

Date: 27th July 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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

Relevant Portfolio Holder	Councillor David Thain
Portfolio Holder Consulted	Yes
Relevant Head of Service	Chris Forrester, Financial and Customer Services
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 monitoring report of internal audit work for 2020/21 and residual 2019/20.

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 Regulation 6 of the Accounts and Audit Regulations 2018 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control”.

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 01st April 2020 to 30th June 2020 against the performance indicators

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agreed for the service and further information on other aspects of the service delivery.

Summary Dashboard 2020/21:

Total reviews planned for 2020/21:	16 (minimum)
Reviews finalised to date for 2020/21:	0
Assurance of 'moderate' or below:	0
Reviews awaiting final sign off:	1
Reviews ongoing:	5
Reviews to be completed:	19
Number of 'High' Priority recommendations reported:	0
Satisfied 'High' priority recommendations to date:	0
Productivity:	50% (against targeted 74%)
Overall plan delivery to date:	9% (against target >90%)

2019/20 AUDIT REPORTS ISSUED/COMPLETED SINCE THE LAST PROGRESS REPORT (30th January 2020):

In summary they are:

- Planning Process Incl. s106 and Planning Application Process
- Debtors
- Safeguarding
- Creditors
- Payroll
- Contract Management Client Side – Rubicon
- Main Ledger
- NNDR
- Council Tax
- Worcestershire Regulatory Services

Reports awaiting management sign off:

- St David's House (Finalised but requires CMT sign off)
- Asbestos Regulation Compliance
- Benefits
- Business Continuity
- ICT

Summary Dashboard 2019/20:

Reports finalised	11 (incl. St David's House)
'High' priority recommendations reported	3
'Medium' priority recommendations reported	15
'Low' priority recommendation reported	5
'Moderate' or above assurances	10
'Limited' or below assurances	0
'Critical Friend'	1

Full reports for finalised audits are contained at Appendix 3.

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Health and Safety and Housing, Repairs and Maintenance- Stocks and Stores findings have been previously reported to Committee. The 'follow up' position reported at Appendix 4 is not included in the above figures.

All 'limited' assurance reviews go before CMT for full consideration.

2020/21 AUDITS ONGOING AS AT 30th JUNE 2020

Reviews progressing through clearance or draft report awaiting management sign off stage include:

- Orb

Reviews progressing through testing stage included:

- Health and safety
- Use of Agency and Consultants
- Leisure Contract Management

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.

A rolling testing programme on key core financial areas will take place during quarters 1 to 3 inclusive. The rolling testing programme results are being amalgamated at the end of quarter 3 and formal audit reports will be issued with any findings during quarter 4.

The 2020/21 plan will reflect the delayed start and certain lesser risk reviews will need to be rolled to next years plan. Priority will be given to potentially higher risk areas e.g. limited assurance audits. As we return to the new normal the impact of restrictions of the COVID-19 lockdown on the plan will be closely managed as the year progresses. The plan for 2020/21 will therefore remain very flexible but the core financial areas of the business will be considered and reported on and there is sufficient coverage for the Head of Internal Audit to provide an overall opinion. Committee will be regularly informed of developments throughout the year and any variations to the plan will be overseen by the Executive Director and s151 Officer.

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. 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

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implementation of the agreed action plans. The outcome of the follow up reviews will be reported in full from July 2020 onwards so the general direction of travel and the risk exposure can be considered by Committee. An escalation process continues 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 necessary to confirm the recommendations have been satisfied.

3.4 AUDIT DAYS

Appendix 1 shows the progress made towards delivering the 2020/21 Internal Audit Plan and achieving the targets set for the year. As at 30th June 2020 a total of 38 days had been delivered against an overall target of 400 days for 2020/21.

Appendix 2 shows the performance indicators for the service. Performance and management indicators were first considered by the Committee on the 30th January 2020 for 2020/21.

Appendix 3 provides copies of the reports that have been completed and final reports issued.

Appendix 4 provides the Committee with 'Follow Up' reports that have been undertaken to monitor audit recommendation implementation progress by management.

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

National Fraud Initiative

- 3.6 There has been on going work undertaken in regard to the National Fraud Initiative. This year is the 2 yearly cycle of data extraction and uploading to enable matches to be reported. Worcestershire Internal Audit Shared Service (WIASS) has a coordinating role in regard to this investigative exercise for Redditch Borough Council. An upload of Council Tax single person discount and Election data took

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place in January 2020 and was overseen by WIASS. A further substantial upload of data is due to take place in December 2020.

Monitoring

- 3.7 To ensure the delivery of the 2020/21 plan and any revision required there will be close and continual monitoring of the plan delivery, forecasted requirements of resource – v – actual delivery, and where necessary, additional resource will be secured to assist with the overall Service demands. The Head of Internal Audit Shared Service remains confident his team will be able to provide the required coverage for the year over the authority's core financial systems, as well as over other systems which have been deemed to be 'high' and 'medium' risk. Due to changing circumstances and the impact of the COVID-19 pandemic a variation in the plan will be required. This will be agreed on a risk priority basis with the s151 Officer as the year progresses. With any adjustment to the plan there will remain comprehensive audit coverage for 2020/21.

3.8 Quality Assurance Improvement Plan

- 3.9 WIASS delivers the audit programme in conformance with the International Standards for the Professional Practice of Internal Auditing (ISPPA) as published by the Institute of Internal Auditors. Further improvement will be identified through the self assessment process which will be carried out by the end of August 2020 and will be reported to Committee.

Customer / Equalities and Diversity Implications

- 3.10 There are no implications arising out of this report.
- 3.11 The Worcestershire Internal Audit Shared Service (WIASS) is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards.
- 3.12 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.
- 3.13 WIASS confirms it acts independently in its role and provision of internal audit.

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.

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5. APPENDICES

Appendix 1 ~ Internal Audit Plan delivery 2020/21
Appendix 2 ~ Performance indicators 2020/21
Appendix 3 ~ Finalised audit reports including definitions.
Appendix 4 ~ 'Follow-up' reports

6. BACKGROUND PAPERS

Individual internal audit reports are held by Internal Audit.

7. KEY

N/a

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REDDITCH BOROUGH COUNCIL

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APPENDIX 1

Delivery against Internal Audit Plan for 2020/21 **1st April 2020 to 30th June 2020**

Audit Area	2020/21 PLAN DAYS	Forecasted days to the 30th September 2020	Actual Days used to 30th June 2020
Core Financial Systems (see note 1)	90	7	4
Corporate Audits	78	27	14
Other Systems Audits(see note 2)	178	67	15
SUB TOTAL	346	101	33
Audit Management Meetings	20	10	3
Corporate Meetings / Reading	9	5	2
Annual Plans, Reports and Audit Committee Support	25	12	0
Other chargeable			
SUB TOTAL	54	27	5
TOTAL (see note 4)	400	128	38

Note 1

Core Financial Systems are audited predominantly in quarters 3 and 4 in order to maximise the assurance provided for Annual Governance Statement and Statement of Accounts but not interfere with year end. A rolling programme continues for Debtors and Creditors to maximise coverage and sample size. The results will be reported during Q4.

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. If there is little demand for certain budgets this is reflected in the overall usage, however, it does not necessarily reduce the coverage of the overall plan.

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Appendix 2

PERFORMANCE INDICATORS 2020/21

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2020/21. Other key performance indicators link to overall governance requirements of Redditch Borough Council e.g. KPI 4. The position will be reported on a cumulative basis throughout the year.

	KPI	Trend/Target requirement/Direction of Travel	2020/21 Position (as at 30 th June 2020)		Frequency of Reporting
Operational					
1	No. of audits achieved during the year	Per target	Target = 16 (Minimum) Delivered = Nil to date	😐	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	9%	😞	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	50%	😞	When Audit Committee convene
Monitoring & Governance					
4	No. of 'high' priority recommendations	Downward (minimal)	Nil to date (2019/20 = 12)	😐	When Audit Committee convene
5	No. of moderate or below assurances	Downward (minimal)	Nil to date (2019/20 = 11)	😐	When Audit Committee convene
6	'Follow Up' results	Management action plan implementation date exceeded (Nil)	Nil to date	😊	When Audit Committee convene
Customer Satisfaction					
7	No. of customers who assess the service as 'excellent'	Upward (increasing)	Nil to date (previous year total)	😐	When Audit Committee convene

WIASS conforms to the Public Sector Internal Audit Standards (as amended).

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APPENDIX 3

2019/20 Residual Audit Reports.

Appendices A & B are indicated below and are applied to all reports. To save duplication these have been produced once, listed below and removed from the reports.

Definition of Audit Opinion Levels of Assurance

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

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Opinion	Definition
Full Assurance	<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>
Significant Assurance	<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>
Moderate Assurance	<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>
Limited Assurance	<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>
No Assurance	<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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Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Planning Applications Including Sec 106 agreements 2019/20

4th February 2020

Distribution:

To: Head of Planning and Regeneration
Senior Accounting Technician
Area Planning Manager
Legal Services Team Leader - Property & Planning
Business Support Technician

CC: Executive Director & Deputy Chief Executive
Chief Executive

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APPENDIX B	Error! Bookmark not defined.

1. Introduction

- 1.1. The audit of the Planning Application Including Section 106 agreements was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council for 2019/20 as approved at the Audit, Governance and Standards Committee on 29th July 2019. The audit was a risk based systems audit of the Planning Application Including Section 106 agreements as operated by Redditch Borough Council.
- 1.2. This area of the review incorporates all of the strategic purposes of for Redditch Borough Council.
- 1.3. There are no corporate or service risk entries relevant to this review.
- 1.4. This review was undertaken during the months of September, October and November 2019.

2. Audit Scope and objective

- 2.1. This review has been undertaken to provide assurance that: -

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- Planning applications are processed in line with the planning policy and in a timely manner.
- Monies in relation to S106 Planning Obligations are collected by the Council and used in line with the agreement within the specified timelines.
- There is a clear customer journey on the process of a planning applications being put through the system. (Appendix C)

2.2. The scope covered:

- Planning Application processes
- Section 106 – (Collection of monies, compliance)
- Uniform System – (Monitoring of applications, reporting)

2.3. This reviewed covered the period from 1st April 2019 to the 24th September 2019.

2.4. This review did not cover: -

- Decision made on Planning Applications
- The details of the S106 Agreement

3. Audit Opinion and Executive Summary

3.1. From the audit work carried out we have given an opinion of:

Significant Assurance over the control environment in relation to Planning Applications: and
Moderate Assurance over the control environment in relation to S106 Planning Agreements.

The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.

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3.2. We have given an opinion of **Significant Assurance** for Planning Applications and **Moderate Assurance** for Section 106 agreements because there is a sound system of control in place, but some of the expected controls are not in place and are not operating effectively therefore assurance can only be given over the effectiveness of controls within some areas of the system.

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

- Planning Application Processes.
- That the national planning policy framework is being adhered to correctly.
- Monitoring of planning applications
The Uniform system has a sound control for monitoring applications.

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

	Priority (see Appendix B)	Section Recommendation number 4
Section 106 agreements monitoring	Medium	1
Decision Notices for Planning Applications	Low	2

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	M	<p>Section 106 agreements Monitoring</p> <p>A review of section 106 monitoring arrangements found that:</p> <ol style="list-style-type: none"> 1.) Monitoring is reliant on different officers in separate service areas maintaining the current monitoring spreadsheet. 2.) Expenditure is not easily identified against an individual Section 106 agreement and therefore not able to be fully reconciled with the current financial system. Although a yearly overall reconciliation is undertaken between the S106 monitoring spreadsheet and the Finance System. <p><u>Compliance</u></p> <p>Testing of a random sample of 10 Section 106 agreements found: -</p> <ol style="list-style-type: none"> 1.) Five agreements where non-monetary Section 106 agreements were not incorporated into the monitoring spreadsheet and monitoring controls could not be identified elsewhere. 	<p>There is a risk that there is no controls in place over the monitoring of the spreadsheet meaning that money that is owed to the council may not be getting collected or paid out on time.</p> <p>There is also a risk that there are non-monetary agreements in place but no controls over the monitoring of obligations required by the council which may affect the council's reputation.</p>	<p>To conduct a full review of the monitoring that takes place currently in relation to Section 106 agreements monetary and non-monetary and determine if the current monitoring process used is fit for purpose and fits the needs of the council. This review needs to consider if additional monitoring is required in relation to the capture of expenditure against each individual S106 agreement. . Especially as this is the ideal opportunity with the implementation of a new finance system.</p> <p>To review who has the overall responsibility of the Section 106 agreements in the authority and is responsible for actively monitoring the S106 agreements or if this is a requirement where current resources need to be reviewed with the potential of using some S106 monies for</p>	<p>Responsible Manager: Strategic Planning And Conservation Manager</p> <p>Implementation date: June 2020</p> <p>Agreed Strategic Planning And Conservation Manager will lead on this</p> <p>Agreed. Strategic Planning And Conservation Manager will lead on this</p>

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		2.) Three agreements where monetary Section 106 agreements had no monitoring in place over the individual spend on the cost codes through E-Fin.		the administration of S106 agreements A full reconciliation between the S106 monitoring database and the financial system should be undertaken on at least a quarterly basis. .	Agreed. Finance - Business Support Technician will lead on this
2	L	Decision Notices for Planning Applications Testing of 26 planning applications found that:- 1.) Two applications where the decision could not be located on the public access, even though the decision was found on the uniform system.	If the authority does not put the decision notice on the public access then there is risk of the planning application not being transparent in accordance to the planning framework.	Review procedures to ensure that all decision notices are included on the public planning portal.	Responsible Manager: Area Planning Manager Implementation date: Already implemented

5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards 2013 as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Sundry Debtors 2019/20

10th March 2020

Distribution:

To: Financial Support Manager

CC: Executive Director Finance and Resources (S151 officer)

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1. Introduction

- 1.1. A light touch review of Sundry Debtors was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council, as approved at the Audit, Governance and Standards Committee on 29th July 2019.
- 1.2. This review does not relate directly to the Councils Strategic Purposes but does underpin them as the system is used for the raising of invoices for the collection of Sundry Income.
- 1.3. There were no risks on the corporate or Service risk register relevant to this review.
- 1.4. The testing in relation to this review was undertaken during the months of April 2019 to December 2019. It was reviewed during January 2020.

2. Reasoning for Light Touch Review

- 2.1. There has been no recent or planned change in the system used or the key responsible officer for this area.
- 2.2. The last three years audits have been given the following assurance:

Year	Assurance (Please see Appendix A)
2018/19	Full
2017/18	Significant
2016/17	Significant

3. Audit Scope

- 3.1. Testing of 90 Debtors invoices randomly selected across the period was undertaken to ensure that:
 - Invoices were raised for items that are reasonable for the council to charge for

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- Invoice clearly states the name and contact details in case of query
 - Invoices clearly stated the Debtors name and reference, goods/services supplied, charge and VAT amounts
 - The charges applied are in accordance with the Council's scale of fees and charges
- 3.2. The five highest gross value aged debtors were selected in bias and tested to ensure that the debts had been chased in line with the Council's Debt Management Policy. It was found that debts were being chased where appropriate (a number of these debts are in line with Housing Benefits and as such can be sensitive) however the chasing was not always systematic.
- 3.3. Debtor Write Off was tested to ensure appropriate authorisation had been given. Papers for April, May and June were provided with authorisation. However, the authorised papers for July to December had been misplaced. A total of £34,259.80 debt has been written off in the period.

4. Audit Opinion and Executive Summary

- 4.1. If any major control/risk issues had been highlighted during the testing this would have been reported at the time. The missing authorised papers for debtor write off were reported verbally to CMT on the 14th January 2020.
- 4.2. From the audit work carried out we have given an opinion of **significant assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the "Definition of Audit Opinion Levels of Assurance" table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.
- 4.3. We have given an opinion of **significant assurance** in this area because there is a reasonably sound system of internal control in place but our testing in relation to the controls at 3.3 above found that records of authorisation of Debtor Write Offs have been misplaced.

5. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
1	M	Debtor Write Off The electronic sheets of debts to be written off are printed and manually authorised. Manual authorisation sheets for July-Dec 2019 have been misplaced.	Potential for financial loss.	<p>If the current process of debt write off is to continue then the manual authorisation sheets are to be scanned and held electronically.</p> <p>Going forward, any new system to consider system authorisation of write offs.</p>	<p>All records of write offs are now scanned and held electronically so evidence of write off authorisation will be fully available</p> <p>Responsible Manager: David Riley</p> <p>Implementation date: Implemented</p>

6. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms to the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Bromsgrove
District Council
www.bromsgrove.gov.uk

Final Internal Audit Report

**Safeguarding - Children 2019/20
(Evidence to Support the Section 11 Audit Return)**

5th March 2020

Distribution:

To: Head of Community and Housing Services
Head of Transformation, Organisational Development and Digital Services
Human Resources & Development Manager
Cc: Chief Executive
Executive Director and Deputy Chief Executive
Executive Director and Section 151 Officer

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1. Introduction

- 1.1. The audit of the safeguarding of children was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council and Bromsgrove District Council for 2019/20 as approved at the Audit, Governance and Standards Committee and the Audit, Standards and Governance Committee on 29th July 2019 and 18th July 2019 respectively. The audit was a risk based systems audit of the safeguarding of children as operated by Redditch Borough Council and Bromsgrove District Council.
- 1.2. The strategic purpose that this Underpins is Keep my Place Safe and Looking Good
- 1.3 There are no risks recorded on the corporate register in relation to this review.

The following entries on the service risk register are relevant to this review:

- COM 3 – Safeguarding – Inadequate child and adult protection systems/process

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- 1.4 Statutory guidance included within the Working Together to Safeguard Children (2013) document requires local Safeguarding Children's Boards to gather data to assess whether partners are fulfilling their statutory obligations under section 11 of the Children Act 2004. The Worcestershire Safeguarding Children's Board, (now known as the Worcestershire Safeguarding Children's Partnership), requires that such a self-assessment should be made every two years. The section 11 'audit' for Redditch Borough Council and Bromsgrove District Council was last completed and submitted to the Worcestershire Safeguarding Children Board by the Head of Community Services on behalf of both Councils in February 2018.
- 1.5 This review was undertaken during the months of September and October 2019. .

2. Audit Scope and objective

- 2.1. This review has been undertaken to provide assurance that;
- The evidence stated in support of the last Section 11 audit response return is relevant, reliable and up to date.
 - Critically review the procedures relating to the recruitment of staff and volunteers for those related to DBS (Disclosure and Barring Service) please place in full requirements including the renewal process and the decision making as to when DBS are appropriate and at what level. (**See Section 5 below**)
- 2.2. The scope covered:
- The most recent Section 11 assessment undertaken.
 - Policy and procedures for DBS checks and renewals in relation to safeguarding.
- 2.3. This reviewed covered the last completed Section 11 assessment and DBS check procedures in place at the time of the audit and incorporated a critical friend review of the procedures relating to the recruitment of staff and volunteers for those related to DBS requirements including the renewal process and the decision making as to when DBS are appropriate and at what level.
- 2.4 This review did not provide sufficient evidence to give absolute assurance that the Council is meeting its Legislative and Regulatory duties and responsibilities in relation to safeguarding.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

3. Audit Opinion and Executive Summary

- 3.1. From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.
- 3.2. We have given an opinion of **moderate assurance** in this area because there is a sound system of control in place but that some of the expected controls are not in place and / or are not operating effectively therefore assurance can only be given over the effectiveness of controls within some areas of the system.
- 3.3. The review found the following areas of the system were working well:
- The Council has formally documented its Safeguarding Policy and procedures and these are made accessible to office based staff and Members via the Orb. The Safeguarding Policy includes named designated Safeguarding Advisers to act as safeguarding leads.
 - Experienced Safeguarding Leads.
 - Knowledge, pro-activeness and involvement of the Community Safety Team in educating children and advising where they can seek help in relation to maltreatment and abuse.
 - The safeguarding awareness, knowledge and procedures within the Family Support Service.
- 3.4 The audit has identified through the last Section 11 Return, areas for improvement which include the need to retain evidence which should be retained in an easy accessible file. This will assist with future completion of the Section 11 Audit Response and will allow it to be presented within a timely manner if requested by Worcestershire County Council or as part of a serious case review.

Due to the number of employees, members, volunteers and agency workers within Bromsgrove District Council and Redditch Borough Council, it would be advisable to review the number of safeguarding leads to ensure there is sufficient availability, knowledge and presence within both authorities. The Safeguard Lead has responded to this advising that it is felt that there are sufficient safeguarding leads for BDC and RBC. The primary role of the safeguard lead within RBC and BDC is to discuss, provide advice/guidance and support referrals as appropriate to children’s services. All leads are shared managers so whilst their primary offices are in RBC they do work from Parkside and are accessible at all times by phone. The 3 Leads operate a rota for cover so one Lead is always on duty plus the Deputy Chief Executive is the strategic lead.

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Due to the consequences to a child of child neglect the authority must not become complacent and must ensure they have robust processes in place including training records to deliver, co-ordinate, monitor and record safeguarding training to staff. A good awareness of safeguarding concerns within all service areas of Bromsgrove and Redditch is important in order to identify trends and implement or change policy when required.

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

	Priority (see Appendix B)	Section Recommendation number
Safeguarding Training & Monitoring of the Training	High	1
Commissioned Services	Medium	2
Safeguarding Policy April 2019	Medium	3
Whistleblowing	Medium	4
Literature	Low	5
Knowledge Sharing	Low	6

3.6 There were some areas of the system that audit have challenged Management on:

Challenge	Section 5 Challenge number
DBS Checks	1

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

4 Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New Matters Arising – From the review of the evidence supporting the Section 11 Audit - Return Completed February 2018					
1	H	<p>Training and Monitoring</p> <p>The manual safeguarding training records held and referred to within the section 11 was incomplete. Therefore there was no up to date record that evidenced staff that do not receive the net consent training including operational staff, agency staff and volunteers, had been trained. The training record shows that staff have been reminded that their safeguarding training is outstanding. However there is no evidence that this has been addressed and no feedback from Managers are received.</p> <p>The results from the net consent training identified that 43% of staff incorrectly answered the question 'Which one of the following is not one of our safeguard leads'. A further report showed that the read time for this training took 50.23% of staff less than 1 minute.</p>	<p>Lack of Co-ordination and recording of training could result in staff not completing training and lead to incorrect procedures being followed. Resulting in vulnerable children not been given the correct and necessary help, which has the potential to lead to reputational damage for the authorities.</p>	<p>To ensure there is a clear Corporate Safeguarding training plan in place for each year.</p> <p>A review of the safeguarding training record and establish a protocol to ensure that where mandatory training is required its completion is monitored and timely reminders are issued and followed up for non-completion. Procedures for the provision of regular fresher training should be established.</p> <p>Send out a communication to staff reminding them of who the safe guard leads within Redditch Borough Council.</p> <p>If feasible, request that the consent the staff agree to which confirms they have</p>	<p>Responsible Manager</p> <p>Head of Community and Housing Services</p> <p>Action</p> <p>To review and improve the training record to ensure it is up to date with the ability to set up reminders including escalation to Managers</p> <p>Implementation Date</p> <p>31st October 2020</p> <p>Action</p> <p>To identify replacement training resources for staff who are in regular contact with children.</p> <p>Implementation Date</p> <p>31st May 2020</p> <p>Action</p> <p>If possible to make changes to Net consent as recommended.</p>

REDDITCH BOROUGH COUNCIL

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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

	<p>The training provided by Worcestershire Safeguarding Children's Board which provided more in depth training for those staff with more regular contact with children was withdrawn in March 2019 and no suitable alternative training has been identified.</p> <p>No evidence of specific training in relation to Safer Recruitment.</p> <p>There is no evidence of a corporate induction policy or Guidelines for Managers for Redditch on the Orb. However, a new Corporate Induction handbook is in the process of being developed for both authorities.</p>		<p>understood the safeguarding training is moved to the end of the training so that the presentation has to be read and test completed before they can agree their understanding.</p> <p>Source and implement suitable training for those staff dealing with vulnerable children on a regular basis.</p> <p>Review the purpose and process of the Safeguard log as it is not capturing referrals across all services including housing and no output is being recorded.</p> <p>Review what Safer Recruitment training is in place and if this training is being rolled out and effective.</p> <p>Liaise with Human Resources as to when the induction handbook is likely to be finalised and published.</p>	<p>Implementation Date</p> <p>31st May 2020</p> <p>Action</p> <p>Re-run the results of the net consent safeguarding testing to determine if staff are still getting the question relating to who the safeguarding leads are wrong and if so, appropriate action to be taken.</p> <p>Implementation Date</p> <p>30th September 2020</p> <p>Action</p> <p>To review the safeguarding log and determine an appropriate process for recording referrals from all services including the housing service.</p> <p>Implementation Date</p> <p>31st July 2020</p> <p>Management Response / Action</p> <p>New Induction booklet on track to be launched Spring 2020. New starters have access to the system currently and will continue to trigger the launch of the safeguarding awareness training via Netconsent.</p> <p>Responsible Manager</p> <p>Human Resources and Development Manager</p>
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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

					<p>Implementation Date</p> <p>30th June 2020</p> <p>Action</p> <p>Explore options for safer recruitment training</p> <p>Responsible Manager</p> <p>Head of Community & Housing Services / Human Resources and Development Manager</p> <p>Implementation Date</p> <p>30th June 2020</p>
2	M	<p>Commissioned Services</p> <p>The audit identified a lack of evidence to support the responses within the Section 11 Audit return with regards to commissioned services which states that safeguarding requirements built into commissioned services, tenders and specifications.</p> <p>(RBC) At the time of the audit the Rubicon Leisure safeguarding policy for safeguarding Children is still in draft stage and waiting approval. However, the Senior Safeguard Lead advised that as staff are RBC employees they were all following the RBC policy</p>	<p>Potential for reputational damage to Redditch Borough Council should Rubicon Leisure not have or carry out adequate safeguarding procedures.</p> <p>Where responses in the section 11 self-assessment documents cannot be adequately supported there is an increased risk that any assurance placed on such responses could be misplaced or not found if the senior safeguarding lead is not present.</p>	<p>Ensure that an agreed and approved safeguarding policy for Rubicon for safeguarding children is in place and that both leisure safeguarding contracts are being monitored on a regular basis.</p> <p>Review the procedure for new contracts in relation to safeguarding requirements.</p> <p>To retain evidence for the responses given in the Section 11 that can be accessed within an organised folder or</p>	<p>Responsible Manager</p> <p>Head of Community & Housing Services / Business Development Manager</p> <p>Management Response</p> <p>Rubicon Safeguarding Policy in place and safeguarding included on contract monitoring agendas</p> <p>Implementation Date</p> <p>Action completed 30th November 2019</p> <p>Action</p> <p>Agree a process with the procurement team to</p>

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		whilst their own policy was being developed as part of the mobilisation plan.		hyperlinked to the documents and produced within a timely manner if requested.	<p>ensure that safeguarding requirements are included within relevant contracts.</p> <p>Implementation Date</p> <p>30th April 2020</p> <p>Action</p> <p>Evidence for future Section 11 audits to recorded electronically</p> <p>Implementation date</p> <p>to be determined by date of next S11 audit</p>
3	M	<p>Safeguarding Policy April 2019</p> <p>The response within the last Section 11 return suggests that the policy is promoted to all staff via the in house safeguarding group. The Orb and team brief. From the evidence received. It appears that the last in house safeguarding meeting was held in September 2018.</p> <p>There is still an old version of the safeguarding policy displayed on the Orb under the Corporate Policy Section.</p> <p>The Section 11 completed Feb 18 states the policy as evidence that there is a named senior board member. However there is no mention to the board member</p>	<p>Due to 2 policies showing on the Orb. Staff could refer to the out of date policy which has the potential to follow an incorrect procedure.</p> <p>Where responses in the section 11 self-assessment documents cannot be adequately supported there is an increased risk that any assurance placed on such responses could be misplaced or not found especially if the senior safeguarding lead is not present.</p>	<p>Update the old version on the Orb or remove.</p> <p>Ensure that any changes to the Safeguard Policy are communicated within a timely manner to staff and evidenced.</p> <p>To retain evidence for the responses given in the Section 11 that can be accessed within an organised folder or hyperlinked to the documents and produced within a timely manner if requested.</p>	<p>Responsible Manager</p> <p>Head of Community & Housing Services</p> <p>Action</p> <ol style="list-style-type: none"> 1. Policy listed under the Corporate section of the Orb removed 2. Annual update to the Safeguarding Policy promoted on Team Brief 3. Evidence quoted for future Section 11 audits to be cross referenced for accuracy and recorded electronically. <p>Implementation Date</p> <p>Action point 1 completed November 2019</p>

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		within the policy. Other documentation could have been referred to in order to evidence this standard.			<p>Action point 2 – 31st May 2020</p> <p>Action Point 3 – to be determined by date of next S11 audit</p>
4	M	<p>Whistleblowing</p> <p>There is no mention of whistle blowing within the training on Net Consent.</p> <p>The Joint Whistleblowing policy dated June 2017 for Bromsgrove District Council and Redditch Borough Council is not on the Orb for staff to refer to.</p>	Risk of potential reputational risk if the authority is unable to evidence the response within the Section 11 Self-Assessment.	<p>Review the content of the basic safeguarding awareness training on net consent and include a reference to the Whistleblowing Policy.</p> <p>Make available on the Orb the June 2017 Whistleblowing Policy for both Bromsgrove & Redditch staff to refer to.</p>	<p>Responsible Manager Head of Community & Housing Services</p> <p>Management Response / Action</p> <p>The training on whistleblowing in the S11 audit refers to corporate training rather than it being included within the safeguarding training. A copy of the Joint Whistleblowing Policy 2017 to put on the Orb for staff to refer to</p> <p>Implementation Date</p> <p>31st March 2020</p>
5	L	<p>Literature</p> <p>Safeguarding literature found on notice boards at both Redditch and Bromsgrove displayed out of date information. The up to date literature was available on the Orb.</p>	By displaying out of date literature. There is a potential risk that staff may not follow the correct procedure which could delay vulnerable children not been given the correct and necessary help, which has the potential to lead to reputational damage for the authorities.	Remove all out of date posters, leaflets on notice boards within the Town Hall and Parkside (and anywhere else they may be used such as the depots, children centres, locality offices). Replace with up to date literature.	<p>Responsible Manager Head of Community & Housing Services</p> <p>Management Response / Action Plan</p> <p>Literature updated at all sites</p> <p>Implementation Date</p> <p>Completed end of January 2020</p>

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6	L	<p>Knowledge sharing</p> <p>The safeguard log held and assessed by the safeguarding leads shows 2 safeguarding issues were raised in 2018 and 6 have been recorded in 2019. No output has been recorded against these.</p> <p>Lack of evidence as to what safeguarding communication has been sent to staff.</p>	<p>That knowledge sharing and lessons learnt are not formally shared across the organisation potentially leading to missed opportunities of better staff awareness and action.</p> <p>Where responses in the section 11 self-assessment documents cannot be adequately supported there is an increased risk that any assurance placed on such responses could be misplaced or not found especially if the senior safeguarding lead is not present.</p>	<p>The discussion of the Internal Safeguarding Group should be formally documented and include reference to reporting lines.</p> <p>Consider if there is sufficient safeguard leads within both authorities.</p>	<p>Responsible Manager</p> <p>Head of Community & Housing Service</p> <p>Action Plan</p> <p>Safeguarding Log themes and lessons learnt to be discussed at Safeguarding Group. Key representatives from the Internal Safeguarding Group to act as additional communication links between the staff and Safeguarding Leads.</p> <p>Implementation Date</p> <p>31st March 2020</p>
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Date: 27th July 2020

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The challenges identified during the review have been set out in the table below along with the related risks and management action plan.

Ref.	Current Position	Challenge	Risk	Management Response and Action Plan
1	<p>DBS Checks</p> <p>There is awareness by management within Bromsgrove District Council and Redditch Borough Council that DBS checks are required for staff that regularly come into contact with vulnerable families and children and the DBS check is carried out during the recruitment process.</p> <p>The application form also asks if the candidate has any unspent convictions.</p> <p>No records have been provided which detail which posts require DBS checks and records with volunteer's certificates and information.</p> <p>Each post will have documentation to support the job vacancy and any additional requirements such as DBS checks.</p> <p>There is no process in place for renewing DBS checks. However, managers will ask staff in periodic meetings if there have been any changes in their DBS Status.</p> <p>Managers can refer to HR for any guidance and support if a potential safeguarding issue arises and it is likely that an action plan will be put in place for the employee if there is cause for concern.</p>	<p>Renewal of DBS Checks</p> <p>It is the responsibility of the employer/volunteering organisation (bearing in mind their legal and other regulatory obligations) to determine if a DBS check is needed, what level of check and workforce(s) may be applicable, and how frequently checks are updated on their staff and volunteers.</p> <p>If an employer / organisation require their employees to have their Disclosure Certificates renewed after a set number of years that is their decision.</p> <p>The authorities need to consider the risk for not carrying out DBS checks during the recruitment process for roles that have contact with Vulnerable Adults, Families and children and ensure any reasons clearly documented for any decisions to not carry out the DBS check.</p> <p>The risk should also be considered whether a further check after a set number of years is required bearing in mind that DBS Disclosure Certificate carries no fixed period of validity and is only valid on the date of issue.</p> <p>The authority should ensure that there are robust procedures in place to mitigate any</p>	<p>Current Staff may have undisclosed convictions which may put vulnerable people at risk of harm, leading to reputational damage.</p> <p>Potential for reputational damage if the authority cannot evidence the justification to what is stated on the Section 11</p>	<p>Responsible Manager</p> <p>Human Resources and Development Manager</p> <p>Management Response / Action</p> <p>Service Managers to work with HR to determine level of risk relating to post requiring DBS check and appropriateness of renewal</p> <p>HR Adviser to work with service areas to support</p> <p>30th September 2020</p>

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Date: 27th July 2020

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	<p>There is a cost associated with DBS checks.</p> <p>Recruitment and Selection Procedures</p> <p>The date on the Recruitment and Selection policy for RBC is November 2012 and there is no evidence that this has been reviewed or updated and refers to CBS check which was superseded by DBS checks. The HR policies do not make reference for staff to refer to the safeguarding policy recruitment section which contains the Safer Recruiting Policy and Procedures and no evidence that staff who are involved in the recruitment process have received training. Therefore there is lack of evidence that safer recruitment has been embedded via HR policy and Procedures.</p>	<p>risk should there be a change to the employee's circumstance that would have an impact on their job role and potentially put an adult or child at risk of harm and reputational damage to the authorities.</p> <p>Retain evidence that the Safer Recruiting Process is embedded within the recruitment process for both authorities.</p>		
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Overall Conclusion (Critical Friend)

This shared service is delivered by Redditch Borough Council and is a statutory requirement.

Managers are responsible for identifying if DBS checks are required for the vacant post and this is discussed and agreed with HR.

The Authorities need to ensure that their recruitment policies are reviewed and updated regularly to include the policy for DBS checks and ensure that the policy makes reference to the Safeguarding Policy which refers to Safer Recruiting Procedures. A decision needs to be made by the authority as to whether to carry out any renewals of DBS checks and any policy decisions should be documented and retained for future reference on a shared drive.

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There is still a potential risk for the authorities even if a DBS is carried out. Therefore there needs to be robust procedures in place to manage any change in employee circumstance that could impact on their job role or that could be a risk to others or themselves.

6. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Bromsgrove
District Council
www.bromsgrove.gov.uk

Final Internal Audit Report

Creditors 2019/20

26th February 2020

Distribution:

To: Financial Services Manager
Senior Payments Officer

CC: Executive Director Finance and Resources (S151 officer)
Senior Accounting Technician

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

1. Introduction

- 1.1 The audit of the Creditors system was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council and Bromsgrove District Council for 2019/20 as approved by the Audit and Governance Committee on 29th July 2019 and the Audit, Standards and Governance Committee on 30th July 2019.
- 1.2 This review does not relate directly to the Councils Strategic Purposes but does underpin them as the system is used for the purchasing of goods/services.
- 1.3 There were no risks on the corporate or service risk registers relevant to this review.
- 1.4 Performance Indicators for this area are:
- The average percentage of Standard suppliers' payments (30 days).
 - As at November 2019 Redditch Borough Council was 83.5%
- 1.5 The testing in relation to this review was undertaken during the months of April 2019 to December 2019 and was reviewed in January 2020.

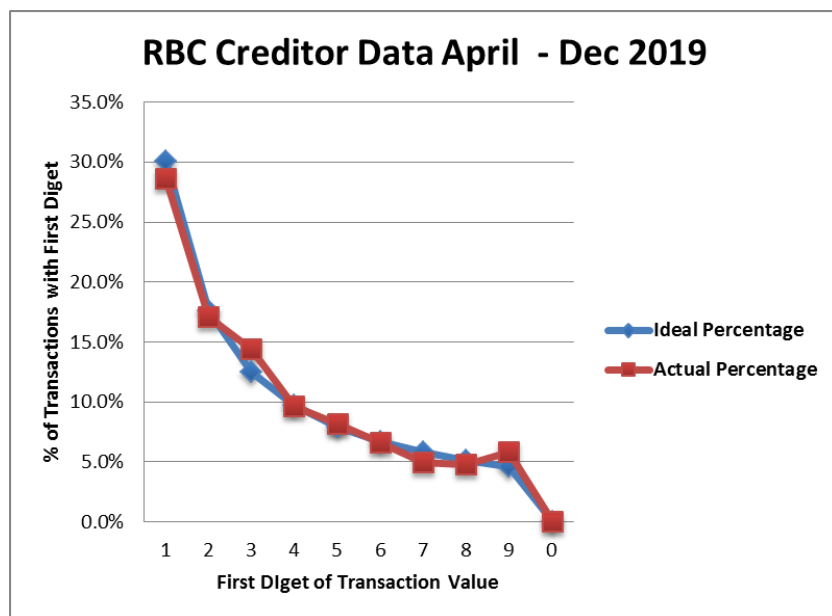
2. Reasoning for the Light Touch Review

- 2.1 There has been no recent or planned change in the system used or the key responsible officer for this area.
- 2.2 The last three years audits have given the following assurance:
Redditch Borough Council;

Year	Assurance (Please see Appendix A)
2018/19	Full
2017/18	Significant
2016/17	Moderate This was due to a specific control of orders not being raised prior to the goods being ordered and therefore this control was included in this review.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

2.3 There were no significant issues highlighted by using Benford's Law to analyse the Creditors data. **(Appendix B)**



NB: Within this data 70 transactions were for £100,000 or more, which represented 53% of the total value.

3. Audit Scope

3.1 Testing was undertaken to ensure that:

- Invoices were addressed to the Council
- The goods/services were in line with that expected for use by the Council

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

- The Purchase Order has been raised prior to the supply of the goods/services
- The payment has been made within 30 days of the Tax Point
- There was segregation of duties between the officer raising and authorising the order
- Authorisation levels had been adhered to
- Where applicable the VAT number is valid

3.2 The review covered the period from 1st April 2019 to 31st December 2019.

3.3 90 creditors' transactions for Redditch Borough Council were selected across this period. The sample was biased to ensure that items over £100,000 were included and then the remainder were randomly selected using a random number generator.

4. Audit Opinion and Executive Summary

4.1 If any major control/risk issues had been highlighted during the testing this would have been reported at the time.

4.2 From the audit work carried out we have given an opinion of **significant assurance for both Councils** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the "Definition of Audit Opinion Levels of Assurance" table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit in respect of the specific audit scope as stated in 3.1 above.

4.3 We have given an opinion of **significant assurance** in this area because there is a reasonably sound system of internal control in place and our testing in relation to the controls at 3.1 above found that in one of the transactions tested it was authorised by a person without the necessary authorisation level. Please see 5 below for recommendation.

5. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix C.

REDDITCH BOROUGH COUNCIL

Date: 27th July 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	M	Authorisation of transaction One transaction for Redditch Borough Council was not authorised by a person of appropriate level.	Potential for financial loss.	With the current system, to implement procedures that ensure that incorrect authorisation of invoices cannot occur. Within the new system, to ensure that system parameters will not allow the incorrect authorisation of invoices	Responsible Manager: Senior Payments Officer Management action: Efin has now been updated to prevent this occurring in the future Implementation date: 26/02/2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

6. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms to the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Payroll - 2019/20

15th June 2020

Distribution:

To: Financial Service Manager
Payroll & Project Team Leader

Cc: Executive Director Finance and Resources (S151 Officer)
Chief Executive

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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APPENDIX A	Error! Bookmark not defined.
APPENDIX B	Error! Bookmark not defined.

1. Introduction

- 1.1. The audit of the Payroll system was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council awaiting final approved at the Audit, Governance and Standards Committee on 29th July 2019. The audit was a risk based systems audit of the Payroll system as operated by Redditch Borough Council.
- 1.2. There are not risks on the corporate risk register relevant to this review.
- 1.3. The service risk relevant to this review is:
 - FIN3 – Unable to provide payroll service at key times

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

2. Audit Scope and objective

- 2.1 This review is being undertaken to provide assurance that bona fide employees are paid correctly and on time with special reference to those paid the living wage and pay sacrifice schemes.

The pay sacrifice schemes process will be documented from the employee point of view.

- 2.2 This review has been undertaken to provide assurance that

- Starters and Leavers
- Pay, overtime, Expense and BAC's processing
- Third Party payments e.g. Statutory deductions
- Sickness/maternity/Paternity Payments
- Foundation Living wage process and payments
- Pay Sacrifice schemes
- Follow-up of the 2018/19 recommendations

- 2.3 The review covered the period from 1st April 2019 to 31st October 2019.

- 2.4 The review did not cover:

- Wyre Forest District Council Payroll

3 Audit Opinion and Executive Summary

- 3.1 From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the "Definition of Audit Opinion Levels of Assurance" table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.
- 3.2 We have given an opinion of **moderate assurance** in this area because there is a sound system of control in place but some of the expected controls are not in place and / or are not operating effectively therefore assurance can only be given over the effectiveness of controls within some areas of the system.

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

- Although the process is not formally documented both Payroll Officers follow a structured process for payroll processing
- There is a standard and good process of record keeping and this has been progressed with manual records being scanned for electronic storage. However it is acknowledged that there is still more data cleansing and scanning required.

3.4 At the time of the audit there were some issues with resilience within the HR Section as one officer was responsible for assessing the eligibility (Not in probation period, contract at least as long as the agreement, agreement would not see the salary drop below the minimum living wage etc.) of an employee for the purchase of Cars/technology. The Council was aware of the risk and proposed that the officer appointed to the vacant post within this section would provide additional support in this area.

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

	Priority (see Appendix B)	Section 4 Recommendation number
Brought Forward - GDPR	High	1
Pay Run Reconciliation	High	2
Post Numbers	Medium	3
Establishment Changes (Starters & Leavers)	Medium	4
BACS Transmission	Medium	5
Overtime	Medium	6

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

4 Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Issues brought forward from previous audit					
1	H	<p>GDPR</p> <p>Leavers Testing of the leavers personal files identified that there were leavers personal files dated back to May 2018 still kept within the current employee cabinet.</p> <p>Security of Sensitive information Internal Audit observed that personal information held by payroll is kept in unlocked filing cabinets. The door to the room where the filing cabinets are located are kept locked however if it was left unlocked by mistake it would be quite easy to access confidential personal information.</p> <p>CHRIS21 Live Users Testing of 20 current LIVE user accounts on the CHRIS21 system showed that 7 accounts were for employees who have left the employment of the Council.</p>	<p>To undertake an assessment of the potential for non GDPR compliance and where necessary to implement additional procedures/controls in order to reduce the risk to the Council of holding information that should have been disposed of or allowing unauthorised access to confidential information.</p> <p>That a review of all access rights to CHRIS21 is undertaken to ensure that the access is appropriate and is required. A yearly review to</p>	<p>To undertake an assessment of the potential for non GDPR compliance and where necessary to implement additional procedures/controls in order to reduce the risk to the Council of holding information that should have been disposed of or allowing unauthorised access to confidential information.</p> <p>That a review of all access rights to CHRIS21 is undertaken to ensure that the access is appropriate and is required. A yearly</p>	<p>Responsible Manager: Payroll Team Leader and Financial Services Manager</p> <p>Implementation date: October 2020</p> <p>Significant work done to both cleanse records & to scan for electronic filing. Cleansing is now required on records that are now held electronically.</p> <p>See above but also noted some records still being held on open shelves e.g. maternity leave working papers/payment schedules</p> <p>Responsible Manager: Payroll Team Leader and ICT Operations Officer</p> <p>Implementation date: June 2020</p> <p>A review of user access confirmed some amendments had been made but again further work is required in this area. Changes in</p>

REDDITCH BOROUGH COUNCIL

Date: 27th July 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

		<p>Access to the CHRIS21 system has also been granted for non-Human Resources and Finance employees.</p> <p>Although it should be noted that network access is required before access can be gained to the CHRIS21 system.</p> <p>Hard Copy Payslips There is no sign off sheet to evidence the collection of payslips for the depot employees from payroll.</p>	<p>then be undertaken to ensure that the access rights remain appropriate.</p> <p>To undertake an assessment of the potential of non GDPR compliance and where necessary implement additional procedures to ensure that the risk to the council is mitigated.</p>	<p>review to then be undertaken to ensure that the access rights remain appropriate.</p> <p>To also review the current hardcopy payslip method and explore if an electronic method would mitigate the risk</p>	<p>personnel in IT (systems admin), has hindered this work but this is to be progressed. HR pass a list of leavers to the systems admins team and once received (monthly) the list will be cross referenced against the users list.</p> <p>Responsible Manager: Payroll Team Leader/ financial services manager Implementation date: March 2020 Payslips now go by email where possible and are password encrypted. A big exercise was completed advising employees that they could give us their email addresses and be sent e-payslips. There are approximately 80-100 hardcopy payslips and due to Covid-19 and isolation, any hard copy payslips are now sent direct from the system to the employees' home address. Managers verified addresses with staff members before they were sent.</p>
New matters arising					
2	H	<p>Pay Run Reconciliation</p> <p>The pay run detailed summary (PRD) report is used to reconcile the monthly pay run prior to BACS processing. Audit testing confirmed that Reconciliation data in respect of PAYE, NI & LGPS is not in balance with other system reports/information. Payments to</p>	<p>Monthly pay run reconciliations are being carried out using unreliable & inaccurate system reports leading to the potential for errors to go undetected.</p>	<p>The software suppliers need to be pursued for a prompt 'fix' but in the meantime, reconciliations should include the subsidiary reports being used for PAYE & NI and LGPS payments.</p>	<p>Responsible Manager: Payroll Team Leader & Financial Services Manager Implementation date: October 2020 Agreed – this will be pursued with matter of urgency. I am aware that this may have been initially raised some time ago.</p>

REDDITCH BOROUGH COUNCIL

Date: 27th July 2020

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		these bodies are currently being made on other system reports. It appears that this has gone on for a number of months & has been reported to the software supplier but has yet to be fixed.			
3	M	Post Numbers Generic post numbers are used for electoral registration & member payrolls. Post numbers should be unique but for these two payroll groups generic numbers have been used for convenience. This use of generic post numbers does provide some scope for fraud & abuse.	A unique post number provides a key control in creating a valid post. Uncontrolled use of generic posts does provide exposure to fraud and abuse.	Whilst accepting reasons for using generic post numbers, it is recommended that these be changed periodically e.g. after each election.	Responsible Manager: Payroll Team Leader & Financial Services Manager Implementation date: April 2020 Agreed this is a potential loop-hole. Will look to generate effective changes and a new post number created after each general election
4	M	Establishment Changes (Starters & Leavers) (Both Councils) When employees start or leave employ of the council, then there is an approved process to follow which involves HR. A review of 20 new & ex-employees identified the following; -One leaver with no official leaver form -One new employee where the incorrect salary details had been included -One change of contract which involved numerous emails to resolve terms & conditions	The establishment must be effectively controlled and it is incumbent on all parties involved in the process to ensure information is provided to Payroll is correct and timely.	There needs to be improved review of employee documentation to ensure that details included are both complete and accurate and to remove the potential for error.	Responsible Manager: HR Manager Implementation date: August 2020 Agreed. HR will review information sent from Managers on the contract change spreadsheets. HR/ Payroll and Finance are working to cleanse the establishment in preparation for the new ERP system.

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5	M	BACS Transmission The BACS transmission summary for month June 2019 could not found.	Failure to retain the transmission report weakens the management trail and also makes the pursuit of errors very difficult.	BACS transmission summaries must be retained for management trail purposes.	Responsible Manager: Financial Services Manager Implementation date: April 2020 The payroll team leader will not be processing the payroll. The TL will however be responsible for the checking and approving of the payroll and the BACS submission, and responsibility for sending the payroll officers the receipts. In the event the TL has to process payroll, another member of finance will be required to check/authorise the payroll and submit the bacs.
6	M	Overtime Audit testing in a sample of ten over time records confirmed: - two instances were noted where time records had been submitted on behalf of an employee & signed 'pp' by the manager. -one instance occurred where a request for overtime payment was made, by the employees' line manager, via email. Time records were processed by payroll staff.	Over time records are designed to ensure full accountability for both employees making a claim and managers authorising claims. Failure to adhere to the requirements leaves the Council exposed to fraud	Over time records must be submitted by the approved method & in all cases, must be signed by the employee. Unless there are exceptional circumstances, future submissions of this type should be rejected.	Responsible Manager: Payroll Team Leader & Financial Services Manager Implementation date: February 2021 PTL to look to get more staff using self-serve to reduce the need for manual time sheets Due to covid we are asking the manager to submit the hours on a spreadsheet for their employees and also accepting timesheets from staff with email approval from the manager who has the financial responsibility.

Date: 27th July 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

					We are currently implementing a new system which should allow the staff to access anywhere and submit their own claims.
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5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Contract Management 2019/20

25th February 2020

Distribution:

To: Executive Director Finance and Resources and Section 151 Officer
Business Development Manager

CC: Chief Executive

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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APPENDIX B	Error! Bookmark not defined.

1. Introduction

- 1.1. The audit of Contract Management for Rubicon Leisure was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council 2019/20 as approved at the Audit, Governance and Standards Committee on 29th July 2019. The audit was a risk based systems audit of Contract Management for Rubicon Leisure as operated by Redditch Borough Council.
- 1.2. This review comes under the Councils Strategic purpose - to provide things to see and do
- 1.3. There were no entries on the corporate risk register relevant to this review.

The following service risk register entries were relevant to this review:-

- L&C 1: Failing to achieving income targets / generating from key sources, fees from swimming, theatre, football, external bodies, sponsorship;
- L&C 3: Ineffective management of projects and contractors.

- 1.4. This review was undertaken during the month of December 2019.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

2. Audit Scope and objective

2.1. This review has been undertaken to provide assurance that:

- Monitoring of the performance of the contractor (Rubicon) in the delivery of leisure services for the Council is being undertaken on a regular basis ensuring that a suitable level of performance is maintained.
- That Performance Measures are relevant and meaningful.
- That succession plan with clear guidance has been considered and outcomes actioned.

2.2. The scope covered:

- Defined contractor performance requirements
- Performance information provided e.g. financial reports, succession planning and usage statistics.
- Procedures for analysing and reporting the performance information, to ensure transparency of contract performance, and to facilitate effective scrutiny by all relevant stakeholders.
- Actions taken to address poor levels of performance, including the application of any financial penalties, performance interventions, etc.

2.3. This review covered the controls in place at the time of the audit work.

2.4. This review did not cover day to day leisure activities carried out by Rubicon Leisure.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

3. Audit Opinion and Executive Summary

- 3.1. From the audit work carried out we have given an opinion of **Moderate Assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.
- 3.2. We have given an opinion of **Moderate Assurance** in this area because we have identified weaknesses in the design and inconsistent application of controls in many of the areas reviewed therefore assurance is limited to the few areas of the system where controls are in place and are operating effectively.
- 3.3. The review found the following areas of the system were working well:
- There is a good level of transparency for all stakeholders invested in the contract management.
 - There is a good level of communication and challenge between the authority and Rubicon Leisure.
 - Although not yet required, there is a clause within the contract to address poor performance.
- 3.4. The review found the following areas where the authority knows about the risk and is working towards mitigating that risk. However assurance cannot be given over these areas at the time of the audit..
- A Business Plan has yet to be finalised by Rubicon Leisure Ltd. Therefore the setting of SMART performance measures and targets has not taken place. Previous Redditch Borough Council Performance Measures are being used to monitor performance and monthly budget monitoring is being undertaken. At the previous shareholders meeting a report was presented providing detailed performance figures and financial information. It was agreed at the meeting that going forward the figures will be broken down to show trends.
 - There is no procedure for non-provision of contract performance information in place, however the authority is aware and will be addressing this at some point in the future. At the time of the audit this was not a high risk to the Council.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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

	Priority (see Appendix B)	Section Recommendation number
Succession Planning	Medium	1

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	M	<p>Succession Planning</p> <p>There is no clear succession plan in place to support the contract facilitator at this time.</p> <p>There is also no clear succession plan in place for any of the tested service areas that are providing a service for Rubicon Leisure under the contract. .</p>	Reputational damage and financial loss if there is a disruption in the managing and fulling of the contract.	<p>To develop a succession plan to ensure that all obligations from the authority to Rubicon Leisure as part of the contractual arrangements are met and service is not lost.</p> <p>This will also ensure that there is no loss of knowledge and understanding in regards to contract management.</p>	<p>Responsible Manager: Council Wide Project</p> <p>Background: The Council is currently going through a Senior Management Restructure and as a result of this the Leisure & Cultural Services Business Development Team now form part of Legal and Democratic Services.</p> <p>Within the Business Development sits the Client Officer role responsible for managing the Rubicon contract.</p> <p>The move has created an opportunity to review the current structure and implement a small service review. This structure will include a new</p>

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

					<p>post that will support the Business Development Manager in the management of both the Rubicon and Sport and Leisure Management contracts, ensuring that a succession plan is in place for the client officer role.</p> <p>The RBC services providing support to Rubicon are currently managed through an individual service level agreement which has been agreed by the HOS for that particular service.</p> <p>Regular meetings take place with each of these services to ensure service delivery is operating effectively and issues/concerns can be raised and dealt with at the meeting. The Client officer is also kept informed outside the meetings to ensure any H&S/finance issues are addressed as a matter of priority.</p> <p>In addition the Council is currently implementing a new framework to ensure staff have the right skills and development opportunities made available to them. A detailed skills matrix and, where relevant, manager role profile will be completed for all staff during 2020/21 and this should help with succession planning in the future</p> <p>Implementation date: New structure due to go live 1st April 2020 when the recruitment process for the new post will start - it is expected that the new post will be recruited to in June/July 2020</p>
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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Main Ledger 2019/20

11th March 2020

Distribution:

To: Financial Services Manager

CC: Executive Director – Finance and Resources
Chief Accountant

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

1. Introduction

- 1.1. A light touch review of the Main Ledger system was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council and Bromsgrove District Council for 2019/20 as approved at the Audit, Governance and Standards Committee and the Audit, Standards and Governance Committee on 29th July 2019 and 18th July 2019 respectively.
- 1.2. This review does not relate directly to the Councils Strategic purposes but does underpin them as the system is used for the recording of all financial transaction both revenue and capital. This system is used for producing the Annual Statement of Accounts.
- 1.3. There were no risks on the corporate or service risk register that were directly relevant to this review.
- 1.4. The testing in relation to this review was undertaken during the months of April 2019 to February 2020. It was reviewed during February 2020.

2. Reasoning for Light Touch Audit

- 2.1. There has been no recent or planned change in the system used or the key responsible officer for this area. However there is currently a project in place for the implementation of a new system in September 2020.
- 2.2. The last three years have given the following assurance:

Year	Assurance Redditch Borough Council (Please see Appendix A)
2018/19	Significant
2017/18	Significant
2016/17	Significant

- 2.3. No major issues raised by External Audit in their Audit letters in the previous year in relation to the areas covered within this review.

3. Audit Scope

- 3.1. Testing was under taken to ensure that;

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

- Suspense Accounts – are being monitored and where possible cleared on a regular basis and in a timely manner;
- Reconciliations – are undertaken regularly, up to date and any differences have been identified;
- Journals – are prepared and approved by separate officers and the reason for them being raised is considered appropriate.

3.2. The review covered the period from 1st April 2019 to 31st January 2020.

3.3. The audit does not give assurance over the statement of account and the associated requirements in relation to this process as this is an External Audit function.

4. Detailed Findings and Recommendations

- 4.1. The testing found a number of issues regarding the completion of reconciliations. A large proportion of reconciliations had not been carried out at the time of testing, and those that had been completed had not necessarily been completed on a monthly basis or had been signed off correctly. The Chief Accountant is now working with the Reconciliations Team to ensure the completion of the reconciliations by year end. Where workload permits, the Chief Accountant is spending each afternoon working on the reconciliations.
- 4.2. From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit in respect of the specific audit scope as stated in 3.1 above.
- 4.3. We have given an opinion of **moderate assurance** in this area because there is a generally sound system of internal control in place but there have been a significant delay in the completion of reconciliations, and due to this at this point in time Internal Audit cannot give assurance that they will be completed in time for year end.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Bromsgrove
District Council
www.bromsgrove.gov.uk

Internal Audit Report

NNDR 2019/20

11th March 2020

Distribution:

To: Financial Support Services Manager
Assistant Financial Support Manager
Cc: Executive Director, Finance & Resources and Section 151 Officer
Chief Executive

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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1. Introduction

- 1.1 The audit of the NNDR system was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council and Bromsgrove District Council for 2019/20 as approved by the Audit, Governance and Standards Committee and the Audit, Standards and Governance Committee at the meeting held on 29th July 2019 and 30th July 2019 respectively. The audit was a risk based systems audit of the NNDR system as operated by Redditch Borough Council and Bromsgrove District Council.
- 1.2 The audit relates to the following from the Corporate Plan for each Authority:
- Bromsgrove District Council Key Priorities 2017-20 – Financial Stability, with the Strategic Purpose “Help me to be financially independent”
 - Redditch Borough Council Strategic Purposes - "Help me to be financially independent" and “Help me run a successful business”
- 1.3 The following entries on the Corporate Risk Register for Redditch Borough Council and Bromsgrove District Council are relevant to this review:
- Lack of robust financial accounting and monitoring arrangements
 - IT systems and infrastructure has a major failure

The following entries on the service risk register are relevant to this review:

- CUS 20: RBC Data Protection
- CUS 21: BDC Data Protection

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

- CUS 23: RBC Failure to meet audit requirements
- CUS 24: BDC Failure to meet audit requirements 2017/18
- CUS 25: RBC Failure to meet audit requirements

1.4 This review was undertaken during the months of December 2019 and January 2020.

2. Audit Scope and objective

2.1 The audit provided assurance that the NNDR process is maximising all income using appropriate and timely recovery methods where necessary and that bad debt is being closely managed.

2.2 The scope covered the following:

- A review of the updated position in relation to the 2018/19 audit recommendations.
- Debt recovery procedures are followed in a timely manner to ensure that income is maximised.
- The correct protocol is being followed with regards to first and any subsequent reminders and appropriate suppression is being managed.
- Collection rates and recovery success are monitored and are within acceptable levels.
- Write Offs are being administered and appropriate procedures are followed when identified.
- There is regular performance monitoring and reporting.

2.3 This review did not cover:

- Registration processes
- Identification of new dwellings

3. Audit Opinion and Executive Summary

3.1 From the audit work carried out we have given an opinion of **significant assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the "Definition of Audit Opinion Levels of Assurance" table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.

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- 3.2 We have given an opinion of **significant assurance** in this area because there is a generally sound system of internal control in place but that our testing has identified isolated weaknesses in the design of controls and / or inconsistent application of controls in a small number of areas. There are three areas that were highlighted during the previous audit relating to website pages, forms and relief and exemption reviews. Audit notes that there is ongoing work in each of these areas and implementation dates have not yet been reached therefore they will be revisited at the next review.
- 3.3 The review found the following areas of the system were working well:
- Debt recovery processes for current year NNDR debt are followed in an accurate and timely manner, ensuring that income is maximised.
 - Write Offs are being correctly administered and all of the appropriate procedures are being followed.
- 3.4 It was highlighted during testing that the performance measures available via the dashboard could be re-purposed to improve on their output, relevance and usefulness. Discussions are taking place to this effect with the aim of having a new set of performance measures by the start of 2020/21 to provide management information with which the service can develop.
- 3.5 The review found the following areas of the system where controls could be strengthened:

	Priority (see Appendix B)	Section 4 Recommendation number
Recovery of Prior Year and Aged NNDR Debt	Medium	1

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	M	<p>Recovery of Prior Year and Aged NNDR Debt</p> <p>Audit testing on random accounts with varying recovery stages showed that current year recovery was prompt, accurate and reasonable with the appropriate costs added where necessary.</p> <p>Testing identified that although recovery relating to previous years was being undertaken - and new attempts to recover aged debt were evidenced in the majority of cases reviewed - there were delays found in recovery being moved to the next stage including following the return of debt from the bailiff due to the resource to pursue further recovery attempts or to establish write offs being limited, leading to debt stagnation.</p>	<p>Adverse collection rates and loss of potential income to the authority due to limited recovery on aged debt leading to reputational damage and financial hardship.</p>	<p>An options paper and clear policy is formulated as to how the Councils will handle aged NNDR debt and the way it is managed going forward to maximise income and enable timely action.</p>	<p>Management Response:</p> <p>A review of resources for recovery of Council Tax and Non-Domestic rates will be completed within the first 6 months of 2020.</p> <p>As part of this review there will be a challenge to the existing Recovery Policy and Debt Collection strategies.</p> <p>This review will ensure that more thorough guidance is provided to teams in relation to actions for collection of debt, methods of enforcement and where applicable write off.</p> <p>Responsible Manager:</p> <p>Financial Services Support Manager</p> <p>Implementation Date:</p> <p>30 September 2020</p>

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms to the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Council Tax 2019/20

06/02/2019

Distribution:

To: Financial Support Services Manager
Assistant Financial Support Manager
Executive Director of Finance and Resources

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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1. Introduction

- 1.1. The audit of the Council Tax system was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council and Bromsgrove District Council for 2019/20 awaiting final approved at the Audit, Governance and Standards Committee and the Audit, Standards and Governance Committee on 29th July 2019 and 18th July 2019 respectively. The audit was a risk based systems audit of the Council Tax system as operated by Redditch Borough Council and Bromsgrove District Council.
- 1.2. BDC: Key Priorities 2017-20: Financial Stability

Strategic Purposes: "Help me to be financially independent"

RBC: Strategic Purposes: "Help me to be financially independent"

Actions: Support residents to reduce levels of individual debt.
- 1.3. The following entries on the corporate risk register for Redditch Borough Council and Bromsgrove District Council are relevant to this review:
 - Lack of robust financial accounting and monitoring arrangements
 - IT systems and infrastructure has a major failure

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

The following entries on the service risk register are relevant to this review:

- CUS 20: RBC Data Protection
- CUS 21: BDC Data Protection
- CUS 23: RBC Failure to meet audit requirements
- CUS 25: RBC Failure to meet audit requirements

- 1.4. Without controls in place there is an element of fraud with regards to applications, exemptions, discounts, reliefs and property occupation.
- 1.5. The Audit was completed between November 2019 and January 2020.

2. Audit Scope and objective

- 2.1. This review has been undertaken to provide assurance around the process of collecting Council Tax income.

- 2.2. The scope covered:

- A review of the updated position in relation to the 2018/19 audit recommendations.
- Procedures for processing Council Tax information, including the setting up of new customer accounts and timely and accurate billing is taking place.
- The application of discounts and exemptions on properties, and the respective billing amounts.
- The correct protocol is being followed with regards to first and any subsequent reminders and appropriate suppression is being managed, collection rates and recovery success are monitored and are within acceptable levels
- Write offs and associated procedures
- There is regular performance monitoring and reporting.

- 2.3. This review did not cover:

- Registration processes and the identification of new dwellings

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

- User Profiling
- The processing of payments and refunds.

3. Audit Opinion and Executive Summary

- 3.1. From the audit work carried out we have given an opinion of **significant assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.
- 3.2. We have given an opinion of **significant assurance** in this area because refer to the fact that there is a generally sound system of internal control in place but that our testing has identified isolated weaknesses in the design of controls and / or inconsistent application of controls in a small number of areas.
- 3.3. The review found the following areas of the system were working well:
- Procedures for managing Council Tax in regards to the administration of billing, award of exemptions, discounts and disregards.
 - There has been thought around the process of recovery in regards to innovative and targeted use of technology e.g. SMS messaging to increase collection rates, in addition certain cases with long standing debts are utilising the higher levels of recovery available to the Authorities to aid recovery.
 - Furthermore regular meetings are held by the Assistant Financial Support Manager and Recovery Team to provide a forum to review practices that are working, possible improvements and where resource can be best used to increase current year collection rates and past year recovery.
- 3.4. The review identified the following, however the Authority are aware and are progressing and therefore it is included for information only:
- It was identified during testing that the performance measures available via the dashboard could be re-engineered to improve on their purpose, relevance and usefulness. Discussions are taking place to this effect with the aim of having a new set of performance measure by the start of 2020/21 to provide management information with which the service can develop.

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

	Priority (see Appendix B)	Section 4 Recommendation number
Recovery of Prior Year Debts	Medium	1
Award of Discount and Exemptions and the use of Diary Notes	Low	2

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Clearance meeting discussion points
Issues brought forward from previous audit – NA					
New matters arising					
1	M	Recovery of Prior Year Debts Testing of 60 random accounts with varying recovery stages showed that current year recovery was prompt, accurate and reasonable with the appropriate costs added where necessary. In addition positive methods had been attempted to improve collection of debts e.g. text messages at various stages and the requirement of direct debit to retain	Loss of potential income to the authority due to limited recovery on aged debt. Adverse collection rates leading to reputational damage and financial	An options paper and clear policy is formulated as to how the Council will deal with aged debt and the way it is to be managed going forward to maximise income and take timely action.	Management Response: A review of resources for recovery of Council Tax and Non-Domestic rates will be completed within the first 6 months of 2020. As part of this review there will be a challenge to the existing Recovery Policy and Debt Collection strategies. This review will ensure that more thorough

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		<p>instalments. Meetings are also held between Management and Officers to ascertain the most efficient use of resources.</p> <p>Testing identified although prior year (not current) recovery was being undertaken and new attempts to recover aged debt were evidenced in the majority of cases reviewed, delays were found in recovery being moved to the next stage. Following the point the debt is returned from the bailiff the resource to pursue further recovery attempts or to establish write offs was limited leading to debt stagnation.</p>	<p>hardship.</p>		<p>guidance is provided to teams in relation to actions for collection of debt, methods of enforcement and where applicable write off</p> <p>Implementation Date:</p> <p>30 September 2020</p>
2	L	<p>Award of Discount and Exemptions and the use of Diary Notes</p> <p>A random sample of 50 accounts with ongoing discounts/ exemptions at the time of the audit work for both authorities identified some issues with the lack of assessor diary notes to clarify and justify decisions made.</p> <p>In addition evidence of exemptions/discounts/disregards that should be documented to support their awards were not always available at the time of review.</p>	<p>Failure to ensure discounts and exemptions are managed in accordance with defined procedures and legislative requirements, resulting in potential financial loss for the Council, and potential reputational damage.</p>	<p>To remind Revenues Officers of the importance of documenting actions taken via the diary notes and to record supporting evidence if required on the workflow.</p>	<p>Management Response:</p> <p>Further instructions have been provided to officers detailing requirement for diary entries to be added to accounts and referencing of evidence to support decisions.</p> <p>Implementation Date:</p> <p>31 March 2020</p>

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

			Difficulty in reviewing/evidencing decisions made due to lack of clarification leading to a lack of accountability and reputational damage.		
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5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms to the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Worcestershire Regulatory Services (Stray Dog Service) - 2019/20

14th April 2020

Distribution:

To: Technical Services Manager
Head of Regulatory Services
Executive Director (S151 Officer)

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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1. Introduction

- 1.1 The audit of the Stray Dog Service was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Bromsgrove District Council for 2019/20 as approved at the Audit, Standards and Governance Committee on 18th July 2019. The audit was a risk based systems audit of the Stray Dog Service as operated by Bromsgrove District Council.
- 1.2 There were no strategic risks appropriate to this review.
- 1.3 The following Service Risks were relevant to this review:
 - Issues with the Worcestershire Regulatory Services database system
- 1.4 This review was under taken by Matt Wooldridge during the month of February. .

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2. Audit Scope and objective

- 2.1 This review has been undertaken to provide assurance that the process surrounding the management and recharging of costs associated with stray dogs are well documented, transparent and accurate.
- 2.2 The scope covered:
- Stray dog information is accurately recorded
 - Fees are accurately calculated and recharged
 - Reconciliations for the kennels/contractors used and payments made
 - Potential continuity issues and conflicts of interest have been considered and documented.
- 2.3 This reviewed covered the period from April 2019 to February 2020.
- 2.4 This review did not cover:
- An independent review of the contracts in place
 - The geographical logistics of the dog warden service.

3. Audit Opinion and Executive Summary

- 3.1 From the audit work carried out we have given an opinion of **significant assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.
- 3.2 We have given an opinion of **significant assurance** in this area because 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.
- 3.3 The review found the following areas of the system were working well:

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- The Idox Solutions Database contained reportable information for the evidencing of key performance indicators
- There was an understanding of the trajectory of the service and the issues faced
- Evidence of the development requirements of the Idox Solutions Software
- Financial procedures in place including reconciliations for the recording and payment/receipt of the Worcestershire Partners and additional contracts for Authorities outside of Worcestershire.

- 3.4 There is an emerging risk of which there is awareness by the Technical Services Manager in regard to a potential conflict of interests if Dog Wardens were to licence kennels used for the kennelling of stray dogs. This is not currently an active conflict as licensing of the kennels currently used for the housing of stray dogs is completed by an Officer outside of the stray dog process, however this may become an issue following Dog Wardens acquiring the relevant qualifications under the new legislation that comes into force during 2021, it is advised therefore that appropriate procedures are documented to allow the avoidance of any conflict of interest to continue in future.
- 3.5 Additionally there is an ongoing system issue that does not allow a time to be input to the Idox Solutions system when recording stray dog cases however this has been raised with the vendor prior to the audit and therefore is included for note only.
- 3.6 The review found the following areas of the system where controls could be strengthened:

	Priority (see Appendix B)	Section Recommendation number	4
Contract Continuity	Medium	1	
Contractor Reconciliations	Medium	2	
Idox Solutions Narrative	Low	3	

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4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Clearance meeting discussion points
New matters arising					
1	M	<p>Contract Continuity</p> <p>Testing identified that all kennels used had a contract in place. However a number of contracts had expired and are operating under a month extension (that had been accepted by all contractors at the time of audit) whilst procurement for new contracts continued.</p> <p>There is potential for there to be a further requirement to extend again on a month by month basis until the procurement process is completed.</p>	<p>Service continuity is affected if a contractor refuses an additional extension prior to successful procurement of new contracts.</p>	<p>It is accepted that a number of charitable organisations and commercial businesses exists in relation to stray dogs and there is a number which could be used during a continuity issue. However continuity could be further improved by ensuring the procurement process is actioned and completed in preparation for the end dates of any current contracts. Additionally any other kennels that could potentially be used in a continuity event are documented as part of service continuity arrangements.</p>	<p>Responsible Manager: Technical Services Manager (WRS)</p> <p>Management Response: The recommendation to commence the procurement process in good time is accepted and will be actioned when the contracts are next due to be tendered.</p> <p>In relation to maintaining a list of potential kennels, this is not considered of value. Geographical remit of WRS changes and businesses willing to work with us change depending on date and reason. With the vast number of potential kennelling facilities that are available within our current operating range, it would be a considerable task that would not be useful at the time we required the information collated. There is no intention to undertake this part of the recommendation.</p> <p>Implementation Date: October 2022 (ahead of expiry of contract February 2023)</p>

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2	M	<p>Contractor Reconciliations</p> <p>Reconciliations are performed for costs and charges for all stray dog cases for the contracts undertaken on behalf of Authorities outside of Worcestershire. In addition to this charges are verified for veterinary services received by the Senior Dog Warden prior to invoices being passed for payment.</p> <p>However there is no periodic reconciliation for charges received in relation to stray dogs from within Worcestershire for kennelling and out of hour collections.</p> <p>It is understood there is some mitigation of risk in place in the form of the reconciliations completed for the external contracts as mentioned above as the contractor used for kennelling dogs and the out of hours service is the same for all stray dogs regardless of location and therefore discrepancies may be picked up on invoices in relation to these external contract charges.</p>	Errors/fraud not identified on contractor invoices prior to being passed for payment.	Periodic/random reconciliations are performed on charges received in relation to Worcestershire stray dogs so that potential discrepancies are identified and reported back to the relevant contractor.	<p>Responsible Manager: Technical Services Manager (WRS)</p> <p>Management Response: The recommendation is accepted and periodic random checks will be made on charges received.</p> <p>Implementation Date: 1st June 2020 (to enable new processes and contracts to bed down and account for issues raised by COVID-19)</p>
3	L	<p>Idox Solutions Narrative</p> <p>Testing showed that all relevant information was recorded on the account to allow the discharging off the service and both Dog Wardens and the Technical</p>	Unable to justify decisions if challenged due to lack of descriptive narrative on the database (transparency).	Staff are reminded of the importance of including all relevant information that does not conform to a defined field within the	<p>Responsible Manager: Technical Services Manager (WRS)</p> <p>Management Response: It is accepted that an improvement in the</p>

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		<p>Service Manager were aware of ongoing cases including difficulties within more complex cases.</p> <p>However an increase in the amount and quality of narrative and therefore justification of decisions made would be beneficial when reviewing individual stray dog cases and to justify decisions if challenged.</p>	<p>Lack of clear audit trail.</p>	<p>narrative box to allow easier review and justification of decisions made.</p>	<p>quality of the information recorded would benefit the service.</p> <p>A reminder to all staff to ensure appropriate level of detail is provided on case records. This will be audited with a view to identify training requirements or action.</p> <p>Implementation Date: 1st April 2020</p>
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5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

AUDIT, GOVERNANCE & STANDARDS COMMITTEE



Bromsgrove
District Council
www.bromsgrove.gov.uk

**Worcestershire Internal Audit Shared Service
Final Internal Audit Report**

Critical Review – Bulky Waste 2019/20

Wednesday 1st July 2020

Distribution:

To:	Matt Austin	-	Environmental Services Manager
	Carl Walker	-	Environmental Services Manager
	Guy Revans	-	Head of Environmental services
CC:	Kevin Dicks	-	Chief Executive

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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1. Introduction

- 1.1 The critical review of Bulky Waste was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council and Bromsgrove District Council for 2019/20 as approved by the Audit, Governance and Standards Committee and the Audit, Standards and Governance Committee on 29th July 2019 and 18th July 2019 respectively. The review was a critical review that analysed and challenged the Bulky Waste as operated by Redditch Borough Council.
- 1.2 This area aligns with the Councils Strategic Purposes if - Keep my place safe and looking good, Demonstrate concern and care for the environment.
- 1.3 There were no risks on the Corporate or Service risk register that related directly to the area under review.
- 1.4 This review was undertaken by Sami Al-Moghraby during the months of January and February 2020.

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2. Critical Review Scope

- 2.1. This review has been undertaken as a critical review to evaluate, analyse and challenge the Environmental Services - Bulky Waste process as it currently operates in order to provide areas for consideration within the procurement exercise for the purchase of a new Bulky Waste system.
- 2.2. The scope covered:
- Documentation - (Policies, procedures and training files).
 - Bulky Waste system - (Access rights, development and monitoring)
 - Bulky waste income process – (Refunds, Receipt book, Cash receipts, are being paid to the correct cost code on the ledger, reconciliations).
- 2.3. This review did not cover
- Any other type of refuse collection
 - The procurement of the new Bulky Waste system.

3. Critical Review Overview and Executive Summary

- 3.1. As this is a critical review there is no level of assurance given.
- 3.2. During the review the auditor sat down with the managers of the Bulky Waste service and the business support team to gain an understanding of how the current system works and to gain an insight into how the overall customer journey from when a call is made to arrange a Bulky Waste collection to the point that the items and monies have been collected operates in order to provide challenges on controls prior to the procuring of a new system. **(See Section 4 below)**
- 3.3. During the review the auditor sat down with the business support team and identified pros and cons of using the current computer system and identified any lessons to be learnt to take forward into the new Bulky Waste system. **(See Section 5 below)**
- 3.4. It should be noted that any new electronic system procured will be used for all Environmental Services operations and not just for the Bulky Waste Service.
- 3.5. As part of the review the auditor also had discussions with the finance team to understand the running cost of the service, income reconciliations for cash and cheque payments.

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3.6 The review found the following areas were working well:

- Policies are in place and are being adhered to.
- Safety measure procedures including risk assessments are in place and blank copies are kept in the cabin of the vehicle for when they are required.
- There is a flow chart in place which clearly explains the customer journey for the Bulky Waste collections.

3.7 There
have

Challenge	Section Challenge number	4
Objectives of the service	1	
Training records	2	
Potential risk mitigation and customer satisfaction.	3	
Refunds	4	
Reconciliations and Receipts	5	

were some areas of the system that audit challenged Management on:

4. Detailed Challenges

The challenges identified during the review have been set out in the table below along with the related risks and management action plan.

Ref.	Current Position	Challenge	Risk	Management Response to challenge and if accepted Action Plan
1	Objectives of the Service The service is being run in order to provide an affordable option to the public for collection and disposal of larger household	1. Does the council have full knowledge of what the costs and income are for the Bulky waste service and confident that it is achieving its objectives without	1. No clear understanding of cost/reward matrix 2. Loss of potential Commercial opportunity	Responsible Manager: Environmental Service Manager Implementation date: N/A Across Redditch and Bromsgrove,

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	<p>items. This is a service strongly supported by members to provide a low cost option for residents who are unable to take items to the Household Waste Sites, and offer a reasonable alternative to fly tipping.</p> <p>Environmental Services are aware of the costs of the service and the budget target in place is ££78,000. The target is not linked to the costs of the service.</p>	<p>being run at an excess cost to the Council.</p>		<p>the service is managed differently. In RBC it is not possible to define the costs against this element of Place Working, as it is carried out by a large number of teams, and planned in alongside other works as efficiently as possible to avoid dedicated trips to collect items, and rely on detours whilst working on other things in an area – as per Transformation exercise carried out in 2015.</p> <p>BDC has more clearly defined costs as it uses a dedicated crew of 2 staff and a dedicated vehicle due to the logistical challenges of efficiently bolting it on to the wider Place working across the District.</p> <p>Service is currently limited to household items in line with disposal arrangements through WCC, which limits commercial growth of the service unless we are willing to incur disposal costs which then increases our costs and increases the logistics.</p> <p>Currently no plans to make further changes to service at either authority.</p>
2	<p>Training records</p> <p>As part of the service there is</p>	<p>1. The Council has an obligation for</p>	<p>1. Staff may have to</p>	<p>Responsible Manager: Place team Coordinator ,</p>

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	<p>a need for staff to have manual handling training as well as lone working training. It is assumed that this is incorporated into the staff's induction process, however spreadsheet used to monitor training is not being kept up-to-date.</p>	<p>a duty of care towards their staff to ensure that they are safeguarded from dangers and risks. Does Management have confidence that the training is occurring and that this can be evidenced should anything occur to any member of staff?</p>	<p>complete further training on items that they are already trained on.</p> <p>2. Officers may be operating and non-compliant to carry out day to day duties.</p> <p>3. Risk of injuries occurring at work. Financial loss from claims.</p>	<p>Environmental Improvements Officer</p> <p>Implementation date: On-Going</p> <p>Training records to be reviewed and updated, with additional training to be carried out and recorded where necessary.</p>
3	<p>Potential risk mitigation and customer satisfaction.</p> <p>There is no Cap on the amount of collections at Redditch Borough Council meaning that multiple man power may be needed if the amount of collections for Bulky Waste was above 16 collections and they could travel all over the Borough of Redditch.</p> <p>The current position shows that the vehicles used for the Bulky waste service are not weighed and there are no random spot checks carried out by management to ensure that items have all</p>	<p>1. Can the Council ensure that only the items scheduled to be collected are collected, or have they at least undertaken a cost/benefit/risk analysis to ascertain if additional controls could be value for money in the mitigation of risk/fraud or if the cost of resources to implement these would far outweigh the cost.</p> <p>2. With an uncapped limit at Redditch Borough Council, If demands are stretched is the council comfortable with managing the high demand and can they give the customer</p>	<p>1. Potential for fraud without council knowledge.</p> <p>2. Reputational damage to the council if obligations are not met.</p> <p>3 .Financial damage to the authority.</p>	<p>Responsible Manager: Environmental Service Manager</p> <p>Limits on cash handling and control of bookings are our primary control for this currently.</p> <p>There is no effective oversight control that would prevent this risk, but work is monitored and where questions arise, they are followed up with staff accordingly.</p> <p>Good communication across the teams and with customers means that any impact on the service is dealt with proactively to preserve the Council's reputation. Where</p>

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	been collected accurately.	assurance that all collections will be collected on the promised date?		<p>necessary, additional support can be provided, or the service suspended to new bookings should an issue occur that requires it.</p> <p>Customer numbers are proportionally low across the Borough/District, so the wider reputation risk is low with current processes.</p> <p>Implementation date: N/A</p>
4	<p>Receipts</p> <p>Currently customers can pay the Council by Cash, Card and Cheque.</p> <p>Currently unless it is a cash or cheque payment which is handed directly to the crew that is picking up the bulky waste, payments are carried out over the telephone by the business support team.</p> <p>There are no plans at this stage for users to self-serve via the web. This is something however the service wants as part of the new system.</p>	<ol style="list-style-type: none">1. Cash payments open up the opportunity to commit crime and fraud. As the Council still allows cash payments to occur then is the council confident that the current measures in place are preventing the risk of theft and fraud from occurring? If asked can the Council provide information on how many customers have not been provided change? Can it be proved that this is immaterial?2. As the council wishes for cash payments to occur then can the Council really expect customers to provide the exact change? As there is no float provided to the drivers, Is there not a risk here of a scenario where customers are	<ol style="list-style-type: none">1. Potential fraud maybe taking place2. Reputational damage for complaints about having to have the exact change.	<p>Responsible Manager: Environmental Service Manager</p> <p>The service is delivered with explicit messaging that change is not available and exact money must be available to pay for cash jobs.</p> <p>Previous Audits have suggested the requirement of exact change in order to remove the risk of a float being abused.</p> <p>Administration of the service is monitored for discrepancies between what has been booked, and what has taken place, with discrepancies challenged when they occur, as evidenced by</p>

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<p>Cash payments are not promoted however, members wish for this option to remain and therefore the service will allow this to occur if the customer wishes to pay by cash.</p> <p>Drivers are not provided a float and customers are required to have the exact coinage when the transaction occurs, where a receipt is then given and signed for by the customer.</p> <p>Customers are advised that they must have the exact coinage.</p> <p>Any tips provided due to lack of change are put within the mayor's charity box.</p> <p>This may lead to drivers using their own coinage to provide change and would then ask for money from the safe to pay them back.</p> <p>Cash on arrival to the depot is secure in a cash box which is secured within a safe. The safe is password protected and can only be accessed by</p>	<p>almost forced to provide a tip and risk money going in the crews back pocket?</p> <p>3. Is the Council confident that the correct checks are carried out by management to ensure that money provided by the customer is given back to the council and fraud is prevented?</p> <p>4. What measures are in place to ensure the money going in the safe within the month is the same going out at the end?</p> <p>6. Are the Council confident that all staff who are taking calls have been PCDISS (Payment Card Industry Data Security Standard) trained? If not then does the Council believe that if they were challenged then processes are robust enough to prove compliance.</p>		<p>previous and current disciplinary action regarding improper process.</p> <p>Cash Handling is recorded by BSU and documented thoroughly.</p> <p>Telephone payments are entered directly into the system to ensure compliance with PC DISS and Data Protection rules under GDPR.</p> <p>Implementation date: On-Going</p>
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<p>the business support team and no one else. The cash box requires a key. The key to the safe is visible to anyone in the office and not kept in a secure location. Both key and copy key are kept together which means if it was to go missing so does the spare key.</p> <p>Cash payments are collected monthly by a security officer that then cashes the money in at the bank and provides a receipt as evidence for cash and cheque reconciliation process by the finance team.</p> <p>The Maximum amount of money allowed in the safe is £15,000 (this includes all payments not just Bulky Waste).</p> <p>Payment Types</p> <p>Currently customers can pay the Council by Cash, Card and Cheque.</p> <p>Currently unless it is a cash or cheque payment which is handed directly to the crew</p>			
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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

	<p>that is picking up the bulky waste, payments are carried out over the telephone by the business support team.</p> <p>There are no plans at this stage for users to self-serve via the web.</p>			
5	<p>Refunds</p> <p>In the current position refunds are allowed to occur in the instance that the customer changes their mind prior to resources being deployed to carry out the work.</p> <p>As long as they contact 24 hours before the pickup, then the business support team will issue the refund.</p> <p>If the customer is unable to be at the property on a date of pick up, then the business support team will attempt to change the date rather than a refund, but if the customer persists then the payments will be refunded in full.</p> <p>In a situation where 3rd party</p>	<ol style="list-style-type: none">1. With the risk of loss of income to the service and authority, is the authority comfortable with the steps currently in place to prevent refunds from occurring?2. Have the council got the full information on the amount of refunds that have taken place for Bulky Waste for the year	<ol style="list-style-type: none">1. Complaints from customers and possible financial loss and reputational damage	<p>Responsible Manager: Environmental Service Manager</p> <p>Yes</p> <p>Implementation date: Ongoing</p>

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	companies have come and collected the Bulky Waste before the crew arrives, a refund will not be provided to the customer as the customer would be in breach of their Duty of Care for waste disposal.			
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5. Lessons Learnt

The lessons learnt during the review have been set out in the table below.

Ref	Positives	Potential for Improvement
1	<p>It should be noted that any new computer system for logging work will be used for all Environmental Services operations and not just for the Bulky Waste Service.</p> <p>Positives within the current system: -</p> <ol style="list-style-type: none">1. The review found that there is a robust system in place which multiple environmental services are using. The system is easy to navigate through and the interface is user friendly.2. The system has an audit trail incorporated within it and has the ability to produce reports for Bulky Waste.3. The overall impression from the assessment carried out is that the system is good and has scope to be improved upon.	<ol style="list-style-type: none">1. Quotes are a grey area within the current Bulky Waste system as manual entry can be put within the current system meaning that if someone wished to commit fraud and overestimate the work then they could. It may be more efficient in the new system to have a defined quote list to select from to prevent risk of fraud.2. Updates are not automatically flagged up to the Business Support team meaning that when modifications are made or new assignments allocated, it is down to the business support team to attempt to spot a difference. It would be an efficiency if in the new system there was potential opportunity of an automatic email generation from the system to the administrator.3. In the current system the date of the job is not a mandatory field, meaning that if it is missed then it will not show up on any reporting and there is a risk of it being missed until the point of a customer putting through a complaint. This to be profiled as a mandatory field or measures put in place for exception reporting so that jobs unassigned or without dates can be picked up easily to prevent the risk of complaints.4. Anyone can currently amend and modify the tickets which ultimately could lead to a risk of fraud and further issues. Profiling and setting of permissions must be considered in the new system.5. The reporting system feature is currently very basic and does not allow customisation in order to provide meaningful information and to be able to paint the picture on the delivery of the bulky waste service. Consideration to be given for the new system to have more customisation options for the type of information that can be created and exported into CSV format.

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6. Overall Conclusion

The lesson learnt found that there are some things that are positive within the current Environmental Services system however there are lessons to be learnt that can be taken forward and used within the procurement of the new computer system in order to add efficiencies to the process and to improve the customer' experience.

The Critical review looked at the process from when a quotation is made to collection of the payment from the customer. The review provided some challenges around refunds, objectives of the service, receipts and customer satisfaction. These challenges are made to help the Council review the service, provide transparency and acknowledge the risks that it may be exposed to.

Overall the review found that the system for collection of Bulky Waste works but there are number items within the current system that needs to be further developed and looked at to reduce the level of risk associated with the service. The current system works well but needs further development to enhance some of the control features, therefore the decision needs to be made on whether it would be more cost effective to develop the existing system or bring in a new system that will incorporate the additional controls that the service needs.

7. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the review no non-audit or audit related services have been undertaken for the Council within this area.

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Appendix 4

‘Follow-Up’ Reports

Worcestershire Internal Audit Shared Service



Final Internal Audit Report

Health and Safety Follow Up 2019/20

17th February 2020

Distribution:

To: Director of Finance and Resources
Head of Transformation
Human Resources and Development Manager

CC: Senior Health and Safety Advisor
Chief Executive

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1. Introduction

- 1.1 The Health & Safety follow-up was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council for 2019/20 as approved by the Audit and Governance Committee on 20th March 2019. The audit was a follow up of the Health & Safety Audit 2018/19.
- 1.2 This area is fundamental in the achievement of all 5 themes contained in the Worcester City Plan 2016-2021.
- 1.3 The following entries on the corporate risk register were relevant to the original review:
- COR19 – Non Compliance with Health and Safety legislation

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The following entries on the service risk register were relevant to the original review:

- COR19 – Non Compliance with Health and Safety legislation

1.4 This follow up was undertaken during the months of January and February 2020.

2. Audit Scope and objective

2.1 The original review gave **Limited Assurance** over the control environment and covered:

- Review of action plan
- Financial Analysis and Review of the training budget
- Health and Safety Documents
- Planning and development
- Training
- Communication of Health and Safety information
- Risk Assessments and Risk Management
- Fire Safety Risk Assessment and Risk Management
- Active and Re-active Monitoring and review of Health and Safety Statistics and information
- Corporate Health and Safety advice and support

2.2 This follow up has concentrated on the actions taken by management to address the findings of the 2018/19 audit.

3. Executive Summary

3.1 The original review gave **Limited Assurance** and found that controls could be strengthened in the following areas:

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	Priority (see Appendix B)
Policies	High
Fire Safety and Fire evacuations	High
Manager IOSH training	High
Lifts Risk Assessment	High
Fuelling point assessment at Redditch Borough Council Depot	High
Fire Risk Assessments Action Plan	High
Fire Alarms and Drills	High
Evacuation of less able people from Redditch Borough Council Town Hall.	High
Active and Re-active measures of a terrorist attack	High
Action Plan update	Medium
Financial Analysis and Training budget:	Medium
Induction Process	Medium
Bespoke health and safety training	Medium
Risk Assessments	Medium

- 3.2. This follow-up has sought evidence, explanations and information in order to assess the progress against the Management action plan in relation to the above control areas. The results of this follow up can be seen in Section 5.

4. Conclusion - Current Position statement

Health and Safety have made good progress in addressing the recommendations made during the Health & Safety 2018/19 Internal Audit. Bespoke in house training has been developed for health and safety including risk assessment training for managers with scope to expand this to include a Health and Safety Induction and Manual handling.

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There remains an outstanding risk as the Fire Risk Assessments throughout the council need to be fully completed however there is a programme in place for the completion of these. In addition there is no evidence that regular fire alarm testing is taking place and a full programme of fire drills has not been completed. Whilst we are aware that there is a programme in place for alarm testing and fire drills, work needs to be undertaken to ensure these are being completed and completion is documented.

5. Detailed Findings, Recommendations and Updated Position

The issues identified during the 2018/19 Health and Safety audit have been set out in the table below along with the related recommendations, management responses and action plan and actions taken up to the time of the follow-up. The issues identified were prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

<u>Original Ref./ Priority</u>	<u>Original Finding</u>	<u>Original Recommendation</u>	<u>Original Management Response and Action Plan</u>	<u>Position as at 29th January 2020 1st Follow up</u>
1 High	<u>Policies</u> <u>The Orb</u> Testing of the policies on the orb found that: - <ul style="list-style-type: none"> • There are policies missing i.e. the Fire Safety Policy. • There is no version control on the policies from a version/review date perspective. • There is no evidence to show if the documents on the orb is the same document that was written in 2011. • Using the Orb it is easy to access Health and Safety policies but regarding fire 	<u>The Orb</u> Effective working practice is established to ensure policies are uniform and are uploaded on the orb in a timely manner for both Councils at the same time to prevent any knowledge gaps. All policies must have a version control associated and a review date prominently displayed. There must be an established forum e.g. Orb, notice board, providing ease of use and access to information.	Responsible Manager: HR Manager Approval process is currently under review which will potentially change the delegation which will streamline the process and the activation and communication of policies. Implementation date: April 2019 Review of notice boards will be undertaken including review of electronic notice	In Progress Health and Safety statement of intent and Health and Safety Manual have been developed, both documents have been approved by the both Council Leaders and have been published on the Orb. The policies detail version control and the date of publishing. The Health and Safety statement of intent details the Councils' commitment to a 'Plan Do check Act' approach to health and Safety. The Health and Safety Manual is an all-encompassing manual which details: <ul style="list-style-type: none"> - Organisation structure and responsibilities, - Health and Safety Management Governance. - Specific Health and Safety Arrangements including

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	<p>procedures, training and other areas it is more difficult to navigate through.</p> <p><u>Hard-copy Information Redditch Borough Council</u> Testing found that:-</p> <ul style="list-style-type: none"> • There is a lot of information on the notice boards in Redditch Borough Council but it can be questioned in how relevant the information is. • The notice board in Redditch Borough Council Town Hall is showing information which is outdated. • It was difficult to identify the health and safety section on the notice board in Redditch Borough Council Town Hall due to the amount of available information. <p><u>Observations: -</u></p> <ul style="list-style-type: none"> • At the depot it was noticed that TV screen was switched off in the canteen which meant that staff were not able to get daily information updates. • Although there were noticeboards some of the information was not relevant and not being updated. 	<p><u>Hard Copy Information</u> Cluttered notice boards must be eliminated and re-designed to make them more appealing, visually easier to read and to keep a control in place to update them. There should be clear responsibility established to maintaining such areas and it may also be worth considering new innovative ways of delivering the information in the offices e.g. scrolling monitors running presentations to keep all council staff up-to-date with relevant information, or having pop ups created from IT about important notices.</p> <p>It is recommended to start to introduce different colour hi-vis. Example Green to represent first aiders, Red to represent Fire safety officers, Blue for trainers to</p>	<p>boards</p> <p>Section was cleared down in Sept/Oct 18</p> <p>April 2019</p>	<p>fire precautions, first aid at work and lone working.</p> <p>Noticeboards are still in place however information held on these has been reduced. No funding is currently available for rolling screens however information is updated to Orb to ensure staff are aware of changes to policies/procedures.</p> <p>Council wide decision taken to continue with the orange high vis, some areas have introduced green for first aiders. Details of first aiders are held centrally and courses are made available to them. Further work to be undertaken to display first aider notice to include photos and locations.</p>

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	<ul style="list-style-type: none"> That although there is a list of names for first aiders at both depot's there is no version control to see how up-to-date the information presented is, there is no photograph to allow staff to locate the first aider. 	assist with assisting staff who are unsure who to go to during an emergency. It is also recommended to add a mandatory requirement to ensure all first aider's qualifications are up to date and to have a log in place to ensure they do not lapse unnecessarily.		
2 High	<p><u>Fire Safety and Fire Evacuations</u></p> <p>The visual communication methods to employees vary in display and content at between Council sites.</p>	To consider having a joint and uniform approach where the blueprint map at Redditch Borough Council is similar to the design of the blueprint map at Bromsgrove District Council showing where you are stood in the building and where the nearest evacuation point is.	<p>Responsible Manager: Head of Customer Services / Head of Legal, Equalities and Democratic Services</p> <p>Review of blue prints to be actioned by facilities management.</p> <p>To be put on the orb once updated.</p> <p>Implementation date: To be reviewed in April 2019 when facilities returns in house from place partnership.</p>	<p>Complete</p> <p>Fire risk assessment completed by RIDGE as the blueprints were deemed too complicated for people to follow so a decision taken not to introduce these, all sites have clear designated fire exit signs and evacuation plans and these currently meet requirements. Additionally all managers have been advised to ensure staff are made aware of fire exit locations and meeting points if there is an evacuation.</p>
3 High	<p>Manager IOSH training</p> <p>The findings indicate that:</p> <ul style="list-style-type: none"> There is no review date. There is no expiry date. 	Establish a mandatory requirement for IOSH training and issue reminders when completed training is set to expire.	<p>Responsible Manager: Health and Safety Officer / HR</p> <p>Accepts taking on part of the risk, as does not believe need</p>	<p>Complete</p> <p>There is no requirement to make IOSH a mandatory course. CMT have given approval for internal risk assessment training to be delivered by the Senior Health and Safety advisor. The training will be</p>

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	<ul style="list-style-type: none">Managers may not have attended the allocated training slot.		<p>to commit to IOSH Managing Safely as a mandatory course, as there are alternative routes that could be taken.</p> <p>Suggestions to improve include: -</p> <ul style="list-style-type: none">Identify the right people who would require the training (likely front line managers)Develop an in-house course, which could take one day, which delivers:<ol style="list-style-type: none">Broad introduction to health and safety law and how it applies to both councilsAccident and incident investigationRisk assessmentTo go down the route of getting approval / endorsement from IOSHThis would not require IOSH to be paid to come in and present each time <p>Regarding ensuring this detail is tracked and reviewed, that is not difficult to achieve. I would then suggest refresher on a three year basis.</p>	<p>delivered to frontline managers, however IOSH training will be provided where required.</p>

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4 High	<p><u>Lifts Risk Assessment</u></p> <p>Working on the lifts could mean an engineer needs to go into the shaft to fix an issue.</p> <p>The findings have found that: -</p> <ul style="list-style-type: none"> • There is no current Risk Assessment in place for external contractors checking the lifts. • There is no evidence to support that there is a control in place. • Due to the evidence obtained, it was found that not all the must-kept locked secure doors were locked which could lead to potential danger to life as the door is meant to be secure to prevent person(s) from entering due to the electrical main switch. 	<p>It is recommended that a risk assessment process is made available whereby a contractor carrying out maintenance on the lifts either fill in a form or we fill in one of their behalf and keep it on file. To establish and set up a control so that all information from the assessments is gathered together to provide an audit trail in case of incident.</p> <p>Bigger stickers are required on the doors to further deter someone from opening the door to the main electrical switch. Also to create a measure to ensure that all doors are kept locked and that there is more vigilance in this regard.</p>	<p>Implementation date: February 2019</p> <p>Responsible Manager: Facilities Manager</p> <p>Currently having a new contract tendered which will include lift risk assessments in all public buildings. Additional staff being hired to help support documents being kept up to date.</p> <p>Implementation date: April 2019</p> <p>Bigger stickers have been put on doors so has been implemented Oct-18.</p> <p>Property Services will put in place a revised procedure and risk assessment for the maintenance of lifts to ensure compliance is moving forward by end of December 2018.</p> <p>Property services are issuing an email to all relevant officers to ensure that the secure doors are properly secured and locked. Implemented</p>	<p>Complete</p> <p>Contractors should be completing their own risk assessments prior to them commencing work at council premises; these will be provided to the council and retained.</p> <p>Bigger stickers have been put on doors containing the main electrical switch and these doors now remain locked</p>

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			There will be a new contract for lifts in public buildings and relevant risk assessment supplied to the new contractor.	
5 High	<p><u>Fuelling point assessment at Redditch Borough Council Depot</u></p> <p>The findings have found that: -</p> <ul style="list-style-type: none"> • There has not been an updated health and safety hazard report since 2010 which is prior to the 2014 external health and safety audit report. • There is no evidence of work being carried out based on the following recommendations: - <p>1.) The concrete on the dispenser island was showing wear. The areas around the dispenser should be impervious.</p> <p>2.) It was identified in the 2010 report that repairs need to be made.</p> <ul style="list-style-type: none"> • Vehicles are parking in the no-parking zones which can be 	<p>To reconsider the points from the 2010 report and establish whether they remain pertinent. To instigate an assessment to identify whether there has been further deterioration since the 2010 report and establish an action plan to address as necessary.</p> <p>To establish and enforce measures for any vehicle found parked on the forecourt in the no parking zones and to create a mandatory requirement for all staff to adhere to the rules within the depot sites. Ensure that there is no smoking, safety shoes and</p>	<p>Responsible Manager: Head of Environment / Officer in Charge and Place Partnership</p> <p>Fuel tank has been recognised to be 40 years old and requires somebody to come and check the concrete dispenser island and pumps.</p> <p>Implementation date: Nov-18</p> <p>Following consultation with the Health and Safety Officer it has been agreed that the current Health and Safety Hazzard report completed in 2010 is still relevant and valid as there have been no changes. Implemented</p> <p>Electrical cable issue</p>	<p>In Progress</p> <p>Previous report from 2010 deemed as still relevant and therefore no additional action taken.</p> <p>Parking in the no parking areas is an ongoing issue which will be raised in a Toolbox Talk. This could also form part of the review to potentially procure and relocate new fuel tanks.</p> <p>Observations at RBC depot confirmed that staff members were wearing high vis clothing and safety boots where applicable.</p> <p>Integrity tests of the fuel tank have been completed by Worcester Petroleum Services - initial test failed however repairs have been completed and retests undertaken, these were successful and will now be completed on an annual basis.</p> <p>Further repairs are still required however there is currently a review being undertaken in relation to replacing the whole system.</p>

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	found on top of the fuel dispensers with the engines left needlessly running.	<p>hi-vis are worn at all times and implement sanctions against repeat offenders.</p> <p>To re-enforce safety requirements at the site with all relevant staff.</p>	<p>resolved. Implemented</p> <p>Place Partnership is commissioning a review of the fuel pumps and fuelling area and tanks to assess current state and works required this is due to be completed by 31st December 2018 and any resulting capital works will be programmed accordingly during 2019/20</p> <p>Email has been sent to all Housing and Environmental services managers to ensure that all teams are reminded not to park in the fuelling zones or leave engines running. Implemented.</p>	
6 High	<p><u>Fire Risk Assessments Action Plan</u></p> <p>The findings are that: -</p> <ul style="list-style-type: none"> • According to the 2014 action plan there are a number of items incomplete especially regarding housing. • There are no public buildings such as the Town Hall in Redditch mentioned within the 2014 action plan. • There is a sheet being filled in 	<p>To update the 2014 action plan to include all public buildings for both councils and to ensure that it is up to date to mirror the actual fire risk assessments that have been filled in.</p> <p>It is recommended to have regular meetings regarding the process on the action plan to ensure controls are</p>	<p>Responsible Manager: Senior Contracts Manager</p> <p>An IT system has been sourced and will be part of the asset management system implementation that Senior Contracts Manager is leading on and will enable better maintenance of records and data. Public buildings will be managed centrally. Budget bid for dedicated system linking to PPL transfer in-</p>	<p>In Progress</p> <p>Ridge have now been contracted to complete the Council's Fire Risk Assessments. There is a programme in place to complete baseline assessments across the council; once these are completed the plan will change to a risk based approach.</p>

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	<p>by housing and a sheet being filled in by place partnership.</p> <ul style="list-style-type: none">• There is a high risk item set in 2016 which was not complete as of 11th June 2018. Review date stated mentions 2019.• Risk assessments are not being completed frequently.	<p>in place and to create an audit trail through the minutes.</p> <p>To ensure 'high risk' items are updated and dealt with in as a priority and in a timely manner.</p>	<p>house.</p> <p>HR& OD Manager Facilities Management</p> <ul style="list-style-type: none">- Property Services- Place Partnership- Housing <p>Implementation date: Place Partnership will no longer be carrying out this work post 31st March 2019. It is therefore intended that processes and procedures will be established as part of the Officer in Charge process to ensure that all fire safety checks are carried out in a timely and compliant way by the transfer date.</p> <p>It is also intended that all officers with responsibility for FRAs will review risk assessment and action plans and training will be delivered where required.</p> <p>Health checks are currently being carried out in the Housing Schemes and new FRAs being developed for High Risk Housing</p>	

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7 High	<p><u>Fire Alarms</u> There is no consistency in how often the test is carried out. In August 2017 for instance it was noticeable that the test was only carried out once; there is also other occasion during the year of 2017 where tests have been infrequent.</p> <p><u>Fire Drills : - Redditch Borough Council</u> In the Town Hall the latest fire drill was completed in October 2017. The follow up to the drill should have been completed in April 2018 to keep within compliance. This did not occur as of 15/5/2018 meaning that when the drill did take place it was still non-compliant at the time of the drill.</p> <p>At the Depot there are no set drills that get conducted and there was no evidence to say that a fire drill has been conducted in the last 3 years.</p> <p><u>Fire Drill Observations Redditch Town Hall</u></p> <ul style="list-style-type: none"> There was disorganisation in 	<p>To ensure a control is in place at both councils to carry out a weekly fire alarm test and record it to comply within British Standards 5839. If a test is not completed on a weekly basis then there needs to be justification to support why it was not carried out in case a fire officer visits the site and questions it.</p> <p>Redditch Borough Council and Bromsgrove District Council need to establish a requirement to complete a fire test regularly to remain within compliance for fire safety regulations.</p> <p>It is recommended that both depots start to commence fire drills within a 6 month window to ensure that they are compliant and regiment the evacuation process for any fire Marshalls.</p> <p>A process to be established where a designated fire warden is located next to one of the fire exits to</p>	<p>Responsible Manager: Facilities Management</p> <ul style="list-style-type: none"> Property Management – BDC Place Partnership – RBC <p>Implementation date: BDC – Implemented RBC – April 2019</p> <p>To create a sub group to work through recommendations and give a clear plan by April 2019. Group to feature Health and Safety Advisor, Facilities and be supported by Claire Felton and Guy Revans. This group will also review officer behaviour through fire drills to ensure compliance.</p> <p>To deliver fire drills at all sites in Dec-18.</p>	<p>In Progress</p> <p>Weekly tests are being completed.</p> <p>Fire evacuation drills will happen over a phased period across all locations once completed these will take place on a risk basis, i.e. some locations may only complete one a year however other such as children's centres will have these more frequently.</p> <p>Fire wardens are made aware of their responsibilities during training. Evacuation procedures are being reviewed by RIDGE as part of their Fire Risk Assessments and local site management is then required to establish plans based upon recommendations therein.</p> <p>Contractors are provided with a site induction on arrival.</p>

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	<p>the lead up to the fire drill. The fire drill was meant to commence at 11:45am but there was an issue locating the key for the alarm.</p> <ul style="list-style-type: none">• There was no monitor on the fire exits meaning that staff and members of the public could have re-entered the building if they had chosen to do so without challenge• The main door in reception for members of the public to evacuate was not working during the drill and went into lockdown, which meant that the public had to exit through the council workers fire exit instead.• Department locations have not been updated on blueprint so a department was not able to be accounted for and delayed the fire drill evacuation time.• There was delay with getting the accountability for the Crèche due to communication between the Crèche and the operating fire Marshall on site. There is no control in place from a fire risk assessment perspective on contractors	<p>ensure no unauthorised personnel re-enter the building until safe to do so.</p> <p>Better planning to ensure that the fire alarms are tested on time and that the key is available and not moved.</p> <p>A process is established to ensure all contractors sign a register when coming to work on site and that they have basic induction training to know where the fire evacuation point is.</p> <p>It is recommended to have a systematic approach to ensuring all documentation is up-to-date at all times so that if departments change locations this does not impact on obtaining an assurance that everyone has left the building.</p>	<p>To provide audit trail moving forwards, to be implemented immediately.</p>	

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	coming in to carry out work. It was observed that an on-site contractor walked out of the building from car park entrance and sat in their van rather than going to the evacuation point.			
8 High	<p>Evacuation of less able people from Redditch Borough Council Town Hall.</p> <p>Testing of the procedures with assisting wheel chair users in a fire has shown : -</p> <ul style="list-style-type: none"> • That there is no written procedure in place to show how to assist wheel chair users in an emergency situation or where responsibility is allocated. • That there is only one stair lift in the building which has never been used when the building has eight flights of stairs to contend with. • That there has been no fire drill to test out the Wheel chair stair case to get an accurate timing of how long it would take to get someone out of the building. • That there is no signs for wheel chair users to locate a stair lift 	<p>To arrange for a fire drill with someone who uses a wheel chair to assist with monitoring how long it would take in a fire evacuation for the individual to exit the building from the top floor.</p> <p>To develop a procedure manual with who is responsible for the person(s) in case of a fire and what needs to happen, to arrange for appropriate signs to be implemented to locate the stair lift in an emergency situation.</p> <p>Once a test is conducted alternative approaches to assist with evacuation for the less able may be required.</p>	<p>Responsible Manager: Facilities Manager HR Manager</p> <p>Implementation date: Place Partnership to review the procedure with health and safety advisor</p> <p>January 2019</p> <p>To arrange test to identify learning to develop guidance notes. Co-ordination required with facilities and planned to be picked up as part of next fire drill. Drill training date to be agreed</p> <p>May 2019.</p>	<p>In Progress</p> <p>Fire Evac chairs are to be installed and staff trained to use these. Once installed usage will be checked during a training drill with consent of individual in wheelchair in order to reduce any undue stress on the individual. Currently other arrangements have been put in place i.e. individual's with mobility issues working on the ground floor to offset any concerns with evacuation.</p> <p>Evacuation process is also being reviewed by RIDGE as part of their Fire Risk Assessments and local site management is then required to establish plans based upon recommendations therein.</p>

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	in case of emergency.			
9 High	<p><u>Active and Re-active measures of a terrorist attack</u></p> <p>the testing on active and re-active measures on terrorist attacks has shown that: -</p> <ul style="list-style-type: none"> There is a potential security breach in Redditch Borough Council Town Hall between 09:00am to 09:25am. 	<ul style="list-style-type: none"> Follow other authorities' leads with the Hide, Run, and Tell policy for terror. Consider training staff on terrorism attacks through e-learning or various methods. Create a process in how to best suit the situation at both councils. Create an action plan date as soon as possible to discuss this. 	<p>Responsible Manager: HR Manager & Facilities</p> <p>Lock down of doors, 9am onwards.</p> <p>Implementation date: November 2018.</p>	<p>Complete</p> <p>Access to the building is now locked down until 8.45, access earlier than this is via the basement gate which is controlled by a key card access.</p> <p>Hide, Run, Tell was disseminated across the organisation during September 2019 however the message coverage was not great. Consideration will be given to promoting this message again.</p>
10 Medium	<p><u>Active and Re-active measures of a terrorist attack</u></p> <p>the testing on active and re-active measures on terrorist attacks has shown that: -</p> <ul style="list-style-type: none"> There is no current policy in place. There is no process in place. Although there is currently an agenda for a meeting to occur at some point in the future. There is no current date booked for a meeting to 	<ul style="list-style-type: none"> To ensure all doors are shut at 09:00am at Redditch Borough Council Town Hall. (Practical / pragmatic in a public building Consider the most appropriate and safest foot traffic route for entry to the building. 	<p>Responsible Manager: HR Manager & Facilities</p> <p>Interim has officer being recruited. Looking to post information on Orb regarding safety breaches. Dec-2018</p> <p>Implementation date: April 2019</p>	<p>Complete</p> <p>Access to the building is now locked down until 8.45, access earlier than this is via the basement gate which is controlled by a key card access.</p> <p>Hide, Run, Tell was disseminated across the organisation during September 2019 however the message coverage was not great. Consideration will be given to promoting this message again.</p>

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	discuss.			
11 Medium	<p>Action Plan Update</p> <p>Testing of the health and safety action plan found: -</p> <ul style="list-style-type: none"> • There is no version control within the action plan to state when it was last edited or modified. • There is a lot of information which has a narrative as 'Out Of date' and no comments as to why the action is out of date or what has been put in its place. • The target deadline date has been not been adhered to since the end of 2014. • There are target dates in place but none of the targets set have been completed. • The recommendations from the fire risk assessment and management perspective have not been completed according to the action plan. • There is no tab specifically for 'Planning and Development'. There is no evidence of a planning and development within the action plan scope for the technological and innovative factors of the business. 	<p>The action plan should be treated as a key management tool driving the development of H&S and must be regularly updated with a systematic approach to enable a clear indication of progress. A version control must also be included and priorities need to be established e.g. fire risk assessments and management perspective.</p> <p>To focus on getting any work 'Out of date' completed and to include a new tab saying 'Planning and development' as well as to include High/Medium/Low priority to assist the planning structure.</p>	<p>Responsible Manager: HR Manager</p> <p>Work will be actioned to combine all H&S Audits into a definitive action plan</p> <p>Implementation date: April 2019</p> <p>Whilst a large amount of work has been taken from the 2014 action plan. An ambulation of plans will take place and used to go forward from April 2019.</p>	<p>Complete</p> <p>Action plan is regularly reviewed and monitored; progress towards implementation is reported to the Health, Safety and Wellbeing Committee and the Audit and Governance Committee.</p>

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12 Medium	<u>Financial Analysis and Training budget:</u> <ul style="list-style-type: none"> There is no centralised finance code dedicated for Health and Safety. There is no system in place for showing value for money is being achieved on spend. The budget was overspent on a couple of occasions at both Bromsgrove District Council and Redditch Borough Council. 	To improve overview of the training budget use. To consider using cost centres for the training budget and Health and Safety to improve corporate oversight of expenditure.	Responsible Manager: HR Manager in conjunction with Finance Director. <p>There is a current review of corporate training budgets and the separation of H&S training in readiness for 2019/20.</p> <p>Implementation date: April 2019</p>	Complete <p>Review of budgets completed, a decision has been taken to provide bespoke in house training in most instances. External training courses will only be provided where there is a specific need.</p>
13 Medium	<u>Induction Process</u> <p>The findings from the testing showed that: -</p> <ul style="list-style-type: none"> No corporate training has been completed on a scheduled basis and there is evidence to show that even under the presumption that training was being carried out on a monthly basis there is no evidence that can prove this. Inductions have not been completed for a while; there is no review date or location included to state Redditch Borough Council or Bromsgrove District Council. There are blank entries and 'n' showing in the attendance of the training throughout the 	<u>Training</u> <p>Design into the new HR training system to leaver's dates, start dates and a review date to enable local monitoring regarding the training from both a corporate and service level perspective leading to better communication between local departments and Human Resources.</p> <p>To establish exception reporting to ensure comment are included in any fields that are blank or show 'n' on the training attendance. The frequency of induction training to be</p>	Responsible Manager: HR Manager <p>Implementation date: Looking at corporate induction process and currently under review. Consideration being given to hard copy and interactive learning.</p> <p>Full review to be undertaken which is currently underway.</p> <p>July 2019</p>	In Progress <p>A review of the corporate induction process is currently being undertaken</p>

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	<p>training document with no comments as to what was done to get staff on the training.</p> <ul style="list-style-type: none"> • No training has happened since 2017 due to limited resources. • There is no information being passed on to Human Resources from local teams to confirm what training that has been completed. 	<p>established.</p> <p>Introduce self-serve training systems through e-learning and ensure all new employees complete mandatory induction training within 30 days. Probationary periods should not be signed off if mandatory training has not been satisfactorily completed. Existing staff to have mandatory training requirements identified for their roles and reported on an exceptions basis.</p>		
<p>14 Medium</p>	<p>Bespoke health and safety training</p> <ul style="list-style-type: none"> • There is no systematic approach in reference to how the training is being recorded. • There are dates in place for training for both supervisors and team leaders, but there is no evidence that training took place or who attended the training sessions. • There is no review date in place for any training that was completed. • There is no information that the employee in question still 	<p>Be-Spoke training</p> <p>To develop further the 2014 action plan to ensure all training is completed and recorded in a timely manner. Consider what the new system can provide in order to establish record integrity in regards to the current workforce training requirements, how it is reported and how potential training gaps can be identified.</p>	<p>Responsible Manager: HR Manager</p> <p>Continue to review and explore how training can be monitored and recorded on the HR 21 system. By the end of the first financial quarter we will have a better understanding of the budgets allocation and the spend on training and training records.</p> <p>Implementation date: July 2019</p>	<p>In Progress</p> <p>A new system is being introduced later this year which will encompass the HR system, functionality of this may allow for training to be recorded and allow for prompts highlighting that training needs are to be reviewed after a given time period.</p>

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	currently works for the Council.			

6. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms with the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services

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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service



www.redditchbc.gov.uk

Final Audit Report

Repairs and Maintenance - Stocks and Stores 2018/19 & 2019/20

(27th November 2019)

07th April 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

To: Head of Environmental Services
Environmental Services Manager
cc Executive Director & Deputy Chief Executive
Executive Director of Finance and Resources

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3. Introduction

- 3.1. The audit of the Repairs and Maintenance – Stocks and Stores system was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council for 2018/19 as approved by the Audit, Standards and Governance Committee on the 26th April 2018 and for 2019/20 put before the Audit, Standards and Governance Committee on the 25th April 2019 awaiting final approval on the 29th July 2019. The audit was a risk based systems audit of the Repairs and Maintenance – Stocks and Stores system as operated by Redditch Borough Council.
- 3.2. Strategic purposes related to this review include: Keep my place safe and looking good, help me find somewhere to live in my locality and help me to live my life independently (including health and activity).
- 3.3. The following entries on the service risk register for Redditch Borough Council are relevant to this review: HOU 2 – Fail to effectively manage housing repairs and maintenance.

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3.4. A significant fraud risk was identified in relation to the potential theft of stocks and tools.

3.5. The Audit was undertaken between the months of March and May 2019.

4. Audit Scope and objective

4.1. This review was undertaken to provide assurance that the processes and controls Redditch Borough Council has in place in relation to the ordering, storage, recording, distribution, allocation and reconciliation of stock and the return of un-utilised stock back to stores in relation to all operation teams (Repairs and Maintenance, Public Buildings, Equipment and Adaptations, Voids, Gas and Electrical Teams) are operating as intended to eliminate or reduce the known risks to an acceptable level.

4.2. The scope of the Audit was as follows:

- Stock ordering
- Storage, inventory and distribution of stock
- Stock allocation and job reconciliation
- Return of unused, damaged or surplus stock
- Van stock requirements
- Site clearance of salvage e.g. metals
- IT systems used.

5. Audit Opinion and Executive Summary

5.1. From the audit work carried out we have given an opinion of **limited assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the "Definition of Audit Opinion Levels of Assurance" table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit.

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- 5.2. We have given an opinion of **limited assurance** in this area because identified 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.
- 5.3. The review found the following areas of the system where controls were operating well:
- Stock control and inventory records accuracy within the stores
- 5.4. The review found the following areas of the system where controls could be strengthened:
- Governance documentation – policies and procedures
 - Stock ordering
 - Stock control (outside of the stores)
 - Stock reconciliation
 - Van stock
 - Damaged stock

	Priority (see Appendix B)	Section 4 Recommendation number
Governance	High	1
Stock Identification and Pre-inspections	High	2
Ordering of Stock – Operatives	High	3
Ordering of Stock - Stores	High	4
Stock Control	High	5
Job Reconciliation and Post Inspections	High	6
Damaged Stock	High	7
Surplus Stock	High	8
Identification of Van Stock Requirement	High	9
Van Stock is not controlled/recorded	High	10
Hire of Equipment (Isolated finding)	Medium	11
Cash Receipting System Narrative	Medium	12

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6. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
New matters arising						
1	H	Governance Very limited governance (i.e. strategy, policy and procedure) was identified in relation to: <ul style="list-style-type: none"> • Stock ordering • Storage, inventory and distribution of stock • Stock allocation and job reconciliation (pre and post reconciliations) • Return of unused, damaged or surplus stock • Van stock • Site clearance of salvage 	Inability/difficulty to challenge bad practice leading to a heightened potential for fraud and loss as well as poor resilience. Discrepancies between working practices leading to no continuity.	A full implementation strategy is devised to systematically identify and create policy and procedural documents in relation to all areas of stock and stores to establish good practice and protocol.	Management Response: Internal stock ordering processes and procedures Ref: Financial procedure rules May 2018. Review is in-line with the new financial system. Goods ordering and good receipting are carried out separately by stores colleagues. Please see actions identified below to resolve, mitigate and or remove issues raised within the report. Until the new Hsg IT System is in place; all of the issues raised will	We are currently reviewing and drafting all our procedures including the control, issuing and costs of materials for the new IT System; Civica CX. The new Civica CX System will integrate with the new Finance and Enterprise system Tech1 The new Civica CX system is expected to be in place by May / June 2021. New procedures will need to be in place

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Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
					<p>require temporary solutions putting in place to mitigate known issues.</p> <p>Many of the temporary solutions/actions identified will require additional processes to implement.</p> <p>Short term issues to be addressed:</p> <p>Create a strategy, which will include writing procedures to effectively manage materials and hired equipment being used/deployed across all sections of Housing R&M.</p> <p>Implement requisitions' for all materials or hired items, whether internal or external and monitor through weekly Operational Meetings.</p> <p>All items from stores must be signed for and dated by the employee.</p>	<p>and tested prior to the launch of the new IT System being activated.</p> <p>As above.</p> <p>As part of the 'Change Programme' the trial of working differently was planned to start in March 2020 and additional resources were secured to facilitate this trial. However, due to the COVID 19 pandemic and the period of lock-down, these new temp staff were lost and the start of the new way of working has been delayed. The trial is expected to resume in June (COVID Situation</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
					<p>Old stock being returned from garages to stores must be used first. All returned items will be recorded and monitored as they are released.</p> <p>Agree van stock items and volumes.</p> <p>By who? by Acting Housing Property Services Manager and R&M Team Leader</p> <p>When? 31st October 2019</p> <p>A temporary performance</p>	<p>allowing)</p> <p>Completed. 13 garages were emptied by our colleagues from Environmental Services and goods returned to stores and or released to operatives as controlled stock via the supervisors.</p> <p>Van Stock (VS) items and volumes are currently being identified by Snr Trades (supervisors) the R&M Manager</p> <p>When: Appropriate VS will be agreed by the end of May 2020</p> <p>To be implemented during the trial of new working and</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
					<p>management system is required to help manage performance and use of materials until the new Hsg Management IT Systems in purchased, installed and implemented.</p> <p>The possibility of mobile working will need to be investigated with our in-house IT colleagues.</p> <p>Mobile working may circumvent time consuming paper processes mentioned within this document.</p> <p>Van stock monitoring form will have to be designed and implemented.</p> <p>By who? Acting Housing Property</p>	<p>practices in June (or as soon as temp staff are made available). The trial will include SOR/SMV's to monitor the performance of operatives.</p> <p>Discussions are taking place with IT and Civica CX regarding mobile and agile working options.</p> <p>It is envisages that mobile devices will be required to assist with performance, productivity and work processing improvements.</p> <p>The VS form will be designed as soon as the appropriate VS has been</p>

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					<p>Services Manager and R&M Team Leader</p> <p>When? 31st November 2019</p> <p>Longer term issues to be addressed:</p> <p>Installation and implementation of the new Hsg IT Management System, which is expected to roll out in 2020. Realistically implementation for operational issue may not happen until later in 2020.</p> <p>By who? Acting Housing Property Services Manager and R&M Team Leader</p> <p>When? 31st October 2020</p>	<p>identified and agreed with Supervisors and the R&M Manager</p> <p>June 2020</p> <p>Realistic target dates are highlighted above.</p> <p>Same</p> <p>December 2020 and May 2021.</p>
2	H	<p>Stock Identification and Pre-inspections</p> <p>The narrative contained on the diary</p>	Poor quality information	Narrative included on the diary system and Saffron	<p>Management Response:</p> <p>Detailed questioning of</p>	This will commence

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		<p>and Saffron system lacked quality. It identified a number of entries may contain details such as "Fence", in this case with no or limited inspections it is up to the tradesperson to identify the quantity of materials required. No independent verification of stock requirement is completed prior to the tradesperson visiting the stores.</p> <p>Furthermore a pre-inspection would not only identify stock required but would also allow an assessment of the time required. It is noted inspections are completed by the E&A Supervisor and the Voids Supervisor, but no inspections are completed by the Responsive Repairs Supervisor and no inspections document stock requirement.</p>	<p>leading to difficulties in assessing time and materials required.</p> <p>No segregation of duties, tradesperson can assess, order materials and complete work.</p> <p>Best value not achieved.</p>	<p>system needs to provide if possible clarity over the size of the job, e.g. Asking the tenant how many fence panels need replacing, or how many slabs are broken. Consideration is given to producing a number of key questions to uniform the information that can be input onto the job ticket to provide the tradesperson with more information prior to attending the job. Additionally it may provide information that allows the Supervisor to identify unreasonable quantities of materials or unrelated materials for example narrative could evolve from fence, to 3 Fence Panels to be changed including posts and gravel boards.</p> <p>A randomised pre-inspection process to be established to ensure Supervisors are assessing the quantity of materials required so that post completion they can assess if the actual quantity of materials used was reasonable and materials are accounted for.</p>	<p>tenants needs be required to determine what materials will be required for each job.</p> <p>Pre-inspection will be reviewed within the temp performance management system.</p> <p>A pre-inspection form to be designed to ensure the correct material requirements information is recorded.</p> <p>By who? BSU Team Leader & R&M Team Leader</p> <p>When? 31st November 2019</p> <p>Please note; Not all jobs are inspected. Larger jobs will need to be inspected by senior tradesperson. 10% of these jobs will be targeted on a weekly basis.</p>	<p>during the trial and will be directly compared with current practices to identify improvements for the customer and for our business.</p> <p>It is our intension to reduce the need for pre-inspections by asking detailed questions of the tenant at the very beginning of their enquiry Using the principle of one e job, one journey.</p> <p>Same</p> <p>New trial – June</p> <p>During the trial.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
					<p>BSU need to gather as much accurate info from tnt's during their telephone conversations as possible, capturing all details to facilitate our fix first time policy.</p> <p>Info gathered needs to be accurately inputted into computer system and the diary system and info duplications need to be identified and removed.</p> <p>This should help understand and control the materials that are required for each job, enabling supervisors to challenge if there is over ordering</p> <p>By who? Snr Tradesperson & R&M Team Leader</p> <p>When? 31st November 2020</p>	<p>As above. New practices will apply during the trial.</p> <p>New systems and supportive scheduling tools will drastically improve the ability to manage data and drive performance improvements.</p> <p>As above</p> <p>Same</p> <p>Ongoing</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
3	H	<p>Ordering of Stock - Operatives</p> <p>Stock can be ordered by tradespersons through a job ticket without any evidenced management approval, there is no defined limit to the value of the items they can order from stores.</p> <p>Tradespersons can request a purchase order be raised by stores to allow them to go to a number of suppliers and get the part they desire, there are no controls in place to approve this with potential to spend large amounts of money (up to the purchase order limit of the store operative).</p> <p>Job tickets can be replicated and used multiple times, the stock system would not flag up a job number had already been used.</p> <p>The receipt when internal stock is ordered is stapled to the back of the job ticket which is taken by the tradesperson. No management information is passed from the stock system to the housing system populating stock ordered automatically.</p> <p>Stock is not signed for by the</p>	<p>Best value not achieved leading to financial loss, potential criticism and reputational damage.</p> <p>No approval levels providing a potential to over-order thus leading to waste and an inflated budget requirement.</p> <p>Collusion could potentially circumvent singular controls allowing for fraud and loss the take place.</p> <p>Potential for the misuse of the internal stock issuing process as the receipt can be removed</p>	<p>A tiered approval system is implemented providing a process of approval up to specified limits for Supervisors, the Team Leader and Manager.</p> <p>An automatic link is established between the stock system and Supervisors to allow them to review stock coded to all jobs or the stores issue receipt is duplicated, one is provided to the tradesperson to allow it to be uploaded to the housing system by the Administration team and one provided to the Supervisor for review.</p> <p>Job tickets are cross referenced to previous orders to identify if used before, Supervisor approval required for repeated use and noted accordingly.</p> <p>All stock is signed for by tradespersons to provide a clear audit trail.</p> <p>Requisition information is</p>	<p>Management Response:</p> <p>The current stores IT and the authority's financial systems are both currently under review with the intention of both being replaced. This will determine future procedures.</p> <p>At this moment in time; we need to manage stock items being issued at stores. By only allowing items to be withdrawn via a stores requisitions. Rec's must be signed by a supervisor prior to the stock being issued. This level of intervention will be required to take control of stock materials leaving stores. Everyone will have to sign and date the rec on withdrawal from stores.</p> <p>One requisition per job number will apply; stopping the practice of ordering multiple job materials on one job</p>	<p>The new Finance and Enterprise system and the New Hsg IT Systems are both at the early stages of being implemented. Depending on future stores/stock provisions the software to manage materials will need to be considered and integrated with both these systems</p> <p>The issuing of stock and materials will be included within the trial, which is expected to start in June. This will involve the issuing of one materials requisition for each work ticket issued. This process is unfortunately labour intensive in the short term but the new IT systems will elevate this</p>

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		<p>tradesperson, the stock operative is expected to input the name into the stock system however this is not a mandatory field and it does not have pre-set fields (drop down menu with defined list) therefore it is not always completed and variations (i.e Joe Bloggs, J Bloggs, Bloggs, Jo Blogs etc) make stock reporting less reliable.</p> <p>A requisition is required for all low value consumables (cloths, hand wipes, sponges, buckets, Stanley blades etc), Tools and batteries and PPE. Requisitions must be requested and approved by a supervisor, team leader or manager. The requisition records the approver, the recipient and strikes through remaining lines to remove the ability to add extra items following approval.</p> <p>All requisitions are reviewed by the Supervisors either on a monthly or weekly basis, however no evidence of any of the reviews is recorded, and therefore misuse of the system could potentially go unidentified.</p> <p>Testing identified a number of control issues surrounding the entire stock order process.</p> <p>Stores do not challenge any stock</p>	<p>and the job ticket reused to acquire stock.</p>	<p>collated and reviewed on a regular basis.</p>	<p>ticket. This will allow management to identify true job costs.</p>	<p>situation.</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response	Updated Position 7 th April 2020
		order by a Tradesperson be it an internal issue or a request to raise a purchase order as long as they have a job ticket.				
4		<p>Ordering of Stock - Stores</p> <p>Store operatives are able to order stock via a purchase order without involvement from another stores operative other than to goods receipt, potentially leaving them vulnerable to accusation and creating a risk of collusion. There is no segregation of duties.</p>	<p>Best value not achieved leading to financial loss, potential criticism and reputational damage.</p> <p>Collusion could potentially circumvent singular controls allowing for fraud and loss the take place.</p>	<p>A tiered approval system is implemented providing a process of approval up to specified limits for the Team Leader and Manager.</p>	<p>Management Response:</p> <p>The stores stock system cannot be linked to Saffron, as Saffron is out of date and not compatible. This will be corrected with the implementation of the new Housing IT System in 2020. Housing performance, materials and finance all need to be integrated</p> <p>Until we have the new Hsg IT System or mobile working; weekly reports need to be made available by stores to monitor materials by: team/cost code, external purchase orders and for the most used items on a weekly</p>	<p>Completed</p>

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					<p>basis.</p> <p>The current software does not allow for tiered approval. However we will look to incorporate this in any replacement stores IT system</p> <p>Stores Team Leader From 30th September 2019</p>	
5	H	<p>Stock Control</p> <p>Detailed analysis was undertaken on the vehicle movements for the week commencing 08/04/2019, which identified a list of regularly frequented closes and roads with garages. This was then cross-referenced with a current Saffron void garages report to provide a definitive list of frequented void garage locations likely to be used for stock.</p> <p>In total, stock was identified and photographed in 13 Redditch Borough Council owned garages, off these 9 entered were booked on the Saffron system to employees. 4 were not booked out to any employee appearing void on the system. Stock is not coded to</p>	<p>Uncontrolled, uninsured stock leading to unknown theft, loss or misuse.</p> <p>Reputational damage.</p> <p>Inaccurate principal system i.e. ledger which could have implications for the accounts.</p>	<p>Immediate steps are taken to remove all stock from void garages and to re-secure garages with new locks.</p> <p>Staff are formally instructed the use of garages is no longer accepted and of the repercussions if further garages are identified.</p> <p>All garages once cleared are made void on the Saffron system and no further garages are let to employees.</p> <p>Arrangements are made to provide storage at the Crossgates Depot for</p>	<p>Management Response:</p> <p>All identified satellite depot garages will be emptied; removing all council owned materials back to stores. Any personal items will be left in the garage for two weeks for collection by operative. The garage, once empty, will have the keys returned to Localities to be re-let.</p> <p>By who? Acting Housing Property Services Manager and R&M Team Leader</p>	<p>Completed – 13 garages were emptied and all reusable materials have been returned to stores and credited to the Hgs account or under the control of Supervisors.</p> <p>All keys have now been return to Localities to be re-let to tenants.</p>

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		<p>garages on the stock system, therefore stock existing in garages must have been acquired via job tickets, purchase orders to external suppliers, requisitions or van stock, potentially meaning stock is located in garages whilst on the stock system it has been allocated to a job number.</p> <p>An estimated value was placed on the identified stock of approximately £15k.</p> <p>An additional 4 garages were identified as booked out to employees, however keys were not held by the employees they were booked out to and no knowledge of use was provided. Another 2 garages were identified whilst out entering known garages. These garages were not entered.</p> <p>Audit attended the localities office to gather keys for void properties identified via analysis of the tracking system, 3 garages identified as void had no keys available at the localities office. Whilst at the localities office another garage under the Responsive Repairs Supervisor was identified and the lock drilled out to identify further stock. A void garage was then also forcibly</p>		<p>unreturnable goods, i.e. half bags of sand and used timber.</p> <p>A review of garages is completed to identify void garages where no keys are held and inventory systems are updated so that they hold creditable information based on current use.</p>	<p>When? 31 October 2019</p> <p>There is a possibility that not all satellite depot garages have been identified. Action will be taken to identify all unrented garages and then operation to gain entry</p> <p>By who? Acting Housing Property Services Manager and R&M Team Leader</p> <p>When? 31st March 2020</p> <p>No new garages will be allowed to be opened or allocated for the use of storage.</p> <p>Space within stores will need to be identified to accommodate items being returned.</p>	<p>Ridge was originally commissioned to carry out a stock condition survey of RBC housing stock. This was extended to include our garage stock. This data is currently being analysed and shared with the Hsg Performance & Database Team to identify genuinely occupied or unauthorised occupied garages throughout the borough.</p> <p>Only two garages have remained: one to allow the storage of OOH emergency fencing and another for the storage of old kitchen unit stock, which is issued to the R&M operatives by supervisors to maintain the</p>

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		entered however the tenant arrived, this raised questions about the reliability of the information on the Saffron housing system and therefore no further "void" garages were entered.			<p>An additional storage container will be ordered and sited within the depot to accommodate tools and equipment that has been stored in garages.</p> <p>By who? Stores TL and R&M Team Leader</p> <p>When? 30th July 2019 (completed)</p> <p>Garages that are legitimately rented by employees will be identified and ensure that they are only used for the storage of a vehicle, as stated in the tnts agreement.</p> <p>By who? Acting Housing Property Services Manager and Locality Teams</p> <p>When? 31st October 2019 All garage areas will be geo-fenced within the</p>	<p>existing stock of Howden's kitchen units throughout our housing stock.</p> <p>Completed</p> <p>This will be completed through the garage stock data and stored on the new Asprey /Civica CX systems.</p> <p>Completed: Additional training is planned for</p>

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					<p>vehicle tracker system to monitor movement in these areas. This will be discussed with all staff to ensure compliance and reasons for this approach.</p> <p>By who? Acting Housing Property Services Manager and R&M Team Leader</p> <p>When? 30th September 2019 (completed)</p> <p>The Housing Performance and Database team will be required to update their garage stock list on Saffron. A review of garages that have been removed for parking spaces is available through Matthew Mead.</p> <p>By who? Housing Performance Database Team Emma Cartwright</p> <p>When? 31st December 2019</p>	<p>supervisors to be able to use the tracker system more effectively. All staff have been informed; that if they open an unauthorised garage to store uncontrolled item in the future, they will face disciplinary action. Following an agreement with the TU's; all employees have been issued a copy of our tracker procedure.</p> <p>This will be completed as soon as the data from the stock condition survey has been imported into Asprey and analysed.</p> <p>August 2020</p>

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6	H	<p>Job Reconciliation and Post Inspections</p> <p>It was identified that no post inspections are evidenced that reconcile stock used to stock issued via the various methods. Although it is acknowledged that with the current methods of issuing stock and the reliability issues with stock system reporting the reconciliation is currently difficult to perform.</p> <p>A post inspection would identify the actual stock used and then allow reconciliation, without the completion of a post inspection, actual stock used cannot be ascertained.</p> <p>Additionally a post inspection would allow Supervisors to monitor quality and productivity as they would be able to independently verify if the time spent on the job is reasonable.</p>	<p>Theft, misuse or wastage of stock not identified leading to financial loss and increased risk.</p> <p>Quality and productivity are not assessed potentially leading to a poor development of the service and an inability to identify trends and issues.</p>	<p>Consideration is given to implementing a process to ensure a random number of jobs are inspected by the Supervisor for stock reconciliation, productivity and quality control purposes.</p>	<p>Management Response:</p> <p>Supervisory monitoring is to be carried out on a minimum of 10% of jobs including issues from stores.</p> <p>Regular monitoring of staff inc. post inspections will allow quality and performance issue to be addressed.</p> <p>Business support needs to be empowered to check materials ordered and taken to job description. They should be able to challenge any anomalies with their team leader or trade supervisors.</p> <p>Snr Tradesperson officers performance will be monitored through their One-to-one meetings with their Team Leader.</p> <p>By who?</p>	<p>This will be addressed during the trialling of new working practices in June (subject to government restrictions on essential work/travel).</p> <p>Incorporated within the trial.</p> <p>Started ongoing. and</p>

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					R&M Team Leader When? 31 st March 2020	June 2020
7	H	<p>Damaged Stock</p> <p>Testing concluded no documented process exists or is followed in regards to the recording and write off of damaged stock.</p> <p>No justification is provided and no secondary approval is required when writing off damaged stock.</p> <p>The Financial Regulations received also do not provide clarity around the limits when writing off damaged stock. The Stores and Operational Team Leader currently writes off stock therefore this could breach the £2500 limit when stock is written off without the involvement of a Director/Head of Service.</p>	<p>Employee left vulnerable to accusation as no documented record of stock write-offs is kept detailing justification and secondary approval.</p> <p>Non-compliance with Financial Regulations.</p>	<p>As highlighted in finding 1, a policy is implemented to include clear guidance around the process of removing damaged stock from stores system and correctly accounted for in the ledger. Records must be kept in case of challenge.</p> <p>Additionally the Financial Regulations are reviewed to clarify the write off limits in regards to damaged stock.</p>	<p>Management Response:</p> <p>In-house stores procedures need to be established in line with existing financial procedures that will include material right-off items and surplus stock.</p> <p>By who? Stores TL</p> <p>When? 30th November 2019</p> <p>Annual stocktakes are carried out on a rolling program.</p> <p>Two types of damaged stock: Manufacturers issues and damaged in transit</p>	<p>Consulting with Finance and Procurement around write off limits in line with Financial procedures or legal requirements</p> <p>Workflow of damaged stock and obsolete stock process mapped out.</p> <p>Rolling stock take carried out through financial year</p>

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					<p>or installation issues:</p> <p>Manufacturer's issues returned to stores who return to the supplier for replacement or refund.</p> <p>Damaged by operative; must be reported to supervisor, who will keep a record of person and item damaged. They will then have to sign a rec for the re-issuing of the damaged item</p> <p>Damaged items removed from garages will be recorded and shared with the store's manager.</p> <p>By who? Stores TL & R&M Team Leader</p> <p>When? 30th September 2019</p>	Process in place
8	H	Surplus Stock Surplus stock was identified with an	Working capital	A review of surplus stock is	Management Response:	

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		<p>approximate value of £25k. It was noted a number of stock items displayed a last recorded movement date exceeding 10 years.</p> <p>In 2018 an additional £1500 in surplus stock was added to the total dead stock volume, implying that stock was either over ordered or the procurement process is not identifying stock that meets the relevant requirement. This is further supported by examples given during discussions with the stores department in regard to stock that was not used by operatives although specified originally by the operatives or supervisors.</p> <p>Additionally stock once written off is given to a department if they potentially have use for it, arguably negating the need for write off.</p>	<p>affected due to the amount of surplus stock.</p> <p>Procurement process not identifying suitable materials leading to best value not being achieved and wasted resource.</p> <p>Stock is not written off when a value to the authority has been identified thus leading to an impact in the account process.</p>	<p>carried out and a process established to either sell or organise the destruction of said stock.</p> <p>All new stock items are subject to trial prior to ordering larger quantities to ensure longer term suitability. Additionally stock levels are reviewed to see if too much stock is held of an item with a low movement record.</p> <p>Departments that may make use of the stock are consulted prior to the writing off of stock.</p> <p>The current stock process is reviewed to assess whether there is the potential to work on a 'just in time' basis for stock delivery.</p>	<p>See above statement; ref: surplus stock items.</p> <p>Annual stocktakes are carried out.</p> <p>Lists of un-used or out of date shelf life stock will be produced twice per year and a final report by the end of each financial year.</p> <p>Unless there is a quality issue; all items in stores must be used before items are ordered externally.</p> <p>Stock control will be added to Team Meetings with Supervisors to discuss stock items, quality issues and availability.</p> <p>By who? Stores TL & R&M Team Leader</p> <p>When? 31st October 2019</p>	<p>stocktake being carried out</p> <p>Process in place</p> <p>Discussions between R&M supervisors and stores Team Leader are taking place regarding stock</p>

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9	H	Identification of Van Stock Requirement Van stock is not identified for each trade, e.g. carpentry, plumbing etc.	There is the potential of resilience issues if each van has different stock and equipment, affecting ability to respond to emergency call outs.	Stock used frequently, that is of a low value and small size must be identified for each trade and a definitive list created. A process is implemented to allow additions of items required as imprest van stock or removal of imprest van stock if a stocked item is no longer required.	Management Response: Identify popular/ large items that are being used on a regular basis. Produce an agreed list of van stock items required by trade/individuals. Carry out an audit of all vehicle and identify what stock is being carried as VS. Remove surplus stock back into stores and or add additional items from an agreed list of VS items. By who? Snr Trades, R&M Team Leader & PS Manager When? 31 st December 2019	A list of appropriate VS for each trade type is currently being identified by supervisors. A monitoring system will be agreed and carried out by supervisors and as soon as the VS list has been agreed. May 2020
10	H	Van Stock is not controlled/recorded A number of controls issues exist	Van stock is uncontrolled	Following the implementation of a defined stock list for	Management Response: A full review/audit of VS	As above. Any

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		<p>within the current Van Stock process:</p> <p>Vans are not currently locations on the stock system, therefore stock cannot be booked to a van.</p> <p>Instead stock is booked in a multitude of ways. Initially stock can be booked to a new van via a requisition. However following this van stock is replaced either by a van stock template E-mail (which records the job number of the job the stock was used on to provide new stock, meaning new stock is coded to the previous job when it is replacing van stock) from the Administration team post completion of a job or via a requisition for consumables (i.e. paper roll, hand wipes, drill bits etc). Additionally stock can be ordered on a job ticket and placed into van stock (this would not be identified as van stock, so for example fittings may be coded to a job when they are in fact kept on the van).</p>	<p>allowing a potential for theft, loss or misuse without identification.</p> <p>Value of stock on vans unknown, which could have insurance implications and end of year account implications.</p> <p>Potential to over stock using the current system.</p> <p>Potential for accidental and fraudulent dual ordering of stock by using the multiple methods of obtaining an item of stock.</p>	<p>each trade, an imprest level is created for each item. Van stock locations are individually created on the stock system allowing the booking of stock to a vehicle. Use of consumable stock is recorded on the job ticket and is then subsequently replaced using the Van Stock Email process. Establish a protocol of random spot checks to ensure that trades are adhering to the imprest requirements.</p> <p>A process is implemented to perform random reconciliations of van stock back to the stock record.</p>	<p>will need to be carried out with Snr tradespersons, stores and management.</p> <p>By who? Snr Trades</p> <p>When? ¼ly to start with and longer term ½ yearly, starting in December 2019.</p> <p>Agree van stocks and a van stock monitoring form will have to be introduced to monitor VS being used on a daily basis. Supervisors will have to write a requisition to replenish VS at the end of each week.</p> <p>By who? Acting Housing Property Services Manager and R&M Team Leader</p> <p>When? December 2019 onwards</p>	<p>additional items discovered will be removed and put back into stock.</p> <p>May 2020 – ongoing</p> <p>No change to planned work agreed. Once VS has been agreed and established, supervisors will monitor accordingly.</p> <p>May 2020</p>
11	M	Hire of Equipment (Isolated finding)		Immediate implementation of	Management Response:	

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		<p>An issue was highlighted to the Auditor during the review regarding the hire of equipment.</p> <p>A post hole borer was hired via requisition for a week at a cost of £65.16 (excl. Vat), due to a lack of monitoring to ensure it was returned on the due date, the equipment was returned after 5 weeks and 2 days at a cost of £367.50 (excl. Vat), approximately 5.5 times the original cost.</p>	<p>Best value not achieved along with financial loss.</p> <p>Failure to identify appropriate requirement of hired equipment.</p>	<p>a hired tools tracker managed by the Supervisor or Team Leader to ensure hired equipment is returned on time to avoid excessive costs or explanations are provided to justify extensions.</p>	<p>Procurement routes and frameworks need to be identified to ensure value for money and compliance with financial processes.</p> <p>All hired items are to be authorised and monitored by the Snr Tradesperson's.</p> <p>Hire equipment will be discussed weekly during our weekly Operational Meetings.</p> <p>By who? Snr Trades Housing Property Services Manager and R&M Team Leader</p> <p>When? 31st October 2019</p>	<p>New framework agreements have now been secured.</p> <p>Started and ongoing</p> <p>Started and ongoing</p>

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12	M	Cash Receipting System Narrative Income received and coded on two ledgers contains poor narrative resulting in difficulties in identifying the source. In three instances payments on two ledgers (R&M Recharge and Other Receipts) could not be identified.	An incomplete or poor audit trail Resulting in a loss of accountability. Income miscoded, no/limited ability to identify and rectify.	Narrative input into the financial system clearly states the income source to allow useful analysis and to provide an audit trail.	Management Response: Regular monitoring to take place with Finance Officer until new Housing management system that will be linked to finance	Monthly detailed budget meeting are now held with all key staff and accountants.

5. Independence and Ethics:

- WIASS confirms that in relation to this review there were no significant facts or matters that impacted on our independence as Internal Auditors that we are required to report.
- WIASS conforms to the Institute of Internal Auditors Public Sector Internal Audit Standards as amended and confirms that we are independent and are able to express an objective opinion in relation to this review.
- WIASS confirm that policies and procedures have been implemented in order to meet the IIA Ethical Standards.
- Prior to and at the time of the audit no non-audit or audit related services have been undertaken for the Council within this area of review.

Andy Bromage
Head of Internal Audit Shared Services