

# Audit and Corporate Governance Committee

Report of Audit Manager

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To: Audit and Corporate Governance Committee

DATE: 13 July 2011

## AGENDA ITEM 8

## Internal audit activity report quarter one 2011/2012

### Recommendation

(a) That members note the content of the report.

### Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action has been or will be taken where necessary.

### Background

2. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the councils' objectives. It assists the councils by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary.
3. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for

considering audit reports and taking the appropriate action to address control weaknesses.

4. Assurance ratings given by internal audit indicate the following:

**Full Assurance:** There is a sound system of internal control designed to meet the system objectives and the controls are being consistently applied.

**Satisfactory Assurance:** There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

**Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

**Nil Assurance:** Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

5. Each recommendation is given one of the following risk ratings:

**High Risk:** Fundamental control weakness for senior management action

**Medium Risk:** Other control weakness for local management action

**Low Risk:** Recommended best practice to improve overall control

## Internal Audit Activity

6. Since the last audit and corporate governance committee meeting, the following audits have been completed:

### Planned Audits

Full Assurance: 1

Satisfactory Assurance: 7.5

Limited Assurance: 2.5

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
<b>Equalities &amp; Diversity</b>	<b>Satisfactory</b>	<b>3</b>	0	0	1	1	2	2
<b>Creditor Payments</b>	<b>Satisfactory</b>	<b>6</b>	0	0	1	1	5	5
<b>Capital Accounting</b>	<b>Satisfactory</b>	<b>8</b>	0	0	2	2	6	6

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Council Tax	Satisfactory	6	0	0	1	1	5	5
Pro-active Anti-fraud	Satisfactory	1	0	0	1	1	0	0
ICT	Satisfactory	5	0	0	3	3	2	2
Time Management	Satisfactory	4	0	0	4	4	0	0
Leader Project Grant Verification	Full	0	0	0	0	0	0	0
1. Travelling and Subsistence Expenses	Limited	15	1	1	8	8	6	6
2. Pest Control	Limited	5	3	2	1	1	1	1
3. Gifts and Hospitality	Satisfactory/ Limited	4	1	1	2	2	1	1

### Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Leader Project Assurance 10/11	Satisfactory	6	5	1	0	0
Cornerstone EP, DR and BCP 10/11	Satisfactory	6	4	1	1	0
HR Grievance 10/11	Full	2	1	0	1	0
HR Recruitment 10/11	Satisfactory	2	1	0	1	0

7. **Appendix 1** of this report sets out the key points and findings relating to the completed audits which have received limited or nil assurance, and satisfactory or full assurance reports which members have asked to be presented to committee.
8. Members of the committee are asked to seek assurance from the internal audit report and/or respective managers that the agreed actions have been or will be undertaken where necessary.

9. A copy of each report has been sent to the appropriate head of service, the relevant strategic director, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the council intranet and committee members are alerted by e-mail when reports are published.
10. Internal audit continues to carry out a six month follow up on all non-financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

### **Financial Implications**

11. There are no financial implications attached to this report.

### **Legal Implications**

12. None.

### **Risks**

13. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE  
AUDIT MANAGER

## 1. TRAVELLING AND SUBSISTENCE EXPENSES 2010/2011

### 1. INTRODUCTION

- 1.1 The fieldwork for this audit was undertaken between January and February 2011, and the final report issued on 26 May 2011.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- Appropriate policies and procedures are in place covering all aspects of travel and subsistence expenses;
  - Claims are correctly detailed, documented and evidenced;
  - Claims are processed promptly and accurately and in accordance with agreed procedures;
  - Claims and amendments to claims are checked and agreed appropriately;
  - Appropriate details are recorded to report on officers mileage and carbon emissions;
  - Appropriate monitoring and management information is available and utilised.

### 2. BACKGROUND

- 2.1 Officers claim travel and subsistence expenses through an online system developed in house which has been available to SODC employees from April 2010. Claims are routed to the officers' line manager for authorisation. Each month authorised claims are reported and processed via the payroll system. During the review it was noted that whilst the Strategic Director (Section 151 Officer) had no concerns regarding the online system, it was not officially approved in accordance with the council's financial regulations.

### 3. PREVIOUS AUDIT REPORTS

- 3.1 Travelling and Subsistence Expenses was last subject to an internal audit review in August 2007 in the Officers Travel & Subsistence audit. Ten recommendations were raised and a satisfactory assurance opinion was issued.
- 3.2 The recommendations were followed up in March 2009 and five were seen to have been implemented. Revised dates were agreed for the remaining recommendations which mainly relied on the introduction of the online self service HR system. As this system is now in place and procedures have changed since the previous audit review, the recommendations have not been specifically followed up and they are covered in the testing from the current audit review.

### 4. 2010/2011 AUDIT ASSURANCE

- 4.1 **Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the

level of non-compliance puts some of the system objectives at risk.

- 4.2 Fifteen recommendations have been raised in this review. One high risk, eight medium risk and six low risk.

## **5. MAIN FINDINGS**

### **5.1 Policy and procedures**

- 5.2 The travel and subsistence policy is dated August 2004 and does not reflect the current process of claiming expenses online. It is noted that the policy is scheduled for review over the forthcoming months. Procedures are available online covering the process for submitting online claims from the perspective of the employee, manager, payroll and human resources. One recommendation has been made as a result of our work in this area.

### **5.3 Claim documentation**

- 5.4 Supporting documentation was checked for travel and subsistence payments made in November 2010. All of the claims were supported by either an online or paper based claim. Of 132 claim elements paid, 21 were paper based rather than using the online claim system. This included 13 councillor claims and eight officer claims. Receipts could not be found for 19 of the 132 claim elements and inconsistencies were observed in the approach to labelling the receipt envelopes. Receipts for SODC officers were found within VWHDC documentation and vice versa. Receipts for travel claimed by the Head of Finance were retained within the officer's locked filing cabinet rather than passed on to payroll. However the Strategic Director, Section 151 Officer who authorised the claim confirmed that receipts were seen prior to authorisation. An item of general correspondence was found within the box of payroll envelopes which had not been processed as it appeared to be receipts which are stored unopened. Four recommendations have been made as a result of our work in this area.

### **5.5 Claim processing**

- 5.6 Of 132 claim elements paid in November three were submitted which included expenses incurred more than three months prior. The policy states that claims made later than three months may not be paid but guidance is not available as to how late claims are to be managed. It is noted that the policy differs to that in use at VWHDC. Deadlines for submission of authorised claims is clearly stated on the council's intranet and backed up by monthly emails to staff. All claims recorded as authorised by the cut off date were found to have been processed and paid in accordance with stated timescales. Discrepancies were observed in the mileage rate and essential user allowances paid to six officers. Four inaccuracies were identified in subsistence claims. Four recommendations have been made as a result of our work in this area.

### **5.7 Claim and amendment authorisation**

- 5.8 At the outset of the review the name of the officer authorising claims was not recorded within the online system. This was amended at internal audit's

request and is recorded for subsequent claims. A report was promptly developed for audit purposes to provide the details supporting the amounts reported to payroll. Adjustments have been made to authorising officers within the online claim system at the request of the claiming officer and without supporting confirmation from an appropriate manager. Claims which are declined have a reason recorded and are notified to the claimant for amendment and resubmission if appropriate. Authorisers are not required to confirm they have viewed and checked receipts prior to authorising claims and the procedure does not emphasise the need to check claims and receipts. Four recommendations have been made as a result of our work in this area.

## 5.9 Mileage and carbon emissions

5.10 The council has a target to reduce carbon dioxide emissions by 30% over three years to 2012 and service areas have a target of reducing business miles by 10% per annum to assist in achieving this. Online claims record key data such as vehicle engine size and miles travelled which are utilised to calculate the council's carbon dioxide emissions and business miles travelled. The introduction of an online expenses system has reduced the time spent in calculating the data as an electronic export is now available using the online reports. Paper based travel and subsistence claims require manual addition to the electronic data. No recommendations have been made as a result of our work in this area.

## 5.11 Monitoring and management information

5.12 There are currently no management reports produced regarding the online claims system except for those utilised by payroll each month for processing payments. There is no built in mechanism to prevent an officer from duplicating an online claim and no report to identify duplications. Reports are available for mileage performance data via the council's intranet. These reports currently utilise on line claim data and some data has been recorded for 2009 for comparison. Whilst the reports have mainly been developed for use by the Air Quality Officer and Energy Officer in compiling carbon emissions data they also provide team level data to support stated performance against the service target for mileage reduction. The availability of the mileage performance reports is not well known. Two recommendations have been as a result of our work in this area.

# **OBSERVATIONS AND RECOMMENDATIONS**

## **POLICIES AND PROCEDURES**

### **1. Policy**

**(Medium Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<u>Best Practice</u> Travel and subsistence policy should be in place which reflects current practices and is regularly reviewed.	The travel and subsistence policy should be updated to include the following and should be regularly reviewed:- <ul style="list-style-type: none"> <li>the process for claiming</li> </ul>	Shared HR Business Partner

<p><u>Findings</u> At the time of review the travel &amp; subsistence policy is detailed within staff information leaflet 10 which was dated August 2004. However, it is noted that there are plans to rewrite the policy. The current version does not cover:-</p> <ul style="list-style-type: none"> <li>the new process of online claim submission,</li> <li>the availability of a passenger allowance of five pence per mile,</li> <li>the recovery of any overpaid claims arising from overstated claims,</li> <li>claims for car parking at VWHDC are not reimbursable,</li> <li>the retention period for claim documentation and supporting evidence.</li> </ul> <p><u>Risk</u> If appropriate policies and procedures covering travel and subsistence are not in place, then inappropriate journeys may be undertaken resulting in excessive claim payments.</p>	<p>online,</p> <ul style="list-style-type: none"> <li>• detail the availability of a five pence passenger allowance for relevant travel,</li> <li>• state that recovery of overpaid expenses where a claim is overstated may be undertaken,</li> <li>• state that claims for car parking at VWHDC are not reimbursable,</li> <li>• state the retention period for claim documentation and supporting evidence.</li> </ul>	
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> The Travel &amp; Subsistence Policy is included in batch 3 policies, due to be re-published by July 2010. We will include the recommendations above in the new policy or any accompanying procedures as appropriate.</p> <p>Management Response: Shared HR Business Partner</p>		31 July 2011

## CLAIM DOCUMENTATION

### 2. Payroll documentation

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All evidence in support of the council's payments for travel and subsistence should be retained within the relevant authority's paperwork.</p>	<p>Where officers employed by SODC appear on a VWHDC online claim listing, a copy of their reported claim should be retained within the SODC payroll supporting documentation.</p>	<p>Payroll Supervisor</p>



<p><u>Findings</u> Two officers who claimed online in the month tested were recorded within the VWHDC listing rather than SODC. Whilst they were correctly recorded and paid by SODC, the documentation supporting the claim for the two officers was retained within the VWHDC paperwork but not copied to the SODC file.</p> <p>It is acknowledged that the online listing is updated to ensure the officers appear in the correct report but documentation should be available within the appropriate file. Although payroll is a joint service the two authorities are separate entities.</p> <p><u>Risk</u> If payroll documentation recording details of claims paid is not retained within the relevant authority's paperwork it may prove difficult and time consuming to provide evidence should a HMRC visit occur.</p>		
<b>Management Response</b>	<b>Implementation Date</b>	
<p>Recommendation is <b>Agreed</b> Payroll procedures will be updated to cover this requirement. Payroll staff will be reminded at the next monthly payroll staff briefing.</p> <p>Management Response: Payroll Supervisor</p>	30 June 2011.	

### 3. Paper based claims

(Low Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> All users should submit claims in a consistent manner and utilise the online claim system.</p> <p><u>Findings</u> Internal audit checked 132 payroll claim elements paid in November covering training expenses and mileage, officer subsistence, councillor claims and mileage</p>	<p>a) Council officers should be reminded of the need to submit claims online and claimants who regularly submit paper claims should be targeted.</p> <p>b) Councillors should be encouraged to utilise the online claims system where possible.</p>	<p>a) IT Development Officer b) Shared Democratic Services Manager (provided online claim is possible for councillors) c) Shared</p>

<p>claims. 21 were paper claims including 13 councillor claims. Of the eight officer claims made on paper, four also claimed in November with only two of these four changing from paper to online format.</p> <p>Paper based claims require manually recording within the council's data used to calculate officer's carbon emissions. Whilst all paper based forms checked were found to have been signed, the requirement for signatures is not stated within either the travel and subsistence policy or the councillors allowance scheme rules.</p> <p><u>Risk</u> If claims are received in two different formats then more than one process needs to be undertaken and more manual intervention is needed with increased risk of errors or omissions.</p>	<p>c) Any forms not signed by the claimant and/or manager should be returned for signature prior to payment.</p> <p>d) The councillors allowance scheme rules and travel and subsistence policy should be updated to state that the claim should be signed by the claimant in addition to the authorising officer otherwise it will be returned unpaid</p>	<p>Democratic Services Manager/ Payroll d) Shared Democratic Services Manager</p>
<b>Management Response - HR, IT &amp; Customer Services</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> We will clarify within the online guidance.</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		a) 30 June 2011
<b>Management Response - Democratic Services</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Democratic Services are happy to encourage use of the online claims system. We were not aware the system was accessible to councillors at Vale. The claim form for councillors requires the claimant to sign the form and we return if it is not.</p> <p>Management Response: Shared Democratic Services Manager</p>		b), c) and d) 30 September 2011
<b>Management Response - Payroll</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Payroll procedures will be updated to cover this requirement. Payroll staff will be reminded at the next monthly payroll staff briefing.</p> <p>Management Response: Payroll Supervisor</p>		c) 30 June 2011

#### 4. Receipt checking

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Claims are authorised only upon production of a valid receipt which is checked against the amount claimed.</p> <p><u>Findings</u> Of 132 claim elements in November, receipts supporting 19 of these could not be located. The Head of Finance had retained his own receipts for expenses within a locked cabinet rather than pass them through to payroll as required. The Strategic Director confirmed that the receipts had been seen prior to authorisation. Receipts are not initialled as confirmation that they have been seen and as a means of preventing their re-use.</p> <p><u>Risk</u> If claims are not supported by appropriate evidence then it may not be possible to confirm that the claimed expenditure had been incurred.</p>	<p>Claim authorisers should be advised of the need to:-</p> <p>a) Ensure there is a receipt to support all claims prior to their authorisation</p> <p>b) Initial the receipt confirming the amount claimed has been checked</p> <p>c) Ensure receipts are passed to the appropriate administrator for collation and forwarding to payroll.</p>	<p>IT Development Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>We will clarify the guidance in the instruction note “Online Claims System (Viewing Claims – Manager)”.</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		<p>30 June 2011</p>

#### 5. Receipt storage

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Receipts are retained in a secure and consistently labelled manner.</p> <p><u>Findings</u> Envelopes with supporting receipts were not consistently labelled, did not separate out VWHDC and SODC receipts, used more than one envelope per service area, were not always</p>	<p>a) Guidelines should include more specific detail of how receipts are to be managed and all authorisers and service area administrators should be made aware of the requirements.</p> <p>b) A template or labels should be provided to</p>	<p>IT Development Officer</p>

<p>sealed and receipts were not always placed in the envelope for the month they were paid.</p> <p>An envelope containing normal payroll post was placed in with the receipt envelopes and not processed within payroll as it looked like the receipt envelopes.</p> <p><u>Risk</u> If receipts are not readily located then the council may not be meeting the requirements of HM Revenues and Customs as it may not be possible to confirm the claimed expenditure had been incurred. Furthermore, if receipt envelopes are not readily identifiable from normal post then correspondence may be filed without being actioned.</p>	<p>ensure consistent and distinct marking of receipt envelopes.</p> <p>c) Envelopes should include an area to record the references of the receipts included.</p> <p>d) An envelope per service area per authority is required for each month claims are submitted.</p> <p>e) The envelopes should be clearly dated as the month of submission to payroll for payment to avoid uncertainty as to whether they relate to the month of journeys or the month of the claim authorisation.</p>	
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b></p> <p>We will clarify the guidance in the instruction note “Online Claims System (Viewing Claims – Manager)”</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		30 June 2011

## CLAIM PROCESSING

### 6. Late claims

(Low Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Claims made outside of a specified deadline are subject to further checks prior to payment.</p> <p><u>Findings</u> The policy states that claims should be made monthly and any made outside of three months of the journey may not be paid. Three claim elements paid in November were for journeys in excess of three months and dating from April 2010. Whilst they were authorised there was no evidence of any additional checks being made.</p>	<p>The policy regarding submission and authorisation of late claims should be reviewed and harmonised with the approach at VWHDC and then:-</p> <p>a) The policy and councillors allowance rules should be updated accordingly stating the requirements for late claims.</p> <p>b) Guidance should be provided to authorisers on how to manage late claim submissions.</p>	<p>Shared HR Business Partner/ Shared Democratic Services Manager</p>

<p>Councillors' allowance scheme rules state claims should be made within two months. It is noted that VWHDC has a policy of referring any claims submitted by officers outside of three months or by councillors outside of two months requires the section 151 officer's authorisation prior to payment.</p> <p><u>Risk</u> If claims are not submitted and processed in a timely manner then details may be forgotten resulting in inaccurate claims. Additionally there is a risk that incorrect rates may be used for payments</p>		
<b>Management Response</b>	<b>Implementation Date</b>	
<p>Recommendation is <b>Agreed in Principle</b> Agree that the timescales for claims should be harmonised. This will be included in the revised policy. Democratic services are responsible for the councillors' rules. I agree that the rules should be the same for employees and councillors.</p> <p>Management Response: Shared HR Business Partner</p>	31 July 2011	
<b>Management Response – Democratic Services</b>	<b>Implementation Date</b>	
<p>Recommendation is <b>Agreed</b> Management Response: Shared Democratic Services Manager</p>	30 September 2011	

## 7. Vehicle details

(High Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Payments made according to a vehicles engine size should be regularly checked to ensure correct rates are applied and any engine sizes which appear rounded and on the stated thresholds are checked.</p> <p><u>Findings –mileage rates</u> One officer had correctly stated a vehicle engine size of 1100cc but had been paid casual mileage rate at the amount for 1200cc and above with an overpayment of £1.02.</p>	<p>Claimants stated engine sizes should be checked to ensure:-</p> <ul style="list-style-type: none"> <li>a) Appropriate rates are paid for the stated size of vehicle.</li> <li>b) Any stated sizes which appear to be rounded up or which are on stated thresholds are checked for accuracy.</li> <li>c) Lump sum payments are regularly checked against stated vehicle sizes.</li> <li>d) Changes of vehicles should be formally notified to payroll to ensure correct</li> </ul>	Payroll Supervisor

<p>Another officer had not stated the exact engine size for the vehicle which resulted in the higher casual mileage rate for 1000 – 1199cc vehicles being paid rather than that due for a 998cc vehicle. This resulted in an overpayment of £3.92.</p> <p>Two essential user claimants correctly provided their engine size which required payment at £0.409 per mile but had been paid at £0.505 per mile. This resulted in overpayments of £4.03 and £10.94. One of these officers was also paid the incorrect higher rate lump sum allowance.</p> <p>Another officer had been paid the correct lump sum user allowance but had been paid the lower rate mileage payment resulting in an underpayment of £14.78.</p> <p>One officer had not stated the exact engine size for the vehicle which resulted in a lump sum payment of £103.25 per month rather than £80.25.</p> <p><u>Risk</u> If payments made according to specific vehicle engine are not appropriately checked and monitored then the council may be over or underpaying officers according to stated policy.</p>	<p>rates are applied.</p>	
<p><b>Management Response</b></p>	<p><b>Implementation Date</b></p>	
<p>Recommendation is <b>Agreed</b> The volume of essential car users has significantly reduced from April 2011. Those still in receipt of the essential user lump sum are now paid the same mileage rate as casual users. Payroll procedures cover the requirement to check that those users who still qualify for the essential user lump sum are paid correctly and a reminder will be given at the next payroll staff briefing.</p> <p>Management Response: Payroll Supervisor</p>	<p>30 June 2011</p>	

**8. Accurate and appropriate claims**

**(Medium Risk)**

<p><b>Rationale</b></p>	<p><b>Recommendation</b></p>	<p><b>Responsibility</b></p>
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<p><u>Best Practice</u>  Claims are checked to ensure that they are accurately completed, supported by appropriate receipts, are for eligible expenses and any exceptional claims requiring managers discretion are suitably documented to that effect.</p> <p><u>Findings</u>  Four inaccuracies were observed from checks on claims paid in November 2010:-  A bus fare for £2.50 was claimed but the receipt was for £2.20.  A claim for car parking £8.20 and train travel £52.30 was submitted as one lump sum for train fare £60.50 which affects the recording of national indicators for public transport usage.  One councillor claimed £4.60 car parking but the receipt was for £4.00 including £0.60 VAT.  One claim was submitted as training mileage but from the description provided was normal business mileage.  The following were also noted:-  Two officers claimed for car parking at the VWHDC offices which has been stated as not reimbursable as free parking could be used instead.  Two claims were observed to have been agreed using the manager's discretion for accommodation to attend meetings due to excessive travel from the officer's home. Whilst this was authorised by the appropriate officer there was no explanation to this effect.</p> <p>The procedures for managers authorising online claims do not refer to checking receipts until the end which is after claims have been authorised. Discussions with authorising officers and payroll suggest that the authorisation process is not as robust as it</p>	<p>a) Further training and guidance should be provided to authorisers explaining the checks which should be made on claims to ensure they are for appropriate business purposes and correctly calculated. Also, to ensure they are aware that the onus is on them as no further checks are made against receipts and claims unless Internal Audit or HMRC carry out checks.</p> <p>b) Officers and authorisers should be reminded that car park charges at VWHDC offices are not reimbursable.</p> <p>c) Where claims are authorised using manager's discretion this should be noted and retained with receipts for future reference should queries arise.</p> <p>d) Procedures for managers using the online claim system should refer to the requirement checking supporting receipts as a part of the authorisation process prior to authorising the claim.</p>	<p>IT Development Officer</p>
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<p>should be and officers perceive there to be additional checks made prior to payment of expenses once line managers authorise claims.</p> <p><u>Risk</u> If appropriate checks are not made regarding claims then any inaccuracies may remain undetected and inappropriate amounts may be paid.</p>		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> We will clarify the guidance in the instruction note "Online Claims System (Viewing Claims – Manager)".</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		30 June 2011

### 9. Evening meetings

(Low Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> Claims for subsistence following evening meeting attendance should be marked on the attendance list maintained by legal and democratic services to ensure they are not claimed twice.</p> <p><u>Findings</u> Two claims in November were submitted for subsistence allowance by officers attending an evening meeting. Payroll officers normally mark off claims resulting from attendance at evening meetings with lists held in legal and democratic services to ensure they are not claimed twice. As these amounts are now claimed online and the detail is not provided to payroll there is no longer a mechanism to ensure they are not claimed twice.</p> <p><u>Risk</u> If appropriate checks are not made regarding attendance at evening committees and claims are not recorded against the attendance list then inappropriate payments</p>	<p>Officer's claims for subsistence for attendance at evening meetings should be marked off on the attendance list maintained by legal and democratic services by the authorising officers or the detail of these claims should be provided to payroll in order that the checks can continue.</p>	<p>IT Development Officer</p>



may be made and duplicate claims may not be detected.		
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed in Principle</b>  We will investigate whether a change can easily be made to the system to enable claims for evening meeting attendance to easily be identified and reported upon.</p> <p>Management Response: Head of HR, IT &amp; Customer Services.</p>		30 September 2011 if practical

## CLAIM AUTHORISATION

### 10. Submission of claims

(Medium Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u>  Sufficient time is allowed for thorough checks to be made on expenses claims including inspection of supporting receipts.</p> <p><u>Findings</u>  Guidance for claimants encourages the submission of claims for authorisation at the end of each month. As the deadline for authorised claims to be received for payroll input is the third working day of the month, there is a short period of time for the submission and checks to be made. IA have concerns that this may not allow thorough checks of claims and supporting receipts especially where any amendments may be required and where authorisers cover more than one site.</p> <p><u>Risk</u>  If insufficient time is allowed for checks to be made on submitted claims then the checking process may not be as robust as it should be and claims may be authorised without sight of supporting receipts.</p>	<p>Management should consider allowing teams to submit claims for authorisation as the expense occurs throughout the month to allow more time for authorisers to carry out appropriate checks on claims and supporting receipts.</p>	<p>IT Development Officer</p>
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b>  We will clarify the guidance in the instruction note "Online Claims System (Entering Claims)".</p>		30 June 2011

Management Response: Head of HR, IT & Customer Services	
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### 11. Changes to authorising structure

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A mechanism is in place to ensure that amendments to the online claims system are appropriately agreed and documented.</p> <p><u>Findings</u> Amendments to the online system, such as changing authorising managers, have been implemented at officer's request and without agreement of an appropriate manager.</p> <p><u>Risk</u> If requests for changes to authorising officers are not suitably checked and authorised then any attempts to defraud by collusion may be undetected and unresolved.</p>	Changes to the online claim system, such as amending an officer's online manager, should be agreed by an appropriate officer and supported by a documented audit trail.	N/A
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> The online claim system is linked to the same data that are visible on the intranet and elsewhere. Changes to this data are made by the IT team in response to notifications from HR.</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		Implemented

### 12. Online declarations

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A mechanism is in place to ensure that officers declare claims are submitted appropriately.</p> <p><u>Findings</u> From the checks undertaken and discussions with authorising officers, IA is concerned that some officers may not be deducting their normal travel to and from a place of work. There is no mechanism built into the online system to remind officers of this requirement. Some claims were found to have</p>	<p>Consideration should be given to including the following declarations within the online claim system:-</p> <p>a) That the claimant has deducted normal travel to and from work where appropriate prior to submission.</p> <p>b) That the claimant has supplied an appropriate receipt for the claim prior to submission</p> <p>c) That the authoriser has inspected the receipts for</p>	IT Development Officer

<p>been authorised without sight of supporting receipts</p> <p><b>Risk</b> If officers are not required to declare their claim is appropriate and supported by receipts then they may claim they were unaware of the requirement should the claim be queried.</p>	the claim being authorised.	
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed in Principle</b> We will investigate whether a change can easily be made to the system to enable these declarations to be included.</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		30 September 2011 if practical

### 13. Managing corrections

(Low Risk)

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><b>Best Practice</b> If any discrepancies are noted when payroll process the online claim data, they should be appropriately managed and updated within the online claims system.</p> <p><b>Findings</b> Whilst testing of claims paid in November did not highlight any issues internal audit were advised that there have been occasions when obvious errors, such as an officer claiming bicycle rates for a car journey have been updated within the payroll system without reflecting this in the online claim system and without a documented authorisation for the change.</p> <p><b>Risk</b> If changes are made within the payroll system and not reflected within the online claim system then details regarding officer's mileage and carbon emissions performance may be inaccurate.</p>	Payroll procedures must ensure that data entered into the payroll system matches that on the online claim system. Where any corrections need to be made these must be suitably managed to ensure they are replicated within the online claim system and suitably documented and recorded.	Payroll Supervisor
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> Any anomalies/discrepancies will be notified to the Development</p>		30 June 2011

Officer for amending within the electronic database accordingly and also copied to the authorising officer. Payroll procedures will be updated and staff reminded at the next payroll staff briefing meeting.	
Management Response: Payroll Supervisor	

## MONITORING AND MANAGEMENT INFORMATION

### 14. Exception report

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Exception reports are produced and reviewed on a regular basis to monitor and assist in identifying any potentially fraudulent duplicate claims.</p> <p><u>Findings</u> There is no built in mechanism to prevent officers duplicating claims and at the time of review no exception reports were available which would assist in identifying duplicates which may be submitted fraudulently.</p> <p><u>Risk</u> If duplicate entries are not identified then erroneous or fraudulent claims may remain undetected and repeated with financial loss to the council.</p>	Management should consider introducing a regular report which details any apparently duplicate claims for the same journey date. This should then be reviewed to identify any which appear to be fraudulent.	IT Development Officer
Management Response		Implementation Date
<p>Recommendation is <b>Agreed in Principle</b> We will investigate whether a change can easily be made to the system to enable duplicate claims to be identified in an exception report.</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		30 September 2011 if practical

### 15. Mileage performance reports

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Where performance reports exist they should be publicised as available to relevant officers and should explain what data is included.</p>	The availability of online mileage performance reports should be notified to all relevant officers.	Policy and Engagement Manager / Head of HR, IT & Customer Services.

<p><u>Findings</u> Mileage performance reports are available on the council's intranet and provide a means of monitoring a team's performance against corporate targets for reduction in business mileage. Whilst these are mainly used by the Air Quality Officer and Energy Officer they are not widely publicised and the Head of Finance was not aware they were available.</p> <p><u>Risk</u> If performance reports are not fully utilised then delays may occur in officers compiling data as they are unaware that an alternative reporting mechanism exists.</p>		
<b>Management Response – Corporate Strategy</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> We are currently setting up quarterly reports for each Head of Service at both South and vVale, these will provide information by individual and team, and will be available from Q1 2011; at this time we will remind Heads of Service at this time exactly what information they can access electronically and what we will provide to them quarterly. In advance of this we will publish availability of electronic reports which are available at South only and by team only.</p> <p>Management Response: Policy and Engagement Manager</p>		31 July 2011
<b>Management Response – HR, IT &amp; Customer Services</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed</b> We will publish a reminder in Connect.</p> <p>Management Response: Head of HR, IT &amp; Customer Services</p>		31 July 2011

## 2. PEST CONTROL 2010/2011

### 1. INTRODUCTION

- 1.1 The fieldwork for this audit was undertaken between April and May 2011, and the final report issued on 9 June 2011.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- the pest control function is operating in accordance with the agreed contract;
  - appropriate monitoring arrangements are in place;
  - queries, comments and complaints relating to pest control are managed appropriately;
  - financial transactions are appropriate, documented and reconciled.

### 2. BACKGROUND

- 2.1 The council provides a pest control service for domestic properties to deal with rats and mice, wasps and hornets nests or fleas. Residents in receipt of full housing and council tax benefits can receive free treatment.
- 2.2 A temporary contract for provision of pest control services was awarded 1 May 2009. Whilst this has expired the contractor continues to provide the service. The tender process for the future provision of the service had not yet been instigated at the time of review.

### 3. PREVIOUS AUDIT REPORTS

- 3.1 Pest Control was last subject to an internal audit review in September 2005 and seven recommendations were raised. A satisfactory assurance opinion was issued.
- 3.2 A follow up was undertaken in April 2006 and six recommendations were found to have been implemented. The remaining recommendation had been partially implemented however it is no longer relevant as the pest control service is now provided by a contractor rather than by the council.

### 4. 2010/2011 AUDIT ASSURANCE

- 4.1 **Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Five recommendations have been raised in this review. Three high risk, one medium risk and one low risk.

### 5. MAIN FINDINGS

- 5.1 **Contract**
- 5.2 The council receives requests for pest control treatment and takes payment

direct from members of the public. The request is passed on to a contractor to carry out the pest control service and the contractor then invoices the council on a monthly basis for completed requests. The contractor currently providing the service is Total Pest Control UK Ltd which, at the time of review, had links with a member of the council's cabinet who had declared their interest in the company. The agreement with the contractor was for an initial six month period pending a formal tender process for a longer term contract. This agreement expired 31 October 2009 and has not been extended by a written adjustment to the agreement although the contractor does continue to provide the service. Two recommendations have been made as a result of our work in this area.

### 5.3 **Monitoring**

5.4 Performance targets for the contractor's response times were included within the agreement to provide the service but are not currently reported and monitored. Requests for the provision of the pest control service are recorded and matched with invoices received from the contractor to ensure invoices are accurate. Statistics are produced on a monthly basis and include numbers of pest control visits and income/expenditure. The amount of income for pest control is less than the charge from the contractor to provide the service. Two recommendations have been made as a result of our work in this area.

### 5.5 **Comments and complaints**

5.6 Whilst no problems were observed or reported during the course of this review there is no requirement for the current contractor to record and manage comments and complaints. No recommendations have been made as a result of our work in this area as it is included within the objective regarding the contract.

### 5.7 **Financial transactions**

5.8 Financial transactions relating to pest control are appropriately recorded within the general ledger system. Invoices raised by the contractor are appropriately checked before payment is made. Since August 2010 the contractor has been invoicing the council for the provision of a copy of the inspection reports from the pest control visits. The documents were previously supplied by the council and are now supplied by the contractor. This is not covered within the original agreement for the provision of the service and does not appear to be formally documented. One recommendation has been made as a result of our work in this area.

## **OBSERVATIONS AND RECOMMENDATIONS**

### **CONTRACT**

#### **1. Current service agreement**

**(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<u>Best Practice</u> Contracts for services provided	It is recommended that:- written notice of the	Shared Environmental Protection Manager

<p>to the council are current, appropriately documented and recorded on the councils contracts register.</p> <p><u>Findings</u> The council has an agreement with Total Pest Control (TPC) for the period 1 May 2009 to 31 October 2009. Whilst TPC continue to provide the service, written notice of an extension has not been provided. The contract is not listed within the council's contracts register.</p> <p><u>Risk</u> If an agreement has ceased and no written extension is in force then the contractor is under no obligation to provide the service which may have an embarrassing impact to the council.</p>	<p>extension to the agreement with TPC is instigated the contract is recorded within the contracts register.</p>	
<p><b>Management Response</b></p>	<p><b>Implementation Date</b></p>	
<p>Recommendation is <b>Agreed</b></p> <p>Management Response: Shared Environmental Protection Manager</p>	<p>29 July 2011</p>	

## 2. Future contracts

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Contracts for services include performance targets, monitoring and reporting requirements and a process for recording and managing comments and complaints.</p> <p><u>Findings</u> The agreement with TPC, although expired, did not contain any requirement for the provision of monitoring information or reports and no process for recording and managing comments and complaints. Whilst it was acknowledged that a tender process is needed for the future provision of the service, this</p>	<p>It is recommended that the tender for future provision of pest control services should be initiated and the specification should include:- monitoring information and reporting requirements, for example, monitoring response times, a suitable process to record and manage comments and complaints.</p>	<p>Shared Environmental Protection Manager</p>



had not been instigated at the time of review.		
<u>Risk</u> If contracts for the provision of services do not include monitoring and reporting requirements then there are no standards against which to judge performance.		
<b>Management Response</b>		<b>Implementation Date</b>
Recommendation is <b>Agreed</b>  Management Response: Shared Environmental Protection Manager		Date of procurement not known.

## MONITORING

### 3. Performance monitoring

(Low Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> Stated performance targets are suitably reported and monitored.  <u>Findings</u> The agreement for the provision of the pest control service states target response times for the contractor however these are not monitored.  <u>Risk</u> If stated performance targets are not suitable reported and monitored then any areas of underperformance may remain unidentified and unresolved.	It is recommended that stated performance targets are reported and monitored.	Shared Environmental Protection Manager
<b>Management Response</b>		<b>Implementation Date</b>
Recommendation is <b>Agreed</b> Total Pest Control will be asked to supply performance data. This will be audited by administration on a quarterly basis.  Management Response: Shared Environmental Protection Manager		29 July 2011

### 4. Charges levied

(High Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> Where charges are made for	It is recommended that consideration is given to	Shared Environmental Protection Manager

<p>services provided the council should endeavour to cover the cost of providing the service.</p> <p><u>Findings</u> According to pest control statistics, in 2010/2011 the council provided the pest control service at a loss of £671.41 as the charge from the contractor was not met by the money paid to the council for provision of the service. This does not allow for the council's cost of administering the service and the loss is expected to be more as the amount of Vat, which is included in the charge paid to the council, has increased to 20%.</p> <p><u>Risk</u> If charges are not regularly reviewed and increased to cover costs then the council will operate at a loss.</p>	<p>increasing charges made to the public in order that it is not operated at a loss or reviewing the provision of the pest control service. A regular review of charges levied should be introduced to ensure the service is cost effective.</p>	
<b>Management Response</b>		<b>Implementation Date</b>
<p>Recommendation is <b>Agreed in Principle</b> The service operates at a loss because residents on income support are given a free service which was agreed by senior management and cabinet member. All fees and charges will be reviewed when the new contract is procured.</p> <p>Management Response: Shared Environmental Protection Manager</p>		<p>Date of procurement not known.</p>

## FINANCIAL TRANSACTIONS

### 5. Contractor charges

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The council should only pay charges which are covered by a formal agreement.</p> <p><u>Findings</u> Since August 2010 the council has been paying a monthly invoice from Total Pest Control for providing a copy of the</p>	<p>The charges raised by Total Pest Control should be covered by a formal agreement and should be consistent with the original May 2009 agreement or otherwise documented.</p>	<p>N/A</p>

<p>inspection reports for pest control visits. Previously the council had supplied the documents for the contractor to use. At the time of review the total paid was £317.95 and no written agreement for this charge was provided. The original agreement from May 2009 stated the price was to include travelling and other expenses.</p> <p><u>Risk</u> If the pest control charges are being raised in accordance with the original agreement and further invoices are being paid then the council may be paying more than it should for the provision of the pest control service.</p>		
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Not Agreed</b> The council originally supplied Total Pest Control with the inspection reports. The existing supply was used and replacements sought. Total Pest Control offered to supply these reports at 17p per copy. No other suppliers could match this cost. Documentation costs were not covered in the original agreement. It would not be cost effective to renegotiate the contract to included this cost because this service will soon go out to tender. This will be rectified when the new contract is awarded.</p> <p>Management Response: Shared Environmental Protection Manager</p>		<p>N/A</p>

## 3. GIFTS AND HOSPITALITY 2011/2012

### 1. INTRODUCTION

- 1.1 The fieldwork for this audit was undertaken in May 2011, and the final report issued on 20 June 2011.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- policies and guidance for the receipt of gifts and hospitality are up-to-date, in line with relevant legislation and available for all members and officers;
  - a register is maintained and monitored to ensure that gifts and hospitality are appropriately recorded;
  - members and officers have followed the process appropriately when receiving gifts and hospitality.

### 2. BACKGROUND

- 2.1 The council has a statutory duty under the Local Government Act 2000 to maintain a register for members' gifts and hospitality. Gifts and hospitality should be given and accepted as liberality and goodwill. If a contractor or potential contractor offers a gift or hospitality, under the Local Government Act 1972 and the Prevention of Corruption Act 1906, the individual or organisation should decline the offer, as it could be classed as an inducement.
- 2.2 At the time of the audit, it was established that the officers' gifts and hospitality register is maintained by Human Resources and the members' gift and hospitality register is maintained by Democratic Services.

### 3. PREVIOUS AUDIT REPORTS

- 3.1 Gifts and Hospitality was last subject to an internal audit review in July 2008 and 11 recommendations were raised. A satisfactory assurance opinion was issued.
- 3.2 In the Gifts and Hospitality Review 2008/2009, 11 recommendations were made, of which one was not agreed. From the remaining 10 recommendations, internal audit can conclude that four recommendations have been implemented, four have not been implemented and two recommendations are now not applicable as the documents have been superseded. The four recommendations not implemented have been incorporated into the current year review. No further recommendations have been made as a result of our work in this area.

### 4. 2011/2012 AUDIT ASSURANCE

- 4.1 In the area of **officer's** gifts and hospitality:

**Limited Assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level

of non-compliance puts some of the system objectives at risk.

4.2 In the area of **member's** gifts and hospitality:

**Satisfactory Assurance:** There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

4.3 Four recommendations have been raised in this review. One High risk, two Medium risk and one Low risk.

## 5. MAIN FINDINGS

### 5.1 Policies and guidance

5.1.1 Internal audit established that there are appropriate policies and guidance in place for gifts and hospitality, but the Gifts and Hospitality Guidance for Officers requires updating. All policies and guidance available are in line with appropriate legislation. Internal audit is satisfied that the policies and guidance are available on the council's website and on the intranet for officers and members to easily access. One recommendation has been made as a result of the work carried out in this area.

### 5.2 Gifts and hospitality register

5.2.1 Internal audit established that Human Resources have a gifts and hospitality register for officers, but do not update it when officers declare any gifts and hospitality. Human Resources only collate the declaration forms and do not review them.

5.2.2 Member's gifts and hospitality declarations are part of the register of interests, which are kept by democratic services. The register of interests is updated as and when amendments are made, which includes gifts and hospitality. The register of interest is monitored and approved by the monitoring officers as and when an amendment is submitted by a member. Two recommendations have been made as a result of the work carried out in this area.

### 5.3 Gifts and hospitality process

5.3.1 Internal audit established the process officers are required to undertake when receiving gifts and hospitality. After selecting a sample of 10 declarations, internal audit was satisfied with the reasoning for accepting gifts and hospitality and that the declaration forms were approved appropriately, but was not satisfied that the register is not being updated nor sent to the Monitoring Officer for review. Internal audit also noted that reminders about declaring gifts and hospitality have not been sent out to officers.

5.3.2 Internal audit was satisfied that member's gifts and hospitality is in line with legislative requirements. A sample testing of five declarations confirmed this. Internal audit noted that a reminder to declare any gifts and hospitality is sent

to members via the Weekly Information Sheet. One recommendation has been made as a result of the work carried out in this area.

## **OBSERVATIONS AND RECOMMENDATIONS**

### **POLICIES AND GUIDANCE**

#### **1. Gifts and hospitality guidance**

**(Low Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The gifts and hospitality guidance is up-to-date and is reviewed on a regular basis.</p> <p><u>Findings</u> After reviewing the gifts and hospitality guidance, internal audit discovered that it requires updating due to one of the contact officers no longer working for the council.</p> <p><u>Risk</u> If the gifts and hospitality guidance is not up-to-date, officers might not be aware to whom to declare the acceptance of gifts and hospitality to and therefore not declare it.</p>	The Gifts & Hospitality Guidance for Officers should be updated.	Shared HR Manager
<b>Management Response</b>		<b>Implementation Date</b>
Recommendation is <b>Agreed</b> Management Response: Shared HR Manager		End of Q3 2011/2012

### **GIFTS AND HOSPITALITY REGISTER**

#### **2. Update of gifts and hospitality register**

**(High Risk)**

<b>Rationale</b>	<b>Recommendation</b>	<b>Responsibility</b>
<p><u>Best Practice</u> The officer's gifts and hospitality register is updated as and when a declaration form is received.</p> <p><u>Findings</u> Internal audit established that Human Resources are not updating the officer's gifts and hospitality register.</p>	The responsibility for officer's gifts & hospitality should remain with Human Resources, and Human Resources should review the declarations for appropriateness and update the register.	PA to Chief Executive

<p><u>Risk</u> If the officer's gifts and hospitality register is not updated as and when a declaration form is received, it would make it difficult for the monitoring officer to review the declarations made.</p>		
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed in Principle</b> Gifts and hospitality forms have never been saved on personnel files and so there is no reason why only the HR team need to collate these forms. The PA to Chief Executive has agreed to pick up this co-ordination role.</p> <p>Management Response: Shared HR Manager</p>		<p>End of Q3 2011/2012</p>

### 3. Monitoring of officer's gifts and hospitality register

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The officer's gifts and hospitality register is submitted to the monitoring officer on a regular basis.</p> <p><u>Findings</u> Human resources do not update the gifts and hospitality register nor submit it to the monitoring officer for annual review.</p> <p><u>Risk</u> If the officer's gifts and hospitality register is not submitted to the monitoring officer to review, there may be gifts and hospitality declared that should not be accepted by the officer on the register.</p>	<p>The officer's gifts and hospitality register should be sent to the Monitoring Officer on an annual basis, so that it can be monitored.</p>	<p>PA to Chief Executive</p>
<p><b>Management Response</b></p>		<p><b>Implementation Date</b></p>
<p>Recommendation is <b>Agreed</b> The PA to Chief Executive has agreed to email the register to the monitoring officer on an annual basis.</p> <p>Management Response: Shared HR Manager</p>		<p>End of Q3 2011/2012</p>

## GIFTS AND HOSPITALITY PROCESS

4. Reminder to declare gifts and hospitality		(Medium Risk)
Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Gifts and hospitality reminders are sent out to all officers at least annually, reminding officers to declare any gifts and hospitality they may receive.</p> <p><u>Findings</u> Gifts and hospitality reminders are not sent out, reminding officers to declare any gifts and hospitality they may receive.</p> <p><u>Risk</u> If a reminder is not sent out, officers might not declare any gifts and hospitality that they may receive.</p>	Human Resources should send out a reminder to all officers about declaring any gifts & hospitality they may have received at least once a year.	PA to Chief Executive
Management Response		Implementation Date
<p>Recommendation is <b>Agreed in Principle</b> There is no reason why only the HR team need to send out reminders and so the PA to Chief Executive has agreed to do this.</p> <p>Management Response: Shared HR Manager</p>		End of Q3 2011/2012