

Report of the 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 for 2019/20 is included at appendix 1. A brief narrative of the Internal Audit work completed since the previous meeting of 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 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	Significant Actions	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
08	Asset Management	16/10/19	Substantial	0	1
09	Bramcote Crematorium	21/10/19	Substantial	1	1
10	CCTV	30/10/19	Substantial	0	1
11	Planning Income Reconciliation	06/11/19	n/a	-	-
12	Financial Appraisal – The Square	13/11/19	n/a	-	-
13	Recycling	14/11/19	Substantial	0	1
14	Local Elections	15/11/19	Reasonable	0	2
15	Electrical Testing	15/11/19	Substantial	0	1
16	Choice Based Lettings	18/11/19	Reasonable	0	3
17	Financial Appraisal – The Square	21/11/19	n/a	-	-
18	Financial Appraisal – The Square	20/12/19	n/a	-	-
19	Human Resources	20/12/19	Substantial	0	1
20	NNDR	24/12/19	Substantial	0	2
21	Rents	09/01/20	Substantial	0	0
22	LLL – Chilwell Olympia	10/01/20	Substantial	0	1
23	LLL – Online Ticket Portal	28/01/20	Substantial	0	0
24	Financial Appraisal – The Square	31/01/20	n/a	-	-
25	Erewash BC – Risk Management	31/01/20	n/a	-	-
26	Procurement and Contract Management	28/02/20	LIMITED	1	5
27	Treasury Management	28/02/20	Substantial	0	2

REMAINING INTERNAL AUDIT PLAN 2019/20

No	Audit Title	Progress
	Kimberley Depot (including Security)	Draft report issued
	Cash Receipting	Draft report issued
	Creditors and Purchasing	Draft report issued
	Local Authority Trading Company	Draft report issued

REMAINING INTERNAL AUDIT PLAN 2019/20 (Continued)

No	Audit Title	Progress
	Financial Resilience	Draft report issued
	Enforcement	Draft report issued
	Council Tax	Draft report issued
	Independent Living Service	Ongoing (Nearing completion)
	Key Reconciliations	Ongoing (Nearing completion)
	Bank Reconciliation	Ongoing (Nearing completion)
	Housing Repairs	Ongoing (Nearing completion)
	Beeston Town Centre Redevelopment	In progress
	Information Governance (GDPR, FOI etc.)	In progress
	Computer/ICT (including Cyber Risk)	Expected to commence in Q4
	Whistleblowing Policy and Complaints	Expected to commence in Q4
	Corporate Governance	Expected to commence in Q4
	Operational Risk Management	Expected to commence in Q4
	Planning Applications Process	To be deferred to Internal Audit Plan 2020/21
	Health and Safety	To be deferred to Internal Audit Plan 2020/21

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. Financial Appraisal – The Square (*three reports*)

Internal Audit has completed three separate financial appraisals of companies and sole traders expressing an interest to lease a space within the Business Hub at The Square, Beeston. The requests were received from the Senior Economic Development Officer, with management wanting consideration of the financial viability of these businesses in order to assess the level of risk to the Council.

The findings and suitable recommendations were reported to the Head of Neighbourhoods and Prosperity, Planning Regeneration and Development Manager, Senior Economic Development Officer, Head of Property Services and Estates Manager.

2. Human Resources

Assurance Opinion – **Substantial**

The focus of the latest Human Resources audit was to seek assurance that recruitment, sickness absence and training is performed and managed in accordance with Council policy and procedures.

It was pleasing to report that the Council has an appropriate framework in place for the management of these aspects of Human Resources. The review indicated an area for improvement with a 'merits attention - necessary control' recommendation being proposed relating to the completeness of record keeping.

Whilst acknowledging that the absence of documentary evidence does not necessarily indicate that a procedure has not been followed or policy fully complied with, it is important for officers to be able to demonstrate compliance with established procedures. It was noted that escalation procedures had been re-established for the probationary process and the completion and submission of the relevant forms had improved. Assurance was also gained from new employees receiving an induction session (including basic health and safety training) within the first two days of the commencement of their employment.

The proposed action was agreed by the Head of Public Protection and the Human Resources Manager. The probationary process for new employees is being reviewing, with an expected outcome being that management of the probationary process will return under the direct control of the HR Manager, including chase-up and escalation in instances of non-compliance. The HR Manager will deliver a briefing to a forthcoming Senior Management Team meeting to emphasise the importance and benefits of completing the probationary process. Furthermore, officers will be reminded to ensure that all expected documentation for personal files relating to the induction process are received. In the medium-term, the potential for storing evidence of the induction process onto Broxtowe Learning Zone will be investigated.

Internal Audit also noted that the Council has migrated arrangements for the engagement of interim, temporary and agency staff to a third party platform. The platform provides a single online system for the sourcing, monitoring and payment of interim staff and delivers savings in both officer time and cost savings through the reduction of agency commission spend. The platform also provides a procurement compliant solution to the recruitment of interim personnel. The rollout of the platform has been substantially completed across the Council and should continue to be monitored by the Human Resources Manager.

3. NNDR

Assurance Opinion – **Substantial**

The specific audit objectives sought to provide assurance that NNDR is correctly calculated; billed amounts are efficiently collected and accounted for; assurances are sought regarding the operation of the service contract with Ashfield District Council; any refunds and write-offs are valid and authorised; fraud risk is considered and measures put in place for the prevention and detection of fraud; and overall arrangements for NNDR Pooling are sufficient with the appropriate returns completed in an accurate and timely manner.

The Council continues to operate within an appropriate and well-established framework for NNDR. The review did indicate areas for improvement and two 'merits attention – necessary control' actions were proposed which should result in enhanced control and/or better value for money. These related to:

- The need to review and update the policy and guidance available on the Council's website, including consideration of consolidating the Business Rates and rate relief guidance into one document.
- The need for management to receive and review a full breakdown of differences between the NNDR1 and NNDR3 returns to enable any significant and/or unexpected variations to be investigated. The Council has recently procured software from Analyse Local that will more readily provide this information.

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

4. Rents

Assurance Opinion – **Substantial**

Internal Audit reports that the Council has an appropriate framework in place for the administration of operations in respect of Rents. It was noted that the impact of the introduction of Universal Credit continues to be effectively managed.

A review of the Pre-Eviction Protocol for Rent Arrears was also completed. The Council has an appropriate framework in place for evictions, with the protocol being compliant with legislation. A sample case where eviction was considered on the grounds of rent arrears was reviewed. The findings were considered to

be satisfactory, with the action taken being reasonable and compliant with the steps outlined in the protocol.

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

5. Chilwell Olympia (Liberty Leisure Ltd) Assurance Opinion – **Substantial**

Internal Audit has reviewed the systems and procedures operating at Chilwell Olympia. The terms of reference were agreed with the Liberty Leisure Managing Director and the Centre Manager prior to the commencement of the audit. The cost of this work will be recharged to Liberty Leisure.

Internal Audit sought to confirm whether adequate management control exists to provide assurance that:

- Amounts due for the hiring of sports facilities and similar services are efficiently collected.
- Purchasing is undertaken in an appropriate and efficient manner.
- Refunds are appropriately controlled.
- Inventories are maintained accurately.
- Operational health and safety risks relating to legionella, asbestos and fire are appropriately addressed.

It was pleasing to report that Liberty Leisure continues to maintain an appropriate framework for the administration of operations at Chilwell Olympia. The review did identify an area for improvement and one recommendation was made for management's consideration. This action related to the need to ensure that the updated Joint Use Agreement with Chilwell School and Nottinghamshire County Council is clear in terms of the roles and responsibilities associated with mitigating operational health and safety risks.

Internal Audit also identified potential efficiencies that may be offered by ongoing developments to the corporate purchasing system which should enhance the efficiency of purchase transactions, improve accessibility to records and enable the roll out of 'intelligent scanning' of invoices currently being implemented.

The necessary actions were agreed by the Liberty Leisure Managing Director and the Centre Manager.

6. Online Ticket Portal (Liberty Leisure Ltd) Assurance Opinion – **Substantial**

Internal Audit has also reviewed the systems and procedures operating in respect of the Online Ticket Portal operated by Liberty Leisure Limited.

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

Internal Audit reported that no significant areas of concern. Overall, the review did not indicate any significant weaknesses or areas for improvement and, accordingly, a clearance report was duly issued.

7. Erewash Borough Council – Risk Management

As part of its Internal Audit Collaboration arrangements with Erewash Borough Council, Internal Audit has completed a review of the systems and procedures operating in respect of Risk Management at Erewash which was carried out as part of the Erewash Internal Audit Plan for 2019/20.

8. Procurement and Contract Management Assurance Opinion – **Limited**

The specific terms of reference for this audit was to seek confirmation that confirm whether adequate management control exists to provide assurance that:

- Suitable frameworks are in place for procurement and commissioning activity and this is being adhered to across the Council, including the adoption of a strategy.
- Structured tendering procedures are followed which are compliant with procurement legislation and internal rules.
- Robust contract management is undertaken in an appropriate and structured manner by identified contract managers

Internal Audit was pleased to acknowledge the significant progress that has been made with procurement compliance since the previous audit. A new Procurement and Commissioning Strategy 2019-2024 has been adopted, with was developed with due consideration to procurement legislation (i.e. Public Contract Regulations 2015) and best practice.

The review has indicated further areas for improvement and recommendations were proposed in order to ensure that the processes and controls in place are effective. Internal Audit proposed a 'significant' action relating to the need to establish a corporate contract management framework to provide the appropriate quality assurance and ensure that maximum value is achieved, namely:

Structured Contract Management

Internal Audit reviewed the contract management arrangements in place, including the provision of training for contract managers. It was identified through discussions with the Interim Procurement and Contracts Officer that

contract management training is not provided for contract managers. There are inconsistent mechanisms in place for monitoring, reporting and feedback in relation to contracts. Furthermore, a formal end of contract review is not systematically undertaken to inform any future procurement exercises.

The lack of appropriate and structured contract management could lead to maximum value not being obtained and complications not being identified and resolved in a timely manner.

Internal Audit recommended that a comprehensive review of the contract management framework should be completed to include updating procedures and guidance; reviewing contract monitoring and reporting arrangements (including the setting of key performance indicators); and providing training for contract managers.

Agreed Action (Significant)

A Contract Management Strategy and Framework is being developed to expand upon the adopted Procurement and Commissioning Strategy. This will incorporate both strategic and operational contract management and a multi-layered approach for the 'softer' elements of supplier management and monitoring. A proposal was presented to General Management Team in February 2020 and will now be developed further.

The strategy will propose 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 reporting on performance; and undertaking annual strategic reviews for major contracts (by value and/or strategic importance) to consider all aspects of contract compliance, performance and value-for-money.

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

Target Date: 30 June 2020

The review also proposed five 'Merits Attention' actions (including three considered to be 'Necessary Controls') relating to the:

- Adoption of updated Financial Regulations (Contract Standing Orders) to support the new Procurement and Commissioning Strategy.
- Development of a procurement e-learning module to support the embedding of the Strategy and to complement the existing guidance available on the intranet and website.

- Evidencing of decision making when adopting a particular approach for a procurement opportunity.

- Retention of tender and contract documentation within the procurement folders to maintain a suitable management trail.
- Ensuring compliance with the Local Government Transparency Code 2015 for publishing requirements for procurement.

The actions were agreed by the Head of Finance Services, Chief Audit and Control Officer and the Interim Procurement and Contracts Officer. 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

9. Treasury Management

Assurance Opinion – **Substantial**

The Council has an established framework for the administration of treasury management operations. The short and medium term cash flow forecasting processes were examined and found to be working adequately on a day-to-day basis. The Council is now using the specialist 'Arlingclose iDeal Trade' platform for investments and for new and replacement borrowing.

The review did indicate areas for improvement, with two 'Merits Attention – Necessary Control' actions being proposed. These related to the need to improve cash flow forecasting to take into account the best available data of known and estimated future income and expenditure, with the planning horizon extended to a rolling twelve months. The second action related to the need to complete a tender exercise for the expiring treasury advisors contract.

A suitable action plan was agreed by the Head of Finance Services.

Further reviews in respect of Bank Reconciliation; Cash Receipting; Council Tax; Creditors and Purchasing; Enforcement; Financial Resilience; Housing Repairs Independent Living Service; Key Reconciliations; Kimberley Depot (including Security); and Local Authority Trading Company 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 75% of planned audits for 2019/20 are near to completion as at 1 March 2020. 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 July 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)	Latest Audit
04	Cemeteries 2018/19	25/06/18	Substantial	1	1 Outstanding
37	Serious and Organised Crime 2017/18	05/09/18	Reasonable	6	1 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	Latest Audit
29	Council Tax 2018/19	28/03/19	Substantial	2	Latest Audit
30	Safeguarding 2018/19	28/03/19	Substantial	1	Completed
35	Key Reconciliations 2018/19	28/06/19	Substantial	1	Latest Audit
36	Disabled Adaptation/Lifeline Service 2018/19	28/06/19	Substantial	1	Completed
03	Payroll 2019/20	28/06/19	Reasonable	1 (1)	1 Outstanding

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

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

OUTSTANDING ACTIONS

1. Stores		January 2018, Limited Assurance, Actions – 3
1.1 Procurement of Stores Items		Progressing
<u>Agreed Action</u> (Significant) 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. 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. <u>Managers Responsible</u> Head of Environment; Transport and Stores Manager		
<u>Management Progress Report of the Transport and Stores Manager and the Procurement and Contracts Officer</u> 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. 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. The risk of an external challenge is low. The Procurement team 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 Efficiency East Midlands (EEM) framework and will cover the material streams for electrical, plumbing and heating, joinery and ironmongery and building materials.		

2. Cemeteries		June 2018, Substantial Assurance, Actions – 1
2.1 Digitisation of Cemetery Records		Progressing
<u>Agreed Action</u> (Merits Attention – Necessary Control) 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. <u>Manager Responsible</u> Head of Property Services Revised target date – 31 May 2020		
<u>Management Progress Report of the Head of Property Services, the Bereavement Services Manager and the Procurement and Contracts Officer</u> This action has recommenced and is progressing, in conjunction with the ICT and Procurement teams. Tender documents are being finalised for advert with the submissions to be evaluated thereafter.		

3. Serious and Organised Crime	Sep 2018, Reasonable Assurance, Actions – 6
3.1 Training	Progressing
<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 May 2020</p>	
<p><u>Management Progress Report of the Head of Public Protection</u></p> <p>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. This will include a briefing presentation to a forthcoming Senior Management Team.</p>	

4. Legionella	September 2018, Reasonable Assurance, Actions – 5
4.1 Health and Safety Audits	Progressing
<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><u>Management Progress Report of the Head of Property Services</u></p> <p>The Legionella Policy was reviewed, updated and presented to Safety Committee in February 2020. The designated persons list has been brought up-to-date and those with responsibilities for Legionella testing have been made aware of their responsibilities. Refresher training is being arranged for all staff and will be completed by May 2020.</p> <p>Whilst the audit programme has yet to be developed, this work should be substantively completed by May 2020.</p>	

4. Legionella Prevention and Testing (continued)	
4.2 Training	Progressing
<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><u>Management Progress Report of the Head of Property Services</u></p> <p>A list of Responsible Persons and their training has been compiled. The submissions provided by departments has provided further information in terms of the training completed, which will assist in producing training records. This work should be substantively completed by May 2020.</p>	
4.3 Tendering and Contracts	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>A corporate review of the way that Legionella testing, risk assessment, cleaning, chlorination and training services are procured is being undertaken with a view to ensuring consistency, value-for-money and compliance with procurement regulations.</p> <p><u>Managers Responsible</u> Head of Property Services; Health and Safety Manager; Interim Senior Housing Manager</p>	
<p><u>Management Progress Report of the Head of Property Services</u></p> <p>This action is not considered to be a high risk/priority at this stage, given the ongoing pressure on resources. The action will be progressed later in the new year in conjunction with the Head of Housing and with support from the Procurement team.</p>	

5. Commercial Property/Industrial Units	
5.1 Invoices – Combined Rent and Insurance	Progressing
<p><u>Agreed Action</u> (Merits Attention)</p> <p>The potential to combine the annual billing process for rental and insurance recharges was considered. A wholesale change for all existing tenants was not considered appropriate at this stage as the action would require changing up to 60 system generated invoices as well as disrupting pre-arranged Direct Debits/Standing Orders for tenants.</p> <p>Instead, combined rent and insurance bills will be established for new tenancies and for existing tenants at the point of periodic rent reviews. The Estates Manager will liaise with the Insurance team to calculate a suitable fixed annual premium within the new lease term.</p> <p><u>Manager Responsible</u> Estates Manager</p> <p style="text-align: right;">Revised Target Date: 30 June 2020</p>	
<p><u>Management Progress Report of the Estates Manager</u></p> <p>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. So far, the Council has converted 16 units to a combined rent and insurance debt, with five more underway which will increase the conversion rate to 42%.</p>	

6. Energy		November 2018, Limited Assurance, Actions – 2
6.1 Efficiency Improvements		Progressing
<p><u>Agreed Action</u> (Significant)</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 CO₂ 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 May 2020</p>		
<p><u>Management Progress Report of the Head of Property Services</u></p> <p>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.</p> <p>The Council has ended the contract for water utility management and is working with Procurement to consolidate all water invoices into one combined invoice with the supplier. Once this has been achieved, there should be a clearer picture of the type of database required to be compatible with the utilities' billing processes.</p>		

7. Payroll	July 2019, Reasonable Assurance, Actions – 1
7.1 Independent Check of Paid Employees	Progressing
<p><u>Agreed Action</u> (Significant)</p> <p>A full reconciliation of the movement in headcount should be carried out by a designated officer, independent of the Payroll process (i.e. Accountancy). The Audit and Control team will support the Payroll and Job Evaluation Manager in creating an independent and sustainable checking process that will then be passed to a designated officer to regularly complete the process on a monthly basis.</p> <p><u>Managers Responsible</u> Payroll and Job Evaluation Manager Head of Finance Services</p> <p style="text-align: right;">Revised Target Date: 30 April 2020</p>	
<p><u>Management Progress Report of the Payroll and Job Evaluation Manager</u></p> <p>A revised process is currently being developed, in conjunction with the Audit and Control team, and will be trialled as part of the February 2020 payroll. The trial will be reviewed for effectiveness and the process then refined to ensure that it is efficient and sustainable, prior to handover to a designated officer, independent of the Payroll process.</p>	