

Report of the Deputy Chief Executive

INTERNAL AUDIT PROGRESS REPORT1. Purpose of report

To inform the Committee of the recent work completed by Internal Audit.

2. Detail

Under the Council's Constitution and as part of the overall corporate governance arrangements, this Committee is responsible for monitoring the performance of Internal Audit. A summary narrative of the reports issued since the previous Committee and progress made against the agreed Internal Audit Plan for 2020/21 is included at appendix 1.

As previously reported, the level of performance in terms of audits completed is below what should have been achieved at this stage. The main impact has been from the Covid-19 pandemic and the urgency of diverting Internal Audit resources towards supporting other areas, including vital work associated with the quality assessment and fraud checking of grants paid under the emergency business grants and local discretionary grants schemes. This work is expected to recommence with the latest local and national lockdowns. A revision to the Internal Audit Plan is proposed to ensure that an appropriate level of coverage can be achieved with the reduced resources available. There is flexibility within audit planning arrangements to allow for audits to be deferred, subject to approval by this Committee. The proposed revision for the Internal Audit Plan is considered in appendix 2.

Internal Audit has reviewed progress made in implementing agreed actions within six months of the completion of the respective audits. Details of this follow-up work are included at appendix 3. Where agreed actions to address significant control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

Further progress reports will be submitted to each future meeting of this Committee. A final report will be prepared for Members' consideration after the end of the financial year detailing the overall performance and productivity of Internal Audit for 2020/21.

Recommendation

The Committee is asked to NOTE appendices 1 and 3 of the report and to consider and RESOLVE that the revisions to the Internal Audit Plan for 2020/21, as set out, in appendix 2 be approved.

Background Papers

Nil

APPENDIX 1

INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2020

No	Audit Title	Report Issued	Assurance Opinion	Actions - Significant	Actions - Merits Attention
01	Erewash BC – Safeguarding	01/04/20	n/a	-	-
29	Council Tax	17/04/20	Substantial	0	2
30	Independent Living	05/05/20	Reasonable	0	5
02	Erewash BC – Data Protection	21/05/20	n/a	-	-
31	Key Reconciliations	22/05/20	Reasonable	0	1
32	Cash Receipting (Payment Kiosk)	05/06/20	LIMITED	2	5
03	Discretionary Business Grants (#1)	18/06/20	n/a	-	-
04	Payroll	24/06/20	Substantial	0	1
33	Information Governance	24/06/20	Substantial	0	1
34	Whistleblowing Policy and Complaints	26/06/20	Reasonable	0	2
03	Discretionary Business Grants (#2)	26/06/20	n/a	-	-
35	Enforcement	30/06/20	Reasonable	0	5
36	Financial Resilience	03/07/20	Reasonable	0	4
37	Local Authority Trading Company	06/07/20	Reasonable	1	2
03	Discretionary Business Grants (#3)	08/07/20	n/a	-	-
03	Discretionary Business Grants (#4)	14/07/20	n/a	-	-
03	Discretionary Business Grants (#5)	21/07/20	n/a	-	-
03	Discretionary Business Grants (#6)	06/08/20	n/a	-	-
03	Discretionary Business Grants (#7)	18/08/20	n/a	-	-
05	Governance – Emergency Grant Schemes	19/08/20	Substantial	0	1
06	Council Tax Hardship Scheme	02/09/20	Substantial	0	0
38	Kimberley Depot (including Security)	04/09/20	Reasonable	0	4
39	Housing Repairs	07/09/20	LIMITED	1	4
07	Public Health Funerals	16/10/20	Reasonable	0	4
08	Leasehold Properties	03/11/20	Substantial	1	2
09	Garages	09/11/20	Substantial	0	2
10	Car Parks	10/11/20	Substantial	0	0
11	Section 106 Agreements	12/11/20	Reasonable	0	3

REMAINING INTERNAL AUDIT PLAN 2020/21

No	Audit Title	Progress
	Housing Delivery Plan	Draft report issued – pending finalisation
	Creditors and Purchasing	Draft report issued – pending finalisation
	Sundry Debtors	Draft report issued – pending finalisation
	Declarations of Interest	Ongoing (Nearing completion)
	Neighbourhood Warden	Ongoing (Nearing completion)
	Computer/ICT (including Cyber Risk)	In progress
	Bank Reconciliation	In progress
	Waste Management	In progress

REMAINING INTERNAL AUDIT PLAN 2020/21 (CONTINUED)

No	Audit Title	Progress
	Planning Enforcement	Commenced
	Rents (including Evictions)	Commenced
	Council Tax	Commenced
	HIMO Licences	Commenced
	Fuel Management	Expected to commence in Q3
	Gas Servicing and Maintenance	Expected to commence in Q3
	Housing Voids Management	Expected to commence in Q3/Q4
	Operational Risk Management	Expected to commence in Q3/Q4
	Health and Safety	Expected to commence in Q3/Q4
	Kimberley Leisure Centre	Expected to commence in Q3/Q4
	D H Lawrence Birthplace Museum	Expected to commence in Q3/Q4
	Benefits	Expected to commence in Q3/Q4
	Corporate Governance	Expected to commence in Q4
	Utilities (Energy and Water)	Expected to commence in Q4
	Business Rates (NNDR)	To be considered for 2021/22 (see appendix 2)
	Cash Receipting	To be considered for 2021/22 (see appendix 2)
	Climate Change	To be considered for 2021/22 (see appendix 2)
	Housing Management System	To be considered for 2021/22 (see appendix 2)
	Human Resources	To be considered for 2021/22 (see appendix 2)
	Planning and Building Control	To be considered for 2021/22 (see appendix 2)
	Procurement and Contract Management	To be considered for 2021/22 (see appendix 2)
	Treasury Management	To be considered for 2021/22 (see appendix 2)

COMPLETED AUDITS

A report is prepared for each audit assignment and issued to the relevant senior management at the conclusion of a review that will:

- include an overall opinion on the adequacy of controls within the system to provide assurance that risks material to the achievement of objectives are adequately managed – the opinion being ranked as either ‘Substantial’, ‘Reasonable’, ‘Limited’ or ‘Little’ assurance;
- identify inadequately addressed risks and non-effective control processes;
- detail the actions agreed with management and the timescales for completing those actions, and;
- identify issues of good practice.

Recommendations made by Internal Audit are risk assessed, with the agreed actions being categorised accordingly as follows:

- Fundamental – urgent action considered imperative to ensure that the Council is not exposed to high risks (breaches of legislation, policies or procedures)

- Significant – action considered necessary to avoid exposure to significant risk.
- Merits Attention (Necessary Control) – action considered necessary and should result in enhanced control or better value for money.
- Merits Attention – action considered desirable to achieve enhanced control or better value for money.

The following audit reports have been issued with key findings as follows:

These audits have taken place during the coronavirus pandemic lockdown, which has seen the audit process adapted accordingly to enable it to be completed remotely. It is pleasing to report that Internal Audit considers that it has not been restricted in terms of its access to systems, records and people. As a result, the audit conclusions and the strength of the opinion provided has not been overly impacted or qualified. The support of officers has been most welcome in successfully concluding the audit testing.

1. **Public Health Funerals**

Assurance Opinion – **Reasonable**

The specific objectives for this audit were to provide assurance that checks undertaken to ensure that the Council has a legal obligation to take ownership of the deceased (including procedures to attempt determining the next of kin); controls are in place to secure the deceased's property, assets and valuables; costs are kept minimal and, where possible, attempts are made to recover these costs from the next of kin or recovery is attempted from the estate; and where asset thresholds are reached, referral papers are sent onto central government as appropriate.

It was pleasing to report that the Council has an appropriate framework for the management and administration of Public Health Funerals. The review did indicate areas for improvement and recommendations were proposed in order to ensure that the processes and controls are effective. These included:

- Updating the Welfare Funeral Procedure to include the formal process for conducting the search of the deceased's property to retrieve belongings and the completion of a suitable inventory for documenting any valuables collected - signed by the officers in attendance.
- Providing clear guidance on the secure storage and retention of items belonging to the deceased, including items likely to be considered of financial and/or sentimental value for future contact with any next of kin (including clarity on the retention and scattering of cremated remains).
- Reviewing the contract for Funeral Directors services to ensure compliance with Procurement Regulations and the Council's Contract Standing Orders.
- The use of references to assist with the reconciliation of receipts to the case records to show where costs have been recovered.

Internal Audit also made an observation regarding the publication of information relating to the service on the Council's website. Officers regularly receive Freedom of Information (FOI) requests relating to Public Health Funerals, which could be more easily responded to by referring to the webpage.

The actions were agreed by the Head of Public Protection, the Chief Environmental Health Officer, and the Environmental Health Officer.

2. **Leasehold Properties (Service Charges)** Assurance Opinion – **Reasonable**

The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that leasehold properties liable for service charges are accurately and completely identified; service charges are calculated on a reasonable basis and in line with current policy; service charges are billed in an accurate and timely manner; collection of amounts due is appropriately performed; and credit notes and write-offs are appropriately authorised.

The Council has an appropriate framework for the management of Leasehold Properties and the administration of associated service charges. The review did indicate areas for improvement and recommendations were proposed in order to ensure that processes and controls in place are effective. Internal Audit included one 'significant' action relating to the need to improve arrangements for calculating service charges to ensure the accuracy of billing which reflects the actual costs incurred for each block, as follows:

Calculation of Service Charges

The annual service charges billed to leaseholders comprise elements of repairs; communal lighting; grounds maintenance; buildings insurance and management fee. There were issues with the majority of these elements, as follows:

- Many of the actual meter readings for the communal lighted areas are several years out-of-date.
- The charge for grounds maintenance is based upon a costing exercise which appears to have been carried out in 2002/03, adjusted for annual inflation (CPI) since. In addition, there were a small number of billing inaccuracies noted due to incorrectly identifying properties liable for grounds maintenance.
- The management fee charged to each property is not supported.
- The charges made for repairs to properties are subject to the difficulties noted in the recent audit of Housing Repairs. There were also a small number of billing inaccuracies noted due to incorrectly identifying properties liable for specific repair work.

These issues severely impair the achievement of the Council's policy objective that "service charges will be calculated to reflect the actual costs incurred for each block" (Leasehold Management Policy, s5.5).

Agreed Action (Significant)

The rules regarding leasehold service charges require the management fee to be set at a reasonable level. The current management fee has been set to reflect this requirement and is considered to be reasonable.

It is acknowledged that the remaining elements of the service charge bill require further improvement although this will require the active support of other service areas. The Head of Housing will engage with the managers responsible for providing costings relating to energy, grounds maintenance and housing repairs so that appropriate improvements are made to ensure the accuracy of billing.

Managers Responsible

Head of Housing

Housing Services and Strategy Manager

Leasehold and Performance Manager

Target Date: 31 March 2021

The review also proposed two further 'Merits Attention - Necessary Control' actions relating to:

- The completion of a full reconciliation between the Leasehold Property database and new records on the Capita Housing system so as to ensure 'day one' accuracy and completeness.
- The retention (or enhancement) of controls over credit notes, write-offs and any other amendment to billed amounts, following the anticipated transfer of the administration and recovery of service charge bills to the Housing Income Collections team.

The actions were agreed by the Head of Housing, the Housing Services and Strategy Manager, the Leasehold and Performance Manager and the Income and Housing Manager. Internal Audit will complete appropriate follow-up work at six months from the date of the audit report and will report back to Committee accordingly.

3. Garages

Assurance – **Substantial**

The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that:

- Plans for the redevelopment, modernisation and repair of garage stock is governed by an approved strategy and managed effectively;
- Decisions regarding the redevelopment, modernisation and/or repair of garage sites is undertaken in a methodical and rational manner and subject to appropriate review and scrutiny;
- Rental income from garages is appropriately administered and collected; and

- Allocation of garages to potential tenants is performed in an appropriate manner.

The Council has an established framework in place for the management and administration of garages. The review did indicate areas for improvement and recommendations were proposed in order to ensure that processes and controls in place are effective.

Two 'Merits Attention' actions (including one being a 'Necessary Control') were proposed relating to the need to complete and consider financial appraisals of individual garage sites as part of the strategic decision making process; and the updating of service information relating to garages on the Council's website. A further observation was made regarding the reconciliation of garage units between the comprehensive and updated records held on the Housing system and the information held by Estates.

The actions were duly agreed by the Head of Housing.

4. **Car Parks**

Assurance – **Substantial**

The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that income from ticket machines is securely and accurately collected and accounted for; that appropriate inspection and repair procedures are in place; that penalties, appeals and complaints are managed; and that adequate performance monitoring is in place.

Internal Audit was pleased to report that the Council has an appropriate framework in place for car park operations. No significant areas of concern were noted during the course of the audit. The findings arising from this review did not indicate any significant areas for improvement and, accordingly, Internal Audit issued a clearance report.

5. **Section 106 Agreements**

Assurance – **Reasonable**

The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that:

- Procedures are established with controls in place for scoping, creating, processing, agreeing and retaining of S106 agreements;
- Developers comply with agreed obligations and their financial contributions are received accordingly, with processes in place to monitor and take action as necessary.
- Developers contributions are assigned to the capital programme upon receipt and spent in accordance with policy and the S106.
- Management information is available and shared with key stakeholders to show how contributions are spent appropriately (transparency); and

- Reconciliation of records held confirm the accuracy and integrity of amounts received by way of developers' contributions.

Internal Audit reported that an established framework is in place for the administration of operations in respect of Section 106 Agreements. The review did indicate areas for improvement and recommendations were proposed in order to ensure that processes and controls in place are effective. Internal Audit proposed three 'Merits Attention - Necessary Controls' actions relating to:

- The need to adequately record all communication or resolutions reached in respect of a particular application to ensure that a robust management trail exists for integrity and transparency.
- The development of standard forms, templates and agreements to assist with the process of agreeing planning obligations and removing any inconsistencies between different agreements.
- The monitoring and reconciliation of s106 agreements records held in Planning to ensure that expected contributions have been received and expenditure is in line with these agreements.

Internal Audit made further observations relating to changes to planning policy and regulation and the consideration of education contributions being paid directly to the County Council by the developers for all relevant applications.

The actions were agreed by the Interim Head of Neighbourhoods and Prosperity and the Planning Contributions Officer.

6. Governance – Self-Isolation Payments

Internal Audit has been completing further work in respect of the Covid-19 related support payments that the Council is administering on behalf of central government. The 'Self-Isolation Payments' scheme allows for awards of £500 to people on a low income that will lose money if requested to self-isolate by the NHS Test and Trace process. The system went live in mid-October 2020, with processes being established to be largely consistent with existing Benefits processes. The Benefits team are administering the scheme, supported by Quality and Control, using the software supplier's dedicated module to assist with administration and payment. Internal Audit is providing ongoing support with scrutiny and quality checking, similar to as previous with the business grants.

It is pleasing to report that the scheme has started well. There are adequate levels of scrutiny and challenge in the process, which is balanced against the need to promptly award these payments. A number of potential awards have been challenged by Internal Audit and removed from payment runs pending further enquiry. These cases have since been declined following further investigation into the eligibility of the applicant.

Internal Audit will provide an update to the next meeting.

Further reviews in respect of Bank Reconciliation; Computer/ICT (including Cyber Risk); Council Tax; Creditors and Purchasing; Declarations of Interest; HIMO Licences; Housing Delivery Plan; Neighbourhood Warden; Planning Enforcement; Rents (including Evictions); Sundry Debtors; and Waste Management are ongoing and the reports have yet to be finalised. These will be included in the next progress report to Committee.

Current Audit Performance

Overall, the level of performance for 2020/21 in terms of audits completed is below what was achieved at this stage in previous years. The main impact has been from the Covid-19 pandemic lockdown and the urgency of diverting Internal Audit resources towards supporting other areas of work.

The revision of the Internal Audit Plan, considered in appendix 2 below, should allow suitable progress to be made in the year and the target of 90% to be achieved from the resources available.

APPENDIX 2

REVISION TO THE INTERNAL AUDIT PLAN 2020/21

As previously reported to Committee, the level of performance in terms of audits completed is well below what has been achieved at this stage in previous years. The significant impact has been from the Covid-19 pandemic and the urgency of diverting Internal Audit resources towards supporting other areas. This has included vital work associated with the quality assessment and fraud checking of grants paid under the emergency business grants and local discretionary grants schemes. This work is now expected to recommence with the latest local restrictions and national lockdowns being announced.

The impact of the Covid-19 pandemic was not anticipated at the time that the Internal Audit Plan was created in early 2020 and, as such, none of the additional unplanned work was allowed for in the Plan. The net audit days completed on this additional work relating to the Covid-19 pandemic is around 80 days, around 25% of the available audit resources for the year.

A revision to the Internal Audit Plan is therefore required to ensure that an appropriate level of coverage can be achieved with the reduced resources available. There is flexibility within audit planning arrangements to allow for audits to be deferred, subject to approval by this Committee. A full blown revision to the Plan (involving the reconsideration of the Council's key strategic risks post-lockdown, in conjunction with senior management and Members) has not been possible at this stage, due to resourcing issues caused by the latest pandemic lockdown. This activity will now take place as normal in February 2021 when preparing the 2021/22 Internal Audit Plan.

Instead, the Chief Audit and Control Officer has reviewed the remaining audits and identified the following planned work as being potential audits to postpone/defer. This would reduce the pressure on the current audit work programme:

- Business Rates (NNDR)
- Cash Receipting
- Climate Change
- Housing Management System
- Human Resources
- Planning and Building Control
- Procurement and Contract Management
- Treasury Management

Whilst these service areas do still present risks, these audits will be reconsidered as part of the audit planning process for inclusion within the Internal Audit Plan 2021/22 (to be considered in March) and, if approved, could be considered for an early review. The timing of this work for completion by 30 June 2021 should enable any relevant findings to still be incorporated into the Chief Audit and Control Officer's Annual Internal Audit Review Report. **It is therefore recommended that the Internal Audit Plan 2020/21 is revised accordingly.**

APPENDIX 3

INTERNAL AUDIT FOLLOW-UP

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit.

The table below provides a summary of the progress made with agreed actions for internal audit reports issued between June 2018 and April 2020 (excluding clearance reports). Those audits where all actions have previously been reported as completed have also been excluded from this list.

Audit Title	Report Issued	Original Assurance Opinion	Number of Actions (Significant in brackets)	Progress
Cemeteries 2018/19	25/06/18	Substantial	1	1 Outstanding
Legionella Prevention and Testing 2018/19	11/09/18	Reasonable	5	2 Outstanding
Commercial Props/Industrial Units 2018/19	04/10/18	Substantial	1	1 Outstanding
Energy (including Procurement) 2018/19	16/11/18	LIMITED	2 (1)	1 Outstanding
Bramcote Crematorium 2019/20	21/10/19	Substantial	2 (1)	1 Outstanding
CCTV 2019/20	30/10/19	Substantial	1	1 Outstanding
Electrical Testing 2019/20	15/11/19	Substantial	1	1 Outstanding
Choice Based Lettings 2019/20	18/11/19	Reasonable	3	1 Outstanding
Human Resources 2019/20	20/12/19	Substantial	1	1 Outstanding
NNDR 2019/20	24/12/19	Substantial	2	1 Outstanding
Chilwell Olympia (Liberty Leisure Ltd)	28/01/20	Substantial	1	1 Outstanding
Procurement and Contract Management	02/03/20	LIMITED	6 (1)	4 Outstanding
Treasury Management	13/03/20	Substantial	2	Completed
Council Tax	17/04/20	Substantial	2	Completed

Further details of progress being made with agreed actions that have not yet been fully implemented are included below along with comments from management reflecting any updates on progress. Evidence of implementation will not be routinely sought for all actions as part of this monitoring process. Instead, a risk-based approach will be applied to conducting further follow-up work.

Where the agreed actions to address significant internal control weaknesses have not been implemented this may have implications for the Council. A key role of the Committee is to review the outcome of audit work and oversee the prompt implementation of agreed actions to help ensure that risks are adequately managed.

OUTSTANDING ACTIONS

1. Cemeteries	June 2018, Substantial Assurance, Actions – 1
1.1 Digitisation of Cemetery Records	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A timetable for developing an efficient solution for maintaining an effective and accurate electronic cemetery records will be produced. The progress made against the plan will be monitored by management and Bereavement Services Joint Committee. The replacement of the current software solution is considered to be a key part in this medium-term project.</p> <p><u>Manager Responsible</u> Head of Property Services</p> <p>Revised target date – 31 December 2020</p>	
<p><u>Management Progress Report of the Head of Property Services</u></p> <p>Tenders for the provision of Bereavement Services Management Software have been received and evaluated. Due diligence has been carried out with the preferred supplier, to ensure the solution proposed is suitable, as well as within budget. This was complicated and delayed by Covid-19 and the availability of key members of the project team. It is anticipated a contract will be awarded by 1 December 2020, with work to commence shortly afterwards.</p>	

2. Legionella	September 2018, Reasonable Assurance, Actions – 5
2.1 Health and Safety Audits	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>Health and Safety will carry out annual audits of processes relating to Legionella prevention/detection and report its findings to the Safety Committee. This process will include seeking assurances from Responsible Persons that appropriate testing has been undertaken and completing a sample of substantive reviews linked to the areas of highest risk.</p> <p>The review will cover all relevant Council properties, including premises managed by Liberty Leisure Limited and community facilities that are presently being tested by Property Services.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager</p>	
<p><u>Management Progress Report of the Head of Property Services and the Health and Safety Manager</u></p> <p>The updated Legionella Policy was presented to the Safety Committee in February 2020. The designated persons list has been brought up-to-date and those with roles relating to Legionella testing have been made aware of their responsibilities.</p> <p>Refresher training had been arranged for May 2020 but is currently on hold due to Covid-19 and the need for the training to be hands-on and interactive. Online training would not give the interaction needed, so the Council is working with the training provider to carry out this training as soon as current restrictions allow.</p> <p>Whilst the audit programme has yet to be developed, this work should be substantively completed by December 2020.</p>	

2. Legionella (Continued)	
2.2 Tendering and Contracts	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A corporate review of the way that Legionella testing, risk assessment, cleaning, chlorination and training services are procured is being undertaken with a view to ensuring consistency, value-for-money and compliance with procurement regulations.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager; Interim Senior Housing Manager</p>	
<p><u>Management Progress Report of the Head of Property Services</u></p> <p>This action is not considered to be a high risk/priority at this stage, given the ongoing pressure on resources. The action will be progressed later in the new year in conjunction with the Head of Housing and with support from the Procurement team.</p>	
3. Commercial Property/Industrial Units October 2018, Substantial, Actions – 1	
3.1 Invoices – Combined Rent and Insurance	Progressing
<p><u>Agreed Action</u> (Merits Attention)</p> <p>The potential to combine the annual billing process for rental and insurance recharges was considered. A wholesale change for all existing tenants was not considered appropriate at this stage as the action would require changing up to 60 system generated invoices as well as disrupting pre-arranged Direct Debits/Standing Orders for tenants.</p> <p>Instead, combined rent and insurance bills will be established for new tenancies and for existing tenants at the point of periodic rent reviews. The Estates Manager will liaise with the Insurance team to calculate a suitable fixed annual premium within the new lease term.</p> <p><u>Manager Responsible</u> Estates Manager</p> <p style="text-align: right;">Revised Target Date: 31 March 2021</p>	
<p><u>Management Progress Report of the Estates Manager</u></p> <p>Combined rent and insurance bills continue to be established for new tenants and existing tenants at the point of periodic rent reviews following discussions with the Insurance and Risk Management team to fix a suitable premium. So far, the Council has converted a further six tenancies to 28 units (47%) to a combined payment.</p>	

4. Energy		November 2018, Limited Assurance, Actions – 2
4.1	Efficiency Improvements	Progressing
<p>Agreed Action (Significant)</p> <p>A risk-based approach will be adopted for the billing and checking process. This will consider the potential improvements outlined in the audit report.</p> <p>The analytical review of monthly billing could be facilitated by the procurement of an Energy Database, which would enable a greater and faster analysis and payment of the incoming invoices. Analysis of usage and charges on each site could be undertaken for both abnormal usage and comparison previous years bills and weather conditions, enabling greater efficiency of identifying potential refunds and credits, and helping to prevent overpayment.</p> <p>This greater efficiency will free up time spent on bill checking and processing by the Energy Officer to progress other proactive tasks such as updating the Carbon Management Plan, looking at further ways to reduce energy consumption and CO₂ emissions.</p> <p>Managers Responsible Head of Property Services; Estates Manager; Energy Officer</p> <p style="text-align: right;">Revised Target Date: 30 September 2020</p>		
<p>Management Progress Report of the Head of Property Services</p> <p>Internal approval has not yet been obtained for a new energy database. Officer time is currently focussed on day-to-day matters that require resolution.</p>		

5. Bramcote Crematorium		October 2019, Substantial Assurance, Actions – 2 (1 Significant)
5.1	Bereavement Services Management System	Progressing
<p>Agreed Action (Merits Attention – Necessary Control)</p> <p>The purchase and installation of a new Bereavement Services Management System will be completed as a matter of priority with key support provided by the Council's Procurement and Business Transformation officers.</p> <p>Managers Responsible Head of Property Services Bereavement Services Manager</p> <p style="text-align: right;">Revised Target Date: 31 December 2020</p>		
<p>Management Progress Report of the Head of Property Services</p> <p>The provision of a new Bereavement Services Management System has been subject to formal tender, in conjunction with the Procurement and Contracts Officer. Tenders received and evaluated with due diligence carried out with the preferred supplier. It is anticipated a contract will be awarded by 1 December 2020, with work to commence shortly afterwards.</p>		

6. CCTV	October 2019, Substantial Assurance, Actions – 1
6.1 Application for the Third Party Certification of Compliance with the Surveillance Camera Code of Practice	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The final areas of non-compliance with the Surveillance Camera Code of Practice are to be addressed, with the long-term aim of applying for the Third Party Certification of Compliance at an appropriate time in the future. In the meantime, the following actions are proposed:</p> <ul style="list-style-type: none"> • Works to progress to enable the systems operating at Kimberley Leisure Centre to be made fully compliant and brought under the full control of the Parking & CCTV/Security Manager. In order to facilitate this, a budget has been earmarked towards the review and upgrade of the existing camera system at the site. (Target date – 31 March 2020) • An approach will be made to the Head of Environment with a view to making progress towards CCTV systems operating at the Kimberley Depot (in particular those cameras operating from refuse freighters) being fully compliant with the Surveillance Camera Code of Practice. (Target date – 31 March 2020). It is recommended that the remote CCTV systems becomes the responsibility of the nominated single point of contact for CCTV surveillance and centralised in accordance with recommendation made by the Surveillance Camera Commissioner's Office. Alternatively, systems can be managed locally whereby compliance with the Commissioners Code of Practice and accreditation can be audited by the nominated senior responsible officer (SRO) for surveillance. • The existing CCTV policies will be refreshed and arrangements made for these to be formally adopted by the Council. (Target date – 31 March 2020) <p><u>Managers Responsible</u> Head of Property Services Parking and CCTV/Security Manager (in conjunction with the appropriate site managers)</p>	
<p><u>Management Progress Report of the Head of Property Services and the Parking and CCTV/Security Manager</u></p> <p>Action 1 (Kimberley Leisure Centre) – This is on hold indefinitely pending the outcome of the Leisure Facilities Strategy, the Joint Use negotiations with the School and hence the future of the Centre.</p> <p>Action 2 (Kimberley Depot) – The refuse vehicle surveillance monitoring and reviewing equipment is now being managed centrally by the Parking and CCTV/Security Manager. There is still ongoing technical work to access the information securely from a central location. ICT will facilitate remote access to this system.</p> <p>Action 3 (Policy Updates) – Policies were reviewed as a part of a latest RIPA inspection where it was deemed appropriate to develop separate policies where significant differences existed in separate systems. A CCTV update report was presented to the Community Safety Committee in June 2020, which resolved to undertake an internal review of the effectiveness and value for money of Broxtowe's town centre CCTV. This may see a number of cameras removed. As such, this action is on hold as the outcome of this review will affect how the policies are further developed (Revised target date - 31 March 2021).</p>	

7. Electrical Testing		November 2019, Substantial Assurance, Actions – 1
7.1	Migration of Electrical Testing Schedule to Capita	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The migration of the Electrical Testing schedule and associated data from manual records to the upgraded Capita Housing system will be completed at the earliest opportunity.</p> <p><u>Managers Responsible</u> Head of Housing; Acting Housing Repairs Manager</p> <p>Target Date: 30 April 2020</p>		
<p><u>Management Progress Report of the Head of Housing</u></p> <p>Work continues to be undertaken to fully utilise the functionality within the Capita Housing system. Following the data load of the Electrical Testing components into Capita, a number of issues were identified regarding the integrity of the data. As such, the manual and automated systems are being run concurrently, and some manual updating of the system is required.</p>		

8. Choice Based Lettings		November 2019, Reasonable Assurance, Actions – 3
8.1	Information Governance/Data Retention	Progressing
<p><u>Agreed Action</u> (Merits Attention)</p> <p>All third party users are systematically requested to confirm their ongoing agreement to system access on an annual basis. This helps to mitigate the risk of personal data being retained for longer than necessary.</p> <p>Historical data relating to allocations has been retained as evidence to support the decision making process. Management will review the current arrangements and devise an information governance procedure to ensure that system data retention periods are clearly defined and adhered to.</p> <p><u>Managers Responsible</u> Head of Housing; Housing Operations Manager; Lettings Manager</p> <p>Revised Target Date: 31 December 2020</p>		
<p><u>Management Progress Report of the Housing Operations Manager</u></p> <p>This is a systems issue that has been raised with the software provider. Concerns over GDPR implications have been discussed across the partnership, involving the Chief Information Officers and the Information Governance Officer. The latest update is that the system is currently in the design phase and will be tested shortly. Target date for roll out of the new system is December 2020. This will satisfy the GDPR concerns that were raised by the partnership about the sharing of records and personal data across multiple sites without the express permission of the data subject.</p> <p>The feedback about the retention period specifically is that it is 7-years and then the records appear as “anonymised by data management”. The only notes that are shown are the bid records as the shortlists for properties are retained.</p>		

9. Human Resources	December 2019, Substantial Assurance, Actions – 1
9.1 Completeness of Records	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The probationary process for new employees is currently being reviewing. An expected outcome will see the management of the probationary process returning under the direct control of the HR Manager, including chasing-up and escalation in instances of non-compliance. The HR Manager is due to deliver a briefing to a forthcoming Senior Management Team to emphasise the importance and benefits of completing the probationary process in accordance with Council policy.</p> <p>Officers will be reminded to ensure that all expected documentation for personal files relating to the induction process are received. In the medium-term, the potential for storing evidence of the induction process onto Broxtowe Learning Zone will be investigated.</p> <p><u>Managers Responsible</u></p> <p>Head of Public Protection; Human Resources Manager Revised Target Date: 30 April 2021</p>	
<p><u>Management Progress Report of the Human Resources Manager</u></p> <p>Due to the pressures of Covid-19 on the HR team, including workforce planning and absence management, the new process has not been implemented as of yet. New processes for probation were to be piloted from April but due to the Covid-19 response this has not been fully implemented. Preparatory work was done but other pressing matters pushed this back. The positive news is the Business Support Manager has recently been appointed and the HR team are planning to meet with them in due course to discuss implementation dates and the practicalities. This is most likely going to be implemented on 1 April 2021 given current circumstances.</p>	

10. NNDR	December 2019, Substantial Assurance, Actions – 2
10.1 NNDR1 and NNDR3 Returns	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>A full breakdown of the difference between the NNDR1 and NNDR3 returns will be documented and the reasons for any significant and/or unexpected variances investigated. The Council has recently purchased software from Analyse Local that will more readily provide this information. This will now be installed, in conjunction with ICT Services, to support the recommendation.</p> <p><u>Managers Responsible</u></p> <p>Head of Revenues, Benefits and Customer Services Revenues Team Leaders Revised Target Date: 30 November 2020</p>	
<p><u>Management Progress Report of the Head of Revenues, Benefits & Customer Services</u></p> <p>The NNDR1 and NNDR3 will be reviewed. The government has allowed an additional extension for the completion of the NNDR3 as a result of Covid-19. Although the reconciliation work is still scheduled to be completed by 30 November 2020, the introduction of the additional Business Support during the latest pandemic lockdown means that this might not be completed until 31 December 2020.</p>	

11. Chilwell Olympia	January 2020, Substantial Assurance, Actions – 1
11.1 Operational Safety Risks – Joint-Use Agreement	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>The current review of the Joint Use Agreement will incorporate the management of risk and allocation of responsibilities in respect of the key public health risk areas such as legionella, asbestos and fire.</p> <p>The first draft of the updated Joint Use Agreement is being prepared by the Council's Legal Services team. A timetable has been prepared and meetings programmed with representatives of the Chilwell School and Nottinghamshire County Council to consider the proposed Joint Use Agreement from February 2020.</p> <p><u>Managers Responsible</u> Managing Director, Liberty Leisure Limited Centre Manager</p> <p style="text-align: right;">Target Date: 31 March 2020</p>	
<p><u>Management Progress Report of the Managing Director, Liberty Leisure Limited</u></p> <p>Operationally legionella is managed by the school with Liberty Leisure Limited contributing by completing and recording daily flushing of all water outlets. An asbestos assessment of the building was completed prior to lockdown.</p> <p>An initial meeting was held with the school to discuss the Joint Use Agreement. The Council's Legal section was involved in this and had drafted a revised agreement that was shared with the school. Meetings did not take place during the lockdown, although two operational meetings have since been held with the school Head Teacher which focussed on the safe reopening of the school and leisure centre in relation to Covid-19. On 7 September 2020, a joint-use meeting was held with the school, Liberty Leisure Limited and senior Council representatives which discussed the wider future of the site and leisure centre. The specific health and safety issues detailed in the audit report have not been discussed but are being jointly managed by the school and Liberty Leisure Limited to ensure the safety of all users of the site.</p>	

12. Procurement and Contract Management

March 2020, Limited Assurance, Actions – 6 (including 1 'Significant')

12.1 Procurement Training**Progressing**Agreed Action (Merits Attention)

A procurement e-learning module will be developed, in conjunction with the Training Officer, to support the embedding of the Procurement and Commissioning Strategy. This will complement the existing support and guidance that is already available on the intranet and website.

Manager Responsible

Chief Audit and Control Officer

Interim Procurement and Contracts Officer

Revised Target Date: 31 January 2021**Management Progress Report of the Procurement and Contracts Officer**

An initial briefing on the new Procurement Strategy was provided to all affected managers and officers. There has been some initial liaising with the Learning and Development Officer to develop an e-learning course for the Broxtowe Learning Zone.

12.2 Selection of Procurement Approach**Progressing**Agreed Action (Merits Attention 'Necessary Control')

As a new development for 2020/21, the prior approval of Committee will be sought for the tendering of contract opportunities. This will require more structured planning of contracts that are due to be tendered. In order to support this process, a checklist / decision tree will be developed as an outcome of pre-contract planning discussions with key stakeholders and retained on file to evidence decision making for adopting a particular procurement approach.

Manager Responsible

Head of Finance Services

Chief Audit and Control Officer

Interim Procurement and Contracts Officer

Revised Target Date: 31 December 2020**Management Progress Report of the Procurement and Contracts Officer**

Approval is considered when developing the procurement strategy for each contract. In the larger procurement exercises often have Committee approval with authority delegated to the Deputy Chief Executive, who then provides his agreement at each relevant stage, especially where there is a commitment. Smaller lower value and ongoing contracts are agreed with relevant Heads of Service and key stakeholders as budgetary approval has already been given by the relevant Committee. A decision tree is being developed to support this process in light of experience.

12. Procurement and Contract Management (Continued)	
12.3 Structured Contract Management	Progressing
<p><u>Agreed Action</u> (Significant)</p> <p>A Contract Management Strategy and Framework is being developed to expand upon the adopted Procurement and Commissioning Strategy. This will incorporate both strategic and operational contract management and a multi-layered approach for the 'softer' elements of supplier management and monitoring. A proposal was presented to General Management Team in February 2020 and will now be developed further.</p> <p>The strategy proposed a three stage process: advising suppliers that the relevant Council's policies as listed in tender documentation will provide the minimum standards required for suppliers engaged by the Council; monitoring progress with suppliers providing reports on performance; and undertake annual strategic reviews for major contracts (by value and/or strategic importance) to consider all aspects of contract performance and compliance and to carry out value engineering where appropriate. The framework will require stakeholders to periodically meet with contractors to discuss contract performance, with appropriate records maintained. Any issues can then be escalated accordingly. The process will also include regular dashboard and exception reporting to GMT.</p> <p>An action plan is being developed as part of the rollout of the framework.</p> <p><u>Manager Responsible</u> Head of Finance Services; Chief Audit and Control Officer; Interim Procurement and Contracts Officer</p> <p style="text-align: right;">Revised Target Date: 31 January 2021</p>	
<p><u>Management Progress Report of the Procurement and Contracts Officer</u></p> <p>A Contract Management Strategy has been produced and was approved by GMT on 1 October 2020. This will now be presented to the relevant Committee. Once approved by Members, a series of virtual briefing sessions will be provided to stakeholders.</p>	
12.4 Contract Transparency Requirements	Progressing
<p><u>Agreed Action</u> (Merits Attention)</p> <p>A document has been prepared that will satisfy the Local Government Transparency Code 2015 publishing requirements for procurement and this will be adopted from 2020/21.</p> <p><u>Manager Responsible</u> Chief Audit and Control Officer Interim Procurement and Contracts Officer</p> <p style="text-align: right;">Revised Target Date: 31 January 2021</p>	
<p><u>Management Progress Report of the Procurement and Contracts Officer</u></p> <p>A draft pro-forma and explanatory note has been prepared for Heads of Service to complete a quarterly return for the Transparency Code detailing their service's procurement activity. Unfortunately, the launch of this publication has been delayed as a result of other priorities linked to the coronavirus pandemic.</p>	