



***Internal Audit Report
Review of Prior Year
Recommendations 2017/2018***

March 2019

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1 Introduction

This internal audit was completed in accordance with the approved annual Internal Audit Plan for 2017/18.

This report summarises the findings arising from a review of the progress made by the Council in implementing the prior year internal audit recommendations.

1.1 Objectives and Scope

The scope of this audit was to review the progress made by the Council in implementing prior year internal audit recommendations.

The agreed audit objective was therefore to confirm that the internal audit recommendations have been implemented.

1.2 Background

The Council 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.

In 2017/18, we reviewed the following audit areas as part of our Internal Audit schedule:

Audit Area	Number of recommendations			Total
	Priority 1	Priority 2	Priority 3	
Museums			1	
Licensing	-	-	-	
Fleet Management		1		
Waste Services	-	-	-	
Parks & Play Areas		2		
Payroll	-	-	-	
Community Facilities	2			
Asset Management		2		
Tenders & Contracts		2		
Creditor Payments & Purchasing		2		
Insurance		1		
PCSP	-	-	-	
Total	2	10	1	13

The above recommendations have been revisited as part of this year's internal audit work programme. For each recommendation we met with the relevant officer to discuss and review evidence of progress.

2 Results of Review

We reviewed the progress made in implementing the recommendations in the 12 internal audit assignments completed in 2017/18. 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	
Issue addressed	1	7	1	9
Issue being addressed	1	3		4
No longer a priority issue				
Issue not yet addressed				
Total	2	10	1	13

Priority 1 Recommendations

The table above shows that 1 (50%) of the 2 Priority 1 recommendations across all audits completed in 2017/18 have been addressed. 1 is in the process of being addressed.

Priority 2 Recommendations

The table above shows that 7 (70%) of the 10 Priority 2 recommendations have been addressed. 3 are in the process of being addressed.

Priority 3 Recommendations

In relation to Priority 3 recommendations, the table above shows that (100%) of the recommendations have been addressed.

3 Update on Prior Year Recommendations

3.1 Museums

Recommendation	Priority Level	Management Response	Position at March 2019
Coleraine Museum collection should be removed from the basement in Cloonavin to a dedicated secure space which is designed to meet standards and requirements for the preservation, protection, and accessibility of the collection.	3	Any potential venue must meet Museum Standard of Accreditation. A Collections store should be environmentally stable (maintaining agreed range for temperature, humidity and lux levels), secure, watertight, clean, pest free, able to take the loads and accessible.	Addressed

3.2 Licensing

Recommendation	Priority Level	Management Response	Position at March 2019
Audit has no recommendations to make in relation to this audit area.	n/a	n/a	N/A

3.3 Fleet Management

Recommendation	Priority Level	Management Response	Position at March 2019
Records of all maintenance work carried out by the hire company for Limavady locality vehicles should be provided to the Fleet Manager to provide assurance required under the Operator's Licence.	2	Agreed. Council to devise a new contract reinforcing the need for appropriate documentation and seek legal advice on non compliance.	Addressed

3.4 Waste Services

Recommendation	Priority Level	Management Response	Position at March 2019
Audit has no recommendations to make in relation to this audit area.	n/a	n/a	N/A

3.5 Parks & Play Areas

Recommendation	Priority Level	Management Response	Position at March 2019
A Strategic Plan process should be developed to assess the status of parks and play within the Council area and plan a future that reflects the Corporate Priorities of the Council and needs of our community.	2	A Business case was presented to the Director for approval to purchase electronic equipment.	Addressed
The TABS system should be rolled out to all Inspectors to ensure there is streamlined and robust inspection and maintenance records in place.	2	Officers are currently drafting a Play Strategy which will detail not only the strategic context for Play provision but also; <ul style="list-style-type: none"> • an audit of all existing play parks • recommendations for renewal / upgrade / alternate use of existing play parks • recommendations for addressing gaps in provision • the management of risk in fixed play • maintenance of fixed play areas • recommendations for play design • results of local consultation 	Addressed

3.6 Payroll

Recommendation	Priority Level	Management Response	Position at March 2019
Audit has no recommendations to make in relation to this audit area.	n/a	n/a	N/A

3.7 Community Facilities

Recommendation	Priority Level	Management Response	Position at March 2019
Cash handling procedures should be put in place as a matter of urgency. Due diligence and transparency involving regular management activity (including creating and updating cash policy and procedures) sets a tone that professionalism is the standard.	1	Business Support Review currently under way in the Sport & Wellbeing Unit. This will standardise cash handling procedures across all facilities and is expected to include removal of cash handling in community centres. The implementation of associated protocols will be dictated by introduction of Booking Management systems across the 3 Areas of Facility Management and will be led by the new Business Support Manager (currently subject to a matching process with HR)	Being Addressed <i>"The implementation of associated protocols will be dictated by introduction of Booking Management systems across the 3 Areas of Facility Management"</i> – this is scheduled to be rolled out across the service from May 2019 which will in turn allow for a reduction in the requirement for cash handling within the community facilities. Once the system is introduced new protocols will be implemented for what limited cash handling requirements remain at each site.

Recommendation	Priority Level	Management Response	Position at March 2019
Streamlined booking forms should be put in place for all community centre lettings which details the necessary terms and conditions.	1	Business Support Review currently under way in the Sport & Wellbeing Unit. This will standardise booking procedures across all facilities and is expected to include a computerised booking management system with associated booking form templates and protocols.	Addressed Booking forms are now standardised. Booking requests will also now be coordinated through a central email address.

3.8 Asset Management

Recommendation	Priority Level	Management Response	Position at March 2019
The Council should finalise the overarching strategic policy in relation to asset management. This policy should be communicated to staff and reviewed regularly.	2	Finalise draft policy, including procedural supplements and submit to SMT for consideration followed by submission to the consultation and Council approval processes.	Being Addressed – It was agreed at the Land & Property Sub Committee in November 2018 to acquire additional support to develop an Asset Management Strategy. This is to be Completed by September 2019.
Procedures in relation to additions, disposals and transfers should be incorporated within the overarching strategic policy as above.	2	As above	Being Addressed – As above.

3.9 Tenders & Contracts

Recommendation	Priority Level	Management Response	Position at March 2019
The Council should update the Procurement Policy and Procedures to reflect changes made to the procurement thresholds.	2	Procurement policy currently being reviewed	Addressed
Procedures in relation to the tendering process should be updated to reflect changes since the procurement policy was approved in 2014.	2	Procurement policy currently being reviewed	Addressed

3.10 Creditor Payments & Purchasing

Recommendation	Priority Level	Management Response	Position at March 2019
Council should update the Procurement Policy and Procedures to reflect changes made to the procurement thresholds.	2	Procurement policy being reviewed	Addressed
The Council's Procurement Policy should be updated to include the Prompt Payment Policy.	2	Procurement policy being reviewed	Addressed

3.11 Insurance

Recommendation	Priority Level	Management Response	Position at March 2019
The Council should develop an insurance strategy for Council which considers the insurance needs for Council, the structure of the overall level of risk and how Council will deal with insurance policy excesses etc.	2	Currently developing a corporate insurance strategy.	Being Addressed – To be Completed September 2019.

3.12 PCSP

Recommendation	Priority Level	Management Response	Position at March 2019
Audit has no recommendations to make in relation to this audit area.	n/a	n/a	N/A

Appendix I: Hierarchy of Findings

This audit report records only the main findings. As a guide to management and to reflect current thinking on risk management we have categorised our recommendations according to the perceived level of risk. The categories are as follows:

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.

Appendix II: Our Approach and Staff Interviewed

Our audit fieldwork comprised:

- Reviewing progress against recommendations via discussions with key staff
- Examining relevant documentation
- Testing controls and accuracy of records.

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

Name	Job title
Helen Perry	Museums Services Development Manager
Hilary McAllister	Business Support & Administration Manager
John McIlreavy	Fleet Manager
Aidan Mullan	Head of Operations
Kenneth Keys	Assets Manager
Sharon McQuillan	Payroll/Pension Manager
Wendy McCullough	Head of Leisure, Well-being and Sport
Richard Semple	Senior Project Accountant
Robin Brown	Procurement Officer
Lindsay Clyde	Financial Accountant
Gina Leighton	Insurance Officer
Jonny Donaghy	PCSP Manager