding:</b>	The ten clients reviewed were cross-referenced to Agresso to ensure charges had been raised correctly. Five charges had not been raised at the time of the audit; however, four were noted to be awaiting further information before the charge could be raised. One private client had not been charged for the alarm monitoring service for 2011, nor could he be traced as a debtor on Agresso which makes it doubtful that any charges have been raised for previous years.		
<b>Risk and Implications:</b>	Income is not being received.		
<b>Recommendation:</b>	Reconciliation should be carried out to ensure all clients in receipt of alarm monitoring are being charged for the service.		
<b>Responsible Officer Comments:</b>	Agreed and implemented.		
<b>Responsible Officer:</b>	Leanne Hayes		

<b>No: 09</b>	<b>Priority: 1 Prudent</b>	<b>Status: Accepted</b>	<b>Implementation Date: 31/10/2011</b>
<b>Finding:</b>	All alarm activations are recorded in a daily occurrence book in the control room. If an officer attends the scene then an activation sheet is completed and passed to an admin officer for charges to be raised. Audit selected ten activations in July to follow through the system and ensure charges had been made. Journals had been raised for the six internal clients and activation sheets were held by admin for an invoice to be raised for three of the external clients. An activation sheet could not be traced for the fourth external client.		
<b>Risk and Implications:</b>	Income due to the Authority is not being charged.		
<b>Recommendation:</b>	Systems should be put in place to ensure all officer attended alarm activations are recorded correctly and enable a reconciliation to be carried out to ensure that all charges raised.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed. Monthly reminders sent to all supervisors to ensure activations and responses to properties are recorded.		
<b>Responsible Officer:</b>	Leanne Hayes		

### Home Care Services

<b>No: 10</b>	<b>Priority: 1 Prudent</b>	<b>Status: Accepted</b>	<b>Implementation Date: 30/09/2011</b>
<b>Finding:</b>	There are sixteen clients receiving domiciliary care services through the Security Services. Agreements are in place for all clients and these were checked to the charges raised for June. One client was being undercharged by £1.77 per hour.		
<b>Risk and Implications:</b>	The section is not receiving all income due to them.		
<b>Recommendation:</b>	Care should be taken to ensure all charges are raised for the correct amounts as detailed in the agreements.		
<b>Responsible Officer Comments:</b>	Agreed.		
<b>Responsible Officer:</b>	Dean Kirby		

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### Use of Vehicles

No: 11	Priority: 2 Significant	Status: Accepted	Implementation Date: 30/09/2011
<b>Finding:</b>	A check on the recorded mileage in the vehicle logs showed a journey of 260 miles had been undertaken during one shift. This was explained as a journey to Nottingham to collect a motorbike. The motorbike had been paid for by the Enforcement Co-Ordinator and the V5 documents are registered in his name at the Security Centre address. It was stated that the bike will be used by Security Services for use in traffic management and that the Security Services Manager had given verbal authorisation for the collection.		
<b>Risk and Implications:</b>	The service is at risk of accusations of malpractice.		
<b>Recommendation:</b>	Management should ensure documentation, including formal authorisation from the budget holder, is in place prior to events of this nature. The officer is at risk of accusations of malpractice without this.		
<b>Responsible Officer Comments:</b>	The collection of the motorbike was authorised by the Security Services Manager. The intention is to use the vehicle for traffic management exercises, which will generate income from the Centre. The insurance company has been notified that the vehicle will be used on an adhoc basis. No further action to be taken.		
<b>Responsible Officer:</b>	Michael McLone		

No: 12	Priority: 2 Significant	Status: Accepted	Implementation Date: 01/09/2011
<b>Finding:</b>	Examination of four of the vehicle log books identified twenty-eight drivers of the vehicles. The names were checked to the copy driving licences held and the following points were noted: <ul style="list-style-type: none"> <li>• Eleven did not have a copy of their driving licence on file;</li> <li>• Four did not have a copy of the photocard part of the licence; and</li> <li>• One showed a photocard expiry date of 2010.</li> </ul> It is acknowledged that a check on driving licences was started at the time of the audit.		
<b>Risk and Implications:</b>	Entitlement to drive may not be identified, which could invalidate insurance cover.		
<b>Recommendation:</b>	It is recommended that driving licences are checked every six months for officers who are driving SBC vehicles. This would help to ensure that any changes to validity e.g. penalty points are identified and the officer remains eligible to drive.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed. A system is now in place where all officers able to use the fleet will have to provide documentation every 6 months.		
<b>Responsible Officer:</b>	Graeme Small		

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### Enforcement Services

No: 13	Priority: 1 Prudent	Status: Accepted	Implementation Date: 30/11/2011
<b>Finding:</b>	<p>Enforcement services have powers to remove untaxed vehicles from the highway. Vehicles can be released to the owner upon payment of a release fee and documentation. If they are not claimed after fourteen days they are either scrapped or auctioned depending on the value. Audit reviewed the vehicle release forms issued between January and August 2011; these were cross-referenced to the database of seized vehicles maintained by Admin Support, Flare and the payments received. Procedures and records are mostly sound; however, the following minor discrepancies were noted:</p> <ul style="list-style-type: none"> <li>• Six of the vehicle release forms reviewed had not had the seizure of the vehicle recorded on the admin tracker database.</li> <li>• Two minor discrepancies were noted on the Flare records, with one vehicle not recorded as being seized and one did not show the payment received.</li> </ul>		
<b>Risk and Implications:</b>	Records of seized vehicles are required to evidence why a DVLA vehicle check was carried out. Management must ensure they are compliant with this.		
<b>Recommendation:</b>	Officers should be reminded to ensure all required records are completed in full when a vehicle is seized and when it is released.		
<b>Responsible Officer Comments:</b>	Agreed. Systems to be updated by November 2011.		
<b>Responsible Officer:</b>	Graeme Small		

No: 14	Priority: 1 Prudent	Status: Accepted	Implementation Date: 30/11/2011
<b>Finding:</b>	<p>If an untaxed vehicle is released without a valid tax disc being produced, a surety of £160 must be paid in addition to any other release fee. This can then be refunded to the vehicle owner upon production of a valid tax disc. Records and security of the cash float were found to be good. However, it was noted that an SBC receipt book was being used to record a cash refund being given; this was signed by the SBC officer with no evidence of the payee receiving the cash. SBC receipts should only be issued when income is received by SBC.</p>		
<b>Risk and Implications:</b>	In the absence of the payee's signature there is no evidence that the refund has been received by the payee.		
<b>Recommendation:</b>	Another method of evidencing a cash refund of surety should be used. This could be in the form of a word document which states the reason, personal and vehicle details and any other relevant details. The signature of the person receiving the refund should always be obtained. This was discussed with the Admin / Finance assistant at the time of the audit.		
<b>Responsible Officer Comments:</b>	Agreed. Design and Print have been tasked to design a refund booklet, which the client will have to sign to say they have been refunded.		
<b>Responsible Officer:</b>	Leanne Hayes		

No: 15	Priority: 1 Prudent	Status: Accepted	Implementation Date: 30/11/2011
<b>Finding:</b>	<p>Audit reviewed twenty fixed penalty notices (FPN) issued by Enforcement Services since April 2011. The FPN details were cross-referenced to the tracker spreadsheet and Flare to ensure all records were accurate. Three minor discrepancies were noted:</p> <ul style="list-style-type: none"> <li>• If a fine is paid within seven days of issue a discounted rate is applied. Two of the sampled FPNs were paid after fifteen and eleven days but have still had the discount applied. There is no evidence of management authorisation for this.</li> <li>• One FPN has paid a £50 fine but this has been recorded on Flare as £25.</li> </ul>		

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<b>Risk and Implications:</b>	Management authorisation is not evident.
<b>Recommendation:</b>	Evidence of management authorisation to discount a fine paid outside of the time period should be retained. Care should be taken when updating records to ensure accuracy.
<b>Responsible Officer Comments:</b>	Review of systems to be implemented.
<b>Responsible Officer:</b>	Graeme Small/Leanne Hayes

<b>No: 16</b>	<b>Priority: 2 Significant</b>	<b>Status: Accepted</b>	<b>Implementation Date: 30/09/2011</b>
<b>Finding:</b>	The issue of blank FPN books is controlled, with the Enforcement Officers required to sign as confirmation of receipt. There are no controls in place to ensure all FPNs are accounted for as either issued or void. Audit identified a large number of missing FPN numbers from books that have been issued that could not be accounted for.		
<b>Risk and Implications:</b>	Controlled stationery cannot be accounted for.		
<b>Recommendation:</b>	Controls should be introduced to ensure all FPNs can be accounted for and therefore all fines are monitored and paid accordingly. This should include the tracker database and Flare.		
<b>Responsible Officer Comments:</b>	System now in place, Recommendation fully completed.		
<b>Responsible Officer:</b>	Graeme Small		

<b>No: 17</b>	<b>Priority: 1 Prudent</b>	<b>Status: Accepted</b>	<b>Implementation Date: 30/09/2011</b>
<b>Finding:</b>	<p>Enforcement Officers have powers to impound skips if they are left in dangerous or unlicensed places. Procedures for this appear to be good; however, the following administrative errors were noted:</p> <ul style="list-style-type: none"> <li>• Two letter templates were seen by Audit to notify the owner of the impound. They showed different rates for the release of skips impounded out of normal working hours.</li> <li>• A letter sent to a skip owner in August 2011 quoted VAT rates of 15% and 17.5%; the VAT rate applicable at the time of issue was 20%.</li> <li>• VAT has not been accounted for when the income has been banked.</li> <li>• Discussions with the Authority's VAT Officer stated that the charges for skip release are in effect a fine and therefore outside the scope of VAT.</li> </ul>		
<b>Risk and Implications:</b>	VAT is a statutory responsibility and must be correctly charged and accounted for.		
<b>Recommendation:</b>	Management should ensure all officers are using the same letter templates which show the correct charges when notifying skip owners of the impound. It is acknowledged that VAT has now been removed from the template.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed, letter template updated and VAT charges removed.		
<b>Responsible Officer:</b>	Graeme Small		

## 4. Management Action Plan

### Income and Banking

<b>No: 18</b>	<b>Priority: 2 Significant</b>	<b>Status: Accepted</b>	<b>Implementation Date: 30/09/2011</b>
<b>Finding:</b>	Examination of the income for the section showed income receipted in December 2010 had not been banked until May 2011. In addition, a cheque was held in the paying in book for £370.36 dated December 2009 and therefore has now expired. Due to staff changes no explanation could be given as to why this had not been banked.		
<b>Risk and Implications:</b>	Income is not being accounted for.		
<b>Recommendation:</b>	Income received by the section should be banked on a regular basis.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed, banking now scheduled monthly.		
<b>Responsible Officer:</b>	Leanne Hayes		

<b>No: 19</b>	<b>Priority: 1 Prudent</b>	<b>Status: Accepted</b>	<b>Implementation Date: 30/09/2011</b>
<b>Finding:</b>	Examination of paying in slips showed only one officer is preparing income for banking. This was the subject of a previous audit recommendation.		
<b>Risk and Implications:</b>	Officers' integrity may be compromised without evidence of a secondary check.		
<b>Recommendation:</b>	Two officers should be involved in the preparation of income for banking. This should be evidenced by both signatures on the paying in slips.		
<b>Responsible Officer Comments:</b>	Recommendation fully completed, two officers now prepare banking and sign paying in slip.		
<b>Responsible Officer:</b>	Leanne Hayes		

### Recruitment, Payments to Staff & CRB Checks

<b>No: 20</b>	<b>Priority: 1 Prudent</b>	<b>Status: Accepted</b>	<b>Implementation Date: 31/12/2011</b>
<b>Finding:</b>	Vehicle and insurance documents were examined for the three officers who had been paid a mileage allowance; although these were out of date when examined they were produced during the audit for two officers. One officer has been receiving essential car user allowance but has been using a pool car and has not used his own vehicle for business use for some time. Checking vehicle documents was the subject of a previous audit recommendation.		
<b>Risk and Implications:</b>	Payments are being made for a service that is not being received.		
<b>Recommendation:</b>	Management should consider whether payment of essential car user allowance can be justified when the officer is not using his own vehicle.		
<b>Responsible Officer Comments:</b>	To be reviewed in December 2011.		
<b>Responsible Officer:</b>	Michael McLone		

<b>No: 21</b>	<b>Priority: 2 Significant</b>	<b>Status: Accepted</b>	<b>Implementation Date: 30/09/2011</b>
<b>Finding:</b>	Security Services have paid for modifications to a motorbike owned by the Enforcement Co-Ordinator. These include vehicle graphics and a traffic management matrix for sign display. The motorbike is used by the officer for traffic management duties. Business use insurance is shown on the insurance certificate; however, it is not clear if the insurance company have been informed of the modifications and the nature of work carried out.		
<b>Risk and Implications:</b>	Insurance may not be adequate for the purpose the vehicle is being used for.		
<b>Recommendation:</b>	Management must ensure that the modifications and use of the motorbike for enforcement duties have been notified to the officer's insurance company to ensure adequate cover is held. In addition, management must be able to justify spending public money on a privately owned asset.		

## 4. Management Action Plan

<b>Responsible Officer Comments:</b>	Recommendation completed September 2011.
<b>Responsible Officer:</b>	Graeme Small

### *Inventories*

No: 22	Priority: 2 Significant	Status: Accepted	Implementation Date: 31/12/2011
<b>Finding:</b>	Insurance section has been notified of cover required for CCTV equipment with a total value of £31,930; there are no other inventory records available at the Security Centre. The inventory was the subject of a previous audit recommendation.		
<b>Risk and Implications:</b>	Insurance cover may be compromised without a full inventory being available.		
<b>Recommendation:</b>	An inventory should be compiled as soon as possible to include material and desirable items and cover all areas of the Security Centre.		
<b>Responsible Officer Comments:</b>	An inventory will be collated between September-December 2011.		
<b>Responsible Officer:</b>	Leanne Hayes		

## **5. Observations**

**The following information is brought to the attention of management and may be useful to aid the understanding of the audit process, provide additional information or help improve controls.**

### ***Care Call and Telecare***

Detailed records are held for the Telecare system, with officers showing a very good understanding of systems in place, their operation and client base. Audit selected twenty clients who have had Telecare installed in 2011 and cross-referenced the installation sheet to the manual spreadsheet and PNC system to ensure all records were accurate, the following points were noted:

- Three minor discrepancies were identified between the equipment shown on the installation sheet to the spreadsheet and PNC; and
- One PNC record did not display details of the equipment installed at the property on the client's personal details screen. It was explained that an alert will still be activated by the equipment and the only problem this would create was that the responding officer would not have immediate knowledge of other linked sensor equipment installed at the property.

Officers are reminded to ensure all records are entered correctly so that correct information is available at all times.