

Report of the Deputy Chief Executive

INTERNAL AUDIT PROGRESS REPORT

1. 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 of the reports issued and progress against the agreed Internal Audit Plan for 2020/21 is included at appendix 1. A summary narrative of the work completed by Internal Audit since the previous Committee is also included.

Internal Audit has reviewed progress made by management in implementing agreed actions within six months of the completion of the respective audits. Details of this follow-up work are included at appendix 2. Where 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.

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 the report.

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	Reasonable	1	2
09	Garages	09/11/20	Substantial	0	2
10	Car Parks	12/11/20	Substantial	0	0
11	Section 106 Agreements	16/11/20	Reasonable	0	3
12	Financial Appraisal (Durban House)	04/11/20	n/a	-	-
13	HiMO Licences	09/12/20	Substantial	0	1
14	Rents (including Evictions)	06/01/21	Substantial	0	1
15	Council Tax	06/01/21	Reasonable	0	2
16	Neighbourhood Warden	23/02/21	Reasonable	1	0
17	Fuel Management	03/03/21	Substantial	0	1
18	Waste Management	03/03/21	Substantial	0	3
19	Benefits	03/03/21	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	Draft report issued – pending finalisation
	Gas Servicing and Maintenance	Draft report issued – pending finalisation
	Governance - Covid-19 Grants Schemes	Ongoing (Nearing completion)
	Crematorium and Cemeteries	Ongoing (Nearing completion)
	Computer/ICT (including Cyber Risk)	In progress
	Housing Voids Management	In progress
	Utilities (Energy and Water)	In progress
	Bank Reconciliation	Commenced
	Planning Enforcement	Commenced
	Kimberley Leisure Centre (LLL)	Commenced
	Online Payments System (LLL)	Commenced
	Corporate Governance	Expected to commence in Q4
	Operational Risk Management	Expected to commence in Q4
	Health and Safety	Expected to commence in Q4
	Business Rates (NNDR)	Deferred by GAS Committee (30/11/20)
	Cash Receipting	Deferred by GAS Committee (30/11/20)
	Climate Change	Deferred by GAS Committee (30/11/20)
	Housing Management System	Deferred by GAS Committee (30/11/20)
	Human Resources	Deferred by GAS Committee (30/11/20)
	Planning and Building Control	Deferred by GAS Committee (30/11/20)
	Procurement and Contract Management	Deferred by GAS Committee (30/11/20)
	Treasury Management	Deferred by GAS Committee (30/11/20)

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. **Financial Appraisal (Durban House)**

Internal Audit produced a financial appraisal of a company which had expressed an interest to lease Durban House, Eastwood, for the purposes of opening a school. This review was requested by the Deputy Chief Executive and the Estates Manager, with management wanting consideration of the financial viability of the business in order to assess the level of risk to the Council.

The specific findings and suitable recommendations were reported to senior management including the Deputy Chief Executive and the Estates Manager.

2. **HiMO Licences** Assurance Opinion – **Substantial**

The specific objectives for the audit of Houses in Multiple Occupancy (HiMO) sought to confirm whether adequate controls exist to provide assurance that:

- Guidance and procedure notes are available with licence holders and tenants being made aware of expectations;
- Appropriate steps are taken to ensure that HiMO properties are identified, assessed and issued a licence;
- Protocols allow for enforcement action, were required, and that any such activity/remedies are recorded and communicated to the licence holder.
- Income is recorded, reconciled and associated costs are recovered.

- Performance management arrangements are in place.

The Council has an established framework in place for the management and administration of HiMO Licences. The review indicated an area for potential improvement with the information available from the Tenancy Deposit Scheme being assessed to determine its accuracy and potential to provide further assistance in the detection of unlicensed HiMO properties within the local authority area.

The proposed 'Merits Attention' action was duly agreed by the Head of Public Protection and the Senior Private Sector Housing Officer.

3. **Housing Rents** Assurance Opinion – **Substantial**

Internal Audit reports that the Council has an appropriate framework in place for the administration of operations in respect of Rents. One 'Merits Attention - Necessary Control' action was proposed to evidence the review and approval of reconciliations and refunds. During the present agile working arrangements, this process have been converted to an electronic authorisation via email.

The action was duly agreed by the Income and Housing Manager and the Income Collection Manager.

4. **Council Tax** Assurance Opinion – **Reasonable**

Internal Audit reported that the Council has an appropriate framework in place for the administration of Council Tax.

The review did indicate areas for improvement and two 'Merits Attention - Necessary Control' actions were recommended in order to ensure that processes and controls in place are effective.

The first proposed action related to the manual checking of accounts before submission for write-off, particularly for those accounts where the debt spans multiple billing periods, to ensure that each case is channelled to the appropriate level of authorisation in accordance with Financial Regulations.

This action was partially agreed by the Head of Revenues, Benefits and Customers Services. Officers will continue to monitor the accounts subject to write-off to ensure that each case is channelled to the appropriate level of authorisation. The justification for considering annual debts separately however is due to the way accounts are billed and recovered separately. The Council is not able to amalgamate the debt from a court perspective and has to summons debtors for each billing period individually. This provides the basis for keeping debts from different billing periods separate when considering a write-off. Whilst Internal Audit's view that the debts should be amalgamated is clearly in the spirit of the Financial Regulations, this would not be consistent with Council Tax recovery legislation.

The second 'Merits Attention - Necessary Control' action was regarding the need to complete follow-up action on an account regarding the application of discounts and reliefs in a timely manner following the recognised procedure. This action was agreed by the Head of Revenues, Benefits and Customers Services.

Internal Audit made further observations regarding the recommencement of recovery action, which had been put on hold at the start of the Covid-19 pandemic and the need to pick up with the review of the outcomes of the Single Person Discount data-matching exercise with the National Fraud Initiative Premium Service, which has been placed on-hold while resources have been transferred to support other priority areas during the pandemic crisis (such as the various emergency business grants schemes).

5. **Neighbourhood Wardens**

Assurance Opinion – **Reasonable**

The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that environmental crime (fly-tipping, fly-posting, dog fouling etc.) is effectively managed; dog control is effectively managed; incidents involving potentially dangerous dogs are investigated and appropriate intervention made; and that arrangements with the service partner for invoicing, payments and receipts are robust and efficient.

The Council has an appropriate framework in place for the administration of operations in respect of the Neighbourhood Warden Service. The review did indicate an area 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 financial management arrangements relating to the services provided by the Council's service partner, as follows:

Service Partner – Financial Arrangements

Audit testing of the recent transactional activity of invoicing, payments and receipts with the 'service partner' revealed a small number of errors. These included the misapplication of VAT; a lack of purchase order to invoice matching and the incorrect input of an income remittance into the purchasing system.

Internal Audit is pleased that prompt action has been taken by the Head of Environment to correct these errors, refine procedures and strengthen controls so as to prevent reoccurrence.

It is further noted that the current system for receiving income from the service partner remains cheque based following submission of a remittance rather than by bank transfer in settlement of a formal Council invoice.

Agreed Action (Significant)

The recent financial activity with the service partner has been fully reviewed to ensure that the correct payments and receipts have been made and recorded. Furthermore, improvements are being made to processing arrangements, which includes the three-way matching of purchase orders (via Business Support), the reinstatement of the monthly reconciliation process and officer training being provided to prevent further anomalies occurring.

It is also proposed that the income received from the service partner will be managed through the Sundry Debtors system going forward (subject to agreeing the details). The service partner will submit regular data in the usual format, which will be verified by officers and then a monthly sundry debtor invoice be raised to allow the service provider to pay the invoice via bank transfer.

Managers Responsible

Head of Environment

Waste Services and Strategy Manager

Target Date: 31 March 2021

The action was agreed by the Head of Environment. 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.

6. **Fuel Management** Assurance Opinion – **Substantial**

The specific audit objectives sought to provide assurance that fuel procurement is cost-effective and efficient; fuel is safely and securely stored; fuel is issued and consumed solely for Council operations; contingency arrangements in the event of fuel supply disruption are practical and robust; and that fuel management arrangements reflect the corporate objectives in relation to Climate Change.

Internal Audit reported that the Council has an established framework for the management and administration of fuel supplies. The review did suggest an area for improvement with one 'merits attention – necessary control' action proposed to periodically analyse fuel consumption reports and vehicle miles travelled to compare the actual and expected vehicle economy to highlight anomalies requiring further investigation.

The action was duly agreed by the Head of Environment and the Transport and Stores Manager.

7. **Waste Management** Assurance Opinion – **Substantial**

The waste streams reviewed as part of this audit were general household waste (excluding garden waste), trade waste and bulky waste collections. The specific audit objectives sought to provide assurance that income is collected and accounted for; collection rounds are designed and implemented to ensure efficient use of resources; key regulatory and contractual requirements are met

regarding the collection and transfer of waste; and that risk assessments for collection operations are carried out and up-to-date.

The Council has established an appropriate framework for the administration of its waste management operations. The review indicated areas for improvement and Internal Audit proposed three 'Merits Attention actions (including two considered to be 'Necessary Controls') to ensure that processes and controls in place remain effective. These related to the need to regularly complete income reconciliation of bulky waste collections; to collect 'Duty of Care Controlled Waste Transfer Notes' to ensure and enhance assurance over customer compliance; and to ensure that all current risk assessments are up-to-date and formally reviewed and authorised.

The actions were duly agreed by the Head of Environment.

8. **Benefits**

Assurance Opinion – **Reasonable**

The Council has an established framework in place for the management and administration of Benefits. It was pleasing to acknowledge the positive outcome of the last review of the Benefits Subsidy claim by the external auditors where an unqualified audit report was provided for the fourth consecutive year. The positive outcome provides further management assurance that the DWP are comfortable with the adequacy of the arrangements in place.

The review did indicate areas for improvement and three 'Merits Attention actions (including two considered to be 'Necessary Controls') were proposed by Internal Audit to ensure that processes and controls in place remain effective. These related to maintaining up-to-date procedure notes for the housing benefits payments process; ensuring that checking of claim assessments is completed as prescribed to increase the prospect of identifying and correcting errors; and the practical use of the operational system tool for data cleansing purposes.

The actions were duly agreed by the Head of Revenues, Benefits and Customer Services.

9. **Governance Covid-19 Grants Schemes (including Self-Isolation Payments)**

Internal Audit is nearing completion of its review of the latest business grants process with a view to providing assurance to management and members. The outcome of the audit will include the production of a governance report for this Committee showing the audit trail for the payment of business support grants and all the relevant safeguards (key controls) and fraud checks.

Although the audit has not yet been concluded (with sample checking on key controls taking slightly longer than anticipated), early indications are that there will be no significant governance issues to report. The governance report will be presented at the next meeting.

In the meantime, Members will recall that Internal Audit has also been completing work in respect of the Covid-19 'Self-Isolation Payments' scheme which 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 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 has been providing ongoing support with scrutiny and quality checking.

It is pleasing to report that the scheme continues to run well. There are adequate levels of scrutiny and challenge in the process, which is balanced against the need to promptly award these payments. Internal Audit checked 100% of proposed payments made before 27 January 2021 (over 120 cases). A number of potential awards were challenged by Internal Audit and removed from payment runs pending further enquiry. Only two applications were subsequently declined following further investigation into the eligibility of the applicant.

In the opinion of Internal Audit, the scheme continues to be 'administratively sound', with all bank account details being checked and accurately transferred onto systems to enable efficient payment of the grants. In view of the way that officers had developed the framework for receiving applications, assessing eligibility and processing payments, it was agreed with the Head of Revenues, Benefits and Customer Services that Internal Audit would no longer be required to check all cases prior to being paid. This is a positive move that acknowledges the progress made and the robustness of systems and key controls in place. Internal Audit will still complete some sample checking in due course and remain available for advice and support if required.

Further reviews in respect of Computer/ICT (including Cyber Risk); Creditors and Purchasing; Crematorium and Cemeteries (Financial Management); Declarations of Interest; Gas Servicing and Maintenance; Housing Delivery Plan; and Sundry Debtors are ongoing and the reports have yet to be finalised. These will be included in the next progress report to Committee.

Current Audit Performance

The revision of the Internal Audit Plan, approved by this Committee on 30 November 2020, has allowed for suitable progress to be made in the year and the target of 90% of the revised plan is expected to be achieved from the resources available.

APPENDIX 2

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 July 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)	Next audit
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	Completed
Human Resources 2019/20	20/12/19	Substantial	1	1 Outstanding
NNDR 2019/20	24/12/19	Substantial	2	Completed
Chilwell Olympia (Liberty Leisure Ltd)	28/01/20	Substantial	1	1 Outstanding
Procurement and Contract Management	02/03/20	LIMITED	6 (1)	3 Outstanding
Independent Living	05/05/20	Reasonable	5	3 Outstanding
Cash Receipting (Payment Kiosk)	05/06/20	LIMITED	7 (2)	7 Outstanding
Information Governance	24/06/20	Substantial	1	Completed
Payroll	24/06/20	Substantial	1	Completed
Whistleblowing Policy and Complaints	26/06/20	Reasonable	2	Completed
Enforcement	30/06/20	Reasonable	5	Completed
Financial Resilience	03/07/20	Reasonable	4	2 Outstanding
Local Authority Trading Company	06/07/20	Reasonable	3 (1)	2 Outstanding

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 style="text-align: right;">Revised target date – 30 April 2021</p>	
<p><u>Progress Report of the Bereavement Services Manager and the Procurement and Contracts Officer</u></p> <p>Tenders received for the provision of Bereavement Services Management Software were evaluated, with due diligence carried out with the preferred supplier to ensure the proposed solution is suitable and within budget. Whilst the implementation has been further delayed by the pandemic crisis, the contract documentation has been prepared and agreed with the supplier. Once the details of the data processing agreement are finalised, the contract will be awarded and the mobilisation can commence.</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 Asset Management; Health and Safety Manager</p> <p style="text-align: right;">Revised target date – 30 June 2021</p>	
<p><u>Progress Report of 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 now been cancelled twice due to Covid-19 with the need for 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>Unfortunately, the audit programme has yet to be developed and has had to be pushed back as other work has taken priority. The action will be progressed during 2021/22.</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 Asset Management; Health and Safety Manager; Interim Senior Housing Manager Revised target date – 30 June 2021</p>	
<p><u>Progress Report of the Head of Asset Management</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 during in 2021/22 with support from the Procurement team.</p>	
3. Commercial Property/Industrial Units	
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 Revised Target Date: 31 May 2021</p>	
<p><u>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. Bramcote Crematorium	October 2019, Substantial Assurance, Actions – 2
4.1 Bereavement Services Management System	Progressing
<p><u>Agreed Action</u> (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><u>Managers Responsible</u> Head of Property Services Bereavement Services Manager</p> <p style="text-align: right;">Revised Target Date: 30 April 2021</p>	
<p><u>Progress Report of the Bereavement Services Manager</u></p> <p>Tenders received for the provision of Bereavement Services Management Software were evaluated, with due diligence carried out with the preferred supplier to ensure the proposed solution is suitable and within budget. Whilst the implementation has been further delayed by the pandemic crisis, the contract documentation has been prepared and agreed with the supplier. Once the details of the data processing agreement are finalised, the contract will be awarded and the mobilisation can commence.</p>	
5. Human Resources	December 2019, Substantial Assurance, Actions – 1
5.1 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> Head of Public Protection; Human Resources Manager</p> <p style="text-align: right;">Revised Target Date: 30 April 2021</p>	
<p><u>Progress Report of the Human Resources Manager</u></p> <p>New processes for probation were to be piloted from April 2020 but due to the Covid-19 response this has not been fully implemented. Preparatory work was completed but other pressing matters pushed this work back. The HR Manager met with the Head of Administrative Services and Business Support Manager in December 2020 to discuss the rollout programme and practicalities. It was agreed that due to some staffing/structure matters, the implementation programme would be re-visited in Spring 2021 (dependent upon the ongoing pandemic).</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 polices 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>Progress Report of the Head of Governance 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 agreement 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>A new re-deployable surveillance system is being purchased by the Environment team to assist with fly-tipping cases. It is currently unclear as to who will be responsible for managing the system to ensure compliance with the Commissioner Code of Practice.</p> <p>Action 3 (Policy Updates) – Policies were reviewed following a 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 town centre CCTV. As such, any significant advancement until the CCTV Review report has been considered by the Community Committee in 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><u>Progress Report of the Housing Repairs Manager</u></p> <p>The Council will be fully utilising the Capita module from April 2021 to run its electrical testing programmes going forward. Following the initial data load of components into Capita, a number of issues were identified regarding the integrity of the data. Whilst these have been largely resolved, the checking of records to ensure that uploads are correct will continue on a weekly basis as and when certificates are presented.</p>	
8. Chilwell Olympia	January 2020, Substantial Assurance, Actions – 1
8.1 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;">Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Managing Director, Liberty Leisure Limited</u></p> <p>Operationally legionella is managed by the school with Liberty Leisure Limited (LLL) contributing by completing and recording daily flushing of all water outlets. An asbestos assessment of the building was completed in 2020.</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. Operational meetings have 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, LLL 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 LLL to ensure the safety of all users of the site.</p>	

9. Procurement and Contract Management

March 2020, Limited Assurance, Actions – 6

9.1 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 May 2021

Progress Report of the Procurement and Contracts Officer

A 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.

9.2 Structured Contract Management

Progressing

Agreed Action (Significant)

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.

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.

An action plan is being developed as part of the rollout of the framework.

Manager Responsible

Head of Finance Services; Chief Audit and Control Officer;

Interim Procurement and Contracts Officer

Revised Target Date: 30 April 2021

Progress Report of the Procurement and Contracts Officer

A Contract Management Strategy was approved by GMT on 1 October 2020. A series of virtual briefing sessions will be provided to stakeholders. Unfortunately, the launch of this strategy has been delayed as a result of other priorities linked to the pandemic.

9. Procurement and Contract Management (Continued)	
9.3 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: 30 April 2021</p>	
<p><u>Progress Report of the Procurement and Contracts Officer</u></p> <p>A pro-forma and explanatory note has been prepared for Heads of Service to complete a quarterly return for the Transparency Code detailing their respective procurement activity. Unfortunately, the launch of this publication has been delayed as a result of other priorities linked to the coronavirus pandemic.</p>	
10. Independent Living	
10.1 Independent Living Plans (I-plans)	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The process for completing I-plans would be significantly enhanced by the Independent Living Coordinators utilising laptops or tablets. This would provide improvements in terms of data security (by going paper-light) and efficiencies in terms of data collection, analysis and reduced travel time. ICT Services will be approached to provide the necessary facility.</p> <p><u>Managers Responsible</u> Head of Housing; Income and Housing Manager Independent Living Manager</p> <p style="text-align: right;">Revised Target Date: 30 September 2021</p>	
<p><u>Progress Report of the Income and Housing Manager</u></p> <p>This action has been delayed by the Covid-19 pandemic. The Independent Living Coordinators are currently working from home with only limited ICT capability. This matter will be progressed at a suitable time later in the year.</p>	
10.2 Inventories	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A central inventory record will be produced for all Council owned equipment, furniture and fittings at each of the schemes.</p> <p><u>Managers Responsible</u> Income and Housing Manager Independent Living Manager</p> <p style="text-align: right;">Revised Target Date: 31 March 2021</p>	
<p><u>Progress Report of the Income and Housing Manager</u></p> <p>This action is in progress and should be completed by 31 March 2021.</p>	

10. Independent Living (Continued)	
10.3 Guest Room Income	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The design of the spreadsheet used by the Independent Living Co-ordinators to record guest rooms bookings is thought to be adequate. However, it is the inconsistent and untimely recording of transactions that is making reconciliations to the general ledger inefficient.</p> <p>The Independent Living Coordinators will be reminded to fully complete the guest room booking calendar and the spreadsheet in a timely manner and to return all completed booking forms to the Administrative Assistant including payment receipt details.</p> <p>The chargeable bookings recorded in the calendar will be reconciled against the income noted in the general ledger on a monthly basis.</p> <p>Booking forms will be completed for all bookings, with gratis bookings being formally authorised by an Independent Living Team Leader.</p> <p><u>Managers Responsible</u> Income and Housing Manager Independent Living Manager</p> <p style="text-align: right;">Revised Target Date: 31 July 2021</p>	
<p><u>Progress Report of the Income and Housing Manager</u></p> <p>This action has been delayed due to the Covid-19 pandemic, with the guest rooms being closed due to government restrictions in place. A new/edited procedure for booking will be introduced before the guest rooms open later in the year.</p>	
11. Cash Receipting (Payment Kiosk)	
11.1 Balancing and Reconciliation Differences	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>An Officer Working Group will be established, with representation from key stakeholders across the business, to consider, respond, track and resolve the issues raised in respect of the payment kiosk.</p> <p>The procedure for processing discrepancies identified during cashing-up will be reviewed and updated to allow for any differences to be accounted for in an appropriate manner pending further investigation.</p> <p><u>Managers Responsible</u> Head of Administrative Services; Senior Support Officer/Business Support Team Leader Officer Working Group</p> <p style="text-align: right;">Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Administrative Services</u></p> <p>The payment kiosk has been closed to the public since the first pandemic lockdown in March 2020 and has only being used on a few occasions by Support Services. At this stage, there has been little need to establish an Officer Working Group to receive, manage and resolve the historical issues raised in respect of the payment kiosk.</p> <p>The procedure for processing discrepancies identified during cashing-up will be reviewed and updated when the kiosk facility is re-opened to the public.</p>	

11. Cash Receipting (Payment Kiosk) (Continued)	
11.2 Accuracy of Transaction Recording	Progressing
<p><u>Agreed Action (Significant)</u></p> <p>An Officer Working Group will be established, with representation from key stakeholders across the business, to consider, respond, track and resolve the issues raised in respect of the payment kiosk.</p> <p>A review of the systems and the effectiveness of how they interact will be undertaken to ensure the accuracy and integrity of the data and management information the systems are expected to produce.</p> <p><u>Managers Responsible</u> Head of Administrative Services; Officer Working Group Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Administrative Services</u></p> <p>At a suitable point when the kiosk facility is re-opened to the public, the Officer Working Group will review of the effectiveness of how the systems interact with each other to ensure the accuracy and integrity of the data and management information.</p>	
11.3 Kiosk Receipts and Automated Reports	Progressing
<p><u>Agreed Action (Significant)</u></p> <p>An Officer Working Group will be established, with representation from key stakeholders across the business, to consider, respond, track and resolve the issues raised in respect of the payment kiosk. A review will be conducted to identify improvements to the management information provided by the kiosk. Consideration will be given to skills and training needs to enable clear understanding of the data provided.</p> <p><u>Managers Responsible</u> Head of Administrative Services; Officer Working Group Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Administrative Services</u></p> <p>At a suitable point when the kiosk facility is re-opened to the public, the Officer Working Group will review the management reports produced by the software with a view to having a clear understanding of the data provided and to make improvements based upon respective needs.</p>	
11.4 Contract Management – Reporting of Issues	Progressing
<p><u>Agreed Action (Merits Attention – Necessary Control)</u></p> <p>Any concerns identified with the kiosk system will be escalated to GMT and the service provider as required.</p> <p><u>Managers Responsible</u> Head of Administrative Services; Officer Working Group Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Administrative Services</u></p> <p>The matters identified will be returned to once the kiosk facility is reopened to the public. The Officer Working Group will consider, respond, track and resolve the issues raised with matters escalated to GMT and the service provider as required.</p>	

11. Cash Receiving (Payment Kiosk) (Continued)	
11.5 Payment Details	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>Enquiries will be made with the service provider as to the options for enhancing the controls within the kiosk to make mandatory fields for the payee to enter their details and for the kiosk to only process payments when a correct payment reference has been entered.</p> <p><u>Managers Responsible</u> Head of Administrative Services; Officer Working Group Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Administrative Services</u></p> <p>The enquiries to be made with the service provider reading the use of mandatory fields for the payee to enter their details will be reconsidered at a suitable point after the kiosk is reopened to the public.</p>	
11.6 Card Payments – Refunds Processing	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The option to process card payment refunds (for duplicate or erroneous payments) onto the original payment card used will be considered in conjunction with the service provider.</p> <p><u>Managers Responsible</u> Head of Administrative Services; Officer Working Group Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Administrative Services</u></p> <p>Options for processing card payment refunds onto the original card used will be considered with the service provider when the kiosk is reopened to the public.</p>	
11.7 Usage Reviews and Future Viability	Progressing
<p><u>Agreed Action</u> (Merits Attention)</p> <p>The statistics reports produced in relation to the kiosk will continue to be reviewed. Proactive work will continue to encourage customers to consider alternative cost effective payment channels such as Direct Debit and card payment via the website. This work will include direct contact at the kiosk and scrutiny of payments data (via reports analysed by fund) to identify customers who regularly use the kiosk.</p> <p>The ongoing viability of the payment kiosk will be reviewed undertaken in terms of cost effectiveness and customer satisfaction, with comparison to alternative external solutions.</p> <p><u>Managers Responsible</u> Head of Revenues, Benefits and Customer Services Head of Administrative Services; Officer Working Group Revised Target Date: 30 June 2021</p>	
<p><u>Progress Report of the Head of Revenues, Benefits and Customer Services</u></p> <p>The kiosk has been closed to the public during the Covid-19 pandemic, only being used on a few occasions by Support Services as a matter of urgency. In view of this, it has been difficult to target individuals that use the kiosk and promote other services.</p> <p>A team was established to evaluate the other cash payment options. A report is due to be presented to the Finance and Resources Committee in March 2021 to recommend procuring cash payment facilities in each area of the borough.</p>	

12. Financial Resilience	
12.1 CIPFA Financial Resilience Index	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>It is anticipated that the CIPFA Financial Resilience Index will be refined post Covid-19 to ensure that it remains fit for purpose. The benefits of using this analytical tool to support good financial management and provide a common understanding amongst managers and members of the current financial position and potential risks are acknowledged.</p> <p>Further work in developing this for Broxtowe, at least in the short-term, will be dependent upon further updates from CIPFA.</p> <p><u>Manager Responsible</u> Deputy Chief Executive</p> <p style="text-align: right;">Revised Target Date: 31 July 2021</p>	
<p><u>Progress Report of the Deputy Chief Executive</u></p> <p>This action is still progressing. CIPFA has recently published the latest update of its Financial Resilience Index based upon the 2019/20 financial outturn. This will provide a useful pre-Covid baseline assessment of the financial position of local authorities. The outcomes will be reviewed shortly, with any significant action needed being reported through GMT and to the relevant Committee accordingly.</p>	
12.2 Prioritisation of Schemes – Capital Project Appraisals	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>A review of the current arrangements for prioritising capital schemes will be completed in time for the 2021/22 budget preparation, with the outcomes reported to GMT for approval and adoption. This review will consider the development of a rolling three-year Capital Strategy, linked to corporate priorities, and the introduction of robust business plans/capital project appraisal framework for individual schemes to support decision making and the prioritisation of limited capital resources.</p> <p><u>Manager Responsible</u> Deputy Chief Executive; Head of Finance Services</p> <p style="text-align: right;">Revised Target Date: 30 September 2021</p>	
<p><u>Progress Report of the Deputy Chief Executive</u></p> <p>A Capital Strategy is approved annually by the Finance and Resources Committee. Further work will be undertaken to refine the process to prioritise capital schemes although for the latest capital programme the priority schemes have been linked to the corporate objectives, such as Housing, and the high-risk health and safety schemes relating to public buildings.</p>	

13. Local Authority Trading Company	
13.1 Revision and Update of Service Management Agreement	Progressing
<p><u>Agreed Action (Significant)</u></p> <p>The Council's new Leisure Facilities Strategy is currently being developed, although its full adoption and implementation will be a long-term project. In the meantime, it is anticipated that the proposed Strategy will have been developed by late summer 2020. At this stage, the Strategy will be used as the starting point for an initial review of the Service Management Agreement between the Council and the Company.</p> <p><u>Managers Responsible</u> Deputy Chief Executive Managing Director – Liberty Leisure Limited Revised Target Date: 30 September 2021</p>	
<p><u>Progress Report of the Deputy Chief Executive</u></p> <p>The new Leisure Facilities Strategy is still being developed. Some minor adjustments have been proposed for the Service Management Agreement between the Council and the Company that are currently being worked through in conjunction with Legal Services. A fundamental review of the agreement will be deferred until beyond the pandemic with current the priority being the financial stability of the company.</p>	
13.2 Review of Joint-Use Agreement with Chilwell School	Progressing
<p><u>Agreed Action (Merits Attention 'Necessary Control')</u></p> <p>The ongoing review and re-negotiation of the Joint-Use Agreement with Chilwell School will recommence, in conjunction with Legal Services, with a view to finalising the agreement at the earliest opportunity.</p> <p><u>Manager Responsible</u> Deputy Chief Executive Revised Target Date: 30 September 2021</p>	
<p><u>Progress Report of the Deputy Chief Executive</u></p> <p>Some matter is still progressing although some preliminary work has been undertaken, in conjunction with Legal Services, on the Joint Use Agreement with Chilwell School.</p>	