

Date: 1<sup>st</sup> February 2018

**AUDIT, GOVERNANCE & STANDARDS COMMITTEE**

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**THE INTERNAL AUDIT PROGRESS REPORT OF THE HEAD OF INTERNAL AUDIT SHARED SERVICE; WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE.**

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester, Financial Services Manager
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

**1. SUMMARY OF PROPOSALS**

1.1 To present:

- The progress report of internal audit work with regard to 2017/18.

**2. RECOMMENDATIONS**

2.1 **The Committee is asked to RESOLVE that the report be noted.**

**3. KEY ISSUES**

**Financial Implications**

3.1 There are no direct financial implications arising out of this report.

**Legal Implications**

3.2 The Council is required under the Accounts and Audit Regulations 2015 to “undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control”.

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**Service / Operational Implications**

- 3.3 The involvement of Member's in progress monitoring is considered to be an important facet of good corporate governance, contributing to the internal control assurance given in the Council's Annual Governance Statement.

This section of the report provides commentary on Internal Audit's performance for the period 01<sup>st</sup> April 2017 to 31<sup>st</sup> December 2017 against the performance indicators agreed for the service and further information on other aspects of the service delivery.

AUDIT REPORTS ISSUED/COMPLETED SINCE THE LAST PROGRESS REPORT (21<sup>st</sup> September 2017):

**2017/18 AUDIT SUMMARY UPDATES:**

**Housing – Homelessness**

The review found the following areas of the system were working well:

- Prevention advice is provided to those that request it;
- Liaison with private landlords including payment of rent deposits and rent advances;
- Adequate records of homeless applications are maintained;
- Determinations of homelessness duty are formally notified to applicants;
- The use of temporary accommodation and bed and breakfast are controlled and monitored;
- Internal and external performance reporting;
- Statutory returns (P1Es) are produced and submitted;
- Access to the Arbitras system is controlled;
- Monitoring of level of homelessness in place against risk HOU 7.

The review found the following areas of the system where controls could be strengthened:

- Reconciliation of rent deposit payments to debtor accounts set up to repay;
- Ongoing compliance with Data Protection requirements.

There was 1 'medium' and 1 'low' priority recommendation reported.

Type of audit:	Full Systems Audit
Assurance:	Significant
Report issued:	6 <sup>th</sup> November 2017

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**Community Services - Disabled Facilities Grants & Home Repairs Assistance Lifetime Loans**

The review found the following areas of the system were working well:

- Grants and loan applications are processed and paid in accordance with grant/loan criteria;
- Grants and loan details are promptly registered on the local land charges register;
- Budget monitoring is carried out on a regular basis;
- Contractors used are from the approved list maintained any the Home Improvement Agency;
- System access rights are in place for application files.

The review found the following areas of the system where controls could be strengthened:

- Currency of documented procedures for Grants and Loans;
- Compliance with information security and retention policies;
- Recovery of Grants and Loans from 2006-2010.

There was 1 'high' and 2 'medium' priority recommendations reported.

Type of audit:	Full Systems Audit
Assurance:	Moderate
Report issued:	28 <sup>th</sup> September 2017

**Legal and Democratic - Land Charges**

The review found the following areas of the system were working well:

- Full and personal searches were being completed within the ten day guidance timescale even though there were ongoing problems with the IDOX computer system that supports the land charges register e.g. system being unavailable, system freezing and information not being saved after input.
- Card payments taken over the phone are done so in accordance with Payment Card Industry Data Security Standards

The review found the following areas of the system where controls could be strengthened:

- Introducing reconciliations between the searches carried out and payments received.
- The speed with which the local land charges register is updated when notifications are received.

There was 1 'high' and 1 'medium' priority recommendation reported.

Type of audit:	Full Systems Audit
Assurance:	Moderate
Report issued:	19 <sup>th</sup> October 2017

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**Environmental - Waste Management**

The review found the following areas of the system were working well:

- The efficient and effective management of domestic waste collection services.
- The promotion and provision of a trade waste service across both authorities, including improved promotion of recycling services.
- The system for monitoring and managing bulky and garden waste collections.
- The monitoring of service performance and budgetary control across both authorities.
- The monitoring and management of outstanding payments on account, including noticeable improvements in managing non-payment of garden waste service customers.

The review found the following areas of the system where controls could be strengthened:

- Controls over the handling of cash payment, with specific regard to bulky waste collections.
- The charging of services to business and garden waste customers.
- The basis for providing quotes to residential customers for bulky waste collections that are outside the scope of the standard pricing structure.
- The management sign-off process for formally approving discretionary changes to business waste charges.
- Inventory management arrangements for recording returned bin stocks, and the process for checking stock levels with formal approval of variations on the electronic stock system.

There was 1 'high', 4 'medium' and 4 'low' priority recommendations reported.

Type of audit:	Full Systems Audit
Assurance:	Moderate
Report issued:	27 <sup>th</sup> November 2017

**Treasury Management**

The review found the following areas of the system were working well:

- Treasury management is undertaken in line with statutory and internal procedures.
- Money not immediately required is invested prudently and funds are available for use by the authorities when required.
- There is sufficient information held to constitute a full audit trail for all transactions in and out of the Council's bank accounts.
- All transactions are recorded in the Council's financial system.
- There are sufficient I.T controls in place around segregation of duties for BACS transactions.

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The review found the following areas of the system where controls could be strengthened:

- Although the reconciliation process has now been formalised it is not currently being reviewed or signed off by an independent person.

There was 1 'medium' priority recommendation reported.

Type of audit:	Full Systems Audit
Assurance:	Significant
Report issued:	22 <sup>nd</sup> September 2017

**Cash Collection**

The review found the following areas of the system were working well:

- Staff greet customer's and handle their payments professionally, confirming details and process efficiently.
- The postal cheque process has appropriate controls in place.
- Procedure documents were up to date and staff are aware of where to find them and what was contained in them.
- Cashiers are carrying out investigations to the suspense account

The review found the following areas of the system where controls could be strengthened:

- Monitoring and clearing of suspense account
- Monitoring of refund transactions
- Documentation of evidencing investigation to 'overs' and 'unders'
- Some administration errors within the new system of holding scanned documents.

There was 1 'high' and 3 'medium' priority recommendations reported.

Type of audit:	Full Systems Audit
Assurance:	Moderate
Report issued:	14 <sup>th</sup> November 2017

**Customer Services - One Stop Shops/Reception Services channel shift**

The review found the following areas of the system were working well:

- Customers were greeted politely and professionally and their enquiries were listened to and directed appropriately
- Calls to switchboard were being directed quickly to the services requested by the customer; they were also dealing with customers who were unsure to get them to the correct service.
- Good frontline support was being given by the larger services; Council Tax and Benefits.

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- Some good use of self service through website such as online form for environmental services

The review found the following areas of the system where controls could be strengthened:

- Mixed approach with phone recording messages across services; some have nothing, some are lengthy
- Housing Options frontline service is inconsistent with coverage both for face to face and telephony. There was a creation of repeat visitors due to lack of communication from case officer and the web pages encouraged the customer to visit the Town Hall.
- Complaints system is not being utilised for lessons learnt and a number of open complaints have not progressed with little information.
- Use and promotion of self-serve computer by cashiers
- Website can be confusing and difficult to find some services, some service webpages give little information, some are confusing for online self-service.
- Recording minutes of service meetings

There were 5 'medium' and 1 'low' priority recommendation reported.

Type of audit:	Full Systems Audit
Assurance:	Moderate
Report issued:	14 <sup>th</sup> November 2017

**Housing - St David's House**

The review found the following areas of the system were working well:

- Income collection against the correct fees and charges
- Collection of income within policies and procedures
- Day to day care operation

The review found the following areas of the system where controls could be strengthened:

- Resilience of carrying out important tasks such as Care Returns
- Staff handbooks not updated since 2005
- Compliance of reporting hospitality to Democratic Services
- Resilience of Procurement card arrangements during sickness and absence
- Clear training matrix regarding staff
- Complete induction paperwork of staff

There was 1 'high' and 5 'medium' priority recommendations reported.

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Type of audit: Full Systems Audit  
Assurance: Moderate  
Report issued: 4<sup>th</sup> October 2017

**Individual Election Registration System**

The review found the following areas of the system were working well:

- Having a documented public engagement strategy and registration plan in place for the annual canvass.
- Investigating applications to register that contain conflicted or missing information.
- Requesting additional personal identification where information provided is not sufficient for an application in order to reduce the risk of fraud.
- Undertaking activities to promote voter engagement and electoral registration.
- Producing guidance on the electoral registration process that is clear, concise and user friendly.

The review found the following areas of the system where controls could be strengthened:

- Keeping the printed registers up to date.
- Information recorded when the printed register is viewed by the public.

The Elections team were trialling the use of electronic tablets to collect information for the 2017 annual canvass as an alternative to canvassers completing hard copy forms (although these were still available to use as a back up). The feedback on use of these was generally positive, although there were some technical issues related to how information is recorded to be sorted out with the software provider Xpress before they are used again. At the end of the canvass it was noted that when tablets are returned to the office to be kept in the locked cupboard, they need to be manually cleared to remove any elector details remaining on the tablet. This is not an automated process so will be incorporated into the end of canvass procedures. The team were aware that a number of the documented procedures required reviewing and updating, and recognised they will now need to include use of the tablets.

There was one 'medium' and one 'low' priority recommendation reported.

Type of Audit: Full System Audit  
Assurance: Significant  
Report Issued: 2<sup>nd</sup> January 2018

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Summary of assurance levels:

<b>2017/18</b>	
Homelessness	Significant
Disabled Facilities Grant	Moderate
Land Charges	Moderate
Waste Management	Moderate
Treasury Management	Significant
Cash Collection	Moderate
Customer Services	Moderate
St David's House	Moderate
Individual Electoral Registration	Significant

An audit completed to draft report stage but due to changing circumstances further work will be undertaken in quarter 4 is:

Housing - Allocations

Audits completed to draft report stage and awaiting management response include:

Council Tax  
NNDR  
Records Management  
Payroll

2017/18 reviews which were on going as at the 31<sup>st</sup> December 2017 included.

- Transformation
- Benefits
- Creditors

The summary outcome of all of the above reviews will be reported to Committee in due course when they have been completed and management have confirmed an action plan.

Critical review audits are designed to add value to an evolving Service area. Depending on the transformation that a Service is experiencing at the time of a scheduled review a decision is made in regard to the audit approach. Where there is significant change taking place due to transformation, restructuring, significant legislative updates or a comparison required a critical review approach will be used. In order to assist the service area to move forwards a number of challenge areas will be identified using audit review techniques. The percentage of critical reviews will be confirmed as part of the overall outturn figure for the audit programme. To report this percentage during the year based on outturn will cause the figure to fluctuate throughout the year,



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however, a final percentage figure will be reported in the annual report. The outturn from the reviews will be reported in summary format as part of the regular reporting as indicated at 3.3 above.

Follow up reviews are an integral part of the audit process. There is a rolling programme of review that is undertaken to ensure that there is progress with the implementation of the agreed action plans. The outcome of the follow up reviews is reported on an exception basis taking into consideration the general direction of travel and the risk exposure. An escalation process is continuing to be developed involving CMT and SMT to ensure more effective use of resource in regard to follow up and reduce the number of revisits that are currently necessary to confirm the recommendations have been satisfied.

### **3.4 AUDIT DAYS**

Appendix 1 shows the progress made towards delivering the 2017/18 Internal Audit Plan and achieving the targets set for the year. As at 31<sup>st</sup> December 2017 a total of 287 days had been delivered against an overall target of 400 days for 2017/18.

Appendix 2 shows the performance indicators for the service. Performance and management Indicators were agreed by the Committee on the 27<sup>th</sup> April 2017 for 2017/18.

Appendix 3 shows the tracking of completed audits.

Appendix 4 shows the 'high' and 'medium' priority recommendations for finalised which are reported to the Committee for information.

### **3.5 OTHER KEY AUDIT WORK**

Much internal audit work is carried out "behind the scenes" but is not always the subject of a formal report. Productive audit time is accurately recorded against the service or function as appropriate. Examples include:

- Governance for example assisting with the Annual Government Statement
- Risk management
- Transformation review providing support as a 'critical appraisal'
- Dissemination of information regarding potential fraud cases likely to affect the Council
- Drawing managers' attention to specific audit or risk issues
- Audit advice and commentary
- Internal audit recommendations: follow up review to analyse progress
- Day to day audit support and advice for example control implications, etc.

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- Networking with audit colleagues in other Councils on professional points of practice
- National Fraud Initiative.
- Investigations

There has been on going work undertaken in regard to the National Fraud Initiative. 2016/17 saw the 2 yearly cycle of data extraction and uploading to enable matches to be reported. The initiative is over seen by the Cabinet Office. Worcestershire Internal Audit Shared Service (WIASS) has a coordinating role in regard to this investigative exercise in Redditch Borough Council.

The Worcestershire Internal Audit Shared Service (WIASS) is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards.

We recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Council's operations. Where possible we will seek to place reliance on such work thus reducing the internal audit coverage as required.

WIASS confirms it acts independently in its role and provision of internal audit.

**Customer / Equalities and Diversity Implications**

3.6 There are no implications arising out of this report.

**4. RISK MANAGEMENT**

4.1 The main risks associated with the details included in this report are:

- Failure to complete the planned programme of audit work within the financial year; and,
- The continuous provision of an internal audit service is not maintained.

**5. APPENDICES**

Appendix 1 ~ Internal Audit Plan delivery 2017/18

Appendix 2 ~ Performance indicators 2017/18

Appendix 3 ~ Tracking analysis of previous audits

Appendix 4 ~ 'High' and 'Medium' priority recommendations

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**6. BACKGROUND PAPERS**

Individual internal audit reports which are held in the internal audit service.

**7. KEY**

N/a

**AUTHOR OF REPORT**

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**APPENDIX 1**

**Delivery against Internal Audit Plan for 2017/18**  
**1<sup>st</sup> April 2017 to 31<sup>st</sup> December 2017**

Audit Area	2017/18 PLAN DAYS	Forecasted days to the 31 <sup>st</sup> December 2017	Days used to 31 <sup>st</sup> December 2017
Core Financial Systems (see note 1)	108	92	70
Corporate Audits(see note 2)	81	63	34
Other Systems Audits	157	142	157
<b>TOTAL</b>	<b>346</b>	<b>297</b>	<b>261</b>
Audit Management Meetings	20	15	12
Corporate Meetings / Reading	9	6	5
Annual Plans and Reports	12	9	8
Audit Committee support	13	8	1
Other chargeable	0	0	0
<b>TOTAL</b>	<b>54</b>	<b>38</b>	<b>26</b>
<b>GRAND TOTAL</b>	<b>400</b>	<b>335</b>	<b>287</b>

**Note 1**

Core Financial Systems are audited in quarters 3 and 4 in order to maximise the assurance provided for the Annual Governance Statement and Statement of Accounts.

**Note 2**

A number of the budgets in this section are 'on demand' (e.g. consultancy, investigations) so the requirements can fluctuate throughout the quarters.

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### Appendix 2

#### PERFORMANCE INDICATORS 2017/18

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2017/18. Other key performance indicators link to overall governance requirements of Redditch Borough Council e.g. governance indicators. The position will be reported on a cumulative basis throughout the year.

	<b>KPI</b>	<b>Trend/Target requirement/Direction of Travel</b>	<b>2017/18 Position (as at 31<sup>st</sup> December 2017)</b>	<b>Frequency of Reporting</b>
Operational				
1	No. of audits achieved during the year	Per target	Target = Minimum 18 Delivered = 14  plus 5 in draft	When Audit, Governance and Standards Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	72%	When Audit, Governance and Standards Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	75%	When Audit, Governance and Standards Committee convene
Monitoring & Governance				
4	No. of 'high' priority recommendations	Downward  (minimal)	5	When Audit, Governance and Standards Committee convene
5	No. of moderate or below assurances	Downward  (minimal)	8	When Audit, Governance and Standards Committee convene
6	'Follow Up' results  (Using 2017/18 reviews onwards)	Management action plan implementation date exceeded  (<5%)	Nil to report	When Audit, Governance and Standards Committee convene
Customer Satisfaction				
7	No. of customers who assess the service as 'excellent'	Upward  (increasing)	10x issued  Returns: 7x 'excellent' 1x 'good'	When Audit, Governance and Standards Committee convene

WIASS conforms to the Public Sector Internal Audit Standards 2013.

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**APPENDIX 3**

**Planned Follow Ups:**

In order to continue to monitor progress of implementation, 'follow up' in respect of audit reports is logged. The table provides an indication of the action that is planned going forward in regard to the more recent audits providing assurance that a programme of follow up is operating.

To provide the Audit, Governance & Standards Committee with assurance we are following a comprehensive 'follow up' programme to ensure recommendations and risks have been addressed from previous audits. Commentary has been provided on audits as part of the normal reporting process. Previous audit year updates in regard to 'follow ups' will be provided every six months to avoid duplication of information. Any exceptions (i.e. where no action has commenced by the agreed implementation date) will be reported to the Committee.

For some audits undertaken each year 'follow-ups' may not be necessary as these may be undertaken as part of the full audit. Other audits may not be time critical therefore will be prioritised as part of the over all work load and are assessed by the Team Leader.

Follow up in connection with the core financials is undertaken as part of the routine audits that were performed during quarters 3 and 4.

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<b><u>Audit</u></b>	<b><u>Date Final Audit Report Issued</u></b>	<b><u>Service Area</u></b>	<b><u>Assurance</u></b>	<b><u>Number of High, Medium and Low priority Recommendations</u></b>	<b><u>Results of follow Up</u></b> <b><u>1<sup>st</sup></u></b>	<b><u>Results of follow Up</u></b> <b><u>2<sup>nd</sup></u></b>	<b><u>Results of follow Up</u></b> <b><u>3<sup>rd</sup> &amp; 4<sup>th</sup></u></b>
CCTV	31/03/2016	Head of Community Services	Critical review	Challenge points and good practice in relation to Training and the CCTV system.	A follow up was undertaken in September 2016 and found although both recommendations have been actioned however there is more progress to be made relating to access rights to CCTV and a new anti-social behaviour policy.	Follow up originally scheduled for April 2017, however, delayed until May 17 due to staff resource issues in Community Services.	Audit met with both responsible managers on 10.05.17 and was informed position was the same as previous follow up. Restructure is still to take place and the Anti-social behaviour policy to be finalised. Further follow up date Nov 17.
Consultancy and Agency	13/06/2016	Corporate and Senior Management Team	Limited	2 'high' and 3 'medium' priority recommendations in relation to Matrix, Procurement procedures, Post transformation reviews, professional indemnity Insurance and accuracy of invoices received.	A follow up took place in December 2016 which found that 4 recommendations are still in progress relating to the use of Matrix, the procurement procedures, outcomes set for the use of agency staff and processing invoices. One recommendation is still to be actioned reliant on the outcome of a recommendation.	Audit met with the Director of Finance and Resources on 10.05.17. The review of Matrix is still in progress. As several recommendations rely on the matrix review being completed no official follow up will take place until completed. Further follow up date Nov 17	Audit met with Director of Finance and Resource on 4/1/18. The Matrix contract has been extended for 12 months therefore follow up will be scheduled for March.
Allotments	16/08/2016	Head of Leisure and Cultural Services	Limited	1 'high' priority recommendation in regard to the overall management of allotment services	A follow up took place in February 2017 finding one recommendation relating to the allotment action plan was in progress. Further follow up in 3 months.	A follow up took place in May 2017 and found that the one recommendation was on going with two action points still in progress relating to the use of SLA and the use of a new management information software. Further follow up date Nov 2017.	Due to the current project in relation to possible changes to the future provision of this service the follow up has been delayed pending the outcome of the project.
One Stop Shop/Customer	28th September	Community Services	Significant	Three medium priority recommendations	A follow up was undertaken in February 17 finding 1	The outstanding points were picked up as part of the	

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Services	2016			were made relating to training, minutes of meetings and safety of staff. Two low priority recommendations were made relating to assistance for translators and for data management.	recommendation relating to training has been implemented, and 2 recommendations relating to documenting meetings and safety of staff are in progress. Follow up 6 months.	2017/18 audit review of the area. Minutes of meetings was carried forward and reported as an outstanding matter. <b>No further follow ups will be undertaken as monitoring will take place through the 2017/18 audit.</b>	
Community Centres	6th February 2017	Leisure and Cultural Services	Limited	This audit report reported 1 high priority recommendation relating to debt monitoring and 6 medium priority recommendations relating to documents, invoices, cancellations and security. Follow up in 3 months.	A follow up was undertaken in May 2017 and found that 5 recommendations were implemented and 2 were in progress relating to booking forms and invoice reconciliation. A further follow up will take place in Nov 2017.	Due to the current project in relation to possible changes to the future provision of this service the follow up has been delayed pending the outcome of the project.	
Contracts - Post Contract Appraisal	17th March 2017	Housing	Limited	This audit reported 5 high priority recommendations and 3 medium priority recommendations relating to performance measures, contract specifications, variations, payments, tender evaluations, insurance, contract documents and meetings. Contract	Progress on this audit is monitored on an on going basis. No official follow-up is required at this stage. Corporate Management and the Head of Internal Audit Shared Service are made aware of developments in relation to the recommendations made.		



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				specification, variations and contractor meetings have been satisfied.			
Performance Measures	3rd May 2017	Corporate	Limited	This audit report made 3 high priority recommendations and 1 medium priority recommendation relating to resilience, timeliness, integrity of information and other aspects of performance. <b>A follow up will take place in 3 months time.</b>	A new system is being put in place to change reporting measures this is currently awaiting agreement to the new approach but should be in place for reporting in March 2018. A follow up should be carried out in May 2018 to look at what is now in place and if it is working		
Worcester Regulatory Services	26th May 2017	WRS	Moderate	This audit made 1 high priority recommendation and 2 medium priority recommendations relating to payment for licences granted, cheque payment and application forms. <b>A follow up will take place in 3 months time.</b>	1st follow up took place on 30/8/17 no recommendations have been implemented but work towards had been progressed and there is research looking at moving into electronic application which all districts will have to agree to. <b>A further follow up will take place in 6 months</b>		
Risk Management	24th May 2017	Executive Director	Limited	This audit made 5 medium priority recommendations relating to corporate risk management strategy, risk management group,	This area will be fully reviewed in 2018/19 as Management are currently organising training to embed and enforce the newly approved Risk Management Strategy.		

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				risk register updates, portfolio holder monitoring and training.			
Palace Theatre	29th June 17	Leisure Services	Significant	1 medium priority recommendation was made in relation to resilience.	Jan-18		
PitcherOak Golf Course	29th June 17	Leisure Services	Significant	2 Medium priority recommendations were made in relation to documentation and the location of the safe.	Jan-18		
VAT	10th August 17	Finance	Full	No recommendations were made. <b>No follow up is required</b>			
Building Control	10th August 17	Planning and Regeneration	Significant	1 medium priority recommendation was made in relation to the year end financial statement. <b>A Follow up will take place at the next production of the Annual Accounts May 18</b>	May-18		
Procurement	30th August 17	Finance/Legal	Moderate	This audit report made 5 medium priority recommendations relating to the strategy, training, procuring of agency staff, frameworks and resilience of eprocurement system.	Feb-18		
Homelessness	6th	Housing	Significant	One medium priority	May-18		

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<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Results of follow Up</u> <u>1<sup>st</sup></u>	<u>Results of follow Up</u> <u>2<sup>nd</sup></u>	<u>Results of follow Up</u> <u>3<sup>rd</sup> &amp; 4<sup>th</sup></u>
	November 2017			recommendation was made relating to data protection and access to the Arbitras system.			
Cash Collection	14th November 2017	Cash Collection	Moderate	The report found four recommendations; 1 high and 3 medium relating to the suspense account, refund checks, over and under investigations and administrative errors.	May-18		
Customer Services	14th November 2017	Customer Services	Moderate	The report found 6 recommendations; 5 medium and 1 low relating to minutes of meetings, phone recordings, housing options frontline, complaints system, website, self service computer.	May-18		
DFGs	28th September 2017	Community Services	Moderate	The report found 1 high priority and 2 medium priority recommendations in relation to Records retention and security, Registration of Land Charges and Private Sector Home Repairs Assistance policy.	Jan-18		
Land Charges	19th October 2017	Legal Services	Moderate	The report found 1 high and 1 medium priority	Jan-18		

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<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Results of follow Up</u> <u>1<sup>st</sup></u>	<u>Results of follow Up</u> <u>2<sup>nd</sup></u>	<u>Results of follow Up</u> <u>3<sup>rd</sup> &amp; 4<sup>th</sup></u>
				recommendation in relation to Reconciliation of payments and updating the local land charges register.			
Treasury Management	22nd September 2017	Financial Services Manager	Significant	The report found 1 medium priority recommendation in relation to reconciliations	Will be followed up as part of the 2018/19 audit		
St David's House	Housing	4th October 2017	Moderate	The report found 1 high and 5 medium priority recommendations in relation to Care Cost Returns, Handbooks, Hospitality Reporting, Procurement Card, Training, Induction.	Jan-18		
Environmental Waste	27th November 2017	Environmental Services	Moderate	The report found 1 high and 4 medium priority recommendations in relation to Bulky Waste Receipt Books, Business Waste Charges, Fees and Charges, Bulky Waste quotes and Garden Waste Invoices.	Mar-18		
end							

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**APPENDIX 4**

**Definition of Audit Opinion Levels of Assurance**

<b>Opinion</b>	<b>Definition</b>
<b>Full Assurance</b>	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
<b>Significant Assurance</b>	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
<b>Moderate Assurance</b>	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet it's objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
<b>Limited Assurance</b>	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
<b>No Assurance</b>	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

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<b>Priority</b>	<b>Definition</b>
<b>High</b>	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.</p>
<b>Medium</b>	<p>Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.</p>
<b>Low</b>	<p>Control weakness that has a low impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation is desirable as it will improve overall control within the system.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
<b>Audit: Homelessness</b>					
<b>Assurance: Significant</b>					
<b>Summary: Full system review</b>					
1	Medium	<p><b><u>Data Protection - Electronic Records</u></b></p> <p>The version of the Arbitras system currently in use (v3.2) does not have the functionality to delete data from a record when it is no longer required for the purposes for which the data was initially collected. There have been no updates to the Arbitras system since the introduction of the choice based lettings scheme.</p> <p>There are now plans to obtain the latest version of Arbitras with implementation from April 2018. The latest version will allow compliance with the new Homeless Reduction Bill requirements and with the General Data Protection Regulation which requires the facility for subject 'to be forgotten.'</p>	<p>Personal and / or sensitive data is held for longer than is required for the purpose that it was collected potentially leading to non compliance with current Data protection Act 1998 requirements and from May 2018 non compliance with the General Data Protection Regulation. Non compliance could result in reputational damage and / or financial penalty.</p>	<p>The Council to ensure that a scheduled cleansing of Arbitras data is put in place to ensure that personal data currently held on the system which is no longer required for the purpose for which it was collected is deleted.</p> <p>Data collection documents and privacy notices to be reviewed and updated in line with the requirements of the General Data Protection Regulation by its implementation in May 2018.</p>	<p>To be undertaken prior to implementation of new Homeless system in April 2018.</p> <p><b>Responsible Manager:</b> Housing Options Manager</p> <p><b>Implementation date:</b> April 2018</p>
<b>Audit: Disabled Facilities Grants &amp; Home Repairs Assistance Lifetime Loans</b>					
<b>Assurance: Significant</b>					
<b>Summary: Full systems audit</b>					
1	Medium	<p><b><u>Records retention and security</u></b></p> <p>Some of the Disabled Facilities Grants and Home Repairs Assistance loan application files held are being stored for longer than the Council's document retention and disposal schedule permits.</p> <p>A number of hard copy application forms containing personal information are kept in filing cabinets at Redditch Town Hall. The cabinets are lockable but have no keys so are kept unlocked.</p>	<p>Personal information is being stored that the Council does not need.</p> <p>Non compliance with the Council's Information Security Policy, the Data Protection Act and risk of legal challenge. Possibly leading to financial loss and reputational damage.</p>	<p>All manual files to be reviewed and disposed of or retained according to the Council's document retention policy.</p> <p>This process to be undertaken on a risk basis.</p> <p>Files containing personal information to be kept securely in accordance with the Council's Information Security Policy.</p>	<p><b>Responsible Manager:</b> <b>Strategic Housing Manager</b></p> <p>We will take the necessary steps to address this after securing initial advice/support from relevant colleagues in info management.</p> <p><b>Implementation date:</b> <b>End Nov 17</b></p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	High	<p><b><u>Registration of repayment amounts as land charges</u></b></p> <p>For the period 2006-2010 a number of Disabled Facilities Grants and Home Repairs Assistance lifetime loans were not registered as land charges. A list has been compiled, from original applications for each financial year, to show which applications need charges applying. Work has started on Home Repairs Assistance lifetime loans; determining whether these were ever registered on the Land Registry or Local Land Charges Register. Some have since been added to the local land charges register where they were missing. Some properties were identified as having changed ownership before the charge was registered so the money can never be recovered. There are still several lists of properties from 2006-2010 that need charges verifying to enable the Council to secure repayments.</p>	<p>Financial loss. Properties being sold without Disabled Facilities Grants and Home Repairs Assistance loan money being repaid to the Council.</p>	<p>Work to be completed on verifying and registering land charges for the Disabled Facilities Grants and Home Repairs Assistance lifetime loans that have been identified as requiring repayment.</p>	<p><b>Responsible Manager:</b> <b>Strategic Housing Manager</b></p> <p>We are aware of this issue and steps have previously been taken to try to address the historical backlog with some success. However we also recognise that we need to focus on getting this work completed in a concerted way, with support from colleagues in legal services.</p> <p><b>Principal Solicitor</b></p> <p><b>Implementation date:</b> <b>End September 2017.</b></p>
3	Medium	<p><b><u>Private Sector Home Repairs Assistance Policy</u></b></p> <p>The Private Sector Home Repair Assistance Policy does not reflect that Home Repairs Assistance loan limit that is now £10000 per applicant.</p>	<p>Practice may be incorrect if the document is used as a point of reference on how to carry out tasks. Reputational risk to the Council if they are not following criteria.</p>	<p>Review and update the Private Sector Home Repair Assistance policy.</p>	<p><b>Responsible Manager:</b> <b>Strategic Housing Manager</b></p> <p>We accept that the policy needs refreshing to bring it in line with the current position.</p> <p><b>Implementation date:</b> <b>End Nov 17</b></p>



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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
<b>Audit: Land Charges</b>					
<b>Assurance: Moderate</b>					
<b>Summary: Full systems audit</b>					
1	High	<p><b><u>Reconciliation of payments</u></b></p> <p>There is no overall reconciliation between searches carried out and income received.</p> <p>Payments that are received by the land charges team over the phone can be matched to the search. However some searches may be paid for by BACS and as searches are processed as they come in, no check is made for payment prior to the search being done.</p> <p>A number of payments are made directly into the bank account then coded to land charges accounts for Redditch Borough Council or Bromsgrove District Council by Finance. Finance can check against remittance invoices that payments have been received but they can only do this for large companies.</p> <p>Payments may also sit in the suspense account and then have to be identified by cashiers (who would not know what searches have been completed), but unless they are the flat fee for a full search they can be difficult to identify so may remain in the suspense account indefinitely.</p> <p>Land charges staff have no access to financial systems to check and see if a payment has been received. The only check the team can do is if it's a payment they have taken and they record it in the day book.</p>	<p>Customers could be receiving a free service when a charge is legitimately due thus impacting income streams. Income that has been received never reaches the land charges account because it cannot be identified in the suspense account, and, refunds could be paid without the original amount having been accounted for potentially leading to financial loss and reputational damage if money cannot be clearly identified and accounted for.</p>	<p>To achieve transparency, maximise income and to identify and rectify any potential discrepancies introduce a regular reconciliation.</p>	<p><b>Responsible Manager:</b></p> <p>Finance Manager Principal Solicitor</p> <p><b>Implementation date:</b></p> <p>End of January 2018</p> <p>The principal solicitor and land charges team met with the senior accountancy officer on 3.10.17 to work out the best way to do reconciliation. The senior accountancy officer is going to look at this over the next couple of months and come back to the land charges team with how this can be done. In the meantime the land charges team will continue to record the searches in the 'day books'.</p>
2	Medium	<p><b><u>Updating the local land charges register</u></b></p> <p>There is no specific timescale for the register updates. However they should be registered promptly to keep the register, and consequently</p>	<p>Potential for reputational and litigation risk if incorrect information is supplied in search</p>	<p>Updating the register with current information to be made a priority task in the team with a clear strategy agreed to</p>	<p><b>Responsible Manager:</b></p> <p>Principal Solicitor</p>

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		<p>reported information, up to date. With the ongoing problems with IDOX e.g. system being unavailable, system freezing and information not being saved after input, it has not been possible for updates to be registered consistently within a few days of receipt.</p> <p>An example case identified during walkthrough testing showed that it was received by the Local Land Charges team on 4.7.17 and the update was completed on 22.7.17. Backlogged correspondence awaiting input had also built up as a consequence of the system not being available and was dated between May and July 2017.</p>	<p>results as a result of the register not holding the most up to date information.</p>	<p>effectively deal with the backlogged correspondence. Performance measures to be agreed for the future in regard to register update requirements.</p>	<p><b>Implementation date:</b> <b>Immediate – from 22<sup>nd</sup> August 2017</b></p> <p>The land charges team now process notifications as soon as they are received, on a daily basis and as a priority task.</p>
<b>Audit: Waste Management</b>					
<b>Assurance: Moderate</b>					
<b>Summary: Full systems audit</b>					
1	High	<p><b><u>Bulky Waste – Cash Payment Receipt Books</u></b></p> <p>Customers using the bulky waste service are able to pay for their service in cash to the Place staff members at the time of collection. Receipts should be given to customers to confirm payment. Cash is then returned to the Business Support team for reconciliation with job records and banking.</p> <p>The receipt books in use are not headed controlled stationery, i.e. they are standard receipt books that can be purchased from any retail store.</p> <p>Several of the receipt books could not be located at the time of the audit.</p> <p>Of the receipt books held, they all had pages missing, i.e. where the counterfoils had been removed as well as the original customer copies.</p>	<p>Potential risk of fraud and financial loss where monies received cannot be tallied to receipts and bankings.</p>	<p>Only controlled stationery to be used by the Place teams, i.e. headed with the relevant Council details.</p> <p>All receipt books to be retained and counterfoils kept.</p> <p>Receipt books to be reconciled on a regular basis with bankings. Discrepancies and missing receipts to be investigated without delay.</p> <p>To limit and monitor the current use of cash payments and to consider options for moving to a cashless system.</p>	<p><b>Management Response:</b></p> <p>1). Controlled Stationery was acquired and implemented with our crews in late July.</p> <p>2). A system is being drawn up to implement monthly reconciliations of the receipt books by Business Support Unit, and the method of operating Bulky Collections has changed; reducing the number of staff and vehicles involved, which will support closer control of receipt books and greater ownership by staff in their use.</p> <p>3). Under our commercialism agenda, we are looking at opportunities to introduce a cashless option using card readers to support remote operations in addition to the current options for payment at the point of booking this service.</p> <p><b>Responsible Manager:</b> Environmental Senior Improvements Officer</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					<b>Implementation date:</b> 1). Completed July 2017. 2). October 2017. 3). On-Going.
2	Medium	<p><b><u>Business Waste Charges</u></b></p> <p>Testing of a random selection of 30 business waste invoices shows discrepancies between the schedule of charges and the invoices raised.</p> <p>Most invoices were for the correct overall charge, but the split between the rental charge and the disposal charge was incorrect. For Redditch Borough Council the collection charge is variable, resulting in a slight discrepancy in what VAT should be charged.</p>	<p>Incorrect VAT accounting, which has an impact on the VAT returns to HMRC for the authority and for business clients, resulting in financial cost to the authority for amending the discrepancy, and reputational damage with customers.</p>	<p>To assess the financial and reputational impact of inaccuracies with the split of charges and the VAT.</p> <p>To make a decision to determine whether customers will be re-issued with the correct invoice charges, or whether this discrepancy is to be written off.</p> <p>To ensure the Business Support team are issued with the correct split of charges for the financial period, and that these charges are used correctly.</p>	<p><b>Management Response:</b></p> <p>1). Further checks will be implemented to review invoices and determine if this is a large scale issue or a small number of errors. This will then be used to determine the appropriate course of action to safeguard our financial position and reputation with businesses.</p> <p>2). Processes will be reviewed to determine if this is a training/knowledge issue around how invoices are raised and VAT applied, and ensure measures are implemented to prevent future errors regarding application of VAT.</p> <p><b>Responsible Manager:</b> Environmental Senior Improvements Officer</p> <p><b>Implementation Date:</b> 1). October-November 2017 2). October 2017</p>
3	Medium	<p><b><u>Fees &amp; Charges</u></b></p> <p>Discounts to the Business Waste service can be applied at the discretion of the Environmental Services Supervisor, for example in instances of poor service to customers.</p> <p>There is no formal process for reviewing and signing-off the application of discounts by management personnel, to ensure these are applied correctly.</p>	<p>Potential for lack of consistency and transparency in applying discounts to the service cost, potentially resulting in reputational damage.</p>	<p>Management personnel to monitor the charges to customers to ensure that variations to the standard charge rate are applied in a suitable, correct and consistent manner.</p>	<p><b>Management Response:</b></p> <p>Review and formalise the rationale used to make discounts to ensure consistency, and implement a review process to ensure this is being applied correctly.</p> <p><b>Responsible Manager:</b> Environmental Senior Improvements Officer</p> <p><b>Implementation date:</b> December 2017</p>

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4	Medium	<p><b><u>Bulky Waste Quotes</u></b></p> <p>Bulky Waste collections are predominantly charged for on a defined unit basis.</p> <p>However some larger items which are out of the normal scope of charges will be quoted for directly with the Place teams. Quotes are typically based on time taken to deal with the collection by the operatives, and are determined by the Place team at the time of the on-site visit.</p>	<p>Potential for lack of consistency in charging for items not defined in the charging policy, resulting in reputational damage for inconsistent charging, and financial loss should the teams quote incorrectly.</p>	<p>To consider implementing a more formal charging policy for quoted bulky waste collection works, perhaps using the 'unit' approach, whereby unit price changes can be agreed as part of the annual Fees &amp; Charges review.</p>	<p><b>Management Response:</b> Quotes are not definable to the extent outlined in the recommendation, as they are designed to factor in increased costs of a number of factors that impact on the time and safety of carrying out works. This can include staircases, narrow doorways, distance to carry items, work to dismantle items prior to removal, etc.</p> <p>As detailed in issue 1. There have been recent changes to how we deliver our Bulky Collection Service, which reduce the number of people involved in providing this service, and so will aid improved consistency.</p> <p>To mitigate the identified risk, we will ensure staff are aware of the core pricing system for standard bulky collections, and review the modification to these prices applied over the next two months to determine if additional measures are needed.</p> <p><b>Responsible Manager:</b> Environmental Senior Improvements Officer</p> <p><b>Implementation date:</b> October – November 2017</p>
5	Medium	<p><b><u>Garden Waste Invoices – Charge Period Descriptions</u></b></p> <p>The invoices raised for garden waste charges do not identify the service charge period. This is resulted in some confusion with customers believing they would receive a continued service without requiring payment for future periods.</p>	<p>Lack of clarity regarding charges for customers resulting in reputational damage. Potential breach of Invoice legislation requiring details of the service charge period to be clearly identified.</p>	<p>To ensure all garden waste invoices clearly state the period for which the service charge relates.</p>	<p><b>Management Response:</b> We will ensure all future invoices confirm the timescales of the service provided.</p> <p><b>Responsible Manager:</b> Environmental Senior Improvements Officer</p> <p><b>Implementation date:</b> October 2017</p>

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<b>Audit: Treasury Management</b>					
<b>Assurance: Significant</b>					
<b>Summary: Full systems audit</b>					
1	Medium	<p><b><u>Treasury Management Reconciliations</u></b></p> <p>The quarterly Treasury Management reconciliations are not signed off by either the officer preparing them or the reviewer.</p>	<p>There is a potential risk of errors and irregularities being overlooked and no prompt action being taken to correct them. This in turn could lead to internal and external criticism over the handling of Treasury Management.</p>	<p>Ensure that reconciliations are checked, signed and dated by both the preparing officer and a reviewer.</p>	<p>Accept. Quarterly reconciliation to be signed by person preparing the reconciliation and reviewed and signed by either the Chief Accountant or Senior Accounting Technician.</p> <p><b>Responsible Manager:</b> Financial Services Manager</p> <p><b>Implementation date:</b> From Q3 reconciliation to be signed off January 2018</p>
<b>Audit: Cash Collection</b>					
<b>Assurance: Moderate</b>					
<b>Summary: Full systems audit</b>					
1	High	<p><b><u>Redditch Suspense Account</u></b></p> <p>Redditch suspense account is still carrying continuously high amounts and it is never cleared. As at 22<sup>nd</sup> September 2017 £42942.02.</p>	<p>Potentially transactions are being left and not investigated enough to be coded in its correct location this could cause a knock on effect with income and potential for incorrect chasing of monies which have been paid but sat in Suspense lead to reputational damage.</p>	<p>To introduce a specific monitoring procedure for the cashiers suspense account once cashiers have done all they can.</p>	<p>Responsible Manager: <b>Financial Services Manager</b></p> <p><b>Implementation date: Jan 2018</b> Financial Services Manager to review management of suspense account to consider options for transactions to be accounted correctly by finance and have a better joint working. Suspense Account to be monitored by Senior Customer Support Officer on a monthly basis and flagged with Financial Services Manager to raise concern if unusually high.</p>
2	Medium	<p><b><u>Refund Transactions</u></b></p> <p>Currently no refund reports are being monitored or reviewed. The refund function is used by all cashiers and used for various functions such as voids/vulnerable people payments as well as actual refunds</p>	<p>There is a risk that unnecessary transactions are being performed and could lead to a potential loss of money or fraudulent action which could potentially lead to reputational damage</p>	<p>To run a monthly report checked by management to ensure that this function is being used correctly and to highlight training needs if this function is being over used.</p>	<p>Responsible Manager: <b>Senior Customer Support Officer</b></p> <p><b>Implementation date: Jan 2018</b> A monthly report to be run and checked by SCSO, identify if being used frequently and discuss with officers as part of their 1to1s. Address training requirements.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
3	Medium	<p><b><u>Overs and Unders</u></b></p> <p>No evidence of investigation of 'overs' and 'unders' in Redditch</p>	<p>Risk of loss of money but there is also an inconsistent approach in what is now a shared service potentially leading to errors causing financial loss.</p>	<p>Have a consistent approach across both authorities and demonstrate clearly when there has been an investigation into the variances.</p> <p>Create a computer file which can then be accessed by appropriate officers across all sites.</p> <p>Only retain necessary documentation for financial aspects for 6 years.</p>	<p><b>Responsible Manager:</b> Senior Customer Support Officer</p> <p><b>Implementation date: Jan 2018</b></p> <p>Align processes across Bromsgrove and Redditch to ensure recording overs and unders in the same way. SCSO to review weekly and address any identified issues with officers and address training requirements.</p>
4	Medium	<p><b><u>Administrative errors</u></b></p> <p>Audit testing identified a number of administrative errors at Redditch outer offices; 1 bank slip with no corresponding number to bag, 2 with file errors, 3 no bank slips scanned in, 1 no G4S slip scanned in, 1 adding up incorrect on bank slip and entered incorrectly on daily spreadsheet.</p>	<p>Risk that inaccurate information is provided or there is a lack of supporting evidence if trying to prove banking and collection. This could lead to a potential financial loss.</p>	<p>Allocated Customer Service Officer to monitor the scan files to ensure they are tidy and have the required documents, re-emphasis in a team meeting on the importance of scanning clear documents.</p>	<p><b>Responsible Manager:</b> <b>Senior Customer Support Officer</b></p> <p><b>Implementation date: Jan 2018</b></p> <p>Monthly check to ensure scanned files are tidy and have the required information. Training as appropriate with teams. Review 3 months – consider whether check could be completed by Cashier or CSO.</p>
<b>Audit: Customer Services</b>					
<b>Assurance: Moderate</b>					
<b>Summary: Full systems audit</b>					
1	Medium	<p><b><u>Minutes of Meetings</u></b></p> <p>Meetings with the other services e.g. Benefits, are not being formally documented to act as an action log and reference point.</p> <p>Meetings had started to be documented but with the re-structure meetings have been put on hold. They are due to pick back up again shortly and the Senior Customer Support Officer will be taking responsibility.</p>	<p>Potentially a reputational risk if information has been provided and not relayed. Potentially could cause miscommunication and a poor customer service experience leading to a damage of trust between departments and poor customer relationships</p>	<p>To ensure minutes of meetings are documented going forward.</p>	<p>Responsible Manager: <b>Senior Customer Support Officer</b></p> <p>Implementation date: Jan 2018</p> <p>SCSO to save minutes where they can be accessed by all. Regular meetings to be held monthly with Revenues, Benefits, Housing, Environmental Services. SCSO to use information to plan CSO resources effectively.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	Medium	<p><b><u>Phone Message Recordings</u></b></p> <p>Housing Options and Planning have phone lines which have no recording and just ring out until either it gets answered or goes to voicemail.</p> <p>Revenues and Benefits both have lengthy recorded messages with a number of options.</p>	<p>Risk to causing repeat calls to other numbers such as switchboard. The customer may not know what number they are through to and potentially not have their enquiry handled potentially leading to complaint or reputational damage.</p>	<p>Review the use of recorded messages; consider short recordings for those currently without one to enable the customer to know that they are ringing the correct service.</p>	<p>Responsible Manager: <b>Assistant Customer Support Manager</b> Implementation date: Jan 2018 Review Revs and Bens messages and liaise with Assistant Financial Support Managers to make necessary changes. Head of CAFS to meet with Head of Planning and Housing to discuss improvements of phone lines. Follow up actions to be passed through to Assistant Customer Support Manager</p>
3	Medium	<p><b><u>Housing Options</u></b></p> <p>Observation demonstrated an issue where resources are potentially strained in Housing Options. Initially no one was covering the desk and there was no one available to take calls. There was an issue of sickness on this day. However the officers are carrying a caseload and are covering frontline enquiries. The enquiries observed identified 2 that were repeat calls due to not receiving communication from their officer.</p> <p>The web pages encourage the customer to come into the Town Hall which then creates more face to face customers.</p>	<p>Risk within the service of pressure being put on certain individuals potentially leading to an over and above workload, stress and potential sickness. Potential risk that the customers are not being dealt with causing frustration on the customer part leading to complaint and reputational damage.</p>	<p>A deeper review to be undertaken to examine the requirements of the housing options team to enable better presence for dealing with frontline enquiries.</p>	<p><b>Responsible Manager:</b> <b>Assistant Customer Support Manager</b> Implementation date: Dec 2018 Head of CAFS to meet with head of housing to discuss pressure on service and impact on customer service. Follow up actions to be passed to Assistant Customer Support Manager</p>
4	Medium	<p><b><u>Complaints system</u></b></p> <p>On 29/9/17 there were 47 complaints open and 5 were from 2016. There was little in the way of notes on the complaints to state where they are at.</p> <p>8 out of 57 closed complaints going back to April 2017 had comments in relation to what will improve/lessons learnt from. 5 of these were Environmental Services.</p> <p>There were 7 open complaints that would need to be re-assigned as the assigned member of</p>	<p>Risk that complaints aren't getting dealt with and customers are not being listened to. Issues that may not be dealt with which could lead to further complaints, involvement of ombudsmen's and external authorities leading to potential reputational damage.</p>	<p>Review of the complaints system to ensure better updates and use as a management tool to be able to improve services and identify trends.</p>	<p><b>Responsible Manager:</b> <b>Assistant Customer Support Manager</b> <b>Implementation date: March 2018</b> Review complaints system and make necessary improvements, to link with launch of Customer Service Principles. Complaints and Compliments to be included in Strategic dashboard.</p>

**REDDITCH BOROUGH COUNCIL**

Date: 1<sup>st</sup> February 2018

**AUDIT, GOVERNANCE & STANDARDS COMMITTEE**

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		staff is no longer available to deal with the compliant.			
5	Medium	<p><b><u>Website</u></b></p> <p>Generally the website for both authorities, as they use the same layout, is confusing as technically there is more than one front page using the tabs across the top.</p> <p>After reviewing the popular services there was a mix of easy/not so easy to find. The main aspects were available on the first screen.</p> <p>Council Tax had a number of screens and it wasn't clear about using the self-serve portal.</p> <p>Housing Options didn't give much information or any clear options of contact apart from to come into the Town Hall.</p> <p>There were good examples of linking into self-serve such as Environmental, with clear encouragement to use the web based form.</p> <p>The benefits parts linked into the online portal at various points</p>	<p>The effect of not giving clear information which can create repeat contact via face to face or telephony causing a strain on resources who are then unable to carry out other tasks leading to potential failure within services. This will lead to reputational damage</p>	<p>A review of the website would be the ideal however in the short term review of Council Tax and Housing Options pages should be undertaken in order to encourage self-service.</p>	<p><b>Responsible Manager:</b> Assistant Customer Support Manager <b>Implementation date: Feb 2018</b> Review pages with the most traffic and look at improving functionality of the website to enable customers to self-serve. Priority for Revenues and Housing. Longer term to improve both websites support needed across all relevant teams and departments.</p>
<b>Audit: St David's House</b>					
<b>Assurance: Moderate</b>					
<b>Summary: Full systems audit</b>					
1	High	<p><b><u>Care Cost Returns</u></b></p> <p>The Registered Manager is the only one currently able to carry out the returns for care costs this should be done weekly but is being carried out as and when. The Registered Manager is still doing this task even though she is currently off sick. The last return was completed for the week of the 7th July at the time of audit.</p>	<p>There is a risk that care costs are not collected at all or correctly which will lead to a financial loss and potentially incorrect reporting to Worcestershire County Council on the Care returns.</p>	<p>Others officers are trained and given time to complete the weekly Care Returns to provide resilience in times of long term absence or an employee leaving the employment of the council.</p>	<p><b>Responsible Manager:</b> Children's and Families Service Manager <b>Implementation date:</b> 31<sup>st</sup> October 2017. Another Officer has now been trained in this but another person will also be trained in case of any absence.</p>



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**AUDIT, GOVERNANCE & STANDARDS COMMITTEE**

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	Medium	<p><b><u>Handbooks</u></b></p> <p>Both the management and staff handbook had not been reviewed since 2005 according to the hard copies held in the Administration office</p>	<p>Incorrect or out of date procedures could lead to the carrying out tasks incorrectly leading to the mishandling of tenants and their belongings leading to non compliance and reputational damage.</p>	<p>Review and update handbooks to ensure that current practises are those that are past onto new staff and there is consistency through out the process.</p>	<p><b>Responsible Manager:</b> Children's and Families Service Manager</p> <p><b>Implementation date:</b> 30<sup>th</sup> November 2017 Due to all policies and procedures having to be revised and developed we will need to complete this task before we renew the staff handbook.</p>
3	Medium	<p><b><u>Hospitality Reporting</u></b></p> <p>Although there is nothing untoward demonstrated in the hospitality book 4 items were a repeated gift; the procedure states that officers should not receive repeated gifts. There is no evidence of the book being checked by a senior officer.</p> <p>Procedure in the handbook has not been reviewed since 2005. Democratic Services has not received any documentation with regard to gifts received at St David's House to be placed on their register.</p>	<p>There is a risk of the acceptance of gifts against policy, which could be seen a bribery or corruption leading the council to reputational damage</p>	<p>Review of hospitality procedure and liaising with Democratic Services to ensure compliance with Council Policy for the registering of gifts received.</p>	<p><b>Responsible Manager:</b> Children's and Families Service Manager</p> <p><b>Implementation date:</b> 31<sup>st</sup> October 2017 A team meeting has been arranged at St David's for the beginning of October 2017 this will include going through the policy and set up proper procedures with staff. Will also be liaising with democratic services beforehand to ensure we are following the process correctly.</p>
4	Medium	<p><b><u>Procurement card</u></b></p> <p>There is only 1 procurement card held by the Registered Manager for this area. The Registered Manager is currently off sick, the petty cash of £40 can be used but this is not ideal if an urgent purchase is required.</p>	<p>Unable to purchase necessary equipment or provisions urgently when required leading to being unable to carry out a task relating to care needs. Leading to reputational damage.</p>	<p>Consideration given to at least the Assistant Manager having a Procurement card in the absence of the Registered Manager.</p>	<p><b>Responsible Manager:</b> Children's and Families Service Manager</p> <p><b>Implementation date:</b> 31<sup>st</sup> October 2017 After reviewing how St David's is working, it would be beneficial for the deputy manager, the administration assistant and the cook to have procurement cards. Have been liaising with Finance about this.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
5	Medium	<p><b><u>Training</u></b></p> <p>There is currently no clear matrix to show what training staff have had and what is required so that someone could easily identify what training is to be undertaken in the absence of the registered manager.</p> <p>It should be noted however that individual certificates of training are held on the officer's personal file.</p>	<p>Risk of untrained staff carrying out tasks which could lead to incorrect handling of residents potentially causing injury or illness to themselves and others leading to complaints and reputational damage</p>	<p>To ensure a clear training matrix is in place with training completed by each individual officer and the training review dates.</p>	<p><b>Responsible Manager:</b> Children's and Families Service Manager</p> <p><b>Implementation date:</b> The training matrix is now in place, however there is a large amount of mandatory training that staff will need to do which could take some time. The plan is for staff to undertake this over the next 6 months – end March 2018</p>
6	Medium	<p><b><u>Induction</u></b></p> <p>Testing found that in 1 out of the 5 staff files sampled the induction checklist had not been completed and signed.</p>	<p>Risk of staff member not having the correct knowledge potentially leading to non compliance. and reputational damage</p>	<p>Ensure all staff inductions are complete and signed and dated by the Inductor and inductee.</p>	<p><b>Responsible Manager:</b> Children's and Families Service Manager</p> <p><b>Implementation date:</b> <i>31<sup>st</sup> October 2017</i> Every staff member will be having a one to one supervision over the next 6 weeks. It is planned that their induction checklist will be checked and the signing off of these shall be done during this time if required.</p>
<b>Audit: Individual Election Registration</b>					
<b>Assurance: Significant</b>					
<b>Summary: Full systems audit</b>					
1	Medium	<p><b><u>Data Protection</u></b></p> <p>A list of people who had viewed the register at Parkside was found in a poly pocket within the hard copy full register itself, therefore available to members of the public. The information recorded included names, addresses and signatures of people who had previously viewed the register.</p>	<p>Financial risk and reputational risk.</p> <p>Possible breach of the Data Protection Act 1998 resulting in a financial penalty and adverse publicity.</p>	<p>Determine whether this information needs to be recorded. If there is a legitimate business need to record and retain this information store it securely, otherwise dispose of it in confidential waste.</p>	<p><b>Responsible Manager:</b> Electoral Services Manager</p> <p>It has been decided that there is no need to keep this data, so a list will no longer be kept.</p> <p><b>Implementation date:</b>  Completed.</p>
end					