

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

THE INTERNAL AUDIT MONITORING REPORT OF THE HEAD OF THE INTERNAL AUDIT SHARED SERVICE ~ WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE.

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

1. SUMMARY OF PROPOSALS

1.1 To present:

- the monitoring report of internal audit work and performance for 2018/19 along with residual 2017/18 audit work

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

Service / Operational Implications

3.3 The involvement of Members 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.

3.4 This section of the report provides commentary on Internal Audit’s performance for the period 01st April 2018 to 31st August 2018 against the performance indicators agreed for the service.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

AUDIT REPORTS ISSUED/COMPLETED SINCE THE LAST PROGRESS REPORT (15th March 2018):

3.5 **2017/18 AUDIT SUMMARY UPDATES AS AT 31st AUGUST 2018:**

Creditors

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

- Payments are made in line with internal procedures
- Change of supplier details are monitored and checks are undertaken prior to the changes being processed
- Non Purchase order invoices

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

- Efficiency of the overall creditor procedures

There was 1 'medium' priority recommendation reported.

Type of Audit: Limited Scope

Assurance: Significant

Final Report Issued: 16th March 2018

Benefits

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

- The controls in place for managing new claims and changes in circumstances.
- The controls in place for managing hardship schemes.
- The general identification and notification of overpaid benefits, albeit with some issues identified below regarding ongoing recovery action.
- The reconciliation between the Benefits module with other financial systems.
- The implementation of Universal Credit within both authorities, and ongoing management of the benefits service.

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

- Ensuring that overpayment recovery actions are undertaken in a timely and effective manner for all outstanding amounts, and ensuring sufficient actions have been undertaken prior to request for write-off.
- The timely updating and maintaining of performance measures on the Dashboard.
- Ensuring there is a regular formal review of system users.

There were 3 'medium' and 2 'low' priority recommendations reported.

Type of Audit: Full System

Assurance: Significant

Final Report Issued: 30th July 2018

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

General Ledger and cash collection

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

- A sound budget monitoring process continues to be provided by Finance
- Journal processing was found to be timely
- Suspense accounts were found to be well managed
- A detailed and comprehensive security review has now been completed and this has resulted in:
 - Identified inappropriate access
 - Removed redundant access points
 - Identified unnecessary/redundant access profilesThe number of access profiles has been reduced to simplify administration. This review has not only 'tidied up' the system but will make future security reviews simpler to perform.

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

- Reconciliations need to be better managed to ensure that these are timely and any delays are promptly identified and corrective action taken
- Supporting evidence for virements is promptly filed electronically to minimise the loss of records

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

Type of Audit: Full system

Assurance: Significant

Final Report Issued: 25th April 2018

Worcestershire Regulatory Services

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

- The audit has revealed good evidence to support our view that the service is adopting a pro-active approach to identify new and/or unauthorised installations within the districts(s) of the partner councils e.g. recent exercise on biomass boilers
- The Team are currently pursuing Primary Authority status with a number of organisations and, if successful, will result in service being recognised as the single point of contact for nationwide applications and be seen as a significant achievement.

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

- The raising of annual subsistence invoices needs to be consistent particularly with regard to records provided to partner councils
- The completion of manual risk assessment forms needs to be reviewed to ensure that adequate supporting information is retained particularly in respect of A2 type applications or where an inspection has determined an increase in the level of risk
- Outstanding fees should be promptly recovered and, where necessary action should be commenced to revoke licences

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

There were 4 'medium' and 2 'low' priority recommendations reported.

Type of Audit: Limited Scope

Assurance: Moderate

Final Report Issued: 19th July 2018

Summary of Assurance Levels:

<u>Audit</u>	<u>Assurance Level</u>
<u>2017/18</u>	
Creditors	Significant
Benefits	Significant
General Ledger and Cash Collection	Significant
Worcestershire Regulatory Services	Moderate

3.6 2018/19 AUDITS ONGOING AS AT 31st AUGUST 2018

The following audits were at clearance stage:

- Health and Safety
- General Data Processing Regulations

Audits progressing through fieldwork stages included:

- Car Parking
- Essential Living Fund
- Discretionary Housing Payments
- Council Tax Hardship Fund
- Universal Credit

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

3.7 AUDIT DAYS

Appendix 1 shows that progress continues to be made towards delivering the Internal Audit Plan and achieving the targets set for the year. As at 31st August 2018 a total of 63 days had been delivered against a target of 230 days for 2017/18.

Appendix 2 shows the performance indicators for the service. These indicators were agreed by the Audit, Standards and Governance Committee on the 15th March 2018 for 2018/19.

Appendix 3 shows a summary of the 'high' and 'medium' priority recommendations for those audits that have been completed and final reports issued.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

Appendix 4 provides the Committee with an analysis of audit report 'Follow Ups' that have been undertaken to monitor audit recommendation implementation progress by management.

3.8 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 review
- 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 over view.
- Investigations

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 in Bromsgrove District Council.

WIASS is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards. WIASS recognise there are other review functions providing other sources of assurance (both internally and externally) over aspects of the Council's operations. Where possible we will seek to place reliance on such work thus reducing the internal audit coverage as required.

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

3.9 Monitoring

To ensure the delivery of the 2018/19 plan there is 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. Should a variation on the plan be required the s151 Officer will be consulted and revisions agreed on a risk priority basis.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

3.10 **Customer / Equalities and Diversity Implications**

There are no implications arising out of this report.

4. **RISK MANAGEMENT**

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

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

5. **APPENDICES**

Appendix	1 ~ Internal Audit Plan delivery 2018/19
Appendix	2 ~ Key performance indicators 2018/19
Appendix	3 ~ 'High' and 'Medium' priority recommendations summary for finalised reports
Appendix	4 ~ Follow up summary

6. **BACKGROUND PAPERS**

Individual internal audit reports are held by Internal Audit.

7. **KEY**

N/a

AUTHOR OF REPORT

Name: Andy Bromage
Head of Internal Audit Shared Service,
Worcestershire Internal Audit Shared Service
Tel: 01905 722051
E Mail: andy.bromage@worcester.gov.uk

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

APPENDIX 1

Delivery against Internal Audit Plan for 2018/19
1st April 2018 to 31st August 2018

Audit Area	2018/19 Total Planned Days	Forecasted days to the 30th September 2018	Actual Days Used to the 31st August 2018
Core Financial Systems (see note 1)	71	10	0
Corporate Audits	5	13	19
Other Systems Audits (see note 2)	118	57	33
SUB TOTAL	194	80	52
Audit Management Meetings	15	8	7
Corporate Meetings / Reading	5	3	2
Annual Plans, Reports and Committee Support	8	4	2
Other chargeable (see note 3)	0	0	0
SUB TOTAL	36	15	11
TOTAL	230	95	63

Notes:

Audit days used are rounded to the nearest whole.

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, however, a rolling programme has also been trialled this financial year.

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.

Note 3: 'Other chargeable' days equate to times where there has been, for example, significant disruption to the ICT provision resulting in lost productivity.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Date: 11th OCTOBER 2018

APPENDIX 2

Performance against Key Performance Indicators 2018-2019

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2018/19. Other key performance indicators link to overall governance requirements of Bromsgrove District Council e.g. KPI 4. The position will be reported on a cumulative basis throughout the year.

	KPI	Trend/Target requirement	2018/19 Position (as at 31st August 2018)	Frequency of Reporting
Operational				
1	No. of audits achieved during the year	Per target	Target = Minimum 13 Delivered = 2 @ draft report and 5 in progress	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	27%	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	*58%	When Audit Committee convene
Monitoring & Governance				
4	No. of 'high' priority recommendations	Downward (minimal)	Nil to report	When Audit Committee convene
5	No. of moderate or below assurances	Downward (minimal)	Nil to report	When Audit Committee convene
6	'Follow Up' results (2017/18 reviews onwards)	Management action plan implementation date exceeded (nil)	1	When Audit Committee convene
Customer Satisfaction				
7	No. of customers who assess the service as 'excellent'	Upward (increasing)	Nil to report	When Audit Committee convene

WIASS conforms to the Public Sector Internal Audit Standards 2013.

* Below target figure due to 4 new starters in April 2018 therefore settling in and training requirements in the early part of the year.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 3

Definition of Audit Opinion Levels of Assurance

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 its 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>

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Definition of Priority of Recommendations

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

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 3

‘High’ & ‘Medium’ Priority Recommendations Summary for finalised audits.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Audit: Creditors					
Assurance: Significant					
1	Medium	<p><u>Efficiency of the creditor’s process.</u></p> <p>Post raising of a purchase order, the current process of goods receipting, processing and paying invoices is resource heavy on the creditor’s team and this can then effect other areas of the process. For example, not being able to programme in regular tasks such as disputed invoice monitoring and increasing the Council’s percentage of invoices paid within 30 days.</p> <p>Internal Audit acknowledges that the Financial Services Manager has implemented interim controls in the high risk areas to mitigate the risk to a tolerable level, for example review of invoices that are processed without an order, and that work is continuing to further reduce risk.</p>	<p>Possible reputational damage if creditors are paid late or invoices are paid without goods having been receipted.</p>	<p>That the overall Creditors procedures are reviewed and consideration is given to whether the current system remains fit for purpose.</p> <p>Once the review has been undertaken the procedures are enforced throughout the Council in order to make the process more efficient and reduce any risks that the Council is exposed to.</p>	<p>Management Response:</p> <p>I agree with the recommendation to undertake a full review of working practices, and the current system to ensure a robust approach to risk while enabling the council to carry out its day to day activities.</p> <p>Responsible Manager: Financial Services Manager</p> <p>Implementation date: August 2019</p>

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Audit: Benefits					
Assurance: Significant					
1	Medium	<p><u>Overpayments</u></p> <p>From a random selection of 30 outstanding overpayments for each authority at the time of the audit work, 2 Bromsgrove District Council overpayments and 1 for Redditch Borough Council did not show sufficient evidence of being progressed or resolved.</p>	<p>Risk of financial loss in instances where money is not recovered in a reasonable timeframe, which could potentially result in some reputational damage.</p>	<p>Ensure all outstanding overpayments are monitored, and suitable actions are taken in a timely manner and recorded against the relevant account.</p>	<p>Management Response:</p> <p>Revised operational measures implemented for HB overpayment – revision to working procedures to ensure timely notification of debt cases not progressing through recovery.</p> <p>Responsible Manager: Income Recovery Team Leader</p> <p>Implementation Date: 30th September 2018</p>
2	Medium	<p><u>Write-offs</u></p> <p>From a random sample of 15 write-offs processed during the 2017/18 financial year for each authority, 2 write-offs for Bromsgrove District Council and 1 write-off for Redditch Borough Council did not have sufficient evidence to show that suitable recovery actions had been made to attempt to retrieve the outstanding balances.</p> <p>In addition, most write-offs are currently processed at the end of the financial year, rather than as a periodic review during the financial year.</p>	<p>Failure to ensure sufficient actions have been evidenced to recover outstanding monies prior to write-off could result in reputational damage or potential financial loss in instances where monies could have been recovered.</p>	<p>Ensure that sufficient actions have been taken to recover the debts prior to write-off, and are fully recorded on the respective account in achieve maximum income for the Authority.</p> <p>To consider periodic reviews of write-offs to ensure these are completed in a timely manner, and that the year-end process does not become too onerous resulting in delays in completion.</p>	<p>Management Response:</p> <p>Reminder to team to ensure write off procedures are adhered to and actions are documented.</p> <p>Responsible Manager: Income Recovery Team Leader</p> <p>Implementation Date: April 2018</p>

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
3	Medium	<p><u>Performance Information</u></p> <p>Responsibilities for measures on the dashboard have been defined for both authorities, but several identify staff who no longer work for the organisation.</p> <p>In addition, there is evidence to show many of the measures have not been updated for several months, with the last update showing in August 2017 (as at the time of the audit work).</p> <p>Average processing times recorded were very high at the start of the financial year when a new system was being introduced, and have since reduced. Further reductions may be required to ensure completion of workload within a reasonable timeframe.</p>	<p>Risk of reputational damage if performance is not transparent and correctly and fully reported timely manner.</p>	<p>The Performance Dashboard information should be updated regularly and in a timely manner e.g. monthly/quarterly.</p> <p>Changes to the responsibilities for managing this process should be updated in a timely manner and posts should be identified rather than individuals in order to future proof the process.</p> <p>Reasons for spikes in performance should be investigated and noted on the dashboard for transparency. Should the Service fail to improve performance, there should be an investigation to determine issues affecting the efficiency and effectiveness of the service and how these can be addressed.</p>	<p>Management Response:</p> <p>Revised operational measures implemented for HB overpayment. Measures will be updated and monitored on a monthly basis going forwards.</p> <p>Responsible Manager: Financial Support Services Manager</p> <p>Implementation Date: 1st May 2018</p>
Audit: General Ledger and Cash Collection					
Assurance: Significant					
1	Medium	<p><u>Reconciliation schedule</u></p> <p>A reconciliation schedule is used by Finance as a visual monitor to identify reconciliations that are outstanding. In the main this record indicated good compliance throughout the period under review.</p>	<p>Imbalances are not promptly identified leading to possible challenge and reputational damage especially if this causes delays to the completion of the year end Statement of Accounts.</p>	<p>Whilst appreciating there have been changes in staffing and duties during the year, it is important that reconciliations are managed to ensure they remain timely.</p>	<p>Management Response:</p> <p>Agreed to put in place a reconciliation schedule to ensure that they are carried out on a regular basis, as appropriate</p> <p>Responsible Manager: Financial Services Manager</p>

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>However Audit testing confirmed some 'blanks' on the schedule i.e.</p> <ul style="list-style-type: none"> • Balance Sheet reconciliation • Holding code reconciliation <p>In both cases the responsible officer was Chief Accountant.</p>			<p>Implementation date: 4th April 2018</p>
Audit: Worcestershire Regulatory Services					
Assurance: Moderate					
1	Medium	<p>Risk Assessment</p> <p>It is not common practice within the Team to complete a manual risk assessment form when inspecting an installation. This is particularly so if the assessment is relatively straight forward and low risk.</p> <p>Data collected on site is manually entered directly to the UNIFORM.</p>	<p>There is a lack of supporting evidence in the event of a challenge and or an inspection by DEFRA leading to reputational damage.</p>	<p>The skills & qualifications within the Team are acknowledged but the approach being followed should be confirmed as being acceptable and not exposing the council(s) to any risk. Adopt standard practice that for A2 type installations and those where the risk has increased then a risk assessment form to be completed.</p>	<p>Responsible Manager: Agreed Senior Practitioner (Technical Services)</p> <p>Implementation date: 1st June 2018</p>
2	Medium	<p>Subsistence Fees</p> <p>1) Subsistence fees applied for Worcester City Council and Malvern Hills District Council were charged at the 2016/17 levels. Fees are chargeable from the 1st April each year. The fee increase was known but not formally implemented</p>	<p>Inconsistent information provided to partner councils leading to possible confusion, incorrect invoices being raised and, reputational damage.</p>	<p>Information given to all partner councils must be consistent to minimise the risk of error or misunderstanding</p>	<p>Responsible Manager: Agreed Senior Practitioner (Technical Services)</p> <p>Implementation date: 1st June 2018</p>

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>until November 2017. However the Team were not consistent in their approach to notifying councils to delay invoicing to accommodate this.</p> <p>2) Detailed spread sheet records are maintained (detailing invoicing details) by Team members and these are sent to each partner council at the start of each year. Audit testing did identify some confusion as to what information had been provided to Wychavon DC and at one point it was thought to have been verbal.</p>			
3	Medium	<p>Outstanding Invoices Two invoices (£1774.00) remain outstanding in respect of Wychavon District Council. Late payment fees have been added.</p>	Licence conditions have been breached leading to potential unauthorised operation of businesses	The outstanding fees must be paid without delay and/or licence revocation proceedings be instigated.	<p>Responsible Manager: Agreed Senior Practitioner (Technical Services) Implementation date: 1st June 2018</p>
4	Medium	<p>Inspections Audit testing of a sample of 25 cases confirmed 2 (8%) where the inspection was found to be outstanding</p>	Non-compliance with the Permit may not be detected leading to reputational damage	Inspection frequencies must be observed to ensure compliance with the Permit is achieved.	<p>Responsible Manager: Agreed Senior Practitioner (Technical Services) Implementation date: 31st March 2019</p>
end					

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

APPENDIX 4

Follow Up

Planned Follow Ups:

In order to continue to monitor progress of implementation, 'follow up' in respect of audit reports is logged. The table provides an indication of the action taken against those audits and whether further follow up is planned. Commentary is provided on those audits that have already been followed up and audits in the process of being followed up.

For some audits undertaken each year follow-ups may not be necessary as these may be undertaken as part of the full audit. Other audits may not be time critical therefore will be prioritised as part of the overall work load so to minimise resource impact on the service area.

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

Follow Up Assurance:

In summary:

- 2014/15 report; all satisfied
- 2015/16 reports; all satisfied
- 2016/17 reports; two reviews satisfied, one ongoing with progress taking place but exceeding the target delivery
- 2017/18 reports; five reviews satisfied, five being followed up in the coming months.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Date to be 1st Followed up or outcome</u>	<u>2nd Follow Up</u>	<u>3rd Follow Up</u>
					High and Medium Priorities 6mths after final report issued as long as implementation date has passed	High and Medium Priorities still outstanding 3mths after previous follow up as long as implementation date has passed	
2014-15 Audits							
Equality and Diversity	28 th August 2014	Corporate Senior Management Team	Moderate	1 'high' and 2 'medium' priority recommendations made in relation to training, policy and terms of reference.	Followed up March 15- Policy Manager have confirmed that all recommendations are currently outstanding and not fully implemented but are in progress. Given the impending completion date it would not be appropriate to follow the recommendations up until July 2015.	Follow up in November 2015 found that 1 'medium' priority recommendation in relation to policy has been implemented and the 1 'high' priority recommendation and the other 'medium' priority recommendation in relation to training and terms of reference are in progress. Workshops are to be introduced first half of 2016.	A follow up in September 16 found there was one recommendation outstanding relating to the Equality and Diversity training. All the others have been satisfied. A further follow up will take place in 3 months time. Follow Up 14 February 2017: Discussion with E&D Manager - induction progress is still in progress. Quotes from contractors for in house training are currently being received. Follow up to take place in June when more progress made. Follow Up 19th June 2017: Policy Manager confirmed although progress has been made towards implementing training for new starters and existing staff nothing has yet been

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

							implemented. Need to go to tender to procure training provider. Aiming for completion of this process and E&D training within 2017. Follow Up Sept 2018 found a series of sessions and workshops have been undertaken in the early part of year with mop up sessions planned Oct 18. Further sessions are planned so that the whole work force will have rec'd training by the end of the municipal year. No further follow up required.
2015-16 Audits							
Consultancy and Agency	13th June 2016	Corporate and Senior Management Team	Limited	2 'high' and 3 'medium' priority recommendations in relation to Matrix, Procurement procedures, Post transformation reviews, professional indemnity Insurance and accuracy of invoices received.	A follow up took place in December 2016 which found that 4 recommendations are still in progress relating to the use of Matrix, the procurement procedures, outcomes set for the use of agency staff and processing invoices. One recommendation is still to be actioned reliant on the outcome of a recommendation. A further follow up will take place in 6 months time.	Follow up undertaken in May 2017. Audit had a discussion with the Director of Finance and Resources on 10.05.17, the review of Matrix is still in progress. As several recommendations rely on the matrix review being completed no official follow up will take place until this date. Further follow up date November 2017	Audit met with Director of Finance and Resource on 4/1/18. The Matrix contract has been extended for 12 months therefore follow up will be scheduled for March 2018. The follow up in July 2018 found that all recommendations had been satisfactorily implemented. No further follow ups are required.
2016-17 Audits							
Human Resources Training and Development	30th December 2016	Human Resources Manager	Moderate	Business Transformation This audit report made 1 high priority recommendation relating to employee mandatory and refresher	A follow up took place in March 17 and found 2 recommendations are in progress relating to meeting training needs and	A follow up in June 2018 found that all recommendations had been satisfactorily implemented. No further follow up is required.	

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

				training, and 3 medium priority recommendations relating to purpose of training, employee induction and identifying training needs. A follow up will take place in 4 months time.	mandatory / refresher training. 2 recommendations are still to be actioned dependent on the implementation of HR21.		
Dash Board & Performance Measures	3rd May 2017	Business Transformation	Limited	An audit took place in May 2017 and made 3 high and 1 medium priority recommendations relating to resilience, timeliness of reporting, integrity of information and information held.	A follow up in May 2018 found that 2 high priority recommendations in relation to resilience and timeliness and the 1 medium priority recommendation in relation to additional information had been implemented. The high priority recommendation in relation to integrity of information was in progress. A further follow up is being scheduled.		
Worcester Regulatory Services	26th May 2017	WRS	Moderate	This audit made 1 high priority recommendation and 2 medium priority recommendations relating to payment for licences granted, cheque payment and application forms. A follow up will take place in 3 months time.	1st follow up took place on 30/8/17 no recommendations have been implemented but work towards had been progressed and there is research looking at moving into electronic application which all districts will have to agree to. A further follow up will take place in 6 months	As some of the Partners have changed the way that they collect monies this has been superseded and therefore audit will complete a full review in 12 to 18 mths time. No further follow up required.	
2017-18 Audits							
Building Control	10th August 17	Planning & Regeneration	Significant	The report made one medium recommendation relating to the production of a financial statement regarding Building Control. This is to be produced at the end of the financial year.	The follow up in July 2018 found that the recommendation had been satisfactorily implemented. No further follow up required.		

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Customer Service	14th November 2017	Customer services	Moderate	The report made five medium recommendations relating to minutes of meetings, phone recordings, training and awareness, complaints system and website	The Follow up in May 2018 found that all 5 medium priority recommendations had been implemented. No further follow up required		
Cash Collection	14th November 2017	Customer Services	Significant	the report was made up of 4 recommendations; 3medium and 1 low relating to refund checks, over and under investigations, scanned in giro slips and countersignatures.	The follow up in May 2018 found that all 3 medium priority recommendations had been implemented. No further follow up required.		
Disabled Facilities Grants	28th September 2017	Community Services	Moderate	The report found 1 high priority and 2 medium priority recommendations in relation to Records retention and security, Registration of Land Charges and Private Sector Home Repairs Assistance policy.	The follow up in February 2018 found that the one medium priority recommendation was in progress and the policy update would be reported to Cabinet in June 2018. No evidence that this took place therefore further follow up to take place. Follow up being scheduled.		
Land Charges	19th October 2017	Legal Services	Moderate	The report found 1 high and 1 medium priority recommendation in relation to Reconciliation of payments and updating the local land charges register.	The follow up in February 2018 found both recommendations to have been satisfactorily implemented. No further follow up required.		
Environmental Waste	27th November 2017	Environmental Services	Moderate	The report found 1 high and 4 medium priority recommendations in relation to Bulky Waste Receipt Books, Business Waste Charges, Fees and Charges, Bulky Waste quotes and Garden Waste Invoices.	Follow up scheduled for the 2 nd October 2018.		
Payroll	14th February 2018	Finance	Moderate	Reported 1 'high' and 2 'medium' priority recommendations ; sickness reporting and pay, establishment and expense claims form	Follow up in May 2018 found that all recommendations had been implemented. No further follow-up required.		

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Records Management	5th January 2017	Corporate	Limited	Reported 5 high and 1 medium priority recommendations; implementation of the information security policy, inventory of IT equipment, retention and disposal schedule, confidential waste collection, storage of documents on the Orb and GCSx email accounts.	Being followed up as part of the 2018/19 GDPR audit.		
Worcestershire Regulatory Services	19th July 2018	WRS	Moderate	Reported 4 medium priority and 2 low priority recommendations; Risk assessment, Subsistence Fees, Outstanding Invoices, Inspections	Oct-18		
Benefits	30th July 2018	Revenues & Benefits	Significant	Reported 3 medium and 2 low priority recommendations; Overpayment, Write-Offs, Performance Information, Overpayment Classification and User Access Reviews	Jan-19		
end							