

## 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 for 2019/20 is included at appendix 1. A brief narrative of the work completed by Internal Audit since the previous meeting of this Committee is also included.

Internal Audit has undertaken a review of progress made by management in implementing agreed actions within six months of the completion of the respective audits. Details of 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 2019/20.

**Recommendation**

**The Committee is asked to NOTE the report.**

Background papers

Nil

## APPENDIX 1

## INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2019

No	Audit Title	Report Issued	Assurance Opinion	Actions	
				Significant	Merits Attention
01	Erewash BC – Risk Management	09/04/19	n/a	-	-
02	Financial Appraisal – Durban House	12/04/19	n/a	-	-
33	Commercialisation	29/04/19	Substantial	0	0
34	Bank Reconciliation	20/05/19	Substantial	0	0
35	Key Reconciliations	28/06/19	Substantial	0	1
36	Disabled Adaptations and Lifeline Service	28/06/19	Substantial	0	1
03	Payroll (including Officers Allowances)	28/06/19	Reasonable	1	0
38	Tenancy Management (incl. Housing ASB)	12/07/19	Substantial	0	0
04	Asset Register	12/08/19	Substantial	0	0
05	Financial Appraisal	15/08/19	n/a	-	-
06	Benefits	05/09/19	Reasonable	1	1
07	Sundry Debtors	06/09/19	Reasonable	0	3
<b>08</b>	<b>Asset Management</b>	<b>16/10/19</b>	<b>Substantial</b>	<b>0</b>	<b>1</b>
<b>09</b>	<b>Bramcote Crematorium</b>	<b>21/10/19</b>	<b>Substantial</b>	<b>1</b>	<b>1</b>
<b>10</b>	<b>CCTV</b>	<b>30/10/19</b>	<b>Substantial</b>	<b>0</b>	<b>1</b>
<b>11</b>	<b>Planning Income Reconciliation</b>	<b>06/11/19</b>	<b>n/a</b>	<b>-</b>	<b>-</b>
<b>12</b>	<b>Financial Appraisal – The Square</b>	<b>13/11/19</b>	<b>n/a</b>	<b>-</b>	<b>-</b>
<b>13</b>	<b>Recycling</b>	<b>14/11/19</b>	<b>Substantial</b>	<b>0</b>	<b>1</b>
<b>14</b>	<b>Local Elections</b>	<b>15/11/19</b>	<b>Reasonable</b>	<b>0</b>	<b>2</b>
<b>15</b>	<b>Electrical Testing</b>	<b>15/11/19</b>	<b>Substantial</b>	<b>0</b>	<b>1</b>
<b>16</b>	<b>Choice Based Lettings</b>	<b>18/11/19</b>	<b>Reasonable</b>	<b>0</b>	<b>3</b>

## REMAINING INTERNAL AUDIT PLAN 2019/20

No	Audit Title	Progress
	Human Resources	Draft report issued
	Cash Receipting	Draft report issued
	Creditors and Purchasing	Draft report issued
	Chilwell Olympia	Draft report issued
	Beeston Town Centre Redevelopment	Ongoing (Nearing completion)
	Enforcement	Ongoing (Nearing completion)
	Rents (including Evictions Protocols)	Ongoing (Nearing completion)
	NNDR	In progress
	Treasury Management	In progress
	Financial Resilience (including MTFS/Capital)	In progress
	Kimberley Depot (including Security)	In progress
	Online Ticket Portal	Expected to commence in Q3
	Planning and Building Control	Expected to commence in Q3
	Information Governance (GDPR, FOI etc.)	Expected to commence in Q3
	Operational Risk Management	Expected to commence in Q3

**REMAINING INTERNAL AUDIT PLAN 2019/20 (continued)**

No	Audit Title	Progress
	Procurement and Contract Management	Expected to commence in Q3
	Whistleblowing Policy and Complaints	Expected to commence in Q4
	Health and Safety	Expected to commence in Q4
	Computer/ICT (including Cyber Risk)	Expected to commence in Q4
	Housing Repairs	Expected to commence in Q4
	Corporate Governance	Expected to commence in Q4
	Local Authority Trading Company	Expected to commence in Q4
	Bank Reconciliation	Expected to commence in Q4
	Key Reconciliations	Expected to commence in Q4
	Council Tax	Expected to commence in Q4
	Independent Living Service	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. Asset Management Assurance Opinion – **Substantial**

The audit objectives sought to confirm whether adequate management control exists to provide assurance that disposals of significant assets are made appropriately; new tenancies for Council properties (non-housing) are created following appropriate procedures; measures are in place to ensure asset values are maintained whilst avoiding unnecessary cost to the Council; and progress is being made towards the formulation of a new leisure strategy.

Internal Audit was pleased to report that the recent disposal of a significant property asset was successfully completed with the procedural requirements for openness and scrutiny having been met. Also, whilst the new leisure strategy was at an early stage of development, fresh attention is being given to this key strategic matter.

One ‘merits attention - necessary control’ actions was proposed relating to the need to seek assurances relating to money laundering prevention in advance of any land and property sales.

The proposed action was agreed by the was agreed by the Head of Property Services, the Estates Manager and the Head of Legal Services.

2. Bramcote Crematorium Assurance Opinion – **Substantial**

Internal Audit reports that the Council has an appropriate framework in place for the operation of Bramcote Crematorium.

The review did indicated areas for improvement and Internal Audit proposed a ‘significant’ action relating to the need to ensure that robust strategic business planning and financial management arrangements are in place to help meet the future financial challenges facing the Crematorium, as follows:

Future Financial Challenges

The increased competition from nearby privately-owned crematoria has seen a steady and continuing decline in cremation volumes in recent years. At the Bramcote Bereavement Services Joint Committee on 20 June 2019, concern was expressed that cremation numbers were lower than anticipated which had created a budget shortfall. Members requested a detailed report on cremation numbers and the pricing of cremations be brought to a subsequent meeting.

Whilst this matter is receiving appropriate attention from Senior Management and is being considered at the Joint Committee, Internal Audit agrees and emphasises that robust and reliable business and financial planning for the Crematorium is vital in order to continue to provide an appropriate level of service for all stakeholders.

The strategic medium-term financial planning framework and capital investment plans must be robust in their assumptions and provide a sound platform for informed decision making.

Agreed Action (Significant)

The activity to produce robust business plans for Bramcote Crematorium will continue. A detailed report was presented to the Bramcote Bereavement Services Joint Committee on 17 October 2019 that provided further financial and numerical analysis for Members' consideration.

In addition, enhancements are proposed to the financial budget process, including sensitivity analysis of the financial impact of anticipated cremation numbers, price changes and the potential transfer of memorialisation income into the General Fund.

An updated Medium Term Financial Strategy will be prepared, including the enhancements above, for consideration at the scheduled meeting of the Joint Committee on 16 January 2020.

Managers Responsible

Deputy Chief Executive

Head of Property Services

Head of Finance Services

Bereavement Services Manager

Target Date: 31 January 2020

A further 'Merits Attention - Necessary Control' action was proposed relating to the need to complete the project to purchase and install a new Bereavement Services Management System.

The proposed actions were agreed by the Head of Property Services, the Head of Finance Services and the Bereavement Services 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. CCTV

Assurance Opinion – **Substantial**

The audit objectives sought to confirm whether adequate management control exists to provide assurance that the Council is operating its CCTV systems with due regard for the 12 Guiding Principles contained within the Surveillance Camera Code of Practice (2013).

Internal Audit was pleased to report that the centralisation of management of the CCTV systems operated by the Council and Liberty Leisure Limited has resulted in enhanced control over the deployment of cameras, live monitoring and access to and storage of recorded footage. It is anticipated that, in time, the Council could apply for the Third Party Certification of Compliance with the Surveillance Camera Code of Practice. Such accreditation will act as a 'passport' towards establishing the reliability and admissibility of CCTV evidence for use in legal proceedings.

The final areas of non-compliance are planned to be addressed, with actions proposed included the refresh and adoption of the CCTV Policy and ongoing works to the systems operating at Kimberley Leisure Centre and Kimberley Depot (in particular the cameras operating from the refuse freighters).

The proposed actions were agreed by the Head of Property Services and the Parking and CCTV/Security Manager.

#### 4. Planning Income Reconciliation

A review of the arrangements for the reconciliation of planning related income between the respective systems and general ledger has been undertaken following a request from managers in the Planning and Business Support teams.

Internal Audit was pleased to report that reconciliations are being completed in an appropriate manner. Whilst it was acknowledged that the processes may be time consuming, the reconciliation is considered to be a key control for the administration, management and reporting of high-value revenue streams for the Council. This is particularly important where the interface between the respective control systems is not wholly automated and synchronised.

As such, Internal Audit recommended that the process for the regular reconciliation of planning income between the respective systems and the general ledger must remain in place. That said, it is likely that improvements could be made to streamline processes and management should consider reviewing these arrangements, in conjunction with the officers involved, to identify further efficiencies in producing the reconciliation.

#### 5. Financial Appraisal

Internal Audit produced a financial appraisal of a sole trader expressing an interest to lease a space within the Business Hub at The Square, Beeston. The request was received from the Senior Economic Development Officer, 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 Neighbourhoods and Prosperity, the Planning Regeneration and Development Manager, the Senior Economic Development Officer, the Head of Property Services and the Estates Manager.

#### 6. Recycling

Assurance Opinion – **Substantial**

The audit objectives sought to confirm whether adequate management control exists to provide recycling targets; and health and safety procedures and training for employees.

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

The review indicated one area for improvement and a 'merits attention - necessary control' recommendation was proposed relating to the upkeep of anticipated income records maintained by the Recycling team. These records should regularly be reconciled to the general ledger to ensure that anticipated income has been received and allow for any discrepancies to be investigated.

The proposed action was agreed by the Environment and Business Development Manager.

7. Local Elections Assurance Opinion – **Reasonable**

Internal Audit has completed a review of the systems and procedures operating in respect of Local Elections. The audit objectives sought to confirm whether adequate management control exists to provide assurance that payments to elections staff are in line with approved remuneration levels, calculated correctly and supported by documentary records; and that third party recharges are correctly calculated taking account of all relevant costs.

It was pleasing to report that payments made for those undertaking election duties were calculated, processed and successfully reconciled to records held within Electoral Services. Two 'merits attention - necessary control' actions were proposed relating to the periodical reconciliation of expenditure records maintained to the general ledger (and the expansion of cost coding options available); and to review the design of the spreadsheet used to record expenditure and calculate third-party recharges.

The proposed actions were agreed by the Head of Electoral and Administrative Services.

8. Electrical Testing Assurance Opinion – **Substantial**

The audit objectives sought to confirm whether adequate management control exists to provide assurance that electrical testing is carried out according to an appropriate schedule to ensure completeness of coverage; adequate records of testing/results are retained; action plans are implemented following recommendations from specialist inspectors; employees performing testing are qualified; and testing of work carried out by external contractors is appropriately controlled.

Internal Audit was pleased to report that the Council has an appropriate framework in place for the administration of operations in respect of Electrical Testing. One recommendation was made relating to the need to complete the migration of the Electrical Testing schedule and associated data from manual records to the upgraded Capita Housing system at the earliest opportunity.

The proposed action was agreed by the Head of Housing and the Assistant Housing Repairs Manager.

9. Choice Based Lettings Assurance Opinion – **Reasonable**

The audit objectives sought to confirm whether adequate management control exists to provide assurance in respect of policy; procedures (including direct lettings and transfers); performance monitoring and reporting; system user access and permissions; personal interests; and information governance.

Internal Audit reports that the Council has an appropriate framework in place for the day-to-day administration of operations for Choice-Based Lettings. The review did indicate areas for improvement and Internal Audit proposed three 'Merits Attention - Necessary Control' actions to ensure that key controls operating within systems are sufficiently robust to ensure that all lettings are awarded in accordance with agreed protocols and the decision making process remains fair and transparent. These actions related to the need to retain the appropriate management information to provide sufficient evidence of following established direct allocations procedures; the need to regularly review of user access and permissions to ensure that these are current and appropriate; and to devise information governance protocols to ensure that system data retention periods are defined and adhered to.

The proposed actions were agreed by the Head of Housing. 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.

Further reviews in respect of Beeston Town Centre Redevelopment; Cash Receipting; Chilwell Olympia; Creditors and Purchasing; Enforcement; Human Resources; and Rents 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 53% of planned audits for 2019/20 are near to completion. This level of performance is similar to what was achieved at this stage in the previous year and the target of 90% is expected to be achieved.



## 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 January 2018 and March 2019 (i.e. within six months of completion), excluding clearance reports. Those audits where all actions have previously been reported as completed have also been excluded from this list.

No	Audit Title	Report Issued	Assurance Opinion	Number of Actions (Significant in brackets)	Progress
21	Stores 2017/18	31/01/18	LIMITED	3 (2)	1 Outstanding
03	Procurement 2018/19	07/06/18	LIMITED	2 (1)	2 Outstanding
04	Cemeteries 2018/19	25/06/18	Substantial	1	1 Outstanding
37	Serious and Organised Crime 2017/18	05/09/18	Reasonable	6	2 Outstanding
08	Legionella Prevention and Testing 2018/19	11/09/18	Reasonable	5	3 Outstanding
11	Commercial Props/Industrial Units 2018/19	04/10/18	Substantial	1	1 Outstanding
14	Energy (including Procurement) 2018/19	16/11/18	LIMITED	2 (1)	1 Outstanding
25	Information Governance 2018/19	01/03/19	Substantial	1	1 Outstanding
26	Rents 2018/19	04/03/19	Substantial	2 (1)	Completed
27	Treasury Management 2018/19	18/03/19	Substantial	1	Next Audit
29	Council Tax 2018/19	28/03/19	Substantial	2	2 Outstanding
30	Safeguarding 2018/19	28/03/19	Substantial	1	x Outstanding
31	Risk Management 2018/19	29/03/19	Substantial	1	Completed

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

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

**OUTSTANDING ACTIONS**

<b>1. Stores</b>	January 2018, Limited Assurance, Agreed Actions – 3 (2 ‘Significant’)
<b>1.1 Procurement of Stores Items</b>	<b>Progressing</b>
<p><u>Agreed Action</u> (Significant)</p> <p>Management will review all procurement and purchasing activity relating to Stores with a view to establishing a programme of retendering work to ensure that requirements are met in full.</p> <p>The use of established procurement frameworks will be considered for these contracts. The support of the Procurement and Contracts Officer will be important for the priority and high-complexity tenders. A suitable timetable for completing the review and renewal of these contracts will be agreed with the Procurement team.</p> <p><u>Managers Responsible</u> Head of Environment; Transport and Stores Manager</p>	
<p><b><u>Management Progress Report of the Transport and Stores Manager and the Interim Procurement and Contracts Officer</u></b></p> <p><b>Work continues to review all stores related procurement activity and to re-tender contract opportunities where appropriate to ensure compliance with procurement legislation and the Council’s Contract Standing Orders.</b></p> <p><b>A benchmarking exercise has been carried out and all current pricing is in-line with framework pricing (and in some cases more competitive). Whilst the Council clearly needs to ensure that it has compliant processes, this should be helping to ensure it is achieving value for money, not at its expense.</b></p> <p><b>The Procurement and Contracts Officer is working with officers, including Stores, to look at the materials being purchased with a view to standardising items across the Council and its contractors. This will be carried out in parallel with the work to agree a contract with the EEM Efficiency East Midlands (EEM) framework and will cover the material streams for electrical, plumbing and heating, joinery and ironmongery and building materials.</b></p>	
<b>2. Procurement</b>	June 2018, Limited Assurance, Agreed Actions – 2 (1 ‘Significant’)
<b>2.1 Procurement e-Learning Package</b>	<b>Outstanding</b>
<p><u>Agreed Action</u> (Merits Attention)</p> <p>A procurement e-Learning package will be developed to raise awareness of the legislation, regulations and other matters surrounding procurement and the systems and procedures in place at the Council. This will complement the existing support and guidance that is available on the intranet and website.</p> <p><u>Managers Responsible</u> Chief Audit and Control Officer; Procurement and Contracts Officer</p>	
<p><b><u>Management Progress Report of the Chief Audit and Control Officer</u></b></p> <p><b>This action has been delayed to focus upon high priority actions relating to procurement. A revised target date is set for 31 March 2020. The risk is largely mitigated by the existing support and guidance available on the intranet and website.</b></p>	

## 2. Procurement (Continued)

### 2.2 Comprehensive Review/Update of Procurement Activity

Progressing

#### Agreed Action (Significant)

An Interim Procurement and Contracts Officer was appointed with significant experience in public sector procurement and contract management. The key priorities and tasks in the medium term are:

- Refreshing the Commissioning and Procurement Strategy to ensure compliance with regulations and corporate requirements and refreshing associated procurement guidance documents on the intranet and website.
- Reviewing the Contracts Register to ensure that it is transparent and that there is a robust tendering work schedule covering all significant value transactions (and strategically important) for all activities – initial focus will be on expired/soon to expire contracts.
- Ensuring the Contracts Register is comprehensive; with analysis of management data to evaluate potential efficiencies and identify areas which should be awarded under contract following tender.
- Supporting the review of the Council's Constitution, in particular relating to Financial Regulations and Contract Standings Orders.
- Establishing a suitable framework for contract management, including liaising with senior management to identify key contracts over £25,000 and advice how the monitoring of these and operational performance management could be improved.
- Promoting the most efficient means of procurement activity, including development of e-procurement systems and processes.

#### Managers Responsible

Head of Finance Services; Chief Audit and Control Officer;  
Procurement and Contracts Officer

#### Management Progress Report of the Head of Finance Services

**The updated Procurement and Commissioning Strategy was approved by the Policy and Performance Committee in July 2019. The Interim Procurement and Contracts Officer continues to make progress towards achieving a fully compliant position in terms of procurement legislation and Financial Regulations (Contract Standing Orders) across the whole business.**

**Progress is being monitored through updates reports on procurement activity to GMT. Going forward, the Council will review its needs and consider the most effective way of providing suitable procurement expertise. This work will include benchmarking procurement arrangements with other authorities across the region and considering the adequacy of the current established Procurement and Contracts Officer post in terms of its job description, person specification and salary grade.**

<b>3. Cemeteries</b>		June 2018, Substantial Assurance, Agreed Actions – 1
<b>3.1 Digitisation of Cemetery Records</b>		<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A timetable for developing an efficient solution for maintaining a ‘one-stop’ effective and accurate electronic cemetery records will be produced. The progress made against this plan will then be monitored as appropriate by management (and Bereavement Services Committee). The replacement of the current software solution is considered to be a key part in this medium-term project.</p> <p><u>Manager Responsible</u> Head of Property Services</p> <p style="text-align: right;">Revised target date – 31 December 2019</p>		
<p><b><u>Management Progress Report of the Head of Property Services</u></b></p> <p><b>This action has recommenced and is progressing, in conjunction with the ICT and Procurement teams. Tender documents are being prepared for advert, with submissions to be evaluated thereafter.</b></p>		
<b>4. Serious and Organised Crime</b>		Sep 2018, Reasonable Assurance, Actions – 6
<b>4.1 Training</b>		<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>Further targeted training to raise awareness of Serious and Organised Crime and its impact will be provided to managers and front-line staff in service areas that are at highest risk. This will include a briefing to a meeting of Senior Management Team. As part of the awareness programme, the latest updates and warnings will be provided via email and/or the Intranet by the Community Safety team.</p> <p><u>Manager Responsible</u> Head of Public Protection</p> <p style="text-align: right;">Revised target date – 31 December 2019</p>		
<p><b><u>Management Progress Report of the Head of Public Protection</u></b></p> <p><b>The Serious Organised Crime Strategy was approved by the Community Safety Committee on 19 September 2019. A targeted training programme is now being developed following adoption of the strategy to supplement the updates and advice already provided by the Community Safety team.</b></p>		
<b>4.2 Risk Registers</b>		<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A risk assessment of serious and organised crime will be completed to identify all serious threats of criminal activity which could impact upon the Council’s ability to provide services, its finances and its reputation. The outcome of this risk assessment will determine its inclusion on operational risk registers and/or the Strategic Risk Register.</p> <p><u>Manager Responsible</u> Head of Public Protection</p> <p style="text-align: right;">Revised target date – 31 December 2019</p>		
<p><b><u>Management Progress Report of the Head of Public Protection</u></b></p> <p><b>Following adoption of the strategy, risk assessments are being finalised and will be put forward as appropriate for the Strategic Risk Register.</b></p>		

5. Legionella		September 2018, Reasonable Assurance, Agreed Actions – 5
5.1	Health and Safety Audits	<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>In accordance with the policy, Health and Safety will carry out annual audits of the processes relating to Legionella prevention/detection and report its findings to the Safety Committee. This process will include seeking assurances from Responsible Persons that appropriate testing has been undertaken and completing a sample of substantive reviews linked to the areas of highest risk.</p> <p>The review will cover all relevant Council properties, including premises being managed by Liberty Leisure Limited and the community facilities that are presently being tested by Property Services.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager</p>		
<p><b><u>Management Progress Report of the Head of Property Services</u></b></p> <p><b>The Legionella Policy is fit-for-purpose. The designated persons list (appendix) has been brought up-to-date and those with responsibilities relating to Legionella testing have been made aware of their responsibilities.</b></p> <p><b>Progress has been limited due to staff turnover and unforeseen ongoing vacancy, although the Head of Property Services is satisfied that day-to-day checks and compliance is unaffected. Temporary cover is being sourced and, subject to a suitable appointment being made, the interim Health and Safety Manager will develop an audit programme and complete the necessary spot-checks of high risk areas. This work should be substantively completed by February 2020.</b></p>		
5.2	Training	<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The Legionella Policy will specify that Health and Safety should arrange training courses, prompt refresher training and manage training records on behalf of the Council.</p> <p>The Responsible Persons shall be required to identify and provide details of required training, which will be recorded on a definitive central record. Health and Safety will monitor this list as part of the annual audit and confirm with Responsible Officers that the list and associated training records are up to date. Particular emphasis shall be placed upon ensuring that relevant new employees, agency workers and those involved in shared service arrangements are made aware of their responsibilities and considered for training as appropriate.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager</p>		
<p><b><u>Management Progress Report of the Head of Property Services</u></b></p> <p><b>A list of Responsible Persons and their training has been compiled and is being reviewed. The submissions provided by departments has provided further information in terms of the training completed, which will assist in producing training records. Again, subject to a suitable appointment, the interim Health and Safety Manager will create a training register and develop a training programme. This work should be substantively completed by February 2020.</b></p>		

5. Legionella Prevention and Testing (continued)	
5.3 Tendering and Contracts	<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A corporate review of the way that Legionella testing, risk assessment, cleaning, chlorination and training services are procured is being undertaken with a view to ensuring consistency, value-for-money and compliance with procurement regulations.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager; Interim Senior Housing Manager</p>	
<p><b><u>Management Progress Report of the Head of Property Services</u></b></p> <p><b>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 in the new year in conjunction with the Head of Housing and with support from the Procurement team.</b></p>	

6. Commercial Property and Industrial Units	
October 2018, Substantial Assurance, Actions – 1	
6.1 Invoices – Combined Rent and Insurance	<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention)</p> <p>The potential to combine the annual billing process for rental and insurance recharges was considered. A wholesale change for all existing tenants was not considered appropriate at this stage as the action would require changing up to 60 system generated invoices as well as disrupting pre-arranged Direct Debits/Standing Orders for tenants.</p> <p>Instead, combined rent and insurance bills will be established for new tenancies and for existing tenants at the point of periodic rent reviews. The Estates Manager will liaise with the Insurance team to calculate a suitable fixed annual premium within the new lease term.</p> <p>This action will be reviewed in 12 months to consider whether turnover has created an opportunity for implementing a wholesale change.</p> <p><u>Manager Responsible</u> Estates Manager</p> <p style="text-align: right;">Revised Target Date: 31 March 2020</p>	
<p><b><u>Management Progress Report of the Estates Manager</u></b></p> <p><b>Combined rent and insurance bills have been 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. The Council has so far converted 16 units to a combined rent and insurance debt, with three more underway which will increase the conversion rate to 32%.</b></p>	

<b>7. Energy</b> November 2018, Limited Assurance, Actions – 2 (including 1 ‘Significant’)	
<b>7.1 Efficiency Improvements</b>	<b>Progressing</b>
<p><u>Agreed Action (Significant)</u></p> <p>A risk-based approach will be adopted for the billing and checking process. This will consider the potential improvements outlined in the audit report.</p> <p>The analytical review of monthly billing could be facilitated by the procurement of an Energy Database, which would enable a greater and faster analysis and payment of the incoming invoices. Analysis of usage and charges on each site could be undertaken for both abnormal usage and comparison previous years bills and weather conditions, enabling greater efficiency of identifying potential refunds and credits, and helping to prevent overpayment.</p> <p>This greater efficiency will free up time spent on bill checking and processing by the Energy Officer to progress other proactive tasks such as updating the Carbon Management Plan, looking at further ways to reduce energy consumption and CO<sub>2</sub> emissions.</p> <p><u>Managers Responsible</u> Head of Property Services; Estates Manager; Energy Officer</p> <p style="text-align: right;">Revised Target Date: 31 March 2020</p>	
<p><b><u>Management Progress Report of the Head of Property Services</u></b></p> <p><b>This action is ongoing. The Council has considered a number of potential databases but has yet to fully evaluate a suitable option that meets with its requirements.</b></p> <p><b>The Council has a contract for water utility management which expires on 1 December 2019. Officers are spending time on this priority work to ensure that all water accounts are up-to-date to mitigate the risk of issues during the handover.</b></p>	

<b>8. Information Governance</b> March 2019, Substantial Assurance, Agreed Actions – 1	
<b>8.1 General Observations from Departmental Reviews</b>	<b>Progressing</b>
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The Corporate Information Governance Group (CIGG) will consider the findings of the Internal Audit report. Furthermore, the next SIRO audit is due to commence in March 2019. Other actions include:</p> <ul style="list-style-type: none"> <li>• Information Governance training modules being updated and rolled out to the relevant officers through Broxtowe Learning Zone.</li> <li>• Supporting teams with the rollout of ‘New Ways of Working’, particularly considering storage and disposal arrangements for documents.</li> <li>• Ownership and administration of ‘Y-drive’ folder access will be considered by the CIGG with a view to assigning ownership and responsibility through the Heads of Service.</li> <li>• Review documents held on the ‘Y-drive’ that have not been accessed for more than seven years, in conjunction with the respective managers, which can then be marked for archiving and removed.</li> <li>• Updating the Information Asset Register (IAR) as part of a rolling review, in conjunction with the respective Information Asset Owners, with a view to publishing the updated IAR on the Council’s website by September 2019 in line with transparency commitments.</li> <li>• Continuing to support employees with advice in respect of the management of archive</li> </ul>	

files held within the Information@Work system.

Managers Responsible

Chief Information Officer; Information Governance Officer

**Management Progress Report of the Chief Information Officer and the Information Governance Officer**

All of the above actions have been substantively completed, with a full report of completed actions being submitted to and noted by Internal Audit.

The only exception, albeit partially completed, relates to the update of the Information Asset Register (IAR) as part of a rolling review. All departments have been contacted over the past 12 months, with only two responses outstanding. The reasons for the delays have been considered by the Information Governance Officer and action plans put in place to move matters forward. The IAR will be formatted in its entirety by November/December 2019 and an appropriate version that can be published will be created. This action is still being progressed so Internal Audit will follow up on this recommendation as part of future audits.

**9. Council Tax**

March 2019, Substantial Assurance, Agreed Actions – 2

**9.1 Review of Single Person Discounts**

**Progressing**

Agreed Action (Merits Attention – Necessary Control)

A structured approach to checking ongoing entitlement to Single Persons Discount will be established. The Head of Revenues, Benefits and Customer Services is currently liaising with Gedling Borough Council regarding the use of data provided by the NFI as part of the process of setting up a regular review program for high risk cases.

Managers Responsible

Head of Revenues, Benefits and Customer Services; Revenues Team Leaders

**Management Progress Report of the Head of Revenues, Benefits & Customer Services**

All the Nottinghamshire local authorities are working together on a joint procurement project to utilise the NFI Premium product which will provide a systematic review process of the Single Person Discounts within the Borough. This will be part funded by Nottinghamshire County Council as the main beneficiaries of Council Tax collected.

**9.2 Reviews of Rising 18's**

**Progressing**

Agreed Action (Merits Attention – Necessary Control)

A review of the 'Rising 18' cases identified from the NFI data marching exercise will be completed and the appropriate resulting action taken.

Managers Responsible

Head of Revenues, Benefits and Customer Services; Revenues Team Leaders

**Management Progress Report of the Head of Revenues, Benefits & Customer Services**

In line with the systematic review of Single Person Discounts, the Council Tax section will be adjusting its working practices to incorporate the 'Rising 18' cases. Many of these cases will be linked to individuals that remain in full-time education and is unlikely to increase the Council Tax charge.



10. Safeguarding	March 2019, Substantial Assurance, Agreed Actions – 1
10.1 Risk Assessments	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The draft DBS Policy will be reviewed, updated and submitted to the relevant committee for formal approval and adoption.</p> <p>In accordance with the proposed policy, Heads of Service will be tasked with identifying those employees and elected members that may require a DBS check. This risk assessment should be reported to the Human Resources team (including a ‘nil return’ where appropriate) who will then determine if the proposal meets the relevant legal criteria to complete a DBS check. This process will be periodically reviewed as appropriate to ensure that risks are adequately mitigated.</p> <p><u>Managers Responsible</u> Head of Public Protection; Chief Public Protection Officer; Human Resources Manager</p>	
<p><b><u>Management Progress Report of the Human Resources Manager</u></b></p> <p><b>The adopted DBS policy has been subject to minor revision, although it will not require Member approval as the changes were statutory.</b></p> <p><b>Elected members do not meet the criteria for an enhanced DBS check, which has been confirmed by benchmarking with other local authorities.</b></p> <p><b>Whilst Heads of Service will be asked to identify employees that may require a DBS check, the Head of Human Resources will ultimately determine if the proposal meets the relevant legal criteria to complete a DBS check. The Lead Signatory reserves the right to make the final decision.</b></p>	