

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 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 at the next meeting 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 (<i>seven reports</i>)	Various	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
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
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	04/02/21	Reasonable	0	2
16	Neighbourhood Warden	23/02/21	Reasonable	1	0
17	Fuel Management	08/03/21	Substantial	0	1
18	Benefits	11/03/21	Reasonable	0	3
19	Waste Management	15/03/21	Substantial	0	3
20	LLL – Online Payments System	15/03/21	Substantial	0	0
21	Gas Servicing and Maintenance	18/03/21	Reasonable	1	1
22	Financial Appraisal – Stapleford Hub	22/03/21	n/a	-	-
23	Employee Authentication Service	26/03/21	Substantial	0	2
24	LA Compliance/Enforcement Grant	31/03/21	n/a	-	-
25	Governance - Covid-19 Grants Schemes	20/04/21	Substantial	0	0
26	Erewash BC – Risk Management	20/04/21	n/a	-	-

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
	Utilities (Energy and Water)	Draft report issued – pending finalisation
	Crematorium and Cemeteries (Financial)	Ongoing (Nearing completion)
	Housing Voids Management	Ongoing (Nearing completion)
	Computer/ICT (including Cyber Risk)	In progress
	Kimberley Leisure Centre (LLL)	In progress
	Bank Reconciliation	Commenced
	Planning Enforcement	Commenced
	Corporate Governance	Commenced
	Operational Risk Management	Now included in 2021/22 Internal Audit Plan
	Health and Safety	Now included in 2021/22 Internal Audit Plan
The audits of Business Rates; Cash Receipting; Climate Change; Housing Management System; Human Resources; Planning and Building Control; Procurement and Contract Management; and Treasury Management were deferred following revision to the Internal Audit Plan approved on 30 November 2020.		

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. **Online Payments System (L Leisure Ltd)** Assurance Opinion – **Substantial**

Internal Audit has reviewed the systems and procedures operating in respect of the new Online Payment System operated by Liberty Leisure Limited.

The terms of reference, as agreed with the Managing Director, sought to confirm that adequate management control exist to provide assurance that the new system was operating effectively. The cost of this work will be recharged to Liberty Leisure.

Internal Audit reported that no significant areas of concern. As the audit was completed during a period of enforced closure for the company, it was not possible to perform complete testing on the 'live' payment system. Internal Audit has offered to perform a brief follow-up review within the coming months to further confirm the findings of this audit.

Overall, at this stage, the review did not indicate any significant weaknesses or areas for improvement and, accordingly, a clearance report was duly issued.

2. **Gas Servicing and Maintenance** Assurance Opinion – **Reasonable**

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

- All properties that require an annual gas servicing and maintenance visit are identified and visited;
- Adequate records of annual visits are retained;
- The process followed prior to the 'capping' of the gas supply to a property is reasonable and robust;
- There is adequate quality control on work carried out by Operatives; and
- Performance monitoring processes are robust and contribute to a culture of continuous improvement.

The Council has an established and appropriate framework for the administration of its gas servicing and maintenance operations. It was also pleasing to note that a further level of assurance over the quality of work performed by the Gas Maintenance Operatives may be taken from the consistently positive reports received from an external specialist inspectorate.

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 ensure compliance with procurement legislation and Financial Regulations in respect of the procurement and commissioning of temporary Gas Maintenance Operatives, as follows:

Gas Servicing Contractor – Procurement

It was noted during the course of the audit, that the Council engages an external contractor to cover resource shortages within the team and ensure full compliance with Gas Safety requirements. It is acknowledged that this arrangement has enabled the Council to maintain its obligations with regards to gas safety.

A review of the creditors system had revealed that the total spend with the contractor over the past three years alone is in excess of £120k (ex VAT) and is averaging around £40k per annum. This more than exceeds the Council's threshold for undertaking a competitive tendering exercise.

Agreed Action (Significant)

The contract for externally provided Gas Maintenance works will be subjected to a formal tender exercise, in conjunction with the Council's Procurement function. This may form part of an anticipated wider procurement exercise that is due to be undertaken by Capital Works for installation and maintenance of all heating appliances.

Managers Responsible

Head of Asset Management and Development

Housing Repairs and Compliance Manager

Target Date: 30 June 2021

The review also proposed a further 'Merits Attention - Necessary Control' action relating to need to ensure that all work carried out by the external contractor is subjected to formal purchase orders being raised and then matched to supplier invoices in accordance with established supply procedures and Financial Regulations.

The actions were agreed by the Head of Asset Management and Development and the Housing Repairs and Compliance 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. Financial Appraisal (Stapleford Business Hub)

Internal Audit produced a financial appraisal of a company which had expressed an interest to lease a space within the Business Hub at the Former Police Station in Stapleford. This review was requested by 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 the Head of Asset Management and Development; the Estates Manager; the Head of Planning and Economic Development; the Major Projects Officer; and the Business Growth Manager.

4. **DWP – Employee Authentication Service** Assurance Opinion – **Substantial**

Internal Audit has completed a special investigation to review the systems, procedures and key controls operating in respect of Access to Department for Work and Pensions (DWP) Data. This review was requested by the Deputy Chief Executive and the Head of Revenues, Benefits and Customer Services.

The review was also informed by the findings of the annual external audit of the Employee Authentication Service (EAS), details of which were provided by the DWP. These findings included a generic set of issues identified by the external auditors at a national level, that needed to be considered in a local context. Internal Audit has therefore provided an assurance opinion for Broxtowe.

It is pleasing to report that the Council has an appropriate framework in place for the day-to-day administration of operations in respect of the EAS.

Internal Audit made two recommendations to ensure that processes and controls in place remain effective, in respect of individual user records on EAS being periodically reviewed and updated with DWP as necessary; and that a mapping exercise should be completed to ensure that all tokens held by the Council are accurately logged and matched to EAS records.

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

5. **Local Authority Compliance and Enforcement Grant**

Broxtowe Borough Council received the sum of £47,090 as a Local Authority Compliance and Enforcement Grant. As part of the grant conditions, a signed declaration of spend was required from the Chief Executive (or equivalent) and the Chief Internal Auditor (or equivalent) by 31 March 2021.

Internal Audit carried out the necessary audit testing in order for the Chief Audit and Control Officer to duly certify the Grant Determination.

6. **Covid-19 Business Grants Arrangements - Special Investigation**

Internal Audit has completed its latest in a series of reviews of the Covid-19 business grants process with a view to providing assurance to management and Members. The outcome of the audit has included the production of a governance report (elsewhere on this agenda) to show Members the audit trail for the payment of business support grants including the relevant safeguards, key controls and fraud checks in place.

This audit mainly considered the second phase of grant making in autumn/winter 2020/21 relating to the various Local Restrictions Support Grants and National Lockdown schemes and the Additional Restrictions Grant (ARG) as provided by Central Government for local distribution.

Testing was carried out on a sample of grant payments made during the period to ensure that an adequate audit trail existed to support the payment was present (such as a completed application, sufficient evidence and correct application of eligibility criteria). Where matters of discretion and/or decision-making was required, evidence of appropriate authorisation and approval was obtained.

No significant issues were noted as a result of this review. Internal Audit was satisfied that for each payment selected an adequate audit trail was present.

7. **Erewash Borough Council – Risk Management**

As part of its Internal Audit Collaboration arrangements with Erewash Borough Council, Internal Audit has completed a review of the systems and procedures operating in respect of Risk Management at Erewash which was carried out as part of the Erewash Internal Audit Plan for 2020/21.

Further reviews in respect of Computer/ICT (including Cyber Risk); Creditors and Purchasing; Crematorium/Cemeteries (Financial Management); Declarations of Interest; Housing Delivery Plan; Housing Voids Management; Kimberley Leisure Centre (LLL); Sundry Debtors; and Utilities (Energy and Water) 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 October 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
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	Completed
Human Resources 2019/20	20/12/19	Substantial	1	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	2 Outstanding
Cash Receipting (Payment Kiosk)	05/06/20	LIMITED	7 (2)	7 Outstanding
Financial Resilience	03/07/20	Reasonable	4	2 Outstanding
Local Authority Trading Company	06/07/20	Reasonable	3 (1)	2 Outstanding
Governance - Emergency Grant Schemes	19/08/20	Substantial	1	Completed
Kimberley Depot and Security	04/09/20	Reasonable	4	4 Outstanding
Housing Repairs	07/09/20	LIMITED	5 (1)	5 Outstanding
Public Health Funerals	16/10/20	Reasonable	4	1 Outstanding

Note: The 'Original Assurance Opinion' listed above refers to the individual opinions provided by Internal Audit at the date of concluding the audit. The details regarding the findings of the 'Limited' assurance opinion reports were presented to this Committee on 18 May 2020 for Procurement and Contract Management); 20 July 2020 for Cash Receipting - Payment Kiosk; and 27 September 2020 for Housing Repairs.

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 RecordsAgreed Action (Merits Attention – Necessary Control)

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.

Manager Responsible

Head of Property Services

Revised target date – 30 September 2021**Progress Report of the Head of Environmental Services**

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 implementation has been delayed by the pandemic crisis, the contract documentation has now been agreed with supplier and duly signed. The software is due to be mobilised shortly with appropriate testing and training to follow. It is anticipated that the software will be fully integrated and operational by September 2021.

2. Legionella

September 2018, Reasonable Assurance, Actions – 5

2.1 Health and Safety AuditsAgreed Action (Merits Attention – Necessary Control)

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.

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.

Managers Responsible

Head of Asset Management

Health and Safety Manager

Revised target date – 30 September 2021**Progress Report of the Health and Safety Manager**

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.

Refresher training now been booked for May 2021. This had been postponed twice due to the pandemic but the easing of restrictions will now allow this to go ahead.

An audit programme is being developed with audits due to commence in August 2021.

2. Legionella (Continued)

2.2 Tendering and Contracts

Agreed Action (Merits Attention – Necessary Control)

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.

Managers Responsible

Head of Asset Management;

Health and Safety Manager;

Housing Repairs and Compliance Manager

Revised target date – 30 June 2021

Progress Report of the Head of Asset Management

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.

3. Commercial Property/Industrial Units

October 2018, Substantial, Actions – 1

3.1 Invoices – Combined Rent and Insurance

Agreed Action (Merits Attention)

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.

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.

Manager Responsible

Estates Manager

Revised Target Date: 31 July 2021

Progress Report of the Estates Manager

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.

4. CCTV

October 2019, Substantial Assurance, Actions – 1

4.1 Application for the Third Party Certification of Compliance with the Surveillance Camera Code of PracticeAgreed Action (Merits Attention – Necessary Control)

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:

- 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)

Managers Responsible

Head of Service

Parking and CCTV/Security Manager (in conjunction with the appropriate site managers)

Progress Report of the Head of Governance and the CCTV, Security and Parking Manager

Action 1 (Kimberley Leisure Centre) – This is on-hold pending the outcome of the Leisure Facilities Strategy, the joint-use agreement negotiations with the School and the future of the Centre.

Action 2 (Kimberley Depot) – A system of local management is being introduced whereby compliance with the Commissioners Code of Practice and accreditation can be audited by the nominated senior responsible officer (SRO) for surveillance. This is reinforced by local managers being required to complete annual training through the Broxtowe Learning Zone in addition to the completion of a form which outlines the justification for the retention of CCTV in their area.

Action 3 (Policy Updates) – A CCTV review is under way with a Councillor Task and Finish Group, the outcomes of which will inform future policies.

5. Bramcote Crematorium

October 2019, Substantial Assurance, Actions – 2

5.1 Bereavement Services Management SystemAgreed Action (Merits Attention – Necessary Control)

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.

Managers Responsible

Head of Service

Bereavement Services Manager

Revised Target Date: 30 September 2021**Progress Report of the Head of Environmental Services**

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 implementation has been delayed by the pandemic crisis, the contract documentation has now been agreed with supplier and duly signed. The software is due to be mobilised shortly with appropriate testing and training to follow. It is anticipated that the software will be fully integrated and operational by September 2021.

6. Chilwell Olympia

January 2020, Substantial Assurance, Actions – 1

6.1 Operational Safety Risks – Joint-Use AgreementAgreed Action (Merits Attention 'Necessary Control')

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.

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 Chilwell School and Nottinghamshire County Council to consider the proposed Joint Use Agreement.

Managers Responsible

Deputy Chief Executive, Broxtowe Borough Council

Managing Director, Liberty Leisure Limited

Centre Manager

Revised Target Date: 30 September 2021**Progress Report of the Managing Director, Liberty Leisure Limited**

Legionella risk 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 in 2020.

An initial meeting was held with the school to discuss the Joint Use Agreement. The Council's Legal section was involved and prepared a draft revised agreement that was shared with the school. Operational meetings were held with the school Head Teacher which focussed on the safe re-opening of the school and leisure centre in relation to Covid-19. The specific health and safety issues detailed in the audit are being jointly managed by the school and LLL to ensure the safety of all users of the site.

7. Procurement and Contract Management

March 2020, Limited Assurance, Actions – 6

7.1 Procurement Training

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.

Managers Responsible

Procurement and Contracts Officer

Revised Target Date: 31 July 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.

7.2 Structured Contract Management

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.

Managers Responsible

Head of Finance Services

Procurement and Contracts Officer

Revised Target Date: 31 July 2021

Progress Report of the Procurement and Contracts Officer

A Contract Management Strategy was approved by GMT in 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.

7. Procurement and Contract Management (Continued)

7.3 Contract Transparency Requirements

Agreed Action (Merits Attention)

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.

Manager Responsible

Procurement and Contracts Officer

Revised Target Date: 31 July 2021

Progress Report of the Procurement and Contracts Officer

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.

8. Independent Living

May 2020, Reasonable, Actions – 5

8.1 Independent Living Plans (I-plans)

Agreed Action (Merits Attention – Necessary Control)

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.

Managers Responsible

Head of Housing; Income and Housing Manager

Independent Living Manager

Revised Target Date: 30 September 2021

Progress Report of the Income and Housing Manager

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.

8.2 Guest Room Income

Agreed Action (Merits Attention – Necessary Control)

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.

Booking forms will be completed for all bookings, with gratis bookings formally authorised by an Independent Living Team Leader. The chargeable bookings recorded in the calendar will be reconciled against the income noted in the general ledger on a monthly basis.

Managers Responsible

Income and Housing Manager; Independent Living Manager

Revised Target: 31 July 2021

Progress Report of the Income and Housing Manager

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.

9. Cash Receipting (Payment Kiosk)

June 2020, Substantial, Actions – 7

9.1 Balancing and Reconciliation DifferencesAgreed Action (Merits Attention – Necessary Control)

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.

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.

Managers Responsible

Head of Administrative Services;
Senior Support Officer/Business Support Team Leader
Officer Working Group

Revised Target Date: 30 June 2021

Progress Report of the Head of Administrative Services

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 manage and resolve the historical issues raised in respect of the payment kiosk.

The procedure for processing discrepancies identified during cashing-up will be reviewed and updated when the kiosk facility is re-opened to the public.

9.2 Accuracy of Transaction RecordingAgreed Action (Significant)

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 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.

Managers Responsible

Head of Administrative Services;
Officer Working Group

Revised Target Date: 30 June 2021

Progress Report of the Head of Administrative Services

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.

9. Cash Receipting (Payment Kiosk) (Continued)

9.3 Kiosk Receipts and Automated Reports

Agreed Action (Significant)

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.

Managers Responsible

Head of Administrative Services;
Officer Working Group

Revised Target Date: 30 June 2021

Progress Report of the Head of Administrative Services

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.

9.4 Contract Management – Reporting of Issues

Agreed Action (Merits Attention – Necessary Control)

Any concerns identified with the kiosk system will be escalated to GMT and the service provider as required.

Managers Responsible

Head of Administrative Services;
Officer Working Group

Revised Target Date: 30 June 2021

Progress Report of the Head of Administrative Services

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.

9.5 Payment Details

Agreed Action (Merits Attention – Necessary Control)

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.

Managers Responsible

Head of Administrative Services;
Officer Working Group

Revised Target Date: 30 June 2021

Progress Report of the Head of Administrative Services

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.

9. Cash Receipting (Payment Kiosk) (Continued)**9.6 Card Payments – Refunds Processing**

Agreed Action (Merits Attention – Necessary Control)

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.

Managers Responsible

Head of Administrative Services;

Officer Working Group

Revised Target Date: 30 June 2021

Progress Report of the Head of Administrative Services

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.

9.7 Usage Reviews and Future Viability

Agreed Action (Merits Attention)

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.

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.

Managers Responsible

Head of Revenues, Benefits and Customer Services

Head of Administrative Services

Revised Target Date: 31 July 2021

Progress Report of the Head of Revenues, Benefits and Customer Services

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.

A team was established to evaluate the other cash payment options. A report was presented to Finance and Resources Committee on 30 March 2021 where it was agreed that the Council will work with 'All Pay' to provide cash payment facilities using Paypoint and the Post Office. These services will be limited to those residents that have no other method of payment. The Council will now look to set this up with a target go live date of 31 July 2021.

10. Financial Resilience

July 2020, Reasonable, Actions – 4

10.1 CIPFA Financial Resilience IndexAgreed Action (Merits Attention 'Necessary Control')

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.

Further work in developing this for Broxtowe, at least in the short-term, will be dependent upon further updates from CIPFA.

Manager Responsible

Deputy Chief Executive

Revised Target Date: 31 October 2021**Progress Report of the Deputy Chief Executive**

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 indices for 2020/21 will be reviewed when available, with any significant action needed being reported through GMT and to the relevant Committee accordingly.

10.2 Prioritisation of Schemes – Capital Project AppraisalsAgreed Action (Merits Attention 'Necessary Control')

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.

Manager ResponsibleDeputy Chief Executive;
Head of Finance Services**Revised Target Date: 31 October 2021****Progress Report of the Deputy Chief Executive**

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.

11. Local Authority Trading Company

July 2020, Reasonable, Actions – 3

11.1 Revision and Update of Service Management AgreementAgreed Action (Significant)

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.

Managers Responsible

Deputy Chief Executive

Managing Director – Liberty Leisure Limited

Revised Target Date: 30 September 2021

Progress Report of the Deputy Chief Executive

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.

11.2 Review of Joint-Use Agreement with Chilwell SchoolAgreed Action (Merits Attention 'Necessary Control')

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.

Manager Responsible

Deputy Chief Executive

Revised Target Date: 30 September 2021

Progress Report of the Deputy Chief Executive

Some preliminary work has been undertaken, in conjunction with Legal Services, on the Joint Use Agreement with Chilwell School. Given the notice received from East Midlands Education Trust, the ongoing negotiations with EMET regarding Kimberley Leisure Centre remain the current priority.

12. Kimberley Depot and Security

September 2020, Reasonable, Actions – 4

12.1 Security Policy and ProcedureAgreed Action (Merits Attention 'Necessary Control')

A security policy and procedures guide will be produced for reference by managers and officers with responsibilities relating to depot security.

Manager Responsible

Head of Environment

Target Date: 31 March 2021

Progress Report of the Head of Environmental Services

This task has not yet commenced – the revised target date for completion is June 2021.

12. Kimberley Depot and Security (Continued)**12.2 Risk Assessments – Health and Safety**

Agreed Action (Merits Attention 'Necessary Control')

A formal risk assessment will be completed and documented relating to the risk of flooding. The mitigating actions identified for a flooding event will be effectively communicated to those responsible to ensure the health and safety of employees.

Manager Responsible

Head of Environment

Target Date: 31 March 2021

Progress Report of the Head of Environmental Services

A formal flood risk assessment has not yet been completed, although a Flood Plan is currently in draft form. The proposed revised target date for completion is June 2021.

12.3 Inventories

Agreed Action (Merits Attention 'Necessary Control')

An inventory of all plant and equipment held at the depot and/or used offsite by the Environment Department will be recorded and maintained. This inventory will then be used to review insurance arrangements and ensure that the most appropriate cover is in place.

Manager Responsible

Head of Environment

Target Date: 31 March 2021

Progress Report of the Head of Environmental Services

A task to create a full inventory list of plant and equipment at the Depot is currently in progress. The proposed revised target date for completion is June 2021.

12.4 Flood Plan

Agreed Action (Merits Attention 'Necessary Control')

A formal flood plan specific for Kimberley Depot will be developed. The plan will identify key officers and responsibilities; basic strategies to protect employees, equipment and machinery and to mitigate risks from contamination (including hazardous chemicals).

The plan will also include a checklists of actions to be completed when flooding is imminent, during the event and post-flood to ensure that no key actions are missed.

Manager Responsible

Head of Environment

Target Date: 31 March 2021

Progress Report of the Head of Environmental Services

The Flood Plan has been drafted and is awaiting review by the Head of Service. The proposed revised target date for completion is June 2021.

13. Housing RepairsSeptember 2020, **LIMITED**, Actions – 5**13.1 Completion and Reporting of Inspections**Agreed Action (Merits Attention 'Necessary Control')

As part of wider improvements to systems and processes (including form design), a review of the reporting framework will be undertaken with the aim of implementing an effective system of 'post-inspection' and 'monitored inspection', with progress being regularly reported to Housing Management accordingly.

Managers Responsible

Head of Housing; Housing Repairs Manager

Target Date: 31 December 2020

Progress Report of the Head of Asset Management and Development and the Housing Repairs and Compliance Manager

Delayed due to the limitations on inspection due to Covid-19 but will be picked up in a more robust way once restrictions of going into properties has been lifted. The action will also progress the reporting within the new web-based Capita reporting.

13.2 Invoicing of Rechargeable WorksAgreed Action (Merits Attention 'Necessary Control')

The process for invoicing rechargeable repair works will be reinstated, although the current method for evidencing costs, producing bills and recovering the debt is very labour intensive.

The billing of rechargeable repair works will be reviewed as part of a wider piece of work to bring all housing related debt into the CAPITA system, depending upon system development.

Managers Responsible

Head of Housing; Housing Repairs Manager

Target Date: 31 March 2021

Progress Report of the Head of Asset Management and Development and the Housing Repairs and Compliance Manager

This action is tied in with wider Capita system and resourcing issues. Proposed revised target date of 30 September 2021.

13.3 Contact Centre (Customer Services)Agreed Action (Merits Attention)

The key recommendations from commercial review of the Housing Repairs Service in relation to the Contact Centre will be implemented, in conjunction with the Head of Revenues, Benefits and Customer Services, as soon as practicable. The progress made on this should be regularly reported to Housing Management and the Housing Committee.

Managers Responsible

Head of Housing; Housing Repairs Manager

Target Date: 31 December 2020

Progress Report of the Head of Asset Management and Development and the Housing Repairs and Compliance Manager

Good progress is being made. A proposed revised target date of 30 September 2021.

13.4 Job Costing and Stock Control

Agreed Action (Significant)

The progress made in delivering the Housing Repairs Review Action Plan have stalled due to various circumstances, not least the coronavirus pandemic lockdown. This action plan will be revisited when resources and the lifting of restrictions allow.

The job costing and stock control processes will be reviewed and updated as planned for in the Housing Repairs Review Action Plan. The progress made on this will be regularly reported to Housing Management and the Housing Committee.

Managers Responsible

Head of Housing; Housing Repairs Manager

Target Date: 31 December 2020

Progress Report of the Head of Asset Management and Development and the Housing Repairs and Compliance Manager

Work has commenced on reviewing an stocks and stores. Proposed revised target date of 31 December 2021.

13.5 Overdue Contract Renewals

Agreed Action (Merits Attention 'Necessary Control')

The expired contracts for Glazing Services and Scaffolding will be reviewed, in conjunction with the Procurement and Contracts Officer, and subjected to formal competitive tender or direct award from a recognised framework, where appropriate, at the earliest opportunity.

Managers Responsible

Head of Housing; Housing Repairs Manager

Target Date: 31 October 2020

Progress Report of the Head of Asset Management and Development and the Housing Repairs and Compliance Manager

All expired and non-compliant arrangements are now being reviewed and a programme is being developed to bring them into compliance. Proposed revised target date of 30 September 2021.

14. Public Health Funerals

October 2020, Reasonable, Actions – 4

14.1 Procurement of Funeral Director Services

Agreed Action (Merits Attention 'Necessary Control')

A review of the contract for Funeral Directors services will be undertaken to ensure compliance with Procurement Regulations and the Council's Contract Standing Orders.

Manager Responsible

Chief Environmental Health Officer; Environmental Health Officer Target Date: 31 March 2021

Progress Report of the Head of Public Protection

The current contract award was completed on the basis of an informal tender with local funeral directors being asked to submit prices to undertake the various aspects of a welfare funeral. A formal tender was not felt to be required at the time due to the overall value and the award was made on the basis of lowest price.

This is now being refreshed and draft tender documents are being prepared in conjunction with other departments.