

# **Causeway Coast & Glens Borough Council**

---

## ***Internal Audit Report Review of Prior Year Recommendations***

---

March 2019

**MOORE STEPHENS**

---

---

## Table of Contents

1	Introduction.....	3
1.1	Background.....	3
2	Results of Review.....	4
3	Update on Prior Year Recommendations .....	5
3.1	Corporate Governance.....	5
3.2	Risk Management .....	7
3.3	Environmental Health Services.....	10
3.4	Joey Dunlop Leisure Centre – Cash Handling .....	13
3.5	Corporate and Business Planning .....	17
3.6	Grant Funding .....	20
Appendix I:	Hierarchy of Findings .....	22

# 1 Introduction

This report summarises the findings arising from a review of the progress made by CCAG in implementing the prior year internal audit recommendations made as a result of internal audits carried out in 2017/18.

The agreed audit objective was therefore to confirm that the internal audit recommendations are being implemented.

## 1.1 Background

CCAG is committed to ensuring that key risks are identified and addressed as far as possible, the system of internal control is adequate and operating effectively and the policies and procedures in place are up to date and being followed.

As Internal Audit reports, and findings identify possible risk areas, an important part of the internal audit service is to review the progress made in addressing prior year recommendations.

Audit Area	Number of recommendations			Total
	Priority 1	Priority 2	Priority 3	
<b>2017/18</b>				
Corporate Governance	-	1	3	4
Risk Management	-	4	1	5
Environmental Health Services	-	3	2	5
Joey Dunlop Leisure Centre	-	2	5	7
Corporate and Business Planning	-	2	2	4
Grant Funding	-	2	1	3
<b>Total</b>	-	<b>14</b>	<b>14</b>	<b>28</b>

For each recommendation, we contacted the relevant officer to discuss progress of implementation and to review evidence of progress for all P2 recommendations (there were no P1 findings in 2017/18).

## 2 Results of Review

The table below notes overall progress against recommendations at the time of our review (March 2019).

Status	Number of Recommendations			Total
	Priority 1	Priority 2	Priority 3	
<b>Issue addressed</b>	-	6	8	<b>14</b>
<b>Issue being addressed</b>	-	8	6	<b>14</b>
<b>Issue not yet addressed</b>	-	-	-	-
<b>Total</b>	-	<b>14</b>	<b>14</b>	<b>28</b>

The table above shows that all of the recommendations have either been addressed or are being addressed.

- Priority 2; 50% addressed and 50% being addressed
- Priority 3; 50% addressed and 50% being addressed

Of the 28 recommendations 14 (50%) have been fully addressed while steps are being taken to address the remaining 14 (50%).

The 14 recommendations that are being addressed should be reviewed again in the next financial year.

### 3 Update on Prior Year Recommendations

#### 3.1 Corporate Governance

Recommendation	Priority Level	Management Response	Position @ December 2018
A process should be put in place to support preparation of Annual Assurance Statements at the appropriate levels of Council, to provide the Chief Executive with evidence of overall organisation Annual Assurance levels.	2	Accepted; Process to be implemented.  <b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services December 2017	Audit was advised that initial research has been carried out with the aim of developing an improved annual assurance statement and process to support this. This will be prioritised, developed, agreed and implemented in 2019/2020.  <b>Issue being addressed</b>
A process should be put in place to support periodic reviews of the effectiveness of the Audit Committee and action taken to address any areas for development identified.	3	Accepted; Self-assessment checklist in line with best practice to be developed and implemented.  <b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services December 2017	A self-assessment checklist was issued to Audit Committee members and the results reported to the Audit Committee in December 2018. Based on the outcome it has been agreed that training will be designed and delivered to Audit Committee members (post May 2019 elections).  Internal Audit was involved in this exercise and has had reviewed all supporting documentation.  <b>Issue addressed</b>

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>Progress on the implementation of internal and external audit recommendations should be reported regularly at audit committee meetings.</p>	<p>3</p>	<p>Noted; Progress reports issued quarterly to Audit Committee.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services</p>	<p>Progress on the implementation of External Audit Recommendations was presented to Audit Committee by the NIAO in June and December 2018. Audit viewed the Audit Committee minutes.</p> <p>Audit was advised that it is planned that progress of implementation of all audit recommendations will become an agenda item at every Audit Committee following the outcome of a review of the current Internal Audit service (Quarter 2 2019/20)</p> <p><b>Issue being addressed</b></p>
<p>A Gifts and Hospitality Policy should be put in place or a monetary limit for accepting gifts or hospitality should be defined and communicated to all staff and elected members.</p>	<p>3</p>	<p>Accepted; draft policy to be progressed.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services March 2018</p>	<p>Audit was advised that an updated gifts and hospitality policy was presented JCMC in the 2017/18 year as part of consultations. This draft was not accepted, and an amended version will be presented in 2019/2020</p> <p><b>Issue being addressed</b></p>

### 3.2 Risk Management

Recommendation	Priority Level	Management Response	Position @ January 2019
<p>Risk management practices should be promoted to support the embedding of a culture of risk management across the Council. Consideration should therefore be given to the need for</p> <ul style="list-style-type: none"> <li>• additional training and awareness raising in relation to the Risk Management Strategy and process; and</li> <li>• identification of personnel to be responsible for overseeing the risk management process at the different levels of Council.</li> </ul>	2	<p>Agreed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services, March 2018</p>	<p>All Directors and Heads of Service received Internal Audit and Risk Management training, and Antifraud and Corruption training during the 2017/18 financial year. This training will be refreshed during 2019/2020, and further cascaded to Managers and Supervisors.</p> <p><b>Issue being addressed</b></p>
<p>To address the lack of clarity in terms of risk management process, and to promote consistency, SMT should:</p> <ul style="list-style-type: none"> <li>• Agree the level at which a risk register is required (e.g. at every service level or at Directorate level),</li> <li>• Prepare a flow-chart or summarise the risk management process steps and deadlines in a short 1-2 page document, and</li> <li>• Agree a template for the Directorate/Service level risk register which includes a reference to Council's objectives (see Issue 2 also).</li> </ul>	2	<p>Agreed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services, March 2018</p>	<p>SMT have agreed that a risk register is required at each service level. The service risk register then provides the information for the Corporate Risk Register. Each Business plan (for each service area) also included details of the service risk.</p> <p>A flow chart is currently being developed to summarise this process, along with revising the current template to include a reference to Council's objective and will be presented to SMT in the near future.</p> <p><b>Issue being addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ January 2019
<p>To ensure that the Risk Management Strategy is implemented the following should be addressed:</p> <ul style="list-style-type: none"> <li>• Risk Registers should be developed for all directorate/service levels (on a template agreed by SMT, see Issue 1) and key directorate/service level risks should be clearly identified and assessed for inherent and residual risk ratings</li> <li>• A determination of how tolerable the residual risk is should be recorded on the risk register, and where it is considered not tolerable, further actions should be identified and recorded. Responsibilities and deadlines should be assigned to implement any actions identified</li> <li>• During compilation and ongoing review of directorate/service level risk registers the need to escalate any operational risks from the Directorate/Service level to the Corporate level, should be considered</li> <li>• The Corporate Risk Register and Corporate Risk Matrix should be reviewed and updated at SMT.</li> </ul>	2	<p>Agreed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services, March 2018</p>	<p>The Corporate Risk Register is a standing item on the Audit Committee Agenda and is reviewed by SMT on a quarterly basis, prior to Audit committee.</p> <p><b>Issue being addressed</b></p>
<p>A mechanism should be put in place to retain evidence of periodic Risk Register reviews and of the actions being taken to mitigate risk, at both the Corporate and Directorate level. In addition, evidence of the outcome of the review of Risk Registers and monitoring progress of mitigating actions should be recorded and retained (at all levels). SMT discussion of risk management (e.g. annual review of risk management</p>	2	<p>Agreed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services, March 2018</p>	<p>This will be formalised during 2019/20. Audit Committee and SMT discussion of Risk Management is formally documented, these procedures will be rolled out across all Directorates.</p> <p><b>Issue being addressed</b></p>



Recommendation	Priority Level	Management Response	Position @ January 2019
<p>arrangements, review of Corporate Risk Register, reports on progress of mitigating actions etc.) should be documented in the SMT minutes.</p> <p>The frequency of review at each Council level should also be discussed and agreed by the SMT.</p>			
<p>To develop directorate/service operational Risk Registers, the risks relating to achievement of operational objectives (outlined in the Directorate Annual Business Plans) as well as corporate objectives should be identified. The Business Plan format should therefore be reviewed to determine how to better reflect risk management. This may require including a brief section summarising risks identified during the preparation of the Annual Business Plan (e.g. as a result of SWOT and PESTEL analysis); and the introduction of a mechanism to ensure these risks identified are reflected in the risk registers.</p> <p>Entering information in the column “Aligned Corporate Objective” within the risk register template (which is used within the Directorate of Performance) would also help with this integration.</p>	3	<p>Agreed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services, March 2018</p>	<p>The Risk Register template and Business Planning template are both currently being reviewed to address the recommendation. This will be completed during 2019/2020.</p> <p><b>Issue being addressed</b></p>

### 3.3 Environmental Health Services

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>Council should identify the most cost and time efficient way to ensure all EHS policies and procedures are easily accessible to all relevant staff and are reviewed and updated regularly. Council should consider the benefits of existing central repositories such as the RIAMS system which would allow CCAG EH to assimilate existing procedures with template procedures that RIAMS have already carefully considered and produced. Significant efficiencies can result from being able to reduce management and staff time spent creating and reviewing procedures.</p>	2	<p>A review will be undertaken of the RIAMS system and any other available alternatives to consider the benefits of standard Northern Ireland specific operating procedures and guidance to ensure consistency and enhancement of service delivery. If appropriate a business case will be prepared for consideration and recommendation to the Director of Environmental Services</p> <p><b>Responsible Officer &amp; Implementation Date</b> Head of Health &amp; Built Environment. 31st January 2018</p>	<p>Audit was advised that following a 6-month pilot, a full annual subscription has been taken out for RIAMS which has helped deliver efficiencies in officer time with respect to research and reference material, procedures and up to date documentation and statutory notices. The suite of NI specific guidance is developing and maturing. The platform also allows the sharing of documents and minutes of external working groups thus contributing to consistency both within the service area and with other Councils in NI.</p> <p><b>Issue addressed</b></p>
<p>The management of EHS should review the use of the virtual whiteboard; identify ways to make the board more user friendly and flexible; and reinforce the need for staff to use the virtual whiteboard</p>	2	<p>A review of the existing virtual in-out board will be undertaken to ensure that it is being used by all officers. It is not possible to access the current software remotely. A review of other providers will be undertaken and if appropriate a business case will be made to move to another provider will be tested and if available implemented. In the meantime, service area managers will remind users to access and update the current software each time they leave and return to the office. Regular monitoring will be undertaken, and the findings reported at monthly team meetings.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Head of Health &amp; Built Environment &amp; Service Area Managers Immediately, Review of other software providers by 1st February 2018</p>	<p>A review of the virtual in/out board has been undertaken including the use by field officers in conjunction with the ICT department. Due to its limitations, (it cannot be readily updated by officers whilst in the field) it has proved unpopular and not user friendly. An alternative has not been readily identified as yet. However, there is the possibility that the upgraded Timeware system currently being installed across the organisation (due to be completed by 31<sup>st</sup> March 2019) will be able to provide this facility. A meeting has been arranged to discuss this option. If this is not feasible, a further review of off the shelf products will be carried out.</p> <p><b>Issue being addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>The management of EHS need to agree (with HR) and action a process to ensure lone worker registration forms are completed, updated and are easily accessible in any emergency (even if it is out of hours).</p>	<p>2</p>	<p>A review of Lone Worker Risk Assessment will be undertaken to ensure that each officer has completed and supplied "In Case of Emergency" details together with an appropriate contact number. Service Area Managers will hold details of ICE contacts for each officer allocated to that functional team which will be accessible both in and out of office hours. HR will continue to hold next of kin details for all HBE staff</p> <p><b>Responsible Officer &amp; Implementation Date</b> Head of Health &amp; Built Environment 31st December 2017</p>	<p>"In Case of an Emergency" (ICE) details are now held within folders on the Council shared drive but access is restricted to ensure compliance with GDPR requirements. Audit was provided with evidence of the Lone Worker Contacts folder on the shared drive and verified that it contained a template for recording ICE details and had such details for lone working staff in the folders such as Health and Housing. Audit also reviewed the staff meeting notes from 26<sup>th</sup> October were staff consented to allow the manager to hold this information on the shared drive in a folder that only she would have access to.</p> <p><b>Issue addressed</b></p>
<p>Environmental Health and Built Environment management should remind staff of the need to record all relevant information e.g. actions undertaken, actions planned, close out dates etc. and also to upload all relevant checklists and documents to Tascomi in a timely manner.</p>	<p>3</p>	<p>All staff are reminded at monthly team meetings of the need to complete full records and attached all relevant documentation to the web-based complaint management premise database system (Tascomi). The missing checklists were stored on the shared HBE drive and have since been uploaded. A written procedure for processing planning consultations has been prepared. An agreed percentage audit of all applications will be carried out on a monthly basis and the results discussed at monthly team meetings</p> <p><b>Responsible Officer &amp; Implementation Date</b> Environmental Health &amp; Housing Manager and Business Support Manager 31st November 2017</p>	<p>Audit was advised that staff are regularly reminded at monthly meetings to record all relevant information on Tascomi. The monthly meetings also include an update on planning consultations.</p> <p>Audit viewed the meeting notes of the staff meeting held on 26<sup>th</sup> October 2017 (after the internal audit report was issued) and noted that this recommendation was discussed with the staff in attendance and they were reminded of the need to record all information on Tascomi.</p> <p><b>Issue addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>Environmental Health and Built Environment management should run reports from Tascomi e.g. outstanding activities for use at team meetings.</p> <p>Management should also use reports from Tascomi and other relevant information to discuss progress against the Annual Service Plans at team meetings at least every 6 months.</p> <p>This use of Tascomi for monitoring would reinforce with staff the importance of entering timely and complete information and documents onto Tascomi in order to provide management with complete, accurate and up to date information at all times.</p>	3	<p>Better use will be made of the complaint management software. Agreed reports will be prepared for each functional area to include planned, completed and outstanding actions. These reports will be considered monthly and be used to check progress against annual business plan targets.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Head of Health &amp; Built Environment and all Service Area Managers 31st December 2017.</p>	<p>As noted above audit was advised that monthly meetings include an update on workloads including planning consultations. Regular 6-8 weekly meetings are also held with the Planning Service to review consultation caseload.</p> <p>Audit viewed the notes of the staff meeting held on 26<sup>th</sup> October 2017 and noted that Tascomi reports on outstanding activities were discussed and actions identified.</p> <p><b>Issue addressed</b></p>

### 3.4 Joey Dunlop Leisure Centre – Cash Handling

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>Management should review the need to keep more than 1 day's takings at the Leisure Centre when compiling a lodgement; restrict access to the main safe and keep each day's takings in separate bags in the main safe. (Coins removed from a day's takings can be stored in the small safe, noted in the day's takings bag and recorded on any reconciliation needed for subsequent lodgement.)</p>	2	<p>Management will update both the lodgement procedure and the 'change' procedure to ensure the above recommendations are addressed.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Stacy McClarty – October 2018</p>	<p>Audit reviewed the updated cash handling procedures (January 2019) and found that they had been updated to reflect the audit recommendation. Lodgements are completed up to the last closed day or shift prior to being taken to the bank. The main safe now only holds takings, and daily floats. A new procedure has been implemented with the introduction of a change box (containing change to the value of £300) and stored in the smaller safe. The change box is replenished at the point of lodgement.</p> <p><b>Issue addressed</b></p>
<p>As noted in Issue 1 cash handling procedures should clearly specify that 2 people should be involved in the counting and preparation lodgements; and they should sign and countersign all lodgement records.</p>	2	<p>Management will be updating cash handling procedures to ensure that the above recommendations are addressed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Stacy McClarty – October 2018</p>	<p>Current staffing levels have not allowed 2 people to be involved each time a lodgement is prepared. However new cash handling procedures have been written and training for staff and implementation will commence in February/March 2019. Audit reviewed the cash handling procedures and noted that by implementing the recommendation below (regarding countersigning of the Daily Summary Sheet) and introducing additional segregation of duties around cash handling that sufficient additional control has been created to counteract the fact that 1 person makes up the lodgement.</p> <p><b>Issue addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>Evidence of compliance with the requirement for 2 persons being involved in collecting vending machine cash should also be recorded by both staff signing relevant supporting documentation. Consider redesigning the sheet recording vending machine cash to require both persons to only sign once e.g. a declaration at the bottom of the sheet (listing the vending machines) that they were both present at the collection of vending machine cash on a particular date.</p>	<p>3</p>	<p>As an interim measure the vending record sheet will be redesigned to include the requirement for signage by both parties, a declaration will also be added. Given the concerns raised re vending in general, Management will consider possible alternative operating arrangements for the Centre's Vending Machines.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Brian Tohill October 2018</p>	<p>Audit was advised that the Vending Reconciliation sheet has been amended to address this recommendation and that it would be implemented as of Monday 11<sup>th</sup> February 2019. Audit reviewed the Vending Reconciliation sheet and noted the form had been updated to reflect the audit recommendation.</p> <p><b>Issue addressed</b></p>
<p>The BSO should sign the Daily Payment Summary to verify who has entered and checked the information recorded there</p>	<p>3</p>	<p>The Daily Payment Summary will be signed off by the BSO on duty.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Stacy McClarty September 2018</p>	<p>Audit was advised that the Daily Payment Summary Sheet has been redesigned to include space for the BSO signature. As of January 2019, the Daily Payment Sheet is being signed off by the BSO.</p> <p><b>Issue addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>Regular spots checks should be carried out on tills to ensure cash is correct and this should be recorded and the results retained for audit purposes.</p>	3	<p>Management will include 'surprise cash counts' when implementing the updated cash handling procedures</p> <p><b>Responsible Officer &amp; Implementation Date</b> Stacy McClarty – October 2018</p>	<p>Management have included the requirement for spot checks in the new cash handling procedure which will be implemented in February/March 2019. Audit reviewed the updated cash handling procedure and noted the addition of the following "Duty Officers/Business Support Manager may carry out regular spot checks on any till to ensure all monies are correct and to minimise errors"</p> <p><b>Issue addressed</b></p>
<p>Management should review the continuing operation of the vending machines and consider if there are more cost-effective and less time-consuming options e.g. outsourced fully managed vending machines.</p> <p>Council should also consider the approach taken in other Leisure Centre across the Borough and determine if a standardised approach could result in economies of scale savings and resource efficiencies.</p>	3	<p>Management will consider the value in continuing to operate the Vending within the Centre.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Brian Tohill January 2019</p>	<p>Audit was advised that management have issued a tender specification for the Catering and Vending within the Centre; the tender was issued in November 2018 and has been re-issued on Monday 28<sup>th</sup> January 2019. Following completion of the tender exercise management will consider outcome and future arrangements for Vending in the Centre.</p> <p><b>Issue being addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ December 2018
<p>The procedures for handling cash and relating to vending machine stock should be updated as soon as possible. For cash handling include a defined value of till discrepancies at which the BSM must investigate. Also include a process for dealing with cash received by post. (Audit acknowledged that cash is rarely received via the post; but when updating the procedures, the opportunity to include this should be considered). The procedures should also stipulate that 2 people should be involved in the preparation/checking of all lodgements (see also Issue 6). All new or temporary staff involved in handling cash should be provided with up to date procedures and should sign a declaration to say they have received them.</p>	<p>3</p>	<p>It is clear that a review of all operational procedures in relation to the receipt of cash to the lodgement of cash needs updated. To that end procedures for handling cash and vending stock will be updated asap. All of the recommendations identified in the above will be included.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Stacy McClarty - October 2018</p>	<p>Audit reviewed the newly drafted cash handling procedures and note that they address:</p> <ul style="list-style-type: none"> <li>• Discrepancies/errors</li> <li>• Dealing with cash received in the post</li> </ul> <p>Management Training will commence in February 2019, with roll out to the rest of the staff to follow.</p> <p>The need to update Procedures relating to Vending stock will be considered following completion of the ongoing tender exercise for Catering and Vending.</p> <p><b>Issue being addressed</b></p>



### 3.5 Corporate and Business Planning

Recommendation	Priority Level	Management Response	Position @ January 2019
<p>When Council is developing its plan to support the preparation of the next Corporate Strategy, they must ensure that sufficient time is allowed to facilitate greater levels of public consultation.</p>	<p>2</p>	<p><i>The project plan for development of the new Corporate Strategy is currently being developed for consideration by senior management and by Council and it will recommend greater levels of public consultation as part of the process.</i></p> <p><b>Responsible Officer &amp; Implementation Date</b> Project plan to be agreed by June 2018. Quarterly progress report to CPR thereafter.</p>	<p>Audit was advised that a project plan for the development of a new Corporate Strategy is currently a work in progress with a provisional date for completing in February 2019.</p> <p>A Council Strategy Workshop took place in Portrush Town Hall on Saturday 12 May 2018. The purpose of the Workshop was to review the Council Strategy, provide Community Planning Update, and consider the Performance Management Framework and Performance Dashboard. Councillors and senior officers attended. Consideration was also given to the future approach to the development of the Corporate Strategy for 2019 - 23. Audit reviewed the agenda of the workshop and the report on Council Strategy which was prepared based on the discussions at the workshop. It was noted that one of the areas which was identified as “an area we really need to focus on” was continuing communication and engagement with the community.</p> <p>A further Council Strategy Workshop is scheduled to take in March 2019 to begin the process of developing the new Council Strategy.</p> <p>Audit was advised that the consultation approach for the Council Strategy will be</p>

Recommendation	Priority Level	Management Response	Position @ January 2019
			<p>modelled on the approach taken when developing the Community Plan</p> <p><b>Issue being addressed</b></p>
<p>A formal process of documented monitoring should be introduced for both the Corporate Strategy and Business Plans. Business Plans should be monitored quarterly and reported to SMT and the respective Committee. Monitoring should clearly state whether actions are completed, in progress or outstanding. The corporate strategy should be reviewed half way through the year and also include a consideration of half year progress of the respective Business Plans. A progress report should be prepared and presented through Committee to Council, at least annually. Council should consider publishing an Annual Progress report on its website.</p>	<p>2</p>	<p>A guide for the development of Business Plans is currently being developed for consideration by senior management and these recommendations will be included in this guidance document.</p> <p>Publication of an Annual Progress Report on the Council website will be considered by senior management.</p> <p><b>Responsible Officer &amp; Implementation Date</b> E Beattie. June 2018 Annual Progress Report to be prepared in June 2019 for 2018/19 financial year.</p>	<p>We were advised that a guide for the development of Service Area Plans has been developed and has been considered and agreed by the SMT. Audit has been advised that this guide will be implemented in 2019/20.</p> <p>We reviewed a copy of the guide and note that it includes guidance on RAG monitoring of Business Plan activities and the introduction of a six-monthly progress report for SMT.</p> <p>Publication of an Annual Progress Report has not been decided on as yet by the SMT, it is currently under consideration. It is anticipated that this may be amalgamated with the Performance Improvement reporting process as the Service Area Plans clearly have a link into this process.</p> <p><b>Issue being addressed</b></p>

Recommendation	Priority Level	Management Response	Position @ January 2019
<p>Council should develop a Business Plan development procedure providing guidance at the Directorate and Service level to ensure appropriate levels of consultation take place. Heads of Service should be reminded to maintain notes of such consultations and staff meetings relating to the development of the Business Plans.</p> <p>All Business Plans should be presented to the relevant Council Committee before they are implemented.</p>	3	<p>A guide for the development of Business Plans is currently being developed for consideration by senior management and these recommendations will be included in this guidance document.</p> <p><b>Responsible Officer &amp; Implementation Date</b> E Beattie. June 2018</p>	<p>A guide for the development of Service Area Plans has been developed and has been considered and agreed by the SMT. Audit has been advised that this guide will be implemented in 2019/20.</p> <p>A review of this guidance document revealed that it includes a requirement to retain evidence that appropriate internal consultation has been undertaken during the development of the Service Area Plan.</p> <p><b>Issue addressed</b></p>
<p>Council should continue to build on the Performance Process cycle which has been developed within the draft Performance Improvement Policy and review if a link to the individual level appraisal process can be highlighted and possibly referred to the in the Performance Process Cycle (e.g. in the diagram).</p>	3	<p>Agreed</p> <p><b>Responsible Officer &amp; Implementation Date</b> Director of Corporate Services and Head of Performance Management - April 2019</p>	<p>The Policy Development Flow Chart has been revised and circulated to all senior managers.</p> <p>Individual level appraisal has not as yet been introduced within Council.</p> <p><b>Issue being addressed</b></p>

### 3.6 Grant Funding

Recommendation	Priority Level	Management Response	Position @ January 2019
<p>Those involved in assessing funding applications should ensure that declarations regarding any conflict of interest are recorded for all assessment panels. Assessment panels should also ensure that sufficient narrative is recorded to justify assessment scores given and consideration should also be given to revising the scoring indicators to be from 0-5 to provide greater clarity in scoring.</p>	2	<p>Agreed – All future assessment panels will be required to complete and sign Col declarations. The Community development team have been informed that they must complete full assessment notes and record the same against each score. The Funding Unit will oversee this process with immediate effect and will participate in all assessment panels for the 2018-19 grant programmes to ensure assessment panels comply. Scoring indicators of 0-5 will be used for all future advertised programmes and guidance notes will be changed to inform applicants of this. All 2018-19 grant programmes will reflect this change accordingly.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Funding Unit Manager Full implementation in December 2017 for the 2018-19 Grant Funding Programmes</p>	<p>Audit was advised that Conflict of Interest forms are now completed for all assessment Panels. Community Development Team now record full assessment notes on the system during scoring.</p> <p>Scoring Indicators 0-5 used for all grant programmes.</p> <p>Audit reviewed a sample of Conflict of Interest forms completed in recent assessment panels and found these to be in order.</p> <p><b>Issue addressed</b></p>
<p>In instances where a grant is being considered above the maximum available for the grant scheme, Council should ensure that due consideration has been given to (and is well documented): whether alternative mechanisms for providing financial support would be more appropriate; equality assessment of the proposed decision; fit with Council's broader strategic priorities; and impact on</p>	2	<p>A revised Community Development grant programme is being developed for 2018-19 which will allow applications in excess of £2k from specific organisation types. This will ensure transparency, fairness and equality throughout the application and assessment process. To be implemented in December 2017 for the 2018-19 grant programmes</p> <p><b>Responsible Officer &amp; Implementation Date</b></p>	<p>Audit was advised that no additional budget was available to allow a revised Community Development grant programme.</p> <p>The maximum grant available to all applicants within the Community Development programme is still £2,000.00. Audit was advised that Elected members may still decide to award grants higher than the advertised maximum; but that an appropriate the justification recorded if it occurs.</p>

Recommendation	Priority Level	Management Response	Position @ January 2019
the funding programme and on other priorities in taking the proposed decision.		Funding Unit Manager responsible for ensuring all grant programmes are developed and ready for December 2017 opening. Community Development Manager, will develop the revised Community Development Programme – to be ready for end of September 2017.	<p>Audit reviewed the list of Community Development support grants awarded in 2018/19 and found that none had exceeded the £2,000.</p> <p><b>Issue addressed</b></p>
The process for verification of expenditure should be reviewed and consideration should be given to limiting checking of a claim to a check for eligibility of expenditure and then applying the maximum percentage available to the total eligible cost (up to the maximum amount which can be paid).	3	<p>Agreed – Instead of different percentages being allocated to invoices to achieve the amount awarded, 100% vouching of all invoices will be carried out, the Vouching staff will then recommend the percentage to be paid as determined in the letter of offer.</p> <p><b>Responsible Officer &amp; Implementation Date</b> Verification Officer – implementation in July 2017</p>	<p>Audit was advised that the funding Unit now verifies the minimum amount of claim needed to pay the maximum amount of grant, depending on grant awarded and the specific grant programme. For example - a group received £2000.00, which is a 75% funded grant. Invoices and expenditure will be verified up to the expenditure limit of £2,666.67. Of this amount, £2,000.00 must be eligible expenditure per the relevant Letter of Offer or Budget variation.</p> <p>Audit reviewed the revised claim verification template used for the internal claim verification process and found it to have appropriately considered the recommendation made.</p> <p><b>Issue addressed</b></p>

## Appendix I: Hierarchy of Findings

This audit report records only the main findings. As a guide to management we have included the categories of recommendations that were applicable at the time of the prior year audits (note: these were revised in 2016 following guidance from the DFP):

**Priority 1:** Major issues which require urgent attention and the implementation of agreed audit recommendations in the short term.

**Priority 2:** Important issues which require immediate attention and the implementation of agreed audit recommendations in the short to medium term.

**Priority 3:** Detailed issues of a less important nature which require attention and the implementation of agreed audit recommendations in the medium to long term.

---

Our audit fieldwork comprised:

- Reviewing progress against recommendations via discussions with key staff
- Examining relevant documentation (for priority 2 findings)
- Testing controls and accuracy of records (for priority 2 findings)

The table below shows those consulted with and we would like to thank them for their assistance and co-operation.

Job title
Director of Corporate Services
Head of Health and Built Environment
Head of Policy and Community Planning
Funding Unit Manager
Manager – Joey Dunlop Leisure Centre
Compliance & Verification Officer – Funding Unit