

Report of the Interim Chief Audit and Control Officer

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 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 3. 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.

As reported at the September meeting of this Committee, the previous Chief Audit and Control Officer has been promoted to Head of Finance Services, effective from 1 September 2021. An Interim Chief Audit and Control Officer has since been appointed for a period of six months in order to maintain continuity of service to this Committee and the Council.

As the successful candidate for the Interim Chief Audit and Control Officer post was one of the Council's existing Senior Internal Auditors, a revision to the Internal Audit Plan is proposed to ensure that an appropriate level of coverage can be achieved with the consequent reduced resources available. There is flexibility within audit planning arrangements to allow for audits to be deferred, subject to approval by this Committee. The proposed revision for the Internal Audit Plan is considered in appendix 2.

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 appendices 1 and 3 of the report and to consider and RESOLVE that the revisions to the Internal Audit Plan for 2021/22, as set out, in appendix 2 be approved.

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	-	-
11	Capital Works	24/09/21	Substantial	0	0
12	Human Resources	21/10/21	Substantial	0	1
13	Financial Appraisal – Changing Places	27/10/21	n/a	-	-
33	Housing Voids Management	09/11/21	Reasonable	0	2
14	Payroll	09/11/21	Substantial	0	0
15	Procurement and Commissioning	10/11/21	LIMITED	1	2

REMAINING INTERNAL AUDIT PLAN

Audit Title	Progress
Creditors and Purchasing	Draft report issued – pending finalisation
Declarations of Interest	Draft report issued – pending finalisation
Public Buildings Maintenance	In Progress (Nearing Completion)
Grounds Maintenance Services	In Progress (Nearing Completion)
Homelessness	In Progress (Nearing Completion)
Bank Reconciliation	In Progress
Garden Waste Collection	In Progress
Customer Services	In Progress
Transport/Fleet Management	In Progress
Health and Safety	Expected to commence in Q3
Environmental Health	Expected to commence in Q3
Treasury Management	Expected to commence in Q3
Bramcote Leisure Centre	Expected to commence in Q3/4
Stapleford Town Fund (i.e. Major Projects)	Expected to commence in Q3/4

Commercial/Industrial Properties	Expected to commence in Q3/4
Council Tax	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
Information Governance	To be considered for 2022/23 (see appendix 2)
Operational Risk Management	To be considered for 2022/23 (see appendix 2)
Climate Change	To be considered for 2022/23 (see appendix 2)
Financial Resilience/Budgetary Control	To be considered for 2022/23 (see appendix 2)
Benefits	To be considered for 2022/23 (see appendix 2)
Choice Based Lettings	To be considered for 2022/23 (see appendix 2)
Cash Receipting	To be considered for 2022/23 (see appendix 2)
Rents	To be considered for 2022/23 (see appendix 2)
Local Authority Trading Company	To be considered for 2022/23 (see appendix 2)

COMPLETED AUDITS

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

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

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

- Fundamental – urgent action considered imperative to ensure that the Council is not exposed to high risks (breaches of legislation, policies or procedures)
- Significant – action considered necessary to avoid exposure to significant risk.
- Merits Attention (Necessary Control) – action considered necessary and should result in enhanced control or better value for money.
- Merits Attention – action considered desirable to achieve enhanced control or better value for money.

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

1. **Capital Works** Assurance Opinion – **Substantial**

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

- Appropriate arrangements are in place with regards to Capital Works for feasibility, planning and resource allocation including prioritisation of projects.
- Suitable procedures are embedded to ensure adequate contractor selection and contract management.
- Contractor payments are appropriately processed including any variance in costs.
- Post completion processes are resolved in an adequate manner including the obtaining of certifications and warranties and the identification and documentation of lessons learned.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Capital Works. In addition to the well-established systems and controls being in operation for contract allocation within the Capital Works team, it was also pleasing to note that positive systems are in place for contract management and in particular for the Housing Modernisations contract.

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. **Human Resources** Assurance Opinion – **Substantial**

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

- Recruitment is appropriately performed in accordance with Council policy and procedure. Procedural documentation is available and all involved in the process clearly understand their roles and responsibilities.
- The new starters probationary period process is clearly documented and disseminated to management, with the required documentation being completed in a timely manner.
- The procurement of Agency Staff is appropriately authorised and undertaken utilising approved suppliers.
- There are adequate access controls throughout the recruitment process to maintain security and confidentiality.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Human Resources.

The review identified an area for improvement with one 'Merits Attention' action being agreed in order to further enhance controls over compliance with 'IR35' taxation regulations.

3. **Financial Appraisal – 'Changing Places' Facility**

Internal Audit provided a financial appraisal of two companies which had submitted tenders to contract for the construction of a 'Changing Places' toilet facility at Beeston Interchange. This review was requested by the Projects Manager, with management requiring consideration of the financial viability of each company in order to assess the level of risk to the Council.

The review was produced on the basis of reports obtained from 'Creditsafe' (a credit referencing agency), financial data retrieved from Companies House and other publicly available information. No specific cause for financial concern was noted in reference to either company. The findings were reported to senior management and the project management team.

4. **Housing Voids Management**

Assurance Opinion – **Reasonable**

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

- Appropriate and up-to-date policy and procedure documents are available in relation to Voids Management.
- Notification of empty properties is processed in a timely manner to eliminate any turnaround time delays.
- Pre-termination of tenancy, inspections are conducted where possible to identify any refurbishment work required.
- Refurbishments to properties are performed in a prompt and adequate manner and were appropriate promptly recharged to the outgoing tenant. Checks are completed to ensure that properties meet the appropriate Standards before being relet.
- Adequate procedures and processes are in place to promote empty properties with special attention to properties that are long-term void, these are discussed at management meetings and action plans developed to get these let.
- Effective monitoring and reporting of void management and service delivery is in place.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Housing Voids Management.

The review identified two areas for improvement with two 'Merits Attention – Necessary Control' actions being agreed. The first of these relates to the review and update of documentation of tenancy termination procedures with the second relating to the documentation of works carried out to restore void properties to a lettable standard.

5. **Payroll**

Assurance Opinion – **Substantial**

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

- Payments are only made to current Council and Liberty Leisure Limited employees.
- Payments are calculated correctly.
- Manual input and interventions to the Payroll system are appropriately reviewed and authorised.
- Claims for payment under the Coronavirus Job Retention Scheme are appropriately prepared and submitted.
- The Shared-Cost Additional Voluntary Contributions scheme for Broxtowe members of the Local Government Pension Scheme has been appropriately implemented and is operating correctly.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Payroll. It was also noted that the new Shared-Cost Additional Voluntary Contributions scheme for Broxtowe members of the Local Government Pension Scheme has been successfully implemented with the benefits for both employees and the Council already being realised.

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. **Procurement and Commissioning**

Assurance Opinion – **LIMITED**

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

- A suitable framework is in place for procurement and commissioning activity which is being adhered to across the Council (including the adoption of a procurement strategy that is compliant and recognises best practice).
- The Council is compliant with legislative requirements (PCR) and internal policy and rules (procurement strategy, financial regulations contract standing orders) through a supplier spend analysis.
- A robust contract management framework has been established with controls in place to ensure appropriate contract award, contract monitoring and document management.
- Appropriate processes are in place to ensure that the risks associated with Procurement Fraud are managed.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the management and administration of operations in respect of Procurement and Commissioning and noted that the Council's Financial Regulations, including Contract Standing Orders, have been updated to reflect the Procurement and Commissioning Strategy 2019-2024 and the changes resulting from the United Kingdom's withdrawal from the European Union.

The review indicated further 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 non-compliance with the Council's Procurement and Commissioning Strategy, as follows:

Compliance with the Procurement and Commissioning Strategy

A primary requirement of the Procurement and Commissioning Strategy is for a formal tendering process to be carried out for all supplier relationships with a potential contract value of over £25,000.

A supplier spend review was therefore completed with a view to ensuring that this aspect of the Procurement and Commissioning Strategy is being adhered to across the Council. A payments report of all payments over £250 between April 2020 to June 2021 was obtained and filtered to leave only those suppliers who have received total payment amounts over £25,000. A sample of these suppliers was selected for review.

This review highlighted a high incidence of non-compliance with this aspect of Procurement and Commissioning Strategy.

Agreed Action (Significant)

Service managers will be reminded of their obligations in respect of procurement activity with any ongoing issues of non-compliance being brought to the attention of General Management Team.

A formal supplier spend analysis shall be completed on at least an annual basis to identify any non-compliance and enable prompt action to be taken with service managers to ensure compliance.

The annual budget setting process will also be used to support the prospective monitoring of spending with individual suppliers in order to alert budget holders to areas where compliance could become an issue.

Managers Responsible

Head of Finance Services

Interim Procurement and Contracts Officer

Target Date: 31 March 2022

The review also proposed two 'Merits Attention' actions (including two considered to be 'Necessary Controls') relating to the production of a 'model file' of documentation for tendering exercises and the establishment of a formal Committee approval process for tendering exercises.

Further reviews in respect of Grounds Maintenance Services, Creditors and Purchasing, Public Buildings Maintenance, Declarations of Interest, Homelessness, Bank Reconciliation, Garden Waste Collection, Customer Services and Transport / Fleet Management are ongoing and the reports have yet to be finalised.

Current Audit Performance

Overall, although there has been some continuing focus on completing the outstanding audits from 2020/21, the current level of performance for 2021/22 in terms of audits completed and in progress is similar to what has been achieved at this stage in pre-pandemic years.

As detailed in appendix 2, below, the promotion of the previous Chief Audit and Control Officer to Head of Finance Services and subsequent appointment of one of the Council's existing Senior Internal Auditors to the Interim Chief Audit and Control Officer position has resulted in a deficit within the Audit Plan of approximately 90 days, equivalent to around 25% of the available audit resources for the year.

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

APPENDIX 2

REVISION TO THE INTERNAL AUDIT PLAN 2021/22

As reported at the September meeting of this Committee, the previous Chief Audit and Control Officer has been promoted to Head of Finance Services, effective from 1 September 2021. An Interim Chief Audit and Control Officer has since been appointed for a period of six months in order to maintain continuity of service to this Committee and the Council.

The successful candidate for the Interim Chief Audit and Control Officer position was one of the Council's existing Senior Internal Auditors. These changes in role were not anticipated at the time that the Internal Audit Plan was created in early 2021 and, as a result, a deficit in terms of net audit days has arisen within the Plan of approximately 90 days, equivalent to around 25% of the available audit resources for the year.

Management are currently exploring a number of potential options for securing additional temporary and/or permanent resource within Internal Audit, including the anticipated development and growth of existing arrangements in partnership with Erewash Borough Council. At present, however, a revision to the Internal Audit Plan is required to ensure that an appropriate level of coverage can be achieved with the reduced resources available. There is flexibility within audit planning arrangements to allow for audits to be deferred, subject to approval by this Committee.

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

- Information Governance
- Operational Risk Management
- Climate Change
- Financial Resilience and Budgetary Control
- Benefits
- Choice Based Lettings
- Cash Receipting
- Rents
- Local Authority Trading Company

Whilst these service areas continue to present risks, these audits will be reconsidered as part of the audit planning process for inclusion within the Internal Audit Plan 2022/23 (to be considered in early 2022) and, if approved, could be considered for an early review. The timing of this work for completion by 30 June 2022 should enable any relevant findings to still be incorporated into the Interim Chief Audit and Control Officer's Annual Internal Audit Review Report. **It is therefore recommended that the Internal Audit Plan 2021/22 is revised accordingly.**

APPENDIX 3

INTERNAL AUDIT FOLLOW-UP

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the audit. The table below provides a summary of the progress made with agreed actions for internal audit reports issued between June 2018 and May 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
Procurement and Contract Management	02/03/20	LIMITED	6 (1)	2 Outstanding
Cash Receipting (Payment Kiosk)	05/06/20	LIMITED	7 (2)	7 Outstanding
Financial Resilience	03/07/20	Reasonable	4	1 Outstanding
Local Authority Trading Company	06/07/20	Reasonable	3 (1)	2 Outstanding
Kimberley Depot and Security	04/09/20	Reasonable	4	1 Outstanding
Housing Repairs	07/09/20	LIMITED	5 (1)	3 Outstanding
Garages	09/11/20	Substantial	2	1 Outstanding
Utilities	21/05/21	Reasonable	2 (1)	2 Outstanding

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 July 2022**Progress Report of the Bereavement Services Manager**

The new Bereavement Services Management Software is expected to be fully integrated and operational by 31 December 2021. Following this, work will commence to complete the scanning of all Cemeteries (and other) remaining manual documentation.

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 March 2022**Progress Report of the Head of Asset Management and Development**

This action has not been considered to be a high risk/priority at this stage, given the ongoing pressure on resources. Some potential frameworks have been explored however with a view to completing the procurement process in conjunction with the Procurement and Contract Management Officer by the revised target date.

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:

- 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 – 30 June 2022). 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 – 30 June 2022)

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 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 2 (Policy Updates) – The Councillor Task and Finish Group has completed its work. The outcomes of this will now inform future policy development.

4. Bramcote Crematorium

October 2019, Substantial Assurance, Actions – 2

4.1 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 – 31 December 2021**Progress Report of the Bereavement Services Manager**

It is anticipated that the system will be fully integrated and operational by the target date.

5. Procurement/Contract Management

March 2020, Limited Assurance, Actions – 6

5.1 Structured Contract ManagementAgreed 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.

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

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

Following the implementation of the new ‘All Pay’ facility, the ongoing viability of the payment kiosk will be further reviewed and if deemed necessary an Officer Working Group will review and consider all of the above points raised by Internal Audit.

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 December 2021

Progress Report of the Deputy Chief Executive

This action is still progressing. The most recent published update of the CIPFA Financial Resilience Index is based upon the 2019/20 financial outturn. 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.

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

Leisure Client Officer

Managing Director – Liberty Leisure Limited

Revised Target Date: 31 March 2022

Progress Report of the Deputy Chief Executive

The Council has recently appointed a new Leisure Client Officer whose remit is primarily the client-side management of the Council's relationship with Liberty Leisure Limited and the development of future strategy. At the present time the priority is the ongoing negotiations with Kimberley School and review of the Liberty Leisure Business Plan. Development of the Leisure Facilities Strategy and review of the Service Management Agreement is anticipated to follow as resource allows.

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.

Managers Responsible

Deputy Chief Executive

Leisure Client Officer

Revised Target Date: 31 March 2022

Progress Report of the Deputy Chief Executive

The Council has recently appointed a new Leisure Client Officer whose remit is primarily the client-side management of the Council's relationship with Liberty Leisure Limited and development of future strategy. At the present time the priority is the ongoing negotiations with Kimberley School and review of the Liberty Leisure Business Plan. Review of the Joint-Use Agreement with Chilwell School is anticipated to follow as resource allows.

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: 31 December 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.

10. Housing Repairs**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: 28 February 2022

Progress Report of the Head of Asset Management and Development

Significant work has been completed by the Recharges Working group in developing a method of efficiently producing invoices for rechargeable works through the Capita system. The basis for recharging items to tenants and former tenants is also being revised.

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 March 2022

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 March 2022

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 and is on track to be completed by the deadline.

12. Utilities

12.1 Energy Procurement Strategy

Agreed Action (Merits Attention 'Necessary Control')

The Energy Procurement Strategy will be refreshed and presented to the Policy and Performance Committee for consideration and approval.

Managers Responsible

Head of Asset Management and Development

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

The review of the Energy Procurement Strategy has commenced with completion and presentation to the Policy and Performance Committee anticipated by the revised target date.

12.2 Procurement of Water

Agreed Action (Significant)

A new contract for the supply of water to the Council has been prepared for agreement with the current supplier. This contract will ensure compliance with Procurement Regulations and the Council's Financial Regulations (Contract Standing Orders).

The contract includes elements of performance management, including the provision of a customer care liaison (single point of contact with the supplier), which should improve the ability to ensure prompt resolutions of any contract management issues.

The new two-year contract will also allow the Council time to consider its strategy and future procurement options, which could include a contract extension with the current supplier, an award from a recognised procurement framework or an open tender exercise.

Managers Responsible

Head of Asset Management and Development
Estates Manager

Revised Target Date: 31 December 2021

Progress Report of the Head of Asset Management and Development

A draft contract has been prepared for agreement with the supplier with completion anticipated in time for the revised target date.