

Report of the Chief Audit and Control Officer

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 is included at appendix 1. A summary narrative of the work completed by Internal Audit since the previous report to this Committee is also included.

Internal Audit has also 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 2021/22.

Recommendation

The Committee is asked to NOTE the report.

Background Papers

Nil

APPENDIX 1

INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2021

No	Audit Title	Report Issued	Assurance Opinion	Actions - Significant	Actions - Merits Attention
25	Governance - Covid-19 Grants Schemes	20/04/21	Substantial	0	0
01	Erewash BC – Risk Management	20/04/21	n/a	-	-
02	Erewash BC – Cemeteries	12/05/21	n/a	-	-
26	Utilities (Energy and Water)	21/05/21	Reasonable	1	1
27	Housing Delivery Plan	08/06/21	Substantial	1	2
28	LLL – Kimberley Leisure Centre	10/06/21	Substantial	0	4
29	Corporate Governance Arrangements	18/06/21	Reasonable	-	-
30	Sundry Debtors	04/08/21	Reasonable	0	5
03	Disabled Facilities Grants	29/06/21	Substantial	0	0
04	Financial Appraisal – Mushroom Farm	06/07/21	n/a	-	-
05	Financial Appraisal – Mushroom Farm	06/07/21	n/a	-	-
06	Special – Cash/Valuables Recovered	03/08/21	n/a	-	-
07	Planning Enforcement	04/08/21	Reasonable	0	1
32	Cyber Risk and Security	05/08/21	Substantial	0	0
08	NNDR	23/08/21	Substantial	0	0
09	Financial Appraisal – Proposed Bistro	23/08/21	n/a	-	-
10	Erewash BC – Crematorium	31/08/21	n/a	-	-

REMAINING INTERNAL AUDIT PLAN

No	Audit Title	Progress
	Declarations of Interest	Draft report issued – pending finalisation
	Housing Voids Management	Draft report issued – pending finalisation
	Procurement and Contract Management	Ongoing (Nearing completion)
	Bank Reconciliation	In progress
	Grounds Maintenance Services	In progress
	Creditors and Purchasing	In progress
	Capital Works	In progress
	Public Buildings Maintenance	In progress
	Homelessness	Commenced
	Human Resources	Commenced
	Payroll	Commenced
	Health and Safety	Expected to commence in Q2/3
	Environmental Health	Expected to commence in Q2/3
	Garden Waste Collection	Expected to commence in Q2/3
	Treasury Management	Expected to commence in Q2/3
	Climate Change	Expected to commence in Q2/3
	Information Governance	Expected to commence in Q2/3
	Transport/Fleet Management	Expected to commence in Q2/3
	Operational Risk Management	Expected to commence in Q2/3

Bramcote Leisure Centre	Expected to commence in Q2/3
Financial Resilience/Budgetary Control	Expected to commence in Q3/4
Stapleford Town Fund (i.e. Major Projects)	Expected to commence in Q3/4
Local Authority Trading Company	Expected to commence in Q3/4
Customer Services	Expected to commence in Q3/4
Commercial/Industrial Properties	Expected to commence in Q3/4
Choice Based Lettings	Expected to commence in Q3/4
Benefits	Expected to commence in Q3/4
Cash Receipting	Expected to commence in Q3/4
Council Tax	Expected to commence in Q3/4
Rents	Expected to commence in Q3/4
D H Lawrence Birthplace Museum	Expected to commence in Q3/4
Housing Repairs	Expected to commence in Q4
Corporate Governance	Expected to commence in Q4

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:

1. **Disabled Facilities Grants** Assurance Opinion – **Substantial**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- Controls and processes are in place for responding to requests for adaptations and there is a clear process for documenting and retaining information
- Controls are in place to ensure disabled facility adaptations are only processed for eligible claimants
- Works completed are assessed with consideration of value for money and reviews are completed before processing invoices for payment
- Management information is adequate for effective governance and performance management and includes reviews of the level of spend.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the managements and administration of operations in respect of Disabled Facilities Grants. In addition to the well-established systems in place for processing and paying Disabled Facilities Grants, it was also pleasing to note that the process for documenting and monitoring grant applications has been enhanced since March 2020 (from the initial pandemic lockdown). The electronic filing of all documentation and the development of a 'progress checklist' have made considerable improvements to the accessibility of documents and the reviewing of progress by management.

No significant areas of concern were noted during the course of the audit. The findings arising from this review did not indicate any significant areas for improvement and, accordingly, Internal Audit issued a clearance report.

2. **Financial Appraisals – Mushroom Farm**

Internal Audit produced financial appraisals of two companies which had applied to lease industrial units within the new development at Mushroom Farm in Eastwood. This review was requested by the Estates Manager, with management wanting consideration of the financial viability of each 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.

3. Cash and Valuables Recovered from a Housing Property

A special investigation was undertaken to review the arrangements to manage the risks associated with the discovery of a substantial amount of cash and valuables at a Council dwelling following the death of the tenant. The primary purpose of the review was to ensure that the cash and valuables were handled in a secure manner and that any potential issues arising under the Money Laundering Prevention Policy were addressed.

Internal Audit was delighted to report that officers acted in an appropriate and professional manner to secure and record the cash and valuables found at the property. The documentation supplied indicated that an appropriate level of separation of duties and witnessing was implemented when counting and securing the cash and valuables. Arrangements were then made to securely pay the cash into the Council's bank account at the earliest opportunity.

Internal Audit wished to commend the efforts of all the officers involved who responded so diligently and professionally in this matter.

A review of the circumstances with due regards to the Council's Money Laundering Prevention Policy indicated no cause for concern. The Police were notified of this matter at an early stage and indicated they had no specific interest in either the late individual or the property.

A review of the benefits system showed that the tenant had been in receipt of Guaranteed Pension Credit for many years and had received full Housing Benefit and Council Tax Support from the Council. Early indications were that the chances of any worthwhile recovery of any overpaid benefits from the estate are limited. Internal Audit recommended that this matter is brought to the attention of the Pension Service and then monitored and followed-up accordingly.

4. Planning Enforcement

Assurance Opinion – **Reasonable**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that:

- Appropriate enforcement policies and guidance are available and reflect the relevant legislation and best practice.
- Appropriate risk assessments are undertaken to ensure high-risk areas receive priority at the inspection planning stage.
- Enforcement activity is appropriately authorised, documented and reflects the policies and guidance available including the good regulation principles.

- Enforcement activity involving legal proceedings has been referred to Legal Services as per the Scheme of Delegation; and
- Appropriate systems are in place to allow appeals against enforcement action, complaints and feedback.

The Council has an appropriate framework in place for the management and administration of operations in respect of Planning Enforcement. It was also confirmed through audit testing that the enforcement action taken was properly documented, duly authorised and reflected the good regulation principles in that they were transparent, accountable, proportionate, consistent and targeted as recognised in the corporate Enforcement Policy.

The review identified an area for improvement with one 'Merits Attention – Necessary Control' actions being agreed to review of arrangements for recording the date of registration will be undertaken with a view to including the appropriate date in the Uniform system for the purposes of performance management.

The actions were duly agreed by the Head of Planning and Economic Development and the Senior Enforcement Officer.

5. **Cyber Risk and Security**

Assurance Opinion – **Substantial**

The audit objectives, which were based around the National Cyber Security Centre (NCSC) 10 Steps to Cyber Security, sought to confirm whether adequate management control exists to provide assurance that:

- An overarching cyber risk assessment has been carried out with suitable frameworks in place to manage cyber risk, including system updates, backup and disaster recovery procedures.
- Adequate measures to protect the Council network, including cloud-based applications, from external attack or unauthorised access are in place.
- Physical hardware, including removable storage devices and media, are secure.
- Appropriate training relating to cyber risk for all computer-based staff is provided.
- Security breaches and similar significant incidents are adequately addressed, recorded, monitored and reported.
- Security risks relating to remote working have been assessed and appropriately responded to.

Internal Audit was pleased to report that the Council has an appropriate framework in place in respect of Cyber-Risk and Security. Two observations were made regarding the Cyber Security Policy and the current location of the Council's backup server.

No significant areas of concern were noted during the course of the audit. The findings arising from this review did not indicate any significant areas for improvement and, accordingly, Internal Audit issued a clearance report.

6. **Business Rates (NNDR)** Assurance Opinion – **Substantial**

The specific audit objectives sought to confirm whether adequate management control exists to provide assurance that NNDR is correctly calculated; billed amounts are efficiently collected and accounted for correctly; refunds and write-offs are valid and authorised; and arrangements for detecting and managing fraud are robust.

Internal Audit was pleased to report that the Council has an appropriate framework in place in respect of NNDR. It was also reported that the high level of segregation of duties, review and authorisation procedures surrounding refunds provides substantial assurance that the risk of an internal fraud similar to that recently perpetrated at a nearby Nottinghamshire district is low. An observation was made relating to a decline in collection rates as a result of the Covid-19 pandemic.

No significant areas of concern were noted during the course of the audit. The findings arising from this review did not indicate any significant areas for improvement and, accordingly, Internal Audit issued a clearance report.

7. **Financial Appraisal – Proposed Bistro**

Internal Audit produced a financial appraisal of two individuals who have applied to lease a changing room facility at Long Lane, Attenborough. It is their intention to convert the changing room facility into an area suitable for food and beverage retail. This review was requested by the Commercial Manager on behalf of the Chief Executive, with management wanting consideration of financial viability in order to assess the level of risk to the Council.

The review of information obtained via the National Anti-Fraud Network found no cause for financial concern relating to either individual. The findings were reported to senior management including the Chief Executive, Head of Asset Management and Development and the Commercial Manager.

8. **Erewash Borough Council – Crematorium**

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 Bramcote Crematorium which was carried out as part of the Erewash Internal Audit Plan for 2020/21.

Further reviews in respect of Bank Reconciliation; Creditors and Purchasing; Declarations of Interest; Grounds Maintenance Services; Housing Voids Management; Procurement and Contract Management; and Public Buildings Maintenance are ongoing and the reports have yet to be finalised. These will be included in the next progress report to Committee.

Current Audit Performance

Overall, although there has been some focus on completing the outstanding audits from 2020/21, the current level of performance for 2021/22 in terms of audits in progress is similar to what has been achieved at this stage in previous 'normal' years. The target of 90% completion of the Internal Audit Plan is expected to be achieved.

Members are aware that the Chief Audit and Control Officer was recently successful in achieving a promotion into the Head of Finance Services role from 1 September 2021. Management are considering the options for recruitment into the vacant established position. In the meantime, medium-term arrangements are being made for a potential succession into the audit, fraud and risk management aspect of the current role. Further details will be brought back to this Committee in due course.

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 February 2021 (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	1 Outstanding
Bramcote Crematorium 2019/20	21/10/19	Substantial	2 (1)	1 Outstanding
CCTV 2019/20	30/10/19	Substantial	1	1 Outstanding
Chilwell Olympia (Liberty Leisure Ltd)	28/01/20	Substantial	1	Completed
Procurement and Contract Management	02/03/20	LIMITED	6 (1)	2 Outstanding
Independent Living	05/05/20	Reasonable	5	Completed
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
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	Completed
Leasehold Properties	03/11/20	Reasonable	3 (1)	Completed
Garages	09/11/20	Substantial	2	1 Outstanding
Section 106 Agreements	16/11/20	Reasonable	3	Completed
Rents (including Evictions)	06/01/21	Substantial	1	Completed
Council Tax	04/02/21	Reasonable	2	Completed
Neighbourhood Wardens	23/02/21	Reasonable	1 (1)	Completed

Note: The 'Original Assurance Opinion' listed refers to the individual opinions provided by Internal Audit at the date of concluding the audit. The summary details regarding 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 Service

Bereavement Services Manager

Revised target date – 31 December 2021**Progress Report of the Bereavement Services Manager**

Tenders were evaluated for the provision of Bereavement Services Management Software. Due diligence carried out with the preferred supplier to ensure the proposed solution was suitable and within budget. Whilst implementation was delayed by the pandemic, the contract has now been agreed with supplier. The software is being mobilised with appropriate testing and training to follow. It is anticipated that the system will be fully integrated and operational by the end of 2021.

2. Legionella

September 2018, Reasonable Assurance, Actions – 5

2.1 Tendering and ContractsAgreed 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 and Development

Health and Safety Manager

Housing Repairs and Compliance Manager

Revised target date – 31 December 2021**Progress Report of the Head of Asset Management and Development**

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. CCTV

October 2019, Substantial Assurance, Actions – 1

3.1 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.

4. Bramcote Crematorium October 2019, Substantial Assurance, Actions – 2**4.1 Bereavement Services Management System**

Agreed 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 – 31 December 2021

Progress Report of the Bereavement Services Manager

Tenders were evaluated for the provision of Bereavement Services Management Software. Due diligence carried out with the preferred supplier to ensure the proposed solution was suitable and within budget. Whilst implementation has been delayed by the pandemic, the contract has now been agreed with supplier. The software is being mobilised with appropriate testing and training to follow. It is anticipated that the system will be fully integrated and operational by the end of 2021.

5. Procurement/Contract Management March 2020, Limited Assurance, Actions – 6**5.1 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 '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: 30 November 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 was delayed as a result of other priorities linked to the pandemic. It is now intended to be delivered before the revised target date.

5.2 Procurement Training

Agreed Action (Merits Attention)

A procurement e-learning module will be developed 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: 30 November 2021

Progress Report of the Procurement and Contracts Officer

A briefing on the refreshed Procurement Strategy was provided to relevant officers and managers. Contact has been made with the Learning and Development Officer to develop an e-learning course for the Broxtowe Learning Zone and it is intended to deliver this action before the revised target date.

6. Cash Receipting (Payment Kiosk)

6.1 Balancing and Reconciliation Differences

Agreed 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.

6.2 Accuracy of Transaction Recording

Agreed Action (Significant)

A review of the systems and the effectiveness of how they interact will be undertaken by the Officer Working Group to ensure the accuracy and integrity of the data and management information the systems are expected to produce.

6.3 Kiosk Receipts and Automated Reports

Agreed Action (Significant)

A review will be conducted by the Officer Working Group 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.

6.4 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.

6.5 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.

6.6 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: 31 December 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.

At a suitable point when the kiosk facility is re-opened to the public, the Officer Working Group will review and consider all of the points raised by Internal Audit.

6.7 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: 30 November 2021

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

The kiosk has been closed to the public during the 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 group was established to evaluate the other cash payment options. A report was presented to the 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 has commenced the procurement process with 'All-Pay'. In order to implement this facility, further support is required from Finance Services to ensure payments are accounted for correctly. This is being arranged with the new Head of Finance Services, with a view to launching this scheme in advance of the revised target date.

7. Financial Resilience

7.1 CIPFA Financial Resilience Index

Agreed 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.

7.2 Prioritisation of Schemes – Capital Project Appraisals

Agreed 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 Responsible

Deputy 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.

8. Local Authority Trading Company

8.1 Revision and Update of Service Management Agreement

Agreed 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: 31 December 2021

Progress Report of the Deputy Chief Executive

The new Leisure Facilities Strategy is 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.

8.2 Review of Joint-Use Agreement with Chilwell School

Agreed 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.

Manager Responsible

Deputy Chief Executive

Revised Target Date: 31 December 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.

9. Kimberley Depot and Security

9.1 Security Policy and Procedure

Agreed 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

Revised Target Date: 30 September 2021

Progress Report of the Head of Environmental Services

Although this task has been delayed due to service demands, work has progressed and this task should be completed before the revised target date.

9.2 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

Revised Target Date: 30 September 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. Work has progressed and this task should be completed before the revised target date.

9.3 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

Revised Target Date: 30 September 2021

Progress Report of the Head of Environmental Services

A task to create a full inventory list of plant and equipment at the Depot has progressed and this task should be completed before the revised target date.

9.4 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

Revised Target Date: 30 September 2021

Progress Report of the Head of Environmental Services

The Flood Plan has been prepared and will be finalised once the formal flood risk assessment is agreed. This task should be completed before the revised target date.

10. Housing Repairs

10.1 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 Service; Housing Repairs Manager

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

Action delayed due to the limitations on inspection during pandemic but will be picked up more robustly once restrictions on entering properties have been lifted. The action will also progress the reporting within the new web-based Capita reporting.

10.2 Invoicing of Rechargeable Works

Agreed 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 Service; Housing Repairs Manager

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

This action is tied in with wider Capita system and resourcing issues.

10.3 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 Service; Housing Repairs Manager

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

Progress is being made towards completing this action.

10.4 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 Service; Housing Repairs Manager

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

Work has commenced on reviewing stocks and stores.

10.5 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 Service; Housing Repairs Manager

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

All expired and non-compliant arrangements are being reviewed and a programme developed to bring these into full compliance.

11. Garages

11.1 Financial Appraisal of Individual Garage Sites

Agreed Action (Merits Attention 'Necessary Control')

The decision making process for individual garage sites will include consideration of likely costs, anticipated future rental income and the resultant payback period.

A retrospective review of the garages sites considered under phase 1 of the garage modernisation works will be undertaken to inform the consideration of options for phase 2.

Managers Responsible

Head of Housing;

Garages Strategy Working Group

Revised Target Date: 31 December 2021

Progress Report of the Head of Housing

The next phase of garage sites will not be determined until January 2022. A full retrospective review will be completed prior to any other sites being identified. Other work, such as progressing the Council's development and acquisitions programmes, has been prioritised to enable tight deadlines to be met.