REDDITCH BOROUGH COUNCIL

Date: 15th September 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.

2.   RECOMMENDATION

2.1   **The Committee is asked to note the report.**

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 31st July 2020 against the performance indicators agreed for the service and further information on other aspects of the service delivery.

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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Summary Dashboard 2020/21:
Total reviews planned for 2020/21 (originally) 16 (minimum)
Reviews finalised to date for 2020/21:   1
Assurance of 'moderate' or below: 1
Reviews awaiting final sign off: 0
Reviews ongoing: 6
Reviews to be completed: 8
Number of 'High' Priority recommendations reported: 0
Satisfied 'High' priority recommendations to date: 0
Productivity: 50% (against targeted 74%)
Overall plan delivery to date: 14% (against target >90%)

One report has been finalised since the last sitting of the Committee and is reported in Appendix 3.

Follow Up reports that have been finalised since the last Committee sitting are reported in Appendix 4.

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

2020/21 AUDITS ONGOING AS AT 31st JULY 2020

One review that has been finalised since the last Committee sitting is:
• The Orb

Reviews progressing through clearance or draft report awaiting management sign off stage include:
• Leisure Contract Management (Clearance)

Reviews progressing through scoping and testing stages included:
• Health and safety
• Use of Agency and Consultants
• Debtors
• Creditors
• Treasury 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 2 and 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 reflects 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 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 involving CMT and SMT is in place 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 31st July 2020 a total of 55 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 approved by the Committee on the 27th July 2020 for 2020/21.

Appendix 3 provides copies of the reports that have been completed and final reports issued since the last sitting of Committee.

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

Quality Assurance Improvement Plan

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

Customer / Equalities and Diversity Implications

3.9   There are no implications arising out of this report.

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

3.11   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.

3.12   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:

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

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

AUTHOR OF REPORT

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            Worcestershire Internal Audit Shared Service
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REDDITCH BOROUGH COUNCIL

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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

APPENDIX 1

Delivery against Internal Audit Plan for 2020/21
1st April 2020 to 31st July 2020

Audit Area	Original 2020/21 PLAN DAYS	Forecasted days to the 30th September 2020	Actual Days used to 31st July 2020
Core Financial Systems (see note 1)	90	7	5
Corporate Audits	78	27	18
Other Systems Audits(see note 2)	178	67	21
SUB TOTAL	**346**	**101**	**44**
Audit Management Meetings	20	10	6
Corporate Meetings / Reading	9	5	2
Annual Plans, Reports and Audit Committee Support	25	12	3
Other chargeable			
SUB TOTAL	**54**	**27**	**11**
TOTAL	**400**	**128**	**55**

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 31st July 2020)		Frequency of Reporting
		Operational			
1	No. of audits achieved during the year	Per target	Target = 16 (Minimum) Delivered = 1	😐	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	14%	🙁	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	50% (Q1 average)	🙁	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)	1 (2019/20 = 11)	😐	When Audit Committee convene
6	'Follow Up' results	Management action plan implementation date exceeded (Nil)	Nil to report	🙂	When Audit Committee convene
		Customer Satisfaction			
7	No. of customers who assess the service as 'excellent'	Upward (increasing)	Nil returns to date	😐	When Audit Committee convene

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

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APPENDIX 3

2020/21 Audit Reports.

Appendices A & B are indicated below and are applied to all reports. To save duplication these have been produced once and listed below for information but can also be applied to Appendix 4.

Appendix A
Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively. No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.
Significant Assurance	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. 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.
Moderate Assurance	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. 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.
Limited Assurance	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. 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.
No Assurance	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. 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.

Appendix B

Date: 15th September 2020

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Definition of Priority of Recommendations

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.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service

Final Internal Audit Report

The Orb 2020/21

Thursday 27th August 2020

Distribution:

To: Head of Transformation
        Communications and Marketing Manager
        ICT Transformation manager
        Web Developer
        Senior Communications and Marketing Officer

CC: Chief Executive

Date: 15th September 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Contents

1. Introduction

The audit of the orb was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Redditch Borough Council for 2020/21 as presented as Draft to the Audit, Governance and Standards Committee on 30th January 2020 awaiting approval due to Covid-19 and for Bromsgrove District Council as approved by the Audit, Standards and Governance Committee on 5th March 2020. The audit was a risk based systems audit of the orb as operated by Redditch Borough Council and Bromsgrove District Council.

1.1.   This area of review covers the internal document and communication system which underpins the Governance of the Councils.

1.2.   The following Strategic risks were relevant to this review:

- ICT4 - Breach of Data Protection – disclosure of data / staff not aware of guidelines.
- COR13 - IT systems and infrastructure has a major failure.

1.3.   This review was under during the months of May and June 2020.

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2. Audit Scope and objective

2.1.   This review has been undertaken to provide assurance that Redditch Borough Council and Bromsgrove District Council

- Have a communication hub for internal staff which is fit for purpose and is set at an appropriate level to provide a robust environment for information sharing.
- The Orb is a shared point system which is user friendly, relevant to the needs of the service areas and is fit for purpose.

2.2.   The scope covered:

- The Orb system – (Framework, procedures and security)
- Documentation and use of the Orb.

2.3.   This reviewed covered the orb system in its current state at the time of the audit taking place.

2.4.   This review did not cover specific service areas such as IT, but did cover the orb as a whole.

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 the system of control is generally sound however some of the expected controls are not in place and are not operating effectively therefore increasing the risk that the system will not meet its objectives.

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

- Microsoft shared point is a robust and tangible system with a lot of positive assets.
- As the system is a Microsoft package, there is a tangible framework in place by Microsoft.
- The oracle has been and is a positive tool for staff to gain notifications

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

- My orb space is a good area for staff to customise their own space to add favourite links.
- Corporate communications have been working well.
- The layout for links to programmes such as HR21 has been an asset for staff to navigate through quickly.

3.4. The review took place during Covid-19 and due to this the auditor also found during the crisis the following worked well: -

- Oracle newsletters have been sent daily via email to staff.
- A specific section named "Covid Announcements" was created on the orb to update staff that do not receive the oracle newsletter. .

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

	Priority (see Appendix B)	Section 4 Recommendation number
Ownership	Medium	1
User Friendly	Medium	2
Orb Communication	Low	3

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.

Date: 15th September 2020

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action plan
New matters arising					
1	M	**Ownership** The review found that there is no true ownership for the development of the orb and it is driven by services requirements rather than being driven by the needs of the Council as a whole. Testing of the Orb found: • There are corporate areas that are empty • Policies are stored in various places • Documents have no dates to know how old they are or if they are out of date • There is no cleansing of the documents and therefore some are beyond their retention date There is no corporate policy for the use of the Orb. There is only a mention within the ICT policy from a security perspective. There is no project or plan in place for the development of the orb. Although it is accepted and acknowledges by IT that there has been some natural development in the last 10 years of the orb being used.	With no ownership of the Orb there is no drive to develop the system further leading to a shared area that is not fit for purpose has no corporate identity and becomes an out of date resource that is not fully utilised.	An assessment to be undertaken on whether a corporate steer is required to drive the orb forwards with a strategic action plan, to shape how the orb is to be used over the next several years. This needs to include exactly what the organisation wants a corporate shared area to achieve and how best to achieve this, especially with the introduction of a new windows platform and Microsoft packages. It should also allocate ownership for the delivery of any proposals.	**Responsible Manager: -** Head of Transformation, OD & Digital Services Senior Marketing & Communications Officer **Implementation Date: - April 2021.** An intranet strategy and action plan will be developed to outline the future direction of the ORB.

		As the orb is the heart of the council for all internal staff to connect, there is a risk that the purpose of the orb is being lost.			
2	M	**User friendly** Testing found that employees rated the communications section of the Orb and found this both informative and useful. However in relation to the governance and other documentation held on the orb testing of 10 employees found: • 7 stated the orb is not user friendly and they did not get on well with the current design of the homepage or corporate pages. • 7 stated the orb is too wordy and could do with a facelift to enable users to quickly find information. • 7 found it difficult to navigate through the Orb website and find it difficult to locate information they seek to find. **In addition** **Search functionality : -** 1.) There are weaknesses within the SMART intelligence of the search functionality, instead of	Resource time used searching for documents, reputational damage if out of date policies are used and a live system that is underused. Employees are not having the correct platform to voice their opinions to help improve the system further.	Survey the staff in order to get a full understanding of their requirements in relation to a shared area for reference material and Governance Policies. The results should be built into the review above.	**Responsible Manager: -** IT Manager **Implementation Date: - Feb 2021** Create a user group of internet and intranet staff to look at out of date content and how it will be resolved by their departments. Members of this group to agree an action plan with their respective Head of Service if content is out of date. The content on the Intranet is the responsibility of each service area. The Web Team will look at the site design and make the search more user friendly. Training will also be

		a defined search, the search engine pulls all information that may not be relevant to what the user has searched for, leading to the risk that the search option functionality is not fit for purpose. 2.) When users conduct a search on the orb, it does not automatically put files in any type of date order and is not user friendly. 3.) The search option will only pick up the file on a search if users know the exact file path or name of the file they are searching for**.** 4.) No training was given to staff to allow staff to understand how to use the current search functionality fully. **Surveys: -** The review identified that the authority has not undertaken a survey since the orb has gone live.			provided through the user group. N Perrett and N Chapman will be the lead officers for this work. The Web Team will create a survey to address issues raised in this audit. N Perrett and J Carradine will be the lead officers for this work.
3	L	**Orb communication** **Staff social communications -** The staff social communication area on the orb was found to be a positive space for staff to be social about upcoming events.	If there are no preventions put in place, there is a risk of reputational damage to the authority.	Although there is an onus on trust, a review to be undertaken to assess if a control needs to be introduced where social	Responsible Manager: - IT Manager Implementation Date: - Feb 2021 ICT to review what 'Microsoft Teams' may offer as an alternative

		There is a small area of risk as there is no control in place to review a social post before submissions are made.		posts are reviewed and accepted before being posted, to keep a sound amount of monitoring in place, to avoid any potential negative outcomes.	to this social space which would remove this risk.

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.

Head of Internal Audit Shared Services

Date: 15th September 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

APPENDIX 4

FOLLOW-UP REPORTS:

Worcestershire Internal Audit Shared Service

REDDITCH BOROUGH COUNCIL

making a difference

www.redditchbc.gov.uk

On and Off Street Parking 2018/19

2nd Follow-up Report - 15th May 2020

Distribution:

To: Environmental Services Manager
       Head of Environmental Services
       Financial Services Manager

Cc   Deputy Chief Executive & Executive Director ~ Leisure, Environment & Community Services
       Executive Director – Finance & Resources
       Chief Executive

REDDITCH BOROUGH COUNCIL

Date: 15th September 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Contents

Section A - Justification of Audit Follow-up Approach

The date of the final audit Report was 12/03/2019 with the first follow up report on 23/09/2019 and is being followed up again because:

- 1 'high' priority recommendation remained outstanding after the first follow-up: and
- At least three months have passed since the previous follow-up:

Please note that a 'medium' priority recommendation implemented from the previous follow up has not been included in this report

The following audit approach has therefore been applied:

- The 1 'high' priority recommendation outstanding from the first follow up has been updated with the current position. (Please see Section C)
- Where required recommendations against weaknesses in key controls have been tested substantively/ evidenced.

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Section B - Conclusion - Current Position statement

The original audit report gave **Moderate Assurance** over the control environment **(Please see Appendix A)** and this is the second follow-up. The first follow up report found that one 'medium' priority recommendation had been implemented, and one 'high' priority recommendation had been partially implemented.

The 2nd follow-up found that in relation to the remaining 'high' priority recommendation the Council has tried to action the recommendation and a meeting was held with a representative from Worcestershire County Council. However due to the fact that the representative had no knowledge of the background of the agreement, it was necessary to agree to arrange a further meeting for October 2020.

From the explanations received and the evidence provided/sought Internal Audit are of the opinion the risk remains and therefore a further follow up will be undertaken after the second meeting has taken place.

This follow up was undertaken during the month of April 2020.

Date: 15th September 2020

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Section C – Current Position

Ref./ Priority	Recommendation	Management Response and Action Plan	1st Follow up Position as at 23/09/2019	2nd Follow up Position as at 01/05/2020
1 **High**	**On Street Parking Cost to the Council** The Service Level Agreement with Wychavon District Council has an end date of March 2019. Redditch Borough Council need to start analysing the cost to the Council going forward both financial and non-financial. This information then needs to be reviewed in line with any additional costs and consequences e.g. TUPE, Complaints, involvement of Members in the decision if they were to decide to withdraw from the Wychavon and Worcestershire County Council Service Level Agreement as there is a two year notice period. If the service is to continue then close monitoring of costs and looking for potential savings needs to be undertaken on at least a quarterly basis.	**Responsible Manager:** Environmental Services Manager Agreed to investigate the possibility of extending the SLA with Wychavon until 2022 and undertake a full review of the SLA including staffing provision and expenditure. Quarterly financial meetings to take place with Wychavon to monitor costs and performance Head of Service, Portfolio Holder and Kevin Hirons to meet with the Worcestershire County Council to discuss the correct agency agreement with regards to costs to RBC. **Implementation date:** 29th March 2019 – SLA/ Quarterly meetings May 2019 - meet with WCC	**Partially implemented** Meeting with Worcestershire County Council to discuss the correct agency agreement with regards to costs to Redditch Borough Council to occur in October 2019. Financial meetings to monitor costs and performance on a quarterly basis have started to take place where notes from the meeting have been provided as evidence. SLA has been implemented to continue with Wychavon until 2022 and full review of staffing provision and expenditure has been undertaken.	**Partially Implemented** Meeting with Worcestershire County Council took place in October 2019 to discuss the agency agreement with regards to the costs to Redditch Borough Council As the Principal Traffic Engineer was new and did not know the background of the agreement it was agreed that a further meeting would take place in October 2020.

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AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service

Shop Mobility 2018/19

2nd Follow-up Report - 29th July 2020

Distribution:

To: Dial-A Ride - Community Transport and Shop Mobility Manager
        Head of Community and housing Services

Date: 15th September 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Contents

Section A - Justification of Audit Follow-up Approach

The date of the final audit Report was 25/01/2019 with the first follow up report on 17/09/2019 and is being followed up again because:

- 1 medium priority recommendation was still outstanding: and
- At least three months have passed since the previous follow-up:

Please note that recommendation implemented from the previous follow up have not been included in this report

The following audit approach has therefore been applied:

- The 1 medium priority recommendation still outstanding from the first follow up has been updated with the current position. (Please see Section C)
- Where required recommendations against weaknesses in key controls have been tested substantively/ evidenced.

Section B - Conclusion - Current Position statement

The original audit report gave **Significant Assurance** over the control environment **(Please see Appendix A)** and this is the second follow-up. The first follow up report found that two medium recommendations had been implemented and one medium recommendation had not been implemented.

The implementation of the remaining recommendation has been delayed due to the covid-19 pandemic. However progress has been made and the draft specification has been written. As the recommendation has only been partially implemented a further follow-up will take place in 3 months time.

This follow up was undertaken during the month of July 2020

Date: 15th September 2020

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Section C – Current Position

Ref./ Priority	Recommendation	Management Response and Action Plan	1st Follow up Position as at 04/09/2019	2nd Follow up Position as at 29th July
1 **Medium**	**Maintenance Contract** Ensure the Shopmobility maintenance contract is re-tendered in accordance with the Procurement Code, to ensure the Council is achieving best value.	**Management Response:** A new maintenance contract will be entered into following RBC procurement rules. The current contract expires 27th June 2019 **Responsible Manager:** Head of Community Services. Service Manager responsibility to be determined following a service review. **Implementation date:** 31st March 2019	**Not implemented** The contract has not yet been re-tendered, and will be actioned upon the start of a new Shopmobility manager within the role. The procurement exercise is expected to be completed by February 2020, to commence in June 2020. The current contract has been extended under the existing terms until this time. Therefore a further follow-up is recommended in February 2020 to review the completion of this process.	**Partially Implemented** This has been delayed due to Covid-19. However the draft specification has been written and this will be added to the Council's etendering portal in August 2020.

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

Worcestershire Internal Audit Shared Service

www.redditchbc.gov.uk

Cemeteries and Crematorium –
Financial Controls, the Maintenance Programme and Succession Planning
Redditch Crematorium 2019/20

1st Follow-up Report - 30th June 2020

Distribution:

To: Bereavement Services Manager

Cc: Environmental Services Manager
           Head of Environmental Services

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE & STANDARDS COMMITTEE

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Section A - Justification of Audit Follow-up Approach

The date of the final audit Report was 24/09/2019 and is being followed up because:
- 1 medium priority recommendation was made: and
- At least six months have passed since the Audit.

The following audit approach has therefore been applied:
- The 1 medium priority recommendation has been updated with the current position. (Please see Section C)
- Where required recommendations against weaknesses in key controls have been tested substantively/ evidenced.

Section B - Conclusion - Current Position statement

The original audit report gave **Significant Assurance** over the control environment **(Please see Appendix A)** and this is the 1ˢᵗ follow-up.

The follow up found that the one medium priority recommendation has been satisfactorily implemented. Invoices have been raised within a timely manner and there is resilience within the team to raise the invoices should the Bereavement Services Manager not be available. Monthly reconciliation will continue as the system review to pre populate the information is still pending launch.

There is currently no facility within the current finance system for the automatic escalation. Therefore there needs to be a contingency plan in place for when the Bereavement Manager is absent from work.

As the recommendation has been fully implemented there is no requirement for a further follow up.

This follow up was undertaken during the month of June 2020.

Date: 15th September 2020

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Section C – Current Position

Ref./ Priority	Recommendation	Management Response and Action Plan		1st Follow up Position as at 17th June 2020
1 **Medium**	**Raising of Invoices** Invoices to funeral directors were not issued in a timely manner due to lack of resourcing. In the short term look into getting help from other sources e.g. Debtors Team. Long term a more efficient system. There was a delay in a purchase Order being raised for a memorial as approval was needed by the manager who was on leave at the time. Undertake discussion with the payments team to assess the possibility for the purchase system to automatically escalate the authorisation of a purchase order within so many days to another relevant manager.	**Responsible Manager:** Bereavement Services Manager **Action:** Ensure additional resource is trained to reconcile and raise the monthly invoices as required. **Implementation date:** By 31st December 2019 **Action:** Discuss with systems administration to see if an automated escalation for order approval can be implemented.		**Implemented** Two new Bereavement Services Technical Officers started January 2020. They are being trained and will ultimately be able to reconcile and raise invoices in due course. The Bereavement Services Manager has carried out the invoicing for the period September 2019 – May 2020. There was a very slight delay in invoicing for January 2020 due to resourcing. The Bereavement Services Development Officer also has functionality to cover this role. There is no availability in the current system for the automatic escalation of authorisation of a purchase order. There is currently a project being undertaken for the implementation of a new finance system.