

## **BROMSGROVE DISTRICT COUNCIL**

# **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

**Date: 23<sup>rd</sup> JANUARY 2020**

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

Relevant Portfolio Holder	Councillor Geoff Denaro
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 for 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 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.

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3.4 This section of the report provides commentary on Internal Audit's performance for the period 01<sup>st</sup> April 2019 to 31<sup>st</sup> December 2019 against the performance indicators agreed for the service.

3.5 Summary Dashboard:

Total reviews planned for 2019/20:	13 minimum
Reviews finalised to date for 2019/20:	4
Assurance of 'moderate' or below:	4
Reviews awaiting final sign off:	5
Reviews ongoing:	4
Reviews to be completed (Q4):	4
Number of 'High' Priority recommendations reported:	8
Satisfied 'High' priority recommendations to date:	4
Productivity:	65% (against targeted 74%)
Overall plan delivery to date:	56% (against target >90%)

AUDIT REPORTS ISSUED/COMPLETED SINCE THE LAST PROGRESS REPORT  
(10<sup>th</sup> OCTOBER 2019):

3.6 2019/20 AUDIT SUMMARY UPDATES:

Markets

The following area is working well;

- Market Managers knowledge of operating a market and drive to develop the Bromsgrove Market.

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

- Recording of toll funds
- Policy and Procedures – Cash Handling/Financial Procedures
- Records Comply with GDPR
- Public Liability Assurance
- Reconciliation of the stalls – 17th May 2019
- Fees, Charges and incentive schemes.

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

Type of Audit: Full System Audit  
Assurance: Limited  
Final Report Issued: 6<sup>th</sup> September 2019

Compliments and Complaints

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The review found the following area of the system was working well:

- There is a policy in place on the orb and website which is fit for purpose.

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

- Complaints Recording Management System Issues
- Complaints process
- Compliments and Complaints Reporting
- GDPR

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

Type of Audit: Full System Audit  
Assurance: Moderate  
Final Report Issued: 6<sup>th</sup> December 2019

#### **Treasury Management**

The review found the following areas of the system were working well/progress had been made from the previous review:

- Cash flow management.
- Treasury Management Procedures including Reporting.
- Benchmarking of Treasury Data.

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

- Ledger Coding and Reconciliation
- User Access
- iDeal Trading System
- Treasury Training

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

Type of Audit: Full System Audit  
Assurance: Moderate  
Final Report Issued: 18<sup>th</sup> October 2019

#### **General Data Processing Regulations – Retention**

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

- IT system and infrastructure (Access Rights, Disposal of emails, process for leavers and new starters).

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

- Controls of the retention schedule
- Security of Archived information
- Retention Policy

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

Type of Audit: Full System Audit

Assurance: Limited

Final Report Issued: 5th November 2019

Summary of Assurance Levels:

<b><u>Audit</u></b>	<b><u>Assurance Level</u></b>
<b><u>2019/20</u></b>	
Markets	Limited*
Compliments and Complaints	Moderate
Treasury Management	Moderate
General Data Processing Regulations – Retention	Limited*

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

#### 3.7 2019/20 AUDITS ONGOING AS AT 31<sup>st</sup> DECEMBER 2019

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

- Safeguarding (Draft Report Stage)
- SLM Contract Management (Draft Report Stage)
- Planning Application Process (s106)
- Debtors
- Creditors

Audits progressing through testing stage included:

- Main Ledger
- Council Tax
- NNDR
- Benefits

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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.

A rolling testing programme on Debtors and Creditors was undertaken during quarters 1 to 3 inclusive. Testing results so far do not indicate any new or emerging risks to be brought to the attention of Committee. The rolling testing programme results are being amalgamated as at the end of quarter 3 and formal audit reports will be issued with any findings during quarter 4.

### **3.8 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 31<sup>st</sup> December 2019 a total of 129 days had been delivered against a target of 230 days for 2019/20.

Appendix 2 shows the performance indicators for the service. These indicators were agreed by the Audit, Standards and Governance Committee on the 30<sup>th</sup> July 2019 for 2019/20.

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

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.

### **3.9 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

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- 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

### **3.10 National Fraud Initiative**

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. The data requirements were uploaded during October and December 2018 with any queries dealt with accordingly. Potential matches have been returned to the Authority for investigation. A further upload of Council Tax single person data and Elections is due now which will be overseen by WIASS.

### **3.11 Monitoring**

To ensure the delivery of the 2019/20 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. Due to changing circumstances and after consultation a small variation in the plan has been agreed on a risk priority basis with the s151 Officer e.g. refuse service scalability which was joint with Redditch Borough Council and risk management will be rolled to 2020. Additional days have been used in a couple of review areas e.g. GDPR and Markets to ensure comprehensive reviews were completed.

### **3.12 Quality Assurance Improvement Plan**

3.13 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 has been identified through the self assessment process which was carried out in April 2019 and a quality assurance improvement plan (QAIP) has been formulated and is reported at Appendix 5.

### **3.14 Customer / Equalities and Diversity Implications**

There are no implications arising out of this report.

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3.15 WIASS is committed to providing an audit function which conforms to the Public Sector Internal Audit Standards (as amended). 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.

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

#### **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 2019/20
Appendix	2 ~ Key performance indicators 2019/20
Appendix	3 ~ 'High' and 'Medium' priority recommendations summary for finalised reports
Appendix	4 ~ Follow up summary
Appendix	5 ~ Quality Assurance Improvement Plan

#### **6. BACKGROUND PAPERS**

Individual internal audit reports are held by Internal Audit.

#### **7. KEY**

N/a

#### **AUTHOR OF REPORT**

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## APPENDIX 1

### Delivery against Internal Audit Plan for 2019/20 1<sup>st</sup> April 2019 to 31<sup>st</sup> December 2019

<b>Audit Area</b>	<b>2019/20 Total Planned Days</b>	<b>Forecasted days to the 31<sup>st</sup> December 2019</b>	<b>Actual Days Used to the 31<sup>st</sup> December 2019</b>
Core Financial Systems (see note 1)	52	44	40
Corporate Audits	50	14	10
Other Systems Audits (see note 2)	92	53	55
<b>SUB TOTAL</b>	<b>194</b>	<b>111</b>	<b>105</b>
Audit Management Meetings	15	12	14
Corporate Meetings / Reading	5	3	4
Annual Plans, Reports and Committee Support	16	12	6
Other chargeable (see note 3)			
<b>SUB TOTAL</b>	<b>36</b>	<b>27</b>	<b>24</b>
<b>TOTAL</b>	<b>230</b>	<b>138</b>	<b>129</b>

#### 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. A rolling programme has also been introduced 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 demand can fluctuate throughout the quarters.

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



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### APPENDIX 2

#### **Performance against Key Performance Indicators 2019-2020**

The success or otherwise of the Internal Audit Shared Service will be measured against some of the following key performance indicators for 2019/20. 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.

	<b>KPI</b>	<b>Trend/Target requirement</b>	<b>2019/20 Position (as at 31<sup>st</sup> December 2019)</b>	<b>Frequency of Reporting</b>
Operational				
1	No. of audits achieved during the year	Per target	Target = Minimum 13  Delivered = 4 plus 2 @ draft report stage	When Audit Committee convene
2	Percentage of Plan delivered	>90% of agreed annual plan	56%	When Audit Committee convene
3	Service productivity	Positive direction year on year (Annual target 74%)	*65%	When Audit Committee convene
Monitoring & Governance				
4	No. of 'high' priority recommendations	Downward  (minimal)	8	When Audit Committee convene
5	No. of moderate or below assurances	Downward  (minimal)	4	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)	4 issued 2 returns  2 'excellent'	When Audit Committee convene

WIASS delivers the internal audit programme in conformance with international standards for the professional practice of internal auditing.

\* Productivity is behind target due to a number of days used for training and sickness absence.

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**APPENDIX 3**

**Definition of Audit Opinion Levels of Assurance**

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

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### Definition of Priority of Recommendations

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

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**APPENDIX 3**

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

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
<b>Audit: Markets</b>						
<b>Assurance: Limited</b>						
1	High (RED)	<p><b>Recording of toll funds</b></p> <p>Currently only the Market Manager accesses and updates the monthly Income spreadsheet. There is no resilience should the Market Manager not be available for work.</p> <p>This spreadsheet is used to record the fees due including any concessions given and toll money collected. There is no access control in place to protect the document although it is within a team drive with limited access.</p>	<p>Potential for resilience issue should the Market Manager not be available. Reputational damage and potential for financial loss should the toll not be collected or the wrong amount, due to concessions and incentives being applied.</p>	<p>As a minimum in order to provide resilience for the Council the spreadsheet to be explained to and used by other members of the team.</p> <p>Consideration to be given to password protecting the spreadsheet or relevant cells within the spreadsheet in order to ensure that it cannot be corrupted as this is a prime control document.</p> <p>Consideration to be given to the benefit of an on line booking system with payments being taken in advance.</p>	<p><b>Responsible Manager:</b> Market Manager/Business Development Manager</p> <p><b>Action Plan:</b> A training session has been set up for the Business Support Officer and Business Development Manager to go through all finance related market procedures with the Market Manager. Training will include Charging rates and fees and charges, cash receipting, cash reconciling, inputting/updating data on spreadsheets, reconciling daily and weekly income payments through the cash office and via HSBC bank during weekend banking. In the event of the Market Manager being on leave or absent due to sickness then all cash handling processes will be dealt with by the Senior Market Operative who will carry out all fee collections in the managers absence – this process will also</p>	<p><b>Implemented</b></p> <p><b>The Market Manager has reviewed and updated all of the Spreadsheets used.</b></p> <p><b>The Business Support Officers have been trained on all financial aspects of the Markets.</b></p> <p><b>The markets information is now kept on a secure area of the network with limited access.</b></p> <p><b>The Senior Market Operative has been trained in all cash handling procedures.</b></p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
					<p>be reconciled by the Business Support Officer or Business Development Manager weekly. The market folder inclusive of all financial spreadsheets has now been access controlled to the following personnel only:</p> <p>Market Manager Business Development Manager Business Support Officer (BSO) Market Manager Tudor (BS Assistant)</p> <p><b>Implementation Date:</b> Training booked 1<sup>st</sup> July 2019 – Process of reconciliation to start w/c 1<sup>st</sup> July 2019 Access control on 'k' drive for market folder now in place Meetings set up for Market Manager to report the above information back to Senior Market Operative so that he is also aware of the process.</p>	
2	High (RED)	<p><b>Policy and Procedures – Cash Handling/Financial Procedures</b></p> <p>The Market Manager was not aware of the Council's Financial Regulations and did not know if this has been shared with his team prior to him joining Bromsgrove District</p>	<p>Potential for fraud, reputational damage and financial loss if cash is not kept secure.</p>	<p>To make all officers handling cash aware of the Council's Financial Regulations and then to have an overall policy that contains the general principals of the cash handling procedures but allowing for discretion where it is necessary for the needs of</p>	<p><b>Responsible Manager:</b> Market Manager with support from Business Development Manager</p> <p><b>Action Plan:</b> Market Manager has now received a copy of the financial</p>	<p><b>Partially Actioned</b></p> <p><b>The Market Manager has now received a copy of the Financial Regulations and is in the process of identifying the relevant sections which will then be used to update the Market Operatives.</b></p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		<p>Council.</p> <p>Discrepancies were identified against the cash handling policy and procedure;</p> <p><b>Policy states:</b> When cash is being counted by staff, this should be done in a secure office environment at all times. Testing identified that cash taken on a Saturday cannot be counted securely as the Bromsgrove District Council Office is closed.</p> <p><b>Policy States:</b> Cash will be collected from each market trader by no later than 13:00 on each market day. Testing identified this may not always be possible.</p> <p><b>Policy States:</b> All receipts from that day will be collated together and kept safe &amp; secure for audit purposes. Testing identified receipts are left in an unlocked drawer and new receipt books are left out on a desk that can be occupied</p>		<p>the service.</p> <p>Materiality of the income and the risk factors to be measured against the cost of implementing controls.</p> <p>To review the current procedures for sickness and annual leave of market traders and if this is to continue to write/agree a policy for this.</p>	<p>regulations and will update the market operatives at the next team meeting booked for 09/07/19.</p> <p><b>Implementation Date:</b> Financial regulations 09<sup>th</sup> July 2019 and updated policy 5<sup>th</sup> July 2019</p> <p>Market Manager to revisit the written cash handling procedure and review and update to include the new reconciliation processes as above (section 1)</p> <p>Market Manager has identified a secure location within the Town Centre toilets (Changing Places Facility managed through an access code - all managed within the Business Development team) where he/ or the Senior Operative can do the cash reconciliation safely on a Saturday and then bank it through the night safe system at HSBC bank also in the town centre. All cash collections will be paid into either the cash office at Parkside, or the HSBC bank system on a daily basis.</p> <p>Market Manager will produce receipts for each trader whilst on site and all receipt books will</p>	<p><b>The cash handling procedure has now been updated and this has been communicated to all staff.</b></p> <p><b>The new secure location is being used to reconcile the takings and the cash is being banked on the same day.</b></p> <p><b>Unless it is raining receipts are produced for each market trader on</b></p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		<p>by other staff.</p> <p><b>Policy States:</b> All cash must be paid in on the same day of collection or by the very next working day if circumstances prevent this from being undertaken. Testing identified cash collected on Friday 17<sup>th</sup> May 2019 was not banked until the Monday.</p> <p><b>Receipts</b> The receipts are written in the office before visiting the market.</p> <p>The testing identified a receipt that had been written &amp; dated but the funds had not been collected until 3 days after due to the stall holder not being available.</p> <p><b>Reconciliation</b> There is no reconciliation between the takings from the stallholder and the amounts received in the bank.</p> <p><b>Recording of toll money</b> The policy does not make any reference to the</p>			<p>be taken into the office daily and put into a lockable cabinet in room 23 (the BSO and BDM will also have a key to the drawer)</p> <p>Where required the policy will be amended to support all the changes in this report, including any variations required and spreadsheet recording.</p> <p>Market regulations have been given to legal for approval awaiting response (this includes market trader's annual leave and sickness reporting). Market Manager has updated the Annual Leave and Sickness process to ensure no trader can take Annual Leave and assume work on the market at the same time.</p>	<p>site. If it is raining then these are written in the office prior to collecting the money but cancelled if the fee is not collected. The receipts are kept in a lockable cabinet with keys being allocated to the Business Support Officers and the Market Manager.</p> <p>The Market Regulations were sent out for consultation in September 2019. Each market trader signed to show that they had received the documentation in relation to the consultation.</p> <p>Feedback was originally required by the end of September 2019 but this was extended until 8th October 2019 to coincide with the market traders meeting.</p> <p>A couple of points were raised at the meeting and addressed. In addition to this the National Market</p>

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		<p>monthly Income spreadsheet used to record toll money due and paid.</p> <p><b>Annual Leave &amp; Sickness</b> There is no policy in place for when Market traders take annual leave or report sickness.</p>				<p>Forum had also highlighted issues that markets were facing in relation to seasonal traders and the use of social media. The documentation was also updated to include this.</p> <p>The Market Regulations are still therefore in consultation with sign off expected in the New Year (2020).</p>
3	High (RED)	<p><b>Records Comply with GDPR</b></p> <p>Information such as booking forms and sickness records are held in paper form by the Markets Manager in an unlocked drawer in Bromsgrove District Council Office.</p>	<p>Potential breach of GDPR which could lead to a fine and reputational damage.</p>	<p>Undertake a review to ascertain if it is necessary to retain a sick note as part of the above recommendation.</p> <p>If it is found that the council requires a sick note then review what information is being held and liaise with the Data Protection Officer on how this should be logged and held.</p> <p>Consider holding the booking information electronically and securely.</p> <p>A retention policy should be in place to ensure information is not kept for longer than necessary.</p>	<p><b>Responsible Manager :</b> Market Manager</p> <p><b>Action Plan:</b> Market Manager will no longer take sick notes from traders and instead will review visually on site and hand back to the trader. All sick notes currently held have now been disposed of in the Council's confidential waste.</p> <p><b>Implementation Date:</b> 27<sup>th</sup> June 2019</p> <p>Market Manager to book an appointment with Information Management team to look at the retention policy to cover markets and to put agreed</p>	<p>Partially implemented</p> <p><b>Sick Notes for market traders are now viewed visually on site and then returned to them. No sick notes are retained by the Market Team.</b></p> <p><b>Documentation is retained for 6 years due to the fact that it is financial information.</b></p>



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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
					<p>systems in place – Business Support team to support this action</p> <p><b>Implementation Date :</b> 26<sup>th</sup> July 2019</p> <p>Any booking forms returned to the Market Manager or Market Operatives in a paper format will be scanned into the Markets folder and originals disposed of through the confidential waste.</p> <p><b>Implementation Date:</b> 27<sup>th</sup> June 2019</p>	<p><b>Booking forms received in a paper format are currently held in a locked cabinet. Keys to the cabinet are held by the Market Manager and the two Business Support Officers.</b></p> <p><b>Going forward the forms will be scanned and held on the system or will be archived in the archive room at Parkside.</b></p>
4	High (RED)	<p><b>Public Liability Assurance</b></p> <p>Traders are only allowed to trade on the market after a production of a current and valid certificate of public liability insurance that includes public liability of £5 million pounds, in accordance with market regulations.</p> <p>7 out of 19 traders recorded on the</p>	<p>The Council could be subject to litigation claims should a stall holder not present the required insurance.</p>	<p>Market Manager to check that any traders on the spreadsheet showing out of date or missing information have the appropriate documentation and if not, appropriate action is taken.</p> <p>The Market Manager to regularly review Insurance documentation to ensure there is no lapse of current</p>	<p><b>Responsible Manager:</b> Market Manager</p> <p><b>Action Plan:</b> Market Manager to review all current market traders' public liability insurance certificates. Any found out of date will be given notice to produce an in-date certificate on their next market trader's attendance. Any market traders not supplying a valid document will</p>	<p><b>Implemented</b></p> <p><b>A spreadsheet is maintained of all market traders and the details of their Public Liability Insurance. A RAG rating in used to identify those market traders that have up to date insurance and those that do not.</b></p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		spreadsheet held by the Market Manager showed their public liability insurance as being out of date. 6 out of the 19 records showed that the policy number was missing or the date of renewal not recorded.		certification. Stall holders must be advised that they cannot be allowed to trade without or after insurance cover expires.	be refused to trade.  <b>Implementation Date:</b> 28 <sup>th</sup> June 2019  After this date Market Manager will update the spreadsheet accordingly	<b>Any market trader highlighted 'red' cannot trade until an up to date Public Liability Insurance Certificate has been provided to the Council.</b>
5	Medium (Amber)	<p><b>Reconciliation of the stalls – 17<sup>th</sup> May 2019</b></p> <p>The number of stalls let and number of regular and casual traders did not tally with the number recorded on the monthly income spreadsheet. This is probably due to</p> <ul style="list-style-type: none"> <li>1 regular trader advising he was on annual leave yet was still trading from his 4 stalls on this date</li> <li>1 new Trader advising she wants to trade on a Saturday yet was also trading on the 17th May 2019.</li> </ul>	<p>Inconsistency in the information recorded and the banking of the daily cash may cause a financial and reputational risk.</p> <p>Potential for double booking of the pitch which could lead to reputational risk.</p> <p>Potential for Fraud.</p>	<p>Devise a system which will identify the location of the stall holder on each trading day and that it is accessible to use to reconcile the stalls.</p> <p>Ensure traders are aware that if they have booked annual leave then they cannot trade on that day to prevent double booking.</p>	<p><b>Responsible Manager:</b> Market Manager</p> <p><b>Action Plan:</b> Market Manager will devise a system where if a trader wishes to take annual leave and their pitch is not sold to another trader during that time, then no marquee/gazebo will be installed. Market Manager will also update the Terms and Conditions to include this information.</p> <p><b>Implementation Date:</b> 26<sup>th</sup> July 2019</p>	<p><b>Implemented</b></p> <p><b>It is difficult to set up a system to identify the location of the stall holders as this may not be the same for each day. This means that this is not an efficient use of time and the cost outweighs the risk.</b></p> <p><b>However there is a reconciliation of monies taken by the Business Support Officers independently of the Markets Manager. A fall in expected income would be identified and reasons obtained.</b></p> <p><b>If a trader is on annual leave then the stall will only be set up if it has been booked by another</b></p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
6	Medium (Amber)	<p><b>Fees, Charges and incentive schemes.</b></p> <p>The Council has in place 'Fees and Charges' that have been approved by members. In addition to this under the Scheme of Delegation originally approved in June 2018 and approved in May 2019 as part of the annual approval by Members the Head of Cultural and Leisure Services has the power to vary the fees and charges in line with additional competition and market demand.</p> <p>Incentives are being offered in order to encourage the development of new businesses and maintain relationships with existing traders in line with the Council Plan 2017/20. There are in place three incentive policies.</p> <p>However testing highlighted the following:</p> <ul style="list-style-type: none"> <li>• Incentives are not</li> </ul>	<p>Reputation damage to the Local Authority should preferential treatment be given to some traders. Potential for fraud and financial loss if not charging the correct amount.</p>	<p>In order to provide transparency any incentives offered outside of the policy to be agreed by the Head of Service/Director of Finance and Resources prior to being offered.</p> <p>Consideration to be given to having formal agreements with stall holders so that both parties are clear on what is being offered, for how long and that there is no chance of them being abused.</p>	<p><b>Responsible Manager:</b> Market Manager</p> <p><b>Action Plan:</b> The current fees and charges agreed by members in October 2018 and implemented in April 2019 continued in the same format handed over from CJ Events (reason for this was the limited amount of time and knowledge of the market systems and its background )</p> <p>Market Manager with the support from the Business Support team will review the fees and charges and all incentives and concessions in Sep/Oct 2019. They will look to ensure the process for payment and any discounted fees are fair and understood by all traders and officers. Quarterly meetings that are in place with the traders will be used as consultation on proposed new fees and charges. These will be implemented once agreed by members in April 2020.</p> <p><b>Implementation Date:</b> 31<sup>st</sup> October 2019 (new fees and charges will be</p>	<p>trader.</p> <p><b>In Progress</b></p> <p><b>The fees and charges have all been reviewed and a proposed fees and charges schedule has been put forward to finance.</b></p> <p><b>The proposed fees and charges are awaiting approval by Members which will take place as part of the Budget Setting process in February 2020.</b></p> <p><b>If approved the fees and charges will be implemented from 1st April 2020.</b></p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		<p>being applied consistently as old verbal agreements from previous Market Management arrangements are being honoured. On the day of testing only 2 out of the 16 traders were being charged in line with the agreed fees and charges</p> <ul style="list-style-type: none"> <li>• There are no formal agreements between the traders and the Council.</li> <li>• Currently only the Market Manager has up to date knowledge of the various concessions given to regular and casual traders.</li> <li>• In one case more than one concession had been applied.</li> </ul>			implemented 01/04/2020)	

## **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
<b>Audit: Compliments and Complaints</b>						
<b>Assurance: Moderate</b>						
1	High (RED)	<p><b>Complaints Recording Management System Issues</b></p> <p>A review of the complaints system found that:-</p> <p>1) There is no clear audit trail of the customer's journey from the start of the complaint to the end and there is no clear indicator within the system to identify what stage the complaint is at</p> <p>2) For those complaints still open, reminders are sent to the responsible officer every week but are not escalated or followed up in any other way.</p> <p>3) For 2nd stage complaints Audit found that there was no second stage complaint identification within the Compliments and Complaints system leading to an inability to easily identify those</p>	<p>Potentially poor service not being addressed and development opportunity missed if there is no full log of complaints.</p> <p>No clear indicator by management of the amount of complaints that reach stage 2 and the reasons why they are not addressed at stage 1.</p> <p>There is a risk that without having the correct controls in place to monitor records and relevant action effectively it could lead to missed opportunity to develop services and potential reputational damage to the council</p>	<p>The review to consider the potential for development of the system to improve the council's way of providing services and for the potential to escalate reminder emails if complaints remain open for longer than a set number of days.</p> <p>If the system proves to be not fit for purpose to consider alternative options that will best fit the Council's requirements in relation to the tracking and monitoring of complaints.</p> <p>The system requires a 2<sup>nd</sup> stage complaint identification tag to ensure all complaints are dealt with appropriately and provide an opportunity to identify potential service development is maximised.</p>	<p><b>Responsible Manager:</b> ICT Operations Manager</p> <p><b>Implementation date:</b> Quarter 1 2020.</p> <p>1) We would like a full audit trail of the system. Planned specification to be completed by February 2020 to be implemented in quarter 1 2020.</p> <p>2) We would like the overdue complaints to be escalated further. There is project to update Active Directory. Once completed in February we will look to investigate if this is sufficient to use to escalate.</p> <p>3) 2<sup>nd</sup> stage can be developed so calls can be manually moved into this area. Planned specification to be completed by February 2020 to be implemented in quarter 1 2020.</p>	<p>Not due for completion at time of reporting.</p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		complaints.  4) The System Developer confirmed that once a record is deleted it is not archived therefore it is deleted permanently. No footprint remains within the system.	because services are not handling complaints effectively,  There is risk of inappropriate actions being taken potentially leading to fraudulent activity by the deletion of records.	To introduce a true audit trail and back-up process within the system so that if a record is deleted by mistake, it can be identified and reinstated.	4) Planned specification to be completed by February 2020 to be implemented in quarter 1 2020.	
2	Medium (AMBER)	<b>Complaints Process</b>  A review of the complaints system found that complaints can be received through multiple channels but not all complaints that are received by the councils are processed through the dedicated system.	Reputational damage if complaints are not being dealt with in a timely manner and that the Council are not aware of the number of complaints received.	To understand the reason why not all compliments and complaints are logged through the current system and then to evaluate the current system used for the recording of compliments and complaints and review if it is fit for purpose.	<b>Responsible Manager:</b> Assistant Customer Support Manager  <b>Implementation date:</b> April 2020 (depending on development)  <b>Complaints Recording Management System</b>  1) The single example provided related to Leisure who stated in their response (from a 4 <sup>th</sup> tier manager) that they know that they need to report it on the complaints system and state that they 'are not great at placing them onto the corporate system but resolve it there and then, timing and workload sometimes overtakes'. There was also a comment from the auditor that other services also said this but no evidence was	Not due for completion at time of reporting.

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
					<p>obtained.</p> <p>Comms will go out to staff to ensure that compliments and complaints are recorded on the system</p> <p>2) User Access rights will be reviewed as part of the 2020 implementation.</p> <p>There are users who have left still on the system however they do not have cases allocated to them and we would like to keep their records on this system to show the interaction with any previous complaints.</p> <p>Any users still on the system will have been removed from ICT 'active directory' and so it is impossible for them to access the system.</p>	
3	Medium (AMBER)	<p><b>Compliments and Complaints Reporting</b></p> <p>Although there is a reporting option and facility available within the complaints system, it is not being utilised in order to produce reports for management.</p>	<p>Incomplete management information could potentially lead to poor decision making and</p>	<p>Once the integrity of the data within the system has been assured to consider introducing quarterly reports to senior</p>	<p><b>Responsible Manager:</b> Assistant Customer Support Manager</p> <p><b>Implementation date:</b> 1<sup>st</sup> Dec 2019**</p> <p>There are no plans to report to service managers as the management are the users of</p>	<p>Seeking confirmation of completion at time of reporting.</p>

## **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

<b>Ref.</b>	<b>Priority</b>	<b>Finding</b>	<b>Risk</b>	<b>Recommendation</b>	<b>Management Response and Action Plan</b>	<b>Follow Up results as at December 2019</b>
		<p>An assessment of how service areas deal with complaints has identified that not all of them are processed through the system and therefore the integrity of the data is flawed from a corporate perspective.</p> <p>There is no overall reporting of compliments although services do share compliments within team meetings.</p>	<p>missed opportunity to better performance.</p>	<p>management in order to provide a strategic overview of how the Councils are performing and help to identify areas of risk though non delivery or poor service.</p> <p>To report on service areas to help them improve and to allow services to analyse trends within complaints.</p> <p>To consider the use of reporting compliments through staff newsletters/corporate events in order to celebrate success and help to boost morale throughout the Councils.</p>	<p>the system and can therefore check their own service area reports.</p> <p>Quarterly reports can be provided to CMT and SMT if required.</p> <p>It is planned to publish complaint data on a monthly basis on the web, including services whose complaints are over 21 days old.</p> <p>This was delayed due to the roll out of the corporate customer care strategy.</p> <p><b>**Subject to CMT approval, we will suggest a date of 1<sup>st</sup> December 2019.</b></p>	
4	Medium (AMBER)	<p><b>GDPR</b></p> <p>There is confusion surrounding where the responsibility lies for the deleting of records from the system and if the process is an automatic process or manual one.</p>	<p>There is risk that if items fall out of retention it may damage the reputation of the council as well as creating a possible financial penalty against the authority.</p> <p>There is a risk that that items could be non-compliant within GDPR regulations and that there is no system control of</p>	<p>To review the current system and allocate a responsible officer to introduce quarterly checks by the appointed officer to ensure that there is a control in place so any personal record that are found to be non-compliant with the retention cycle are disposed of within the correct year.</p>	<p><b>Responsible Manager:</b> Assistant Customer Support Manager</p> <p><b>Implementation date:</b> December 2020</p> <p>The complaints system was introduced in 2014 and complaints will be held for 5 years following closure. There are currently no records overdue for deletion, and the first record will be deleted in December 2020.</p>	<p>Seeking confirmation of completion at time of reporting.</p>



## **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

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Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
			<p>GDPR files.</p> <p>If there is a risk it is breach of GDPR regulations and potential of financial penalty.</p>		<p>Previous meetings with ICT had stated the system will remove records on an annual basis following 2020 however a check will need to be made to ensure this happens. Added to ICT development list.</p>	

## **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

<b>Ref.</b>	<b>Priority</b>	<b>Finding</b>	<b>Risk</b>	<b>Recommendation</b>	<b>Management Response and Action Plan</b>	<b>Follow Up results as at December 2019</b>
<b>Audit: Treasury Management</b>						
<b>Assurance: Moderate</b>						
1	Medium (AMBER)	<p><b>Ledger Coding and Reconciliation</b></p> <p>There has not been any formal periodic reconciliation of treasury management activities in the ledger for Bromsgrove District Council during the 2019/20 financial period. However it is understood that discussion are being held on the completion of these within the finance team with responsibility expected to sit with the Accountancy Assistants.</p> <p>Additionally delays were recognised in posting treasury transactions to the ledger in excess of a month.</p>	<p>Failure to correctly account for financial transactions on the ledger, potentially resulting in reputational damage to the Councils.</p>	<p>A formal reconciliation of treasury management activities is required against the ledger postings at agreed intervals to be determined by the Finance Team, to ensure all financial activities have been fully accounted for and coded correctly.</p> <p>A monthly reconciliation would also ensure treasury transactions were posted to the ledger in a timely manner by capturing any unposted transactions.</p>	<p><b>Management Response:</b> Due to recent changes in the team, and resourcing issues this has not been possible to complete. This has now been remedied with posts being filled, so reconciliations will be undertaken going forwards as well as those which are outstanding.</p> <p><b>Implementation Date:</b> December 2019</p> <p><b>Responsible Officer:</b> Financial Services Manager</p>	<p>Seeking confirmation of completion at time of reporting. Rolled forward recommendation from 2018/19.</p>
2	Medium (AMBER)	<p><b>User Access</b></p> <p>A user account for an Accountancy Officer with access to the iDealTrade system was not removed at the point of the Officer leaving.</p>	<p>Failure to control access to key systems resulting in potential breaches which could result in reputational or financial loss for the authority.</p>	<p>Ensure procedures for removing network access for previous employees are followed. Additional system access must also be removed in a timely manner, and monitored by senior officers in the Finance team. Current access requirements to be reviewed on</p>	<p><b>Management Response:</b> Agreed, as part of the leaving process going forwards access to ideal trade is reviewed to ensure that leavers no longer have access</p> <p><b>Implementation Date:</b> October 2019</p>	<p>Seeking confirmation of completion at time of reporting. Rolled forward recommendation from 2018/19.</p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
				a periodic basis.	<b>Responsible Officer:</b> Financial Services Manager	
3	High (RED)	<p><b>iDeal Trading System</b></p> <p>It was identified a number of officers have the ability to raise borrowing adverts on iDeal Trade with no supervision from any other senior officer.</p> <p>The maximum single loan limit was ascertained as £10 million, the limit on the number of adverts that can be placed is unknown.</p> <p>In addition the ability exists to set interest rates and terms (maximum term of 60 months). Interest rates are based on other borrowers on that day, however are not currently evidenced.</p> <p>The Officer raising the debts also sends the bank details to the lender via E-mail, but is not able to change the bank details on the iDeal Trade system.</p>	<p>Best value is not achieved in regards to interest rates/terms.</p> <p>Employee raises unrequired loans.</p> <p>Fraudulent loans are paid into personal bank accounts.</p> <p>Reputational Damage.</p>	<p>A segregation of duties and approval system is introduced to protect employees at each stage.</p> <p>Evidence of best value is recorded e.g. interest rates on the given day.</p>	<p><b>Managers Response:</b> Agreed, discussed with Arlingclose about putting in an additional step, training on the software has been booked.</p> <p><b>Implementation Date:</b> October 2019</p> <p><b>Responsible Officer:</b> Financial Services Manager</p>	<p>Seeking confirmation of completion at time of reporting.</p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		The iDeal Trade system can auto-match and agree a deal autonomously if another iDeal Trade partner agrees the terms. An E-mail is generated by the software and sent to a number of officers only after the deal is agreed.				
4	Medium (AMBER)	<p><b>Treasury Training</b></p> <p>During testing it was ascertained members of Bromsgrove District Council elected in May 2019 had not been offered treasury management training by an accredited provider.</p>	<p>Knowledge of the authorities finances in relation to the wider economic environment and other authorities limited.</p> <p>Reputational damage.</p>	<p>Training is offered to newly appointed members as soon as possible with an accredited provider to allow members to be further informed when making decisions on the procedures relating to treasury management.</p>	<p><b>Managers Response:</b> This is part of the contract with our treasury advisers Arlingclose, and is now booked in to take place at Bromsgrove Council.</p> <p><b>Implementation Date:</b> October 2019</p> <p><b>Responsible Officer:</b> Financial Services Manager</p>	<p>Seeking confirmation of completion at time of reporting.</p>

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
<b>Audit: Document Retention</b>						
<b>Assurance: Limited</b>						
1	High (RED)	<p><b>Controls of retention schedule</b></p> <p>Testing of retained items against the retention schedule indicated that all service areas are archiving information but not all of them are destroying the information in a timely manner. E.g. within the year it requires destroying.</p>	<p>Bromsgrove District Council could become non-compliant with GDPR regulation requirements increasing the potential for reputational damage and financial penalty.</p>	<p>To continue to encourage staff through the annual General Data Protection Act training that is provided by the information team to encourage the importance of removing information; it is to be encouraged through the recommendation to establish a clearance day routine to ensure that all documents are destroyed and appropriate actions are taken.</p> <p>Each service to ensure that it manages its data disposal in a timely manner.</p>	<p><b>Responsible Officers:-</b></p> <p>ICT Manager</p> <p>ICT Operations Manager</p> <p><b>Implementation Date: -</b> Q4 2019/20</p> <ol style="list-style-type: none"> <li>1.) Reminders to staff via the orb to delete records that are passed the retention period.</li> <li>2.) To conduct a corporate annual clear out to remove documentation that is passed the retention period.</li> <li>3.) Review the retention schedule to ensure it remains fit for purpose.</li> </ol>	<p>Not due for completion at time of reporting.</p>
2	High (RED)	<p><b>Security of archived information</b></p> <p><b>Hard Copy</b></p> <p>Testing found that hard copy information that is</p>	<p>There is the potential risk of unauthorised access to sensitive information</p>	<p>Bromsgrove District Council to ensure sensitive information that is being archived is not</p>	<p><b>Responsible Officers:</b></p> <p>ICT Operations Manager</p>	

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan	Follow Up results as at December 2019
		<p>stored at both authorities can be viewed by anyone. Although it is stored within specific areas for services, anyone can access the archives room and sensitive information including personnel files, personal financial records and investigations can be easily accessed.</p> <p><b>Bromsgrove District Council Deeds</b> Testing found that the deeds are secure in a separate room to the other archived files and requires a different key to access. However, the information at Bromsgrove District Council is being stored in a room which is not fire or flood proof, meaning that if there was a fire or flood files that require to be retained for life potentially would be lost.</p> <p><b>Bromsgrove District Council</b></p>	<p>leading to reputation damage and/or a breach of Data Protection Act and General Data Protection Regulations.</p> <p>If the deeds were lost this could impact short term on business operations while the information was obtained from the land registry.</p> <p>With unrestricted access to the archives in</p>	<p>accessible to staff other than those that require it for their role and responsibilities. Also, the current arrangements to be reviewed to ascertain whether sensitive information is sufficiently protected from unauthorised use.</p> <p>The deeds are currently vulnerable to potential loss in the event of fire or flood so consideration to be given to how best to mitigate this risk e.g. electronic storage.</p> <p>Bromsgrove District Council adopts the same approach as</p>	<p>Head of Legal &amp; Democratic Services (for deeds transfer item)</p> <p>Senior H&amp;S Officer</p> <p><b>Implementation Date</b> Q1 2020/21</p> <p>All archive records are to be securely stored if not considered to be 'public' viewing.</p> <p>The archive facility at Parkside was never designed to be flood and/or fireproof due to the building. Consideration to be given to transferring documentation to Redditch Borough Council Town Hall deeds room which provides this security.</p> <p>There will be an alignment of Bromsgrove District Council</p>	<p>Not due for completion at time of reporting.</p>

## **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

<b>Ref.</b>	<b>Priority</b>	<b>Finding</b>	<b>Risk</b>	<b>Recommendation</b>	<b>Management Response and Action Plan</b>	<b>Follow Up results as at December 2019</b>
		<p><b>Access Rights to Archives</b></p> <p>Testing at Bromsgrove District Council Parkside found there is no sign in or sign out procedure in place to access the archives allowing anyone to enter the basement archives having obtained the key in the absence of the caretaker. There is a risk that if a fire was to breakout at the building, someone may become trapped in the archives as it is not part of the sweep.</p>	<p>Bromsgrove potential risks include.</p> <ol style="list-style-type: none"> <li>1.) Unauthorised access</li> <li>2.) Access and potential loss to sensitive information</li> <li>3.) A lack of awareness potentially leading to confusion in an emergency situation.</li> </ol>	<p>Redditch Borough Council in regard to access procedure for the archive storage area to ensure staff safety and reduce the risk of unauthorised access.</p>	<p>and Redditch Borough Council access/egress procedures thus ensuring best health and safety practice when staff are visiting the archives.</p>	
3	Medium (AMBER)	<p><b>Retention Policy</b></p> <p>Testing found although there is a clear retention policy for IT available there is not a clear transparent policy available on the orb page in regard to retention.</p> <p><b>Review of Policy and Procedure schedule</b></p> <p>Testing found service areas are not updating the policy and procedure schedule.</p>	<p>If the policy is not transparent and readily available staff will not follow it potentially leading to the non-compliance with statutory requirements, reputation damage and financial loss through fines.</p>	<p>Current retention procedure to be reviewed to ensure it remains fit for purpose and a policy is published on the Orb for staff to reference and follow.</p> <p>These key documents require periodic review and update in line with business need.</p>	<p><b>Responsible Officer:-</b> ICT Operations Manager</p> <p><b>Implementation Date</b> Q1 2020/21</p> <p>To revisit to ensure the retention policy remains fit for purpose and that conversations are happening to keep on top of the retention of documents.</p>	<p>Not due for completion at time of reporting.</p>
<b>end</b>						

## **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

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### **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.



BROMSGROVE DISTRICT COUNCIL

**AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

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<u>Audit</u>	<u>Date Final Audit Report Issued</u>	<u>Service Area</u>	<u>Assurance</u>	<u>Number of High, Medium and Low priority Recommendations</u>	<u>Date to be 1st Followed up or outcome</u>	<u>2<sup>nd</sup> Follow Up</u>	<u>3<sup>rd</sup> Follow Up</u>
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BROMSGROVE DISTRICT COUNCIL

## AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

					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	
<b>2018-19 Audits</b>							
GDPR	13 <sup>th</sup> March 2019	Corporate	Moderate	Reported 2 high and 2 medium (only 1 med in BDC) priorities in; Awareness, Data Protection Officer, and Third Party Data Processes. Follow up to be completed in 3 months	Follow up undertaken in August 2019. Outcome reported to <b>CMT in October 2019 with action plan agreed. Follow up scheduled for March 2020.</b>		
Transport (Fleet)	19th June 2019	Operations	Limited	Reported 7 'medium' priority recommendations in Extension of the use of vehicle trackers on the fleet, Fuel monitoring to be introduced on an exception basis, Inventory records should be accurately maintained & be consistent with the insurance schedule, Vehicle service & repair files were not accurately maintained, Accident records are not accurate, Driver 'walk round' checks are not consistently carried out and Untaxed vehicle in used. <b>A follow up will take place in 3 months.</b>	Follow Up undertaken in October which confirmed all recommendations were either completed or being actively addressed. <b>Further follow up March 2020.</b>		
Procurement	7th June 2019	Corporate	Limited	Reported 3 'high' and 3 'medium' priority recommendations in Training Control, Collusion, The scoring matrix above £25k, Training Controls, The scoring matrix under £25k and centralising information controls. <b>A follow up will take place in 3 months.</b>	<b>Consultant has been commissioned to assist with the development of this area. To be included in 2020/21 review.</b>		

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Risk Management	28th June 2019	Corporate	Limited	Reported 3 'high' and 3 'medium' priority recommendations in Risk Management Meetings, Risk Management Training Information available, Service Risk Register Updates, Risk Management Strategy and Portfolio Holder Monitoring. <b>A follow up will take place in 3 months.</b>	<b>Zurich has been commissioned during October 2019 to assist with the relaunch of corporate risk. To be included in 2020/21 review.</b>		
Bromsgrove Energy Efficiency Fund (BEEF)	26th April 2019	Environmental Services	Moderate	Reported 3 'medium' priority recommendations in End of Scheme Reporting, Documentation and Application Processing. <b>A follow up will take place in 6 months.</b>	<b>Rescheduled for February 2020</b>		
Worcestershire Regulatory Services	10th April 2019	Worcestershire Regulatory Services	Significant	Reported 2 'medium' priority recommendations in Complaint register should be reviewed for completeness quarterly and Complaints should be completed within processing timescales. <b>A follow up will take place in 6 months.</b>	Follow up to be completed as <b>part of the 2019/20 audit in Q4</b>		
Health and Safety	20th July 2019	Corporate	Limited	Reported 9 'high' and 5 'medium' priority recommendations in Policies, Fire Safety and Evacuations, Manager IOSH training, Lift Risk Assessments, Fuelling Point Assessment at Redditch Borough Council Depot, Fire Risk Assessment Action Plan, Fire Alarms, Evacuation of less able people from Redditch BoC Town Hall, Active and Re-active measures of a terrorist attack, Active and re-active measures of a terrorist attack, Action Plan Update, Financial Analysis and Training Budget, Induction Process and Bespoke H&S training. <b>A follow up will take</b>	<b>Action plan in place and being monitored by the Health and Safety Officer. A follow up audit is scheduled for Q4.</b>		

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				place in 3 months.			
<b>2019-20 Audits</b>							
Markets	6th September 2019	Economic Development	Limited	Reported 4 high and 2 medium priorities in Recording of toll finds, Policy & Procedures, Records Comply with GDPR, Public Liability Assurance, Reconciliation of stalls and Fees, Charges and Incentive Scheme. <b>Follow up to be completed in 3 months.</b>	Follow up December 2019. 2 'high' and 1 'medium' priority recommendations have been implemented; 2 'high' priority recommendations have been partially implemented; 1 'medium' priority recommendation is in progress as indicated at Appendix 3 above. <b>Further follow up planned for April 2020.</b>		
Treasury Management	18th October 2019	Finance	Moderate	Reported 1 high and 3 medium priority findings in, iDeal Trading System, Treasury Training, Ledger Coding and Reconciliation and User Access. Follow up to be completed in 3 months.	<b>Jan-20</b>		
Document Retention	5th November 2019	Legal	Limited	Reported 2 high and 1 medium priority recommendations in controls of the retention schedule, security of archived information and retention policy. <b>Follow up to be completed in 3 months.</b>	<b>Feb-20</b>		
end							

Appendix 5

Quality Assurance Improvement Plan (QAIP) for 2019/20.

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Actions for points 1, 2 & 5 reported completed before 20<sup>th</sup> September 2019. Further progress has been made in regard to the remaining points as indicated below.

<b>Action No.</b>	<b>Area to be actioned</b>	<b>Outcome required</b>	<b>Action</b>	<b>To be undertaken by:</b>	<b>Date to be completed</b>	<b>Completed</b>	<b>Further Action Required</b>
<b>3</b>	2240 - Approving Work prior to starting	Develop a process where by we can QA the testing programme prior to testing being undertaken, and to ensure that a formal sign off has taken place by either Head of Internal Audit or Team Leader	Engage with staff via Team Meetings to agree a process and to adjust the methodology to reflect the initial sign off prior to the testing commencing.	Audit Team Leader	Dec-19	Ongoing. Included in July Team Meeting.	Feedback collated during August/September with live running October 2019 onwards. Monitoring being undertaken to ensure fully embedded.  December: Live running commenced in October. Monitoring continuing.
<b>4</b>	2420 - Timely Completion of Stages	To make improvements in line with completing all stages of audits in a timely manner.	Stage monitoring will be picked up via 1-2-1's and the report monitoring will be picked up with the Audit Tracker "Response" tab (and discussed in 1-2-1's).	Audit Team Leader	Immediate implementation with ongoing monitoring throughout the year	First phase implementation completed but remains ongoing.	Continue to monitor to 31 <sup>st</sup> March 2020 to ensure fully embedded.  December: Monitoring

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<b>Action No.</b>	<b>Area to be actioned</b>	<b>Outcome required</b>	<b>Action</b>	<b>To be undertaken by:</b>	<b>Date to be completed</b>	<b>Completed</b>	<b>Further Action Required</b>
							continuing.