

REPORT OF SERVICE DIRECTOR, FINANCE AND PROCUREMENT

UNSATISFACTORY FOLLOW-UP AUDIT REPORT – CLEANING SERVICE

Purpose of the Report

1. To inform Members of a follow up audit where the audit opinion remained “unsatisfactory” because insufficient progress had been made in implementing agreed Internal Audit recommendations.

Information and Advice

2. Internal Audit work is carried out in accordance with an agreed Annual Plan. On completion of the audit, the findings and recommendations are discussed with the relevant manager. A draft report is then issued to the manager, who is asked to provide a formal response to the recommendations. Once this response has been received, the final audit report is issued which includes the response to all recommendations and a date by which they will be implemented.
3. In each report, an opinion on the controls in place is included, and is one of three standard opinions, as follows:-
 - Sound – there are no weaknesses or only minor weaknesses
 - Satisfactory – most of the arrangements for financial management are effective, but some weaknesses have been identified
 - Unsatisfactory – there is an unacceptable level of risk which requires the prompt implementation of the recommendations to correct the weaknesses identified.
4. If the audit opinion is sound or satisfactory, then the implementation of the recommendations concerned is followed up the next time the system is audited. However, if the audit opinion is unsatisfactory a follow up audit is carried out approximately six months after the final report has been issued, to determine whether the agreed recommendations have been implemented.
5. A follow up audit has recently been completed on the Cleaning Service. The original audit was carried out following a Whistleblowing allegation. The claim was that County Council resources and equipment had been used inappropriately. Whilst the allegations were not substantiated, the audit identified a number of system weaknesses in control over vehicle

use, fuel costs, attendance records, authorisation of annual leave and payment for personal use of Council mobile phones. An Action Plan to address the weaknesses was agreed with the Cleaning Services manager, with the recommendations being followed up at the latest audit. Whilst progress had been made in implementing the agreed recommendations, further work was still required. In particular, there was a requirement to ensure that fleet records were accurate and up-to-date, best use was made of available information, effective controls over fuel costs were in place and leave arrangements were standardised. A copy of the follow up report is attached as **exempt Appendix A**.

6. A further follow up to this report is now substantially complete and a report will be issued in due course. Significant improvements have now been implemented and the vast majority of the recommendations made in the report at Appendix A have been successfully implemented.
7. The Head of Service for Catering, Cleaning and Landscaping has management responsibility for the Cleaning Service, and will be attending the meeting to explain the issues involved in improving controls over income and the progress made since the report was issued in July 2013.

Other Options Considered

8. This report is for information and noting only.

Reason/s for Recommendation/s

9. To provide information to Members on the work required in the Cleaning Service to ensure that effective controls are in place.

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION

- 1) That Members note the proposed actions to be taken to fully implement the outstanding audit recommendations and that, following a further review, these are now substantially complete.

Paul Simpson
Service Director (Finance and Procurement)

For any enquiries about this report please contact:

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Constitutional Comments

This report is for noting only.

Financial Comments (JMB 19/11/13)

The work of Internal Audit is designed to ensure that efficient and effective systems are in place to manage risk, ensure effective control is in place and demonstrate sound governance. This report highlights an area where further work was required to achieve these aims and reduce the risk of financial loss.

Background Papers

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972:

None.

Electoral Division(s) and Member(s) Affected

All