

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 Plans for 2019/20 and 2020/21 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 presented to each meeting of this Committee. A final report detailing the overall performance and productivity of Internal Audit for 2019/20 is included elsewhere on this agenda.

Recommendation

The Committee is asked to NOTE the report.

Background Papers

Nil

APPENDIX 1

INTERNAL AUDIT REPORTS ISSUED SINCE JANUARY 2020

No	Audit Title	Report Issued	Assurance Opinion	Actions - Significant	Actions - Merits Attention
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	Financial Appraisal – The Square	04/02/20	n/a	-	-
27	Procurement and Contract Management	28/02/20	LIMITED	1	5
28	Treasury Management	28/02/20	Substantial	0	2
01	Erewash BC – Safeguarding	01/04/20	n/a	-	-
29	Council Tax	17/04/20	Substantial	0	2
30	Independent Living	05/05/20	Reasonable	0	5
02	Erewash BC – Data Protection	21/05/20	n/a	-	-
31	Key Reconciliations	22/05/20	Reasonable	0	1
32	Cash Receipting (Payment Kiosk)	05/06/20	LIMITED	2	5
03	Discretionary Business Grants Scheme	18/06/20	n/a	-	-
04	Payroll	24/06/20	Substantial	0	1
33	Information Governance	24/06/20	Substantial	0	1
34	Whistleblowing Policy and Complaints	26/06/20	Reasonable	0	2
35	Enforcement	30/06/20	Reasonable	0	5
36	Financial Resilience	03/07/20	Reasonable	0	4

REMAINING INTERNAL AUDIT PLAN 2019/20

No	Audit Title	Progress
	Kimberley Depot (including Security)	Draft report issued – pending finalisation
	Local Authority Trading Company	Draft report issued – pending finalisation
	Housing Repairs	Draft report issued – pending finalisation
	Bank Reconciliation	Draft report issued
	Creditors and Purchasing	Ongoing (Nearing completion)
	Beeston Town Centre Redevelopment	In progress
	Computer/ICT (including Cyber Risk)	In progress (delayed due to current circumstances)
	Corporate Governance	Deferred to Internal Audit Plan 2020/21
	Operational Risk Management	Deferred to Internal Audit Plan 2020/21
	Planning Applications Process	Deferred to Internal Audit Plan 2020/21
	Health and Safety	Deferred to Internal Audit Plan 2020/21

REMAINING INTERNAL AUDIT PLAN 2020/21

No	Audit Title	Progress
	Leasehold Properties	Ongoing (Nearing completion)
	Creditors and Purchasing	Ongoing (Nearing completion)
	Housing Delivery Plan	Ongoing (Nearing completion)
	Sundry Debtors	In progress
	Declarations of Interest	In progress
	Computer/ICT (including Cyber Risk)	In progress (delayed due to current circumstances)
	Climate Change	Expected to commence in Q2
	Planning Enforcement	Expected to commence in Q2
	Public Health Funerals	Expected to commence in Q2
	Car Parks (inspection/maintenance)	Expected to commence in Q2
	Corporate Governance	Expected to commence in Q2
	Fuel Management	Expected to commence in Q2
	Waste Management	Expected to commence in Q2
	Section 106 Agreements	Expected to commence in Q2/Q3
	Neighbourhood Warden	Expected to commence in Q2/Q3
	Garages	Expected to commence in Q2/Q3
	Housing Voids Management	Expected to commence in Q2/Q3
	Gas Servicing and Maintenance	Expected to commence in Q2/Q3
	Housing Management System	Expected to commence in Q3
	Operational Risk Management	Expected to commence in Q3
	Health and Safety	Expected to commence in Q3
	Planning and Building Control	Expected to commence in Q3
	Kimberley Leisure Centre	Expected to commence in Q3
	D H Lawrence Birthplace Museum	Expected to commence in Q3
	Treasury Management	Expected to commence in Q3
	Benefits	Expected to commence in Q3
	HiMO Licences	Expected to commence in Q3
	Human Resources	Expected to commence in Q3/Q4
	Utilities (Energy and Water)	Expected to commence in Q3/Q4
	NNDR	Expected to commence in Q3/Q4
	Rents (including Evictions)	Expected to commence in Q3/Q4
	Cash Receipting	Expected to commence in Q3/Q4
	Bank Reconciliation	Expected to commence in Q4
	Council Tax	Expected to commence in Q4
	Procurement and Contract Management	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:

A number of these audits have taken place during the coronavirus pandemic lockdown, which has seen the audit process adapted accordingly to enable it to be completed remotely. It is pleasing to report that Internal Audit considers that it has not been restricted in terms of its access to systems, records and people. As a result, the audit conclusions and the strength of the opinion provided has not been overly impacted or qualified. The support of officers has been most welcome in successfully concluding the audit testing.

1. **Independent Living**

Assurance Opinion – **Substantial**

The specific audit objectives sought to provide assurance regarding the allocation of independent living accommodation; active engagement of tenants in receiving an Independent Living Plan (I-plans) and their use for activity co-ordination; risk assessment arrangements for the safety and security of tenants; inventories for Council owned equipment; income being promptly collected and accurately recorded; complaints procedures and the resolution of disputes; pre-recruitment checks for officers and external service providers in contact with tenants; and the monitoring of supply and demand for accommodation.

The Council has an established framework in place for the administration of operations in respect of the Independent Living services. The review did indicate areas for improvement and five ‘merits attention – necessary control’ actions were proposed which should result in enhanced control and/or better value for money. These related to:

- The enhancement of the I-plan process by utilising laptops or tablets that would improve data security and provide efficiencies in terms of data collection, analysis and reduced travel time.
- The need for vulnerability assessments to be completed for all service users at the point which the initial I-plan is produced.
- The requirement for an updated central inventory record to be produced for all Council owned equipment, furniture and fittings at each scheme.
- The need to improve controls in relation to guest room bookings to ensure that income is collected, recorded and banked.
- The need to review the supply of and demand for Independent Living stock to identify any properties that are underutilised.

The actions were duly agreed by the Head of Housing; the Income and Housing Manager; and the Independent Living Manager.

2. **Erewash Borough Council – Data Protection**

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

3. **Key Reconciliations**

Assurance Opinion – **Reasonable**

Internal Audit sought to confirm that key reconciliations processes are being completed in a timely and accurate manner. It was found that whilst some reconciliations are being regularly completed, there are inconsistencies in the application of this control mechanism.

The Head of Finance Services has acknowledged the advantages of keeping the central monitoring of key reconciliations. However, for this control to be effective, the completed central record should be periodically reviewed and updated. A Principal Accountant will be responsible for its regular update and subsequent reporting into team meetings as a standing agenda item.

With this commitment to continue with this control, the previously agreed action to procedure manual and associated monitoring documentation should also be completed at the earliest opportunity. This was agreed with the Head of Finance Services and the Chief Accountant.

4. **Cash Receipting (Payment Kiosk)**

Assurance Opinion – **LIMITED**

The Council has a framework in place for the administration of cash receipting through the established payment kiosk facility.

A number of security improvements have been completed at the kiosk back office following previous audit recommendations. A safety latch and door viewer have been fitted (including a glass tint to restrict visibility into the office), in addition to a panic alarm being placed within the office.

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 two 'significant' actions relating to:

- The fundamental requirement for management to be satisfied as to the accuracy of the system in terms of its data integrity, performance, management reporting and cost effectiveness.
- The need to consider the establishment of an officer working group to receive, investigate, action, resolve and monitor issues arising from the operation of the kiosk facility.

The full findings and agreed actions in these matters are provided below:

Accuracy of Transaction Recording

Internal Audit identified that some card payments received through the kiosk were being recorded as 'cash' on the Broxtowe 'webpaystaff' system. This error was identified when a card payment made was studied for refund purposes. Discussions with officers suggested that this type of error had been identified before although it could not be confirmed if the issue had been raised with the supplier.

It was also noted that the kiosk 'KPR' system and the Civica ICON system were not communicating appropriately for some cash transactions. This has been raised with the supplier and a system update was made. A similar error had not re-occurred at the time of the audit.

It is a fundamental requirement that management must be satisfied as to the accuracy of the system in terms of its data integrity, performance and management reporting.

Agreed Action (Significant)

An Officer Working Group will be established, with representation from key stakeholders across the business, to consider, respond, track and resolve the issues raised in respect of the payment kiosk.

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

Managers Responsible

Head of Administrative Services

Officer Working Group

Target Date: 30 September 2020

Kiosk Receipts and Automated Reports

The receipts generated and printed from the kiosk which are used in the reconciliation and cash banking processes were reviewed alongside the automated reports received by officers involved.

The kiosk receipt notes the 'cash total including change' and the 'cash total minus change'. The receipts also provide a daily summary of transactions with a breakdown of cash payments, card payments and cheques. For each of the five receipts reviewed by Internal Audit, the net cash for the day did not match the cash noted on the summary of the day's transactions. Officers were not aware of what was causing the difference and it could not be confirmed if this had been queried with the supplier.

Automated reports are received on a daily basis via email for information and to notify officers of a fault at the kiosk. The report format was not particularly user friendly, with parts of the report appearing to be in code. It was not always clear what the report was intending to communicate.

Agreed Action (Significant)

An Officer Working Group will be established, with representation from key stakeholders across the business, to consider, respond, track and resolve the issues raised in respect of the payment kiosk.

A review will be conducted to identify improvements to the management information provided by the kiosk. Consideration will be given to skills and training needs to enable clear understanding of the data provided.

Managers Responsible

Head of Administrative Services

Officer Working Group

Target Date: 30 September 2020

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

- Processing of any discrepancies identified during cashing-up to be updated to allow for any differences to be accounted for in an appropriate manner pending further review/investigation.
- Reporting and escalation of issues identified by officers to management.
- 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.

- Considering the value of the option to process card payment refunds (for duplicate or erroneous payments) onto the original payment card used, in conjunction with the service provider.
- Continue with proactive work to encourage customers to consider alternative cost effective payment channels such as Direct Debit and card payment via the website and consideration of the ongoing viability of the payment kiosk in terms of cost effectiveness and customer satisfaction, with comparison to alternative external solutions.

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

5. **Discretionary Business Grants Scheme**

Internal Audit has provided a series of reports to the Head of Revenues, Benefits and Customer Services in respect of the Discretionary Business Grants Scheme. This work involved the prompt completion of summary quality and fraud checks of provisional awards prior to the grants being released.

Internal Audit was reasonably assured to support the awards in all but one case presented for scrutiny. It was recommended that one 'fail' application should not be awarded at this stage without further evidence and consideration. This was agreed by management.

6. **Payroll**

Assurance Opinion – **Substantial**

The Council has an established framework in place for the administration of operations in respect of Payroll. This review has indicated an area for improvement in order to ensure that the processes and controls in place are effective. There was one 'merits attention – necessary control' action relating to the need to complete the regular monthly reviews of all system updates completed by Payroll officers. The Payroll and Job Evaluation Manager confirmed that these have now been brought back up-to-date to provide complete coverage for the period of the Covid-19 pandemic arrangements. The Human Resources Manager has also been added to the monthly review schedule with effect from 1 June 2020.

7. **Information Governance**

Assurance Opinion – **Substantial**

Internal Audit reports that the Council has an established framework in place for managing the risks associated with Information Governance. A full suite of information governance related training is successfully delivered to employees through Broxtowe Learning Zone. Automatic reminders for completing the training are sent out through BLZ, with progress monitored by the Information Governance Officer using system-generated reports identifying employees whose training is overdue.

The annual SIRO audit is intended to provide an assurance statement that the risk to information assets in a particular service area is under control. This includes any actions required to mitigate any identified risk or issue. The SIRO Audit report for 2020 is currently being prepared by the Information Governance Officer. It was pleasing to note from a review of these two reports and further discussions with management that matters continue to improve.

One merits attention action was proposed regarding the update of Information Management related policies and procedures. A review and update of these policies is nearing completion and will be published at the earliest opportunity, in conjunction with the Communications team.

8. **Whistleblowing Policy and Complaints** Assurance Opinion – Reasonable

The Council has established frameworks in place for both Whistleblowing and Complaints.

The Whistleblowing Policy was recently updated in 2019. Internal Audit recommended that employees should be regularly signposted to the Whistleblowing Policy (for example through the employee newsletter and as part of the new employee induction programme) in order to raise corporate awareness. This will be actioned by the Monitoring Officer.

It was also noted that there is a planned review of the corporate complaints process in 2020/21, with support and input from the new Democratic Services Manager. In the meantime, Internal Audit recommended that a formal reminder should be issued to all managers involved in the processing of complaints to ensure that all are aware of the need to follow the guidance for processing complaints effectively and within target timescales. A regular report showing departmental compliance in meeting target timescales for complaints will be considered and any recurring issues escalated to GMT for corrective action. These actions will be actioned by the Head of Governance and the Democratic Services team.

9. **Enforcement** Assurance Opinion – Reasonable

Internal Audit has completed its inaugural review of Enforcement across the Public Protection division. The specific audit objectives sought to provide assurance that policies and guidance are available and reflect legislation and best practice; risk assessments are undertaken to ensure high-risk areas receive priority at the inspection planning stage; enforcement activity is authorised, documented and reflects the policy/guidance; any enforcement activity involving legal proceedings has been referred in accordance with the Scheme of Delegation; and systems are in place to allow for appeals, complaints and feedback.

It was pleasing to report that the Council has an appropriate framework for Enforcement. An up-to-date Enforcement Policy is in place, with procedures and guidance available for each of the services areas considered, being Communities, Environmental Health and Licensing.

The review indicated areas for improvement and five 'merits attention – necessary control' actions were proposed. In particular, management attention was drawn to the need to further develop schedules of proactive enforcement activity and to produce risk assessments to identify high priority areas. The agreed actions related to:

- Developing a schedule of proactive enforcement activity, including risk assessment, to identify high priority areas covering all aspects of licensing enforcement; and improving the central record of any licensing related complaints received.
- Completing the annual review of long-term empty properties to ensure that appropriate action is taken in respect of the top-five cases, in accordance with the policy.
- Regularly reviewing arrangements as a health and safety enforcing authority to ensure that processes provide for proactive inspections and enforcement, including database maintenance.
- Maintaining a formal process to record declarations of interest to strengthen the current arrangements where officers are encouraged to inform managers where there might be a conflict of interest when undertaking an inspection.
- Updating the Scheme of Delegation to reflect the current Council structure in relation to the power to instigate legal proceedings.

The actions were duly agreed by the Head of Public Protection, with positive input from the Chief Environmental Health Officer; the Chief Communities Officer; the Licensing Manager; and the Private Sector Housing 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.

10. **Financial Resilience**

Assurance Opinion – **Reasonable**

Internal Audit found that the production of the Council's Medium Term Financial Strategy and associated Business Strategy was appropriate and operating effectively. However, attention was drawn to observations regarding the current and future uncertainties within local government finance as presented to the Finance and Resources Committee on 13 February 2020.

Four merits attention actions were proposed (including three considered to be 'necessary controls' relating to:

- The regular monitoring of progress in achieving the income and savings initiatives identified in the Business Strategy throughout the year.
- The use of the CIPFA Financial Resilience Index analytical tool to further support good financial management and provide a common

understanding amongst managers and members of the current financial position and potential risks.

- A briefing report being prepared on the new CIPFA Financial Management Code for presentation to GMT and Members.
- The refinement of current arrangements for prioritising capital schemes, to include the development of a rolling three-year Capital Strategy, linked to corporate priorities, and the introduction of robust business plans/capital project appraisal framework for individual schemes to support decision making and the prioritisation of limited capital resources.

The actions were duly agreed by the Deputy Chief Executive and the Head of Finance Services.

Further reviews in respect of Bank Reconciliation; Beeston Town Centre Redevelopment; Creditors and Purchasing; Governance – Emergency Grant Payments; Housing Delivery Plan; Housing Repairs; Kimberley Depot (including Security); Leasehold Properties; 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, the early level of performance for 2020/21 in terms of audits completed is below what was achieved at this stage in the previous year. Although there has been some focus on completing the outstanding audits from 2019/20, the main impact has been from the Covid-19 pandemic lockdown and the urgency of diverting Internal Audit resources towards supporting other areas of work. This has included vital work associated with the quality assessment and fraud checking of grants paid under the Emergency Business Grants and Local Discretionary Grants schemes.

The Chief Audit and Control Officer has already verbally advised this Committee in May that it would be appropriate for the Internal Audit Plan 2020/21 to be revised at a later date. This will allow the Chief Audit and Control Officer to reconsider the Council's key strategic risks post-lockdown, in conjunction with senior management and Members, and revise the Internal Audit Plan to ensure that it remains current and appropriate. This will also allow progress to be made with the Internal Audit Plan and the target of 90% to be achieved from the resources available.

Once the revised planning work is completed, a revised Internal Audit Plan will be presented to this Committee.

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 December 2019 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	Assurance Opinion	Number of Actions (Significant in brackets)	Progress
Cemeteries 2018/19	25/06/18	Substantial	1	1 Outstanding
Legionella Prevention and Testing 2018/19	11/09/18	Reasonable	5	2 Outstanding
Commercial Props/Industrial Units 2018/19	04/10/18	Substantial	1	1 Outstanding
Energy (including Procurement) 2018/19	16/11/18	LIMITED	2 (1)	1 Outstanding
Payroll 2019/20	28/06/19	Reasonable	1 (1)	Latest Audit
Benefits 2019/20	05/09/19	Reasonable	2 (1)	Completed
Sundry Debtors 2019/20	23/09/19	Reasonable	3	Latest Audit
Asset Management 2019/20	16/10/19	Substantial	1	Completed
Bramcote Crematorium 2019/20	21/10/19	Substantial	2 (1)	1 Outstanding
CCTV 2019/20	30/10/19	Substantial	1	1 Outstanding
Recycling 2019/20	14/11/19	Substantial	1	Completed
Local Elections 2019/20	15/11/19	Reasonable	2	Completed
Electrical Testing 2019/20	15/11/19	Substantial	1	1 Outstanding
Choice Based Lettings 2019/20	18/11/19	Reasonable	3	1 Outstanding
Human Resources 2019/20	20/12/19	Substantial	1	1 Outstanding
NNDR 2019/20	24/12/19	Substantial	2	2 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. Cemeteries	June 2018, Substantial Assurance, Actions – 1
1.1 Digitisation of Cemetery Records	Progressing
<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>Revised target date – 30 September 2020</p>	
<p><u>Management Progress Report of the Bereavement Services Manager and the Procurement and Contracts Officer</u></p> <p>The provision of a new Bereavement Services Management system has been subject to a formal tendering exercise, in conjunction with the Procurement and Business Transformation. Tender responses have been received and are currently undergoing desk based evaluations. There may be a need as part of due diligence to view a system in operation. It is anticipated a contract will be awarded by 1 September 2020, with work to commence shortly afterwards.</p>	

2. Legionella	September 2018, Reasonable Assurance, Actions – 5
2.1 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 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 had been arranged for May 2020 but is currently on hold due to Covid-19 and the need for the training to be hands-on and interactive. Consideration is being given to reduced online training ahead of the fuller face-to-face training.</p> <p>Whilst the audit programme has yet to be developed, this work should be substantively completed by October 2020.</p>	

2. Legionella (Continued)

2.2 Tendering and Contracts

Progressing

Agreed Action (Merits Attention – Necessary Control)

A corporate review of the way that Legionella testing, risk assessment, cleaning, chlorination and training services are procured is being undertaken with a view to ensuring consistency, value-for-money and compliance with procurement regulations.

Managers Responsible

Head of Property Services; Health and Safety Manager; Interim Senior Housing Manager

Management Progress Report of the Head of Property Services

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.

3. Commercial Property/Industrial Units

3.1 Invoices – Combined Rent and Insurance

Progressing

Agreed Action (Merits Attention)

The potential to combine the annual billing process for rental and insurance recharges was considered. A wholesale change for all existing tenants was not considered appropriate at this stage as the action would require changing up to 60 system generated invoices as well as disrupting pre-arranged Direct Debits/Standing Orders for tenants.

Instead, combined rent and insurance bills will be established for new tenancies and for existing tenants at the point of periodic rent reviews. The Estates Manager will liaise with the Insurance team to calculate a suitable fixed annual premium within the new lease term.

Manager Responsible

Estates Manager

Revised Target Date: 31 October 2020

Management Progress Report of the Estates Manager

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 22 units (36%) to a combined rent and insurance debt. The opportunity to covert further businesses has slowed during lockdown, although this will continue with any further new and updated lettings.

4. Energy	November 2018, Limited Assurance, Actions – 2
4.1 Efficiency Improvements	Progressing
<p>Agreed Action (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: 30 September 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>	

5. Bramcote Crematorium	October 2019, Substantial Assurance, Actions – 2 (1 Significant)
5.1 Bereavement Services Management System	Progressing
<p>Agreed Action (Merits Attention – Necessary Control)</p> <p>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.</p> <p><u>Managers Responsible</u> Head of Property Services Bereavement Services Manager</p> <p style="text-align: right;">Revised Target Date: 30 September 2020</p>	
<p><u>Management Progress Report of the Bereavement Services Manager</u></p> <p>The provision of a new Bereavement Services Management System has been subject to a formal tendering exercise in conjunction with the Interim Procurement and Contract Management Officer. The responses to the exercise have been received and are currently undergoing review and scoring.</p>	

6. CCTV	October 2019, Substantial Assurance, Actions – 1
6.1 Application for the Third Party Certification of Compliance with the Surveillance Camera Code of Practice	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>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:</p> <ul style="list-style-type: none"> • Works to progress to enable the systems operating at Kimberley Leisure Centre to be made fully compliant and brought under the full control of the Parking & CCTV/Security Manager. In order to facilitate this, a budget has been earmarked towards the review and upgrade of the existing camera system at the site. (Target date – 31 March 2020) • An approach will be made to the Head of Environment with a view to making progress towards CCTV systems operating at the Kimberley Depot (in particular those cameras operating from refuse freighters) being fully compliant with the Surveillance Camera Code of Practice. (Target date – 31 March 2020). It is recommended that the remote CCTV systems becomes the responsibility of the nominated single point of contact for CCTV surveillance and centralised in accordance with recommendation made by the Surveillance Camera Commissioner's Office. Alternatively, systems can be managed locally whereby compliance with the Commissioners Code of Practice and accreditation can be audited by the nominated senior responsible officer (SRO) for surveillance. • The existing CCTV policies will be refreshed and arrangements made for these to be formally adopted by the Council. (Target date – 31 March 2020) <p><u>Managers Responsible</u> Head of Property Services Parking and CCTV/Security Manager (in conjunction with the appropriate site managers)</p> <p style="text-align: right;">Target Date: As above</p>	
<p><u>Management Progress Report of the Head of Property Services and the Parking and CCTV/Security Manager</u></p> <p>Action 1 (Kimberley Leisure Centre) – This is on hold indefinitely pending the outcomes of the Leisure Facilities Strategy.</p> <p>Action 2 (Kimberley Depot) – A meeting has been arranged with the Head of Environment to discuss CCTV arrangements at the Depot and for refuse vehicles, with an anticipated handover by 31 August 2020.</p> <p>Action 3 (Policy Updates) – The policies have been reviewed as a part of a recent RIPA inspection where it was deemed appropriate to develop separate policies where significant differences existed in separate systems. A CCTV update report was presented to the Community Safety Committee on the 4 June 2020, which resolved to undertake an internal review of the effectiveness and value for money of Broxtowe's town centre CCTV. This may see a number of cameras removed. As such, this action is on hold as the outcome of this review will affect how the policies are further developed (Revised target date - 31 December 2020).</p>	

7. Electrical Testing	November 2019, Substantial Assurance, Actions – 1
7.1 Migration of Electrical Testing Schedule to Capita	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The migration of the Electrical Testing schedule and associated data from manual records to the upgraded Capita Housing system will be completed at the earliest opportunity.</p> <p><u>Managers Responsible</u> Head of Housing; Acting Housing Repairs Manager Target Date: 30 April 2020</p>	
<p><u>Management Progress Report of the Acting Housing Repairs Manager</u></p> <p>Following the data load of the Electrical Testing components into the Capita Housing System, a number of issues were identified regarding the integrity of the data.</p> <p>These issues have now been resolved. However, there remains re-route testing to complete prior to the undertaking of a complete programme of testing. Additional employee training on reporting and communication with tenants is also required in order to align the process with the current Gas Servicing standards.</p>	

8. Choice Based Lettings	November 2019, Reasonable Assurance, Actions – 3
8.1 Information Governance/Data Retention	Progressing
<p><u>Agreed Action</u> (Merits Attention)</p> <p>All third party users are systematically requested to confirm their ongoing agreement to system access on an annual basis. This helps to mitigate the risk of personal data being retained for longer than necessary.</p> <p>Historical data relating to allocations has been retained as evidence to support the decision making process. Management will review the current arrangements and devise an information governance procedure to ensure that system data retention periods are clearly defined and adhered to.</p> <p><u>Managers Responsible</u> Head of Housing; Housing Operations Manager; Lettings Manager Target Date: 31 March 2020</p>	
<p><u>Management Progress Report of the Housing Operations Manager</u></p> <p>This is an issue within the system used and has been raised with the software provider. Concerns over GDPR implications of the system have been discussed across the partnership, involving the Chief Information Officers and Information Governance Officer. The system upgrade and remodelling planned for 202/21 will address GDPR concerns on the system side.</p> <p>It is proposed to have significant consultancy time with the software provider in which training on reports and other matters will be done with teams, managers and certain operational requirements could be implemented in a bespoke way.</p>	

9. Human Resources		December 2019, Substantial Assurance, Actions – 1
9.1	Completeness of Records	Progressing
<p><u>Agreed Action</u> (Merits Attention – Necessary Control)</p> <p>The probationary process for new employees is currently being reviewing. An expected outcome will see the management of the probationary process returning under the direct control of the HR Manager, including chasing-up and escalation in instances of non-compliance. The HR Manager is due to deliver a briefing to a forthcoming Senior Management Team to emphasise the importance and benefits of completing the probationary process in accordance with Council policy.</p> <p>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.</p> <p><u>Managers Responsible</u> Head of Public Protection Human Resources Manager</p> <p style="text-align: right;">Target Date: 31 March 2020</p>		
<p><u>Management Progress Report of the Human Resources Manager</u></p> <p>New processes for probation were going to be piloted from April but due to the Covid-19 response this has not been implemented as of yet. Preparation work was done but other pressing matters have pushed this back. This will be revisited upon return to the office, as many of the actions relate to the physical documentation, which again has had to be temporarily put on hold due to limited access.</p>		

10. NNDR		December 2019, Substantial Assurance, Actions – 2
10.1	Business Rates Relief Guidance	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>The website material, including the Business Rates Relief guidance publications, will be reviewed and updated as necessary. This will include consideration of consolidating the guidance where appropriate.</p> <p>This review will not be performed before 31 March 2020. There have been several proposals announced by the government that will need to be incorporated in the guidance when this further details become available.</p> <p><u>Manager Responsible</u> Head of Revenues, Benefits and Customer Services Revenues Team Leaders</p> <p style="text-align: right;">Revised Target Date: 30 September 2020</p>		
<p><u>Management Progress Report of the Head of Revenues, Benefits & Customer Services</u></p> <p>The Revenues team continue to review the content of the Council's website and several new initiatives have been published over the previous few months to support businesses that have been impacted by Covid-19.</p>		

10. NNDR (Continued)	
10.2 NNDR1 and NNDR3 Returns	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>A full breakdown of the difference between the NNDR1 and NNDR3 returns will be documented and the reasons for any significant and/or unexpected variances investigated. The Council has recently purchased software from Analyse Local that will more readily provide this information. This will now be installed, in conjunction with ICT Services, to support the recommendation.</p> <p><u>Managers Responsible</u> Head of Revenues, Benefits and Customer Services Revenues Team Leaders</p> <p>Revised Target Date: 31 August 2020</p>	
<p><u>Management Progress Report of the Head of Revenues, Benefits & Customer Services</u></p> <p>The NNDR1 and NNDR3 will be reviewed. However, the government has created an additional extension for the completion of the NNDR3 as a result of Covid-19. This means that the software supplier has not provided the Council with the updated version to allow this full comparison to be made. This will now be made prior to the end of August 2020.</p>	