

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 2020/21 is included at appendix 1. A summary narrative of the work completed by Internal Audit since the previous Committee is also included.

Internal Audit has 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 2020/21.

Recommendation

The Committee is asked to NOTE the report.

Background Papers

Nil

APPENDIX 1

INTERNAL AUDIT REPORTS ISSUED SINCE APRIL 2020

No	Audit Title	Report Issued	Assurance Opinion	Actions - Significant	Actions - Merits Attention
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 (#1)	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
03	Discretionary Business Grants (#2)	26/06/20	n/a	-	-
35	Enforcement	30/06/20	Reasonable	0	5
36	Financial Resilience	03/07/20	Reasonable	0	4
37	Local Authority Trading Company	06/07/20	Reasonable	1	2
03	Discretionary Business Grants (#3)	08/07/20	n/a	-	-
03	Discretionary Business Grants (#4)	14/07/20	n/a	-	-
03	Discretionary Business Grants (#5)	21/07/20	n/a	-	-
03	Discretionary Business Grants (#6)	06/08/20	n/a	-	-
03	Discretionary Business Grants (#7)	18/08/20	n/a	-	-
05	Governance – Emergency Grant Schemes	19/08/20	Substantial	0	1
06	Council Tax Hardship Scheme	02/09/20	Substantial	0	0
07	Kimberley Depot (including Security)	04/09/20	Reasonable	0	4
08	Housing Repairs	04/09/20	LIMITED	1	4

REMAINING INTERNAL AUDIT PLAN 2020/21

No	Audit Title	Progress
	Leasehold Properties	Draft report issued – pending finalisation
	Housing Delivery Plan	Draft report issued – pending finalisation
	Creditors and Purchasing	Ongoing (Nearing completion)
	Sundry Debtors	Ongoing (Nearing completion)
	Garages	In progress
	Declarations of Interest	In progress
	Computer/ICT (including Cyber Risk)	In progress
	Public Health Funerals	In progress
	Car Parks (inspection/maintenance)	In progress
	Bank Reconciliation	In progress
	Neighbourhood Warden	Commenced

REMAINING INTERNAL AUDIT PLAN 2020/21 (CONTINUED)

No	Audit Title	Progress
	Planning Enforcement	Commenced
	Section 106 Agreements	Commenced
	Waste Management	Commenced
	Fuel Management	Expected to commence in Q3
	Housing Voids Management	Expected to commence in Q3
	Gas Servicing and Maintenance	Expected to commence in 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
	Cash Receipting	Expected to commence in Q3/Q4
	Corporate Governance	Expected to commence in Q3/Q4
	Climate Change	Expected to commence in Q3/Q4
	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
	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:

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. **Local Authority Trading Company** Assurance Opinion – **Reasonable**

The specific audit objectives sought to provide assurance regarding the purpose and objectives of the company being clearly defined and implemented; adequate governance arrangements for the company being in place and operating effectively; and the performance of the company in relation to its purpose and objectives being measured, monitored and reported.

Internal Audit reported that the Council has an appropriate framework in place for the administration of operations in respect of its Local Authority Trading Company, namely Liberty Leisure Limited. Overall, the Company is established with a clearly defined purpose and objectives, sound governance arrangements and adequate performance reporting mechanisms. In general, the company appears to operate within the terms of its Articles of Association and the Service Management Agreement. An annual Business Plan is also produced for Committee approval, in line with other Council departments.

The review has indicated areas for improvement and recommendations were proposed in order to ensure that the processes and controls are effective. Internal Audit proposed one 'significant' actions relating to the need to review and renew the Service Management Agreement following the adoption of the new Leisure Strategy; define the relationship, objectives and responsibilities; mutual expectations; and the bases of financial and budget arrangements including 'management fee'. The findings and agreed action is provided below:

Revision and Update of Service Management Agreement

The Service Management Agreement between the Council and Liberty Leisure Limited was entered into on 9 September 2016, shortly before the company began trading as the Council's primary provider of leisure services.

Since this time, the company and the market environment within which it operates has evolved. In order to reflect this, the Council has engaged an external leisure consultancy, Continuum Sport and Leisure, to perform extensive research, consultation and analysis in order to produce a fresh Leisure Centres Facilities Strategy. This strategy will provide the basis for future of leisure service provision within Broxtowe.

This, coupled with the potential termination of the Joint-Use Agreement with Kimberley School and the sudden impact of the Covid-19 pandemic will almost certainly result in significant transformation to the future of leisure services.

Once the strategic future of Broxtowe Leisure is determined, a revised and updated Service Management Agreement will be required in order to define the relationship and mutual expectations of the Council and the Company.

Internal Audit suggest the following areas of focus during this future review:

- **Management Fee** – This payment to the Company has not followed the budget outlined in the original business plan. An increased certainty over future years' management fee would assist both parties in budgeting and cash flow forecasting for future developments. It is further suggested that independent specialist advice regarding transfer pricing risk is sought to avoid potential challenges from HMRC or other interested parties.
- **Disposal of Assets** – Upon commencement of trading, the operational assets for leisure services were transferred to the Company for a nominal sum. Since then, the Company has disposed of some fitness related equipment (via sale). The Council could request that the proceeds from such asset disposals that were originally the property of the Council, should be passed to the Council. Alternatively, the sale proceeds may be allowed to remain with the Company as a profit (potentially taxable). A suitable policy regarding the ownership and disposal of assets/equipment should be determined and enshrined within the Service Management Agreement.
- **Other Areas of Clarity** – There should be specific clarity around the mutual expectations of the Council and the Company, including operational matters such as opening hours; delivery of events and the allocation of responsibility for utilities, maintenance (including asbestos management and legionella testing), insurance and other premises matters across all sites. These latter areas will, by necessity, require review alongside the outcome of the negotiations surrounding the Joint-Use Agreements with Kimberley School and Chilwell School.

Agreed Action (Significant)

The new Leisure Facilities Strategy is currently being developed, although its full adoption and implementation will be a long-term project. It is anticipated that the proposed Strategy will have been developed by late summer 2020, at which stage, the Strategy will be used as the starting point for an initial review of the Service Management Agreement between the Council and the Company.

Managers Responsible

Deputy Chief Executive

Managing Director – Liberty Leisure Limited Target Date: 31 October 2020

The review also proposed two ‘Merits Attention – Necessary Controls’) actions relating to the need to review, revise and agree the Joint-Use Agreement with Chilwell School; and the continued declaration of a potential conflict of interest and related party relationship with a Community Interest Company.

The actions were agreed by the Deputy Chief Executive and the Managing Director – Liberty Leisure Limited. 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.

2. Discretionary Business Grants

Internal Audit has provided a series of reports (up to seven in total) 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 assurance and fraud checks of provisional awards prior to the grants being released.

Internal Audit was reasonably assured to support the awards in the majority of cases presented for scrutiny. It was recommended that in the ‘fail’ cases that these applications should not be awarded at this stage without further evidence and consideration. This was agreed by management.

One fraudulent application was intercepted after the Council receiving warnings from the regional Midlands Audit Group about fraudsters utilising the details of seemingly legitimate businesses but referring to empty premises in the local area or referring to recently established premises leases with limited paperwork. The relevant authorities have been informed of this attempted fraud.

3. Governance – Emergency Grant Schemes

Assurance – **Substantial**

A review of the governance, systems and procedures operating in respect of the various Covid-19 Emergency Grants Schemes was carried out as a special investigation at the request of the Governance, Audit and Standards Committee.

Internal Audit is pleased to report that the Council established an appropriate framework for the administration of operations in respect of the various Emergency Covid-19 Grants schemes.

The Head of Revenues, Benefits and Customer Services and the Head of Finance Services prioritised the effective delivery of their respective schemes. Much of what has been achieved in urgently establishing these schemes was done on an emergency footing and, as such, it may not have been feasible to follow established governance procedures in all cases.

Assurance was gained from the Chief Audit and Control Officer strategically supporting the Head of Revenues, Benefits and Customer Services with setting-up processes for flagging potential fraud and irregularities for business grant applications. Internal Audit was also operationally active in supporting the business support grants process with quality assurance and fraud checking.

Internal Audit is satisfied that the Council has delivered the best scheme possible given the timeframe and notwithstanding the tremendous pressure to pay these grants. It considered that controls within the systems provided substantial assurance that risks material to the achievement of objectives were managed.

Internal Audit made one recommendation being that the Emergency Support Grant scheme for local voluntary organisations (the Community Fund) is now closed. Management should consider presenting a final report to the Finance and Resources Committee for noting, to provide a summary of the grants awarded to local voluntary organisations under this scheme and include feedback from grant recipients as to how the grants were used for the benefit of local communities.

4. **Council Tax Hardship Scheme**

Assurance Opinion – **Substantial**

A review of the governance, systems and procedures operating in respect of the Council Tax Hardship Scheme was carried out as a special investigation at the request of the Governance, Audit and Standards Committee.

Internal Audit is pleased to report that an appropriate framework for the administration of the Council Tax Hardship Scheme has been established. The scheme is operating in accordance with government guidelines, with the governance and key controls in place being as expected. The majority of awards have been automatically identified based upon parameters within the Council Tax system. There are also appropriate controls in place for the administration of the Discretionary Support Scheme, albeit there has only been a limited number of requests and awards to date.

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

5. Kimberley Depot (including Security) Assurance Opinion – Reasonable

Internal Audit has completed a review of the systems and procedures operating in respect of Kimberley Depot and Security. This audit was substantively completed before the coronavirus pandemic lockdown. The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that:

- A depot security policy and/or guidance is in place, with access to the site being restricted to authorised personnel and invited visitors;
- Appropriate arrangements are in place relating to site security, including the provision of CCTV;
- Operations at the depot have a due regard to health and safety;
- Plant and equipment are securely stored and recorded in inventories; and
- Flood risk is assessed and mitigated.

This review has indicated areas for improvement and four recommendations further recommendations were made in order to ensure that the processes and necessary controls in place are effective. These included the:

- Production of a security policy and/or procedures guide for reference by officers with responsibilities relating to depot security.
- Completion of an assessment of flood risk; with mitigating actions identified and communicated to ensure the health and safety of employees and protection of plant, equipment and stock.
- Development of a site specific flood plan to identify key officers and responsibilities; basic strategies to protect employees, equipment and machinery and to mitigate risks from contamination (including hazardous chemicals). The plan should include actions to be completed when flooding is imminent, during the event and post-flood.
- Maintenance of an inventory of all plant and equipment held at the depot and/or used offsite by the Environment department.

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

6. Housing Repairs Assurance Opinion – LIMITED

The specific audit objectives sought to confirm whether adequate controls exist to provide assurance that:

- Repair works are completed within a reasonable timeframe and to an appropriate standard;

- Works deemed rechargeable to the tenant are promptly and accurately invoiced; and
- Adequate controls are in place to manage resource consumption, in particular operative working hours and stocks.

The review indicated further areas for improvement and recommendations were proposed in order to ensure that processes and controls in place are effective. Internal Audit included one 'significant' action relating to the requirement to review the job costing and stock control processes to improve key controls and management reporting, as follows:

Job Costing and Stock Control

The Council does not presently exercise total control over consumable supplies used in the course of performing Housing Repairs. Whilst stock is barcoded and controlled within the Stores facility at Kimberley Depot, once an item is issued to an operative, the stock is held on the vehicle until utilised as part of a repair job.

As a result, it is not possible to produce reliable costings for individual jobs and the uncontrolled stock held on vans is exposed to increased risk of misappropriation. Furthermore, it is not possible to prepare an accurate valuation of the stock held on the vans for accounts purposes.

A number of actions in the Housing Repairs Review Action Plan, produced in response to the Commercial Manager's report relate to these specific stock issues. The following actions are of particular relevance:

- *All materials and equipment procured to be analysed for suitability and cost effectiveness to minimise waste.*
- *Integration of the Housing and Financial systems is explored in order so stock usage transactions can be recorded promptly.*
- *The Stores System is used by the operatives to record materials that they have on their van.*
- *Full van stock check, prior to the Stores System implementation, with smaller scale checks undertaken on an annual basis.*

The most recent record of progress against the action plan notes all the above actions as "Not Started" although it is acknowledged that this was primarily the result of the impact of the Covid-19 pandemic. It is however recommended that actions are progressed at the earliest opportunity.

There are clear control weaknesses in terms of job costing and stock control and the lack of process makes it difficult to estimate the scale of the financial risk in this regard, hence the potentially significant risk.

Agreed Action (Significant)

The progress made in delivering the Housing Repairs Review Action Plan have stalled due to various circumstances, not least the coronavirus pandemic lockdown. This action plan will be revisited when resources and the lifting of restrictions allow.

The job costing and stock control processes will be reviewed and updated as planned for in the Housing Repairs Review Action Plan. The progress made on this will be regularly reported to management and the Housing Committee.

Managers Responsible

Head of Housing

Housing Repairs Manager

Target Date: 31 December 2020

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

- A review of the reporting framework with the aim of implementing an effective system of 'post-inspection' and 'monitored inspection', with progress being regularly reported to management.
- Reinstating the process for invoicing rechargeable repair works and to review billing arrangements as part of a wider piece of work to bring all housing related debt into the Housing management system.
- Implementing the key recommendations identified from an earlier commercial review of the service relating to Customer Services.
- Reviewing expired contracts at the earliest opportunity via formal competitive tender or direct award from a recognised framework.

The actions were agreed by the Head of Housing and the Acting Housing Repairs 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

Further reviews in respect of Bank Reconciliation; Car Parks; Computer/ICT (including Cyber Risk); Creditors and Purchasing; Declarations of Interest; Garages; Housing Delivery Plan; Leasehold Properties; Neighbourhood Warden; Planning Enforcement; Public Health Funerals; Section 106 Agreements; Sundry Debtors; and Waste Management 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 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 June 2018 and January 2020 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
Bramcote Crematorium 2019/20	21/10/19	Substantial	2 (1)	1 Outstanding
CCTV 2019/20	30/10/19	Substantial	1	1 Outstanding
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
Chilwell Olympia (Liberty Leisure Ltd)	28/01/20	Substantial	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. 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 an effective and accurate electronic cemetery records will be produced. The progress made against the plan will be monitored by management and Bereavement Services Joint Committee. The replacement of the current software solution is considered to be a key part in this medium-term project.</p> <p><u>Manager Responsible</u> Head of Property Services</p> <p style="text-align: right;">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>Tenders for the provision of Bereavement Services Management Software have been received and evaluated. Due diligence is currently being carrying out with the preferred supplier, to ensure the solution proposed is suitable, as well as within budget. Unfortunately, this has been complicated and delayed by Covid-19 and the availability of key members of the project team. It is anticipated a contract will be awarded by 1 October 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>Health and Safety will carry out annual audits of 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 managed by Liberty Leisure Limited and 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 and the Health and Safety Manager</u></p> <p>The updated Legionella Policy was presented to the Safety Committee in February 2020. The designated persons list has been brought up-to-date and those with roles relating to Legionella testing have been made aware of their responsibilities.</p> <p>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. Online training would not give the interaction needed, so the Council is working with the training provider to carry out this training as soon as current restrictions allow.</p> <p>Whilst the audit programme has yet to be developed, this work should be substantively completed by December 2020.</p>	

2. Legionella (Continued)	
2.2 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>	
3. Commercial Property/Industrial Units	
3.1 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: 31 October 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 22 units (36%) to a combined rent and insurance debt. This figure is unchanged as there has been limited tenancy changes during the Covid-19 crisis. As the market for letting property begins to move again, there will be opportunities to combine the rent and insurance charges.</p>	

4. Energy	November 2018, Limited Assurance, Actions – 2
4.1 Efficiency Improvements	Progressing
<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 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 and the Estates Manager</u></p> <p>The 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 to consolidate all water invoices into one combined invoice with the current water supplier. Officers are still to agree terms with the supplier and when this is resolved, a fixed-term contract can be signed with confidence of the service that will be provided.</p> <p>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><u>Agreed Action (Merits Attention – Necessary Control)</u></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 and the Procurement and Contracts Officer</u></p> <p>The provision of a new Bereavement Services Management System has been subject to formal tender, in conjunction with the Procurement and Contracts Officer. Tenders received and evaluated with due diligence currently being carrying out with the preferred supplier. It is anticipated a contract will be awarded by 1 October 2020, with work to commence shortly afterwards.</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 polices 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) 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 outcome of the Leisure Facilities Strategy and the future of the Centre.</p> <p>Action 2 (Kimberley Depot) – The refuse vehicle surveillance monitoring and reviewing equipment is now being managed centrally by the Parking and CCTV/Security Manager. There is still ongoing technical work to access the information securely from a central location. ICT will facilitate remote access to this system.</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 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 March 2021).</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. These remain outstanding and officers are not currently able to use this for the purpose of a servicing schedule.</p> <p>Once these have been resolved, additional training on reporting and communication with tenants will be 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 a systems issue that has been raised with the software provider. Concerns over GDPR implications have been discussed across the partnership, involving the Chief Information Officers and the Information Governance Officer. The system upgrade and remodelling planned for 2020/21 will address these GDPR concerns.</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. The contract has been signed for the upgrade and remodelling. An initial meeting to start this work and timetabling with the software provider and the other local authorities has been held.</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 Target Date: 31 March 2020</p>		
<p><u>Management Progress Report of the Human Resources Manager</u></p> <p>New processes for probation were to be piloted from April but due to the Covid-19 response this has not been fully implemented to date. Preparatory work was done but other pressing matters pushed this back. Many of the actions relate to physical documents, which again has had to be temporarily put on hold due to limited access.</p> <p>The Human Resources Manager has recently met with the Head of Administrative Services to discuss a roll out of the intended plan and how this will be managed going forward. As there is an ongoing restructure within the Business Support Unit team, including a vacant Team Leader/Manager post, planned implementation may be dependent upon the restructure and capacity within the Business Support Unit.</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 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 style="text-align: right;">Revised Target Date: 30 November 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. The government has allowed 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 be made prior to completion.</p>	

11. Chilwell Olympia	
January 2020, Substantial Assurance, Actions – 1	
11.1 Operational Safety Risks – Joint-Use Agreement	Progressing
<p><u>Agreed Action</u> (Merits Attention 'Necessary Control')</p> <p>The current review of the Joint Use Agreement will incorporate the management of risk and allocation of responsibilities in respect of the key public health risk areas such as legionella, asbestos and fire.</p> <p>The first draft of the updated Joint Use Agreement is being prepared by the Council's Legal Services team. A timetable has been prepared and meetings programmed with representatives of the Chilwell School and Nottinghamshire County Council to consider the proposed Joint Use Agreement from February 2020.</p> <p><u>Manager Responsible</u> Managing Director, Liberty Leisure Limited Centre Manager Revenues Team Leaders</p> <p style="text-align: right;">Target Date: 31 March 2020</p>	
<p><u>Management Progress Report of the Managing Director, Liberty Leisure Limited</u></p> <p>Operationally legionella is managed by the school with Liberty Leisure Limited contributing by completing and recording daily flushing of all water outlets. An asbestos assessment of the building was completed prior to lockdown.</p> <p>An initial meeting was held with the school to discuss the Joint Use Agreement. The Council's Legal section was involved in this and had drafted a revised agreement that was shared with the school. Further meetings have not taken place during lockdown, although a meeting to discuss the wider Joint Use arrangements is due to take place on 7 September.</p>	