



Overtime

City of York Council

Internal Audit Report 2014/15

Business Unit: Corporate and Cross-Cutting
Responsible Officer: Director of Customer and Business Support Services
Date Issued: 10 April 2015
Status: Final
Reference: 19130/005

	P1	P2	P3
Actions	1	1	0
Overall Audit Opinion	Limited Assurance		

General findings

Central measures

A process for identifying high value payments to staff on a monthly (> £1000) and year to date (>£5000) basis was implemented in the 2013-14 year. This required explanations to be submitted to directorate accountants each month by the identified individuals' line managers.

It was found that returns often included duplicated explanations from managers with no detail as to how spend may be reduced. Additionally, forms had been returned by officers at differing levels (in some cases the head of service had completed the forms, whereas in others they had been returned by service managers). Those officers who were aware of, and had completed the return forms, had received no feedback or responses to what they sent.

Due to limitations in the usefulness of the information received, this process has since been discontinued; however there remains a need for management information that is useful to both operational managers and finance staff.

Other services

Howe Hill

The use of overtime is accounted for by provision of night support within the temporary accommodation service. This appeared reasonable given the requirements of the service and its users, as well as consideration of the overall spend on staffing within the service in the context of its budget. Further to this, action to reduce the amount of overtime hours had been identified and implemented and this was evidenced in a reduction in overall spend on overtime in the second quarter of the 2014-15 year.

Highways

Although no concerns were identified in relation to authorisation of timesheets or levels of working hours, there were some cases where individuals appeared to be earning large amounts of overtime. The work undertaken in the cases identified did not appear unreasonable, but these cases were reported to the head of service. Given that this service represented a lower proportion of overall overtime spend, more detailed analysis was not undertaken.

Commercial Waste

Resourcing limitations within the service resulted in high payments to a small number of individuals. Since the commencement of the audit, additional staff have been recruited within the service, and the amount of overtime payments were found to have reduced from the third quarter of 2014-15.

Benefits team

This service was reviewed as staff frequently work overtime. However, analysis showed that the number of hours worked by individuals (above their contracted hours) was consistent between both full and part time staff within the service. A higher prevalence of part-time staff within the service means that additional hours were used where possible and therefore the level of spend on overtime within the service appeared reasonable.

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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