

Audit & Counter Fraud Update

Gravesham Borough Council

For the period:

1 August – 30 September 2021

1. Introduction

- 1.1 The Audit & Counter Fraud Shared Service for Medway Council & Gravesham Borough Council was established on 1 March 2016. The team provides internal audit assurance and consultancy, proactive counter fraud and reactive investigation services, and the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud
- 1.2 The Public Sector Internal Audit Standards (the Standards) require that: *The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.*

2. Executive Summary

- 2.1 This report covers a short period of only two months, however, the following audit reviews have been finalised;

- Garden Waste Collection – Opinion: **Green**

In addition, four reviews have reached the draft report stage, three have had fieldwork completed and are now going through the quality control process, a further review is currently underway and commencement of a number of others is being arranged with clients. As a consequence of this work, plan delivery as at 30 September was 33% complete, with a further 4% underway. Full details of the individual reviews can be found in section 5 of this report.

- 2.2 Follow up of agreed recommendations has continued and performance as of 30 September stood at 64%, with 21 of 33 recommendations due in the period having been implemented. 12 remain outstanding and are being monitored in line with the agreed follow up process. Full details of the progress made in relation to recommendation follow up can be found at section 8.
- 2.3 In respect of recommendations arising from audits with Red opinions that have been reported to the Committee, all five recommendations relating to the review of IT Asset Management have now been implemented. No recommendations were due before 30 September in respect of the review of Private Housing Enforcement.
- 2.4 Investigations concluded during the period have identified cashable savings of £26,074 in the form of additional council tax liabilities, both historic and future and new business rate liabilities. The recovery of a council property also represents a notional saving of £93,000.
- 2.5 There has been continued impact on planned resources due to sickness, and vacancies with posts to be advertised in the coming weeks. We are currently projecting a loss of approximately 78 days (40 audit days and 38 counter fraud days) from the projected 603 available at the start of the year. As a consequence, revisions to the plan are required and it is proposed that the reviews of Project Management – M365 and Housing Rent Administration and Collection are removed.

3. Independence

- 3.1 The Audit & Counter Fraud Charter was approved by the Finance & Audit Committee in February 2020 and sets out the purpose, authority, and responsibility of the team. The Charter sets out the arrangements to ensure the team's independence and objectivity through direct reporting lines to senior management and Members, and through safeguards to ensure officers remain free from operational responsibility and do not engage in any other activity that may impair their judgement. The

work of the team during the period covered by this report has been free from any inappropriate restriction or influence from senior officers and/or Members.

- 3.2 Given its responsibilities for counter-fraud activities, the Audit & Counter Fraud Shared Service cannot provide independent assurance over the counter-fraud activities of either council. Instead, independent assurance over the effectiveness of these arrangements will be sought from an external supplier of audit services on a periodic basis. The most recent of these reviews was undertaken by Tonbridge & Malling Borough Council in 2018-19.

4. Resources

- 4.1 The Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The team currently has an establishment of 14 officers, consisting of; the Head of Internal Audit & Counter Fraud, two Internal Audit Team Leaders (one post currently vacant), six Internal Auditors (5.78FTE), one Counter Fraud Team Leader, two Counter Fraud Officers, and two Counter Fraud Intelligence Analysts (1.86FTE).
- 4.2 The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 64% for Medway, with the remaining 36% for Gravesham. The establishment at the time the Audit & Counter Fraud Plans for 2021-22 were prepared, was forecasted to provide a total of 1,815 days available for audit and counter fraud work (net of allowances for leave, training, management, administration etc.) The Audit & Counter Fraud Plan for Gravesham was prepared with a resource budget of 654 days for audit & counter fraud work.
- 4.3 Net staff days available for Gravesham for the period 1 August to 30 September 2021 amounted to 100 days and 84 days (84%) were spent on chargeable audit and counter fraud work. Of this chargeable time, 48 days (57%) was spent on audit assurance and consultancy work, while 36 days (43%) was spent on counter fraud and investigations work. In addition, 5 days were spent on SPOC related duties. The current status and results of all work carried out are detailed at section 5 of this report.
- 4.4 There has been continued impact on planned resources due to sickness, and as mentioned in the previous update, the resignation of an Internal Audit Team Leader with effect from 30 June 2021. A Counter Fraud Officer will also be leaving with effect from 01 October, which creates a further vacancy to be filled. Both posts will be advertised for recruitment and based on anticipated start dates for those posts we are currently projecting a loss of approximately 78 days (40 audit days and 38 counter fraud days) from the projected 603 available at the start of the year.

5. Results of planned Audit & Counter Fraud work

- 5.1 The Audit & Counter Fraud Plan 2021-22 for Gravesham was approved by the Finance & Audit Committee in March 2021. The Plan is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Gravesham during the financial year including the council's core finance and governance arrangements, operational assurance work, proactive counter fraud work, responsive investigations, and consultancy services.
- 5.2 The tables below provide details of the work from 2020-21 that has been finalised in 2021-22 (excluding those detailed in the annual report for 2020-21), the progress of work undertaken as part of the 2021-22 annual plan and the results of investigative work completed during the period.

2020-21 Internal Audit assurance work completed in 2021-22 (since the last Audit Committee meeting)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
6	Cyber security	15	14.8	Final report issued	Findings reported to the Committee September 2021.
14	Corporate debt recovery	15	18.6	Final report issued	Findings reported to the Committee September 2021.
19	Traded services - Rosherville Ltd	15	22	Final report issued	Findings reported to the Committee September 2021.

2021-22 Internal Audit assurance work

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
Core governance and financial systems assurance work					
1	Governance framework	8		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - An effective Governance Framework is in place.
2	Constitution maintenance	12		Draft report with client for consideration	The review considered the following Risk Management Objective: RMO1 - Effective arrangements are in place to maintain Gravesham Borough Council's Constitution.
3	Risk management compliance	10		Draft report with client for consideration	The review considered the following Risk Management Objective: RMO1 - There are arrangements in place to manage operational risks.
4	Performance management framework & reporting	15		Deferred to 2022-23	Deferral agreed at the September 2021 Finance & Audit Committee meeting
5	Bank reconciliation	10		Not yet started	
6	Project management - M365	15		Not yet started	
7	Income collection	15		Not yet started	
8	Housing benefit & CTR appeals	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 – Arrangements are in place to appropriately process HB and CTR appeals.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
9	Council Tax discounts, disregards & exemptions	10		Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - Arrangements are in place to appropriately administer Council Tax discounts, disregards, and exemptions.
10	Housing rent administration and collection	15		Not yet started	
11	VAT	10		Draft report with client for consideration	The review considered the following Risk Management Objective: RMO1 - Effective arrangements are in place to manage the council's VAT matters.
12	Financial planning	10		Not yet started	
Corporate risks assurance work					
13	Planning applications (inc validations and decisions)	15		Not yet started	
14	Business continuity planning	15		Not yet started	
15	Garden waste collection service	10	9.9	Final report Issued	<p>The review considered the following Risk Management Objective: RMO1 - There are arrangements in place to manage the council's garden waste collection service.</p> <p>The review found that the council's garden waste collection service is appropriately advertised, and the fees and charges are reviewed annually. Customers can arrange sign up to the garden waste bin collection service online or via customer services; eligibility is established, and payment is taken at the point of application. There are appropriate arrangements in place to ensure the information entered at the time of application is correctly transposed onto the Collective waste management system. Arrangements are also in place to deliver bins, ensure new customers are correctly added to the collection schedules and to advise customers of their collection dates. Audit testing confirmed these arrangements to be working in practice.</p> <p>Procedures are in place to facilitate renewal of subscriptions and renewal reminders are sent. Customers that have cancelled the service or do not renew are appropriately removed from collection schedules and arrangements made to collect their bin. However, at the time of audit there were 869 subscriptions that had not been renewed and the garden waste bin had not been returned.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>Arrangements exist for customers to purchase garden waste sacks and there are arrangements in place to collect payment and to manage control stock. Take-up of the garden waste collection service is monitored via a management indicator; income received is monitored through the council's budget monitoring procedures and there are also regular reports to the Operational Services Cabinet Committee. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: One low priority. Recommendation relates to arrangements being made for a review of the procedures to collect garden waste bins from customers where necessary.</p>
16	Temporary accommodation	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - The provision of temporary accommodation (TA) outside of the area is appropriately managed.
17	Leaseholder management	10		Draft report with client for consideration	The review considered the following Risk Management Objective: RMO1 - There are arrangements are in place for the administration of leaseholder service charges.
18	Housing allocations	15		Not yet started	
19	HRA building compliance	15		Terms of Reference being prepared	
20	Council housing disabled adaptations	15		Not yet started	
21	GDPR	15		Not yet started	
22	Corporate complaints	15		Not yet started	
23	Refuse collection	15		Terms of Reference being prepared	
24	Accessibility Regulations	15		Terms of Reference being prepared	
25	<i>Finalisation of 2020-21 planned work</i>	20	19.9	<i>Complete</i>	<i>All reviews from 2020-21 have been finalised and outcomes reported to the Committee.</i>
26	Responsive assurance work	13	N/A	Underway	Please refer to the table below for information relating to responsive assurance activity.

Responsive assurance activity

Activity	Opinion, summary of findings & recommendations made
Government Grant Validation	Independent validation to confirm that Government Grant funding had been spent in accordance with the set conditions.

Other consultancy services including advice & information

Activity	Opinion, summary of findings & recommendations made
	Nothing to report

Counter Fraud activity

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
32	Counter fraud proactive work (inc external data matching such as NFI & KIN)	42	N/A	Not yet started	All matches from the 2019-20 NFI Exercise have been dealt with. Final results from the exercise were the removal of 86 single person discounts (8 replaced with an alternative discount), creating additional council tax liabilities of £87,513 and additional liability of £38,837 in future years. Work continues with the 2020-21 NFI Exercise, and support has been sought from other services. Results to date are HB overpayments of £2,040, a reduction in HB awards of £30.07pw (£1,564pa), additional council tax liability of £13,748 and liability in future years of £9,174.
33	Fraud awareness	5	N/A	Not yet started	

Responsive investigation work: external investigations

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Business Rates (NNDR)	0	3	Two cases concluded with no evidence of fraud. One case concluded with the creation of a new NNDR liability.	£583 (New Liability)	N/A	N/A

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Business Support Grants	1	4	Four cases concluded with no evidence of fraud.	N/A	N/A	N/A
Council Tax	10	42	26 cases were concluded with no evidence of fraud. 16 cases concluded with the removal of the council tax discount/exemption or reduction, Four of which resulted in the issue of civil penalties.	£16,747 (Historic Liability) £8,393 (Additional liability for future years) Civil Penalties £280	N/A	N/A
Housing Allocations	1	0	Nothing to report.	N/A	N/A	N/A
Tenancy	1	3	One case concluded with no evidence of fraud. One closed with the removal of council tax single person discount and issue of a civil penalty, and one closed with the successful recovery of the property.	£1,033 (Historic Liability) £322 (Additional liability for future years) Civil Penalty £70	£93,000	N/A

Responsive investigation work: internal investigations

Allegation	Investigation activity & recommendations
Nothing to report.	

6. Quality Assurance & Improvement Programme

- 6.1 The Standards require that: *The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement.* The Audit & Counter Fraud Shared Service's QAIP was agreed by the Finance & Audit Committee in February 2019.
- 6.2 The arrangements set out in the QAIP have been implemented with the collection and monitoring of performance data largely automated through the team's time recording and quality management processes. It should be noted that the results recorded below have not been subjected to independent data quality verification.
- 6.3 In line with the QAIP, the team monitor performance against a suite of 24 performance indicators based on the balanced scorecard, covering the four perspectives; financial, internal process, learning & growth and customer. The table below sets out the performance targets, which are grouped into measures for the service and those that are specific to the individual authority. Targets have been set for 17 of the 24 indicators, however it should be noted that these are for full year outturns; as such outturns at present are not to target levels but are provided for Members information.

Ref	Indicator	Target	Outturn
Non LA Specific Performance Measurements			
PM1	Cost of the Audit & Counter Fraud Service a) Total Cost b) LA Share	N/A	£599,944 (Budgeted Costs) £209,667
PM2	Cost per A&CF day	£400	£333
PM3	Proportion of staff with relevant professional qualification: a) Relevant audit qualification b) Relevant counter fraud qualification	75%	21% 50%
PM4	Proportion of non-qualified staff undertaking professional qualification training	25%	14%
PM5	Time spent on CPD/non-professional qualification training, learning & development	70 days	13 Days
PM6	Compliance with PSIAS	100%	The External Quality Assessment (EQA) conducted in February 2018 was positive with performance in line with or above that of other local authorities as per benchmarking; however, it did not provide a percentage of compliance. Our January 2019 self- assessment showed full compliance with 94% of the standards, partial compliance with a further 4% and work required to address the remaining 2%. We are working to address the areas that require improvement.
PM7	Staff turnover	N/A	0%
LA Specific Performance Measurements			
PM8	Average cost per assurance review	£5,000	£4,374

Ref	Indicator	Target	Outturn
PM9	Proportion of available resources spent on chargeable work	N/A	84%
PM10	Proportion of chargeable time spent on: a) assurance work b) consultancy work	N/A	57% 0%
PM11	Proportion of chargeable time spent on: a) proactive counter fraud work b) reactive counter fraud work	N/A	10% 33%
PM12	Proportion of chargeable time spent on SPOC associated duties	N/A	5 days
PM13	Proportion of agreed assurance assignments: a) Delivered b) Underway	95%	35% 4%
PM14	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	0
PM15	Proportion of recommended actions agreed by client management	90%	100%
PM16	Number of recommendations agreed that are: a) not yet due b) Implemented c) Outstanding	N/A	20 21 12
PM17	Proportion of recommended actions implemented by agreed date	N/A	64%
PM18	Number of referrals received	N/A	65
PM19	Number of investigations closed	N/A	66
PM20	Value of fraud losses identified: a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates) c) Prevented Losses (Savings associated with blocked applications)	N/A	£26,074 £93,000 £0
PM21	Customer satisfaction with individual review/assignment	95%	No completed surveys received during reporting period.
PM22	Customer satisfaction with overall service	95%	A wider satisfaction survey was last completed in March 2019 and was positive. Due to the Covid 19 pandemic, it was not possible to conduct a review during 2020-21. We hope to issue a new survey later in 2021-22.
PM23	Member satisfaction with assurance provided (based on Chair of Audit Committee contribution to Appraisal of the Head of Audit & Counter Fraud role)	Positive	The Chair of the Audit Committee was invited to contribute to the HIACF's mid-year performance review.
PM24	Statement of external audit	Positive	External Audit report by exception. At the time of writing this report, no concerns had been raised with the

Ref	Indicator	Target	Outturn
			Head of Internal Audit and Counter Fraud by Grant Thornton.

7. Review of Audit & Counter Fraud Plan

- 7.1 Monitoring of the delivery of planned work is built into the team’s processes with individual officer time recording data feeding into an automated performance monitoring workbook; this tracks the performance of the team against the shared service work-plan as a whole and enables the supervisory staff to plan and support officers to deliver their individual work plans. On at least a quarterly basis, a projection of the resources that will be available to the year-end is carried out and compared to forecasts for each item of work on the plan to be completed.
- 7.2 As detailed in paragraph 4.4, we are currently projecting a loss of approximately 40 days from expected audit resources. It is proposed that the following reviews are removed from the plan to account for some of this lost resource and allow some flexibility to respond to new emerging risks;
- 7.3 Project Management – M365 (15 days) – the roll out of Microsoft 365 was completed well ahead of schedule and the Corporate Change Team are already preparing to conduct a post implementation review, so an audit of controls will no longer add any value.
- 7.4 Housing Rent Administration and Collection (15 days) – This review was included to address potential risks associated with the roll out of a new housing computer system as it was likely to result in a number of new processes. However, as the new system has been delayed, there is a limited risk associated with this area, which was reviewed in 2019-20.

8. Follow up of agreed recommendations

- 8.1 Where the work of the team finds opportunities to strengthen the council’s risk management, governance and/or control arrangements, the team make and agree recommendations for improvement with service managers. The Standards require that a follow-up process is established: *to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.* As with all audit work, resources should be prioritised based on risk.
- 8.2 Service managers are asked to provide an update on action taken towards implementing all recommendations due on a monthly basis and are also asked to supply evidence to confirm that action has been taken in respect of all High priority recommendations, which is verified by the Audit & Counter Fraud Team.
- 8.3 The first of the two tables below details the current position in relation to the follow up process and the second details recommendations that are now more than six months over their planned implementation date; along with an update from the relevant Service Manager/Assistant Director/Director.

Status of agreed recommendations

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
Homelessness	<p>Opinion: Red.</p> <p>Four recommendations agreed: three high and one medium priority.</p> <p>Recommendations relate to the website being updated in line with the Homelessness Reduction Act, and the rebadging, implementation and publication of the Homelessness Prevention Strategy, as in line with the Rough Sleeping Strategy delivery plan, the creation of procedure notes to support the new requirements of the act, and looking at prevention measures and longer term accommodation options, in order to make better use of the temporary accommodation budget, and help prevent homelessness.</p>	<p>Three recommendations due, three implemented.</p> <p>Revised implementation date agreed for one high priority recommendation relating to looking at prevention measures and longer-term accommodation options.</p>
Use of Enforcement Services	<p>Opinion: Amber.</p> <p>Three recommendations agreed: one high, one medium and one low priority.</p> <p>Recommendations relate to the council's Corporate Fair Debt Policy being circulated to all relevant staff, the council's procedures and policy in respect of vulnerable debtors being reviewed and shared with the Enforcement Agents, Debt Collection Agents and Sheriffs used, and appropriate agreements being put in place for all enforcement services, including expected performance arrangements then being put in place for performance to be monitored in line with the agreement, including documenting any meetings held.</p>	<p>Two recommendations due, two implemented.</p> <p>Revised implementation date agreed for one high priority recommendation relating to appropriate agreements being put in place for all enforcement services, including expected performance arrangements then being put in place for performance to be monitored in line with the agreement, including documenting any meetings held.</p>
Business Continuity – IT Backup Arrangements	<p>Opinion: Amber.</p> <p>Two high priority recommendations agreed.</p> <p>Recommendations relate to the introduction of a test schedule to comply with requirement of the Civil Contingencies Act 2004 and the IT Disaster Recovery Plan being updated and reviewed in line with the overarching Business Continuity Plan.</p>	<p>Two recommendations due, two implemented.</p>
Fraud Focused Review of Flexi, TOIL & Overtime	<p>Opinion: Amber.</p> <p>Four high priority recommendations agreed.</p> <p>Recommendations relate to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.</p>	<p>Four recommendations due, none implemented.</p> <p>Four high priority outstanding relating to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions</p>

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
		to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.
Apprenticeship Scheme	<p>Opinion: Amber. Five recommendations agreed: two high, two medium and one low priority. Recommendations relate to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; the Apprenticeship Policy being reviewed and updated, arrangements being put in place for the apprenticeship spreadsheet to be monitored and updated regularly, and arrangements being made for checks to be undertaken of all payments to and from the Apprenticeship Service Account to ensure accuracy.</p>	<p>Two recommendations due, two implemented. Revised implementation dates agreed for one high and two medium priority recommendations relating to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; and, the Apprenticeship Policy being reviewed and updated.</p>
Fraud Focused Review of Lone Workers	<p>Opinion: Amber. Six recommendations agreed: Four high and two medium priority. Recommendations relate to reviewing and updating the procedures linked to the lone working policy, officers being reminded of the need to include sufficient details of diarised visits, managers being reminded of their responsibilities for contacting officers working away from the office, records of visits being maintained after the event to enable validation of timesheets and mileage claims, a reminder for staff undertaking lone working duties to perform security checks prior to visits, including checking the unacceptable behaviour register as appropriate, and managers undertaking regular quality control checks of visits.</p>	<p>Six recommendations due, none implemented Four high and two medium priority outstanding relating to reviewing and updating the procedures linked to the lone working policy, officers being reminded of the need to include sufficient details of diarised visits, managers being reminded of their responsibilities for contacting officers working away from the office, records of visits being maintained after the event to enable validation of timesheets and mileage claims, a reminder for staff undertaking lone working duties to perform security checks prior to visits, including checking the unacceptable behaviour register as</p>

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
		appropriate, and managers undertaking regular quality control checks of visits.
Member Standards	<p>Opinion: Amber.</p> <p>Three recommendations agreed: Two medium and one low priority.</p> <p>Recommendations relate to the Member training requirements included in the Constitution being reviewed for consistency, arrangements being put in place to maintain a central log of attendance at Planning & Licensing training, including 1-1 sessions, to ensure 'refresher' training is provided to Committee Members at the appropriate frequency, and the point of contact for declaring gifts and hospitality being clarified and the Member Gifts and Hospitality register being retained in accordance with the requirements of the Member Code of Conduct.</p>	Two recommendations due, two implemented.
Fraud Focused Review of Staff Leave Booking	<p>Opinion: Amber.</p> <p>Three recommendations agreed: One high and two medium priority.</p> <p>Recommendations relate to guidance being updated to include descriptions of all various types of leave; detailing those which are deducted from leave entitlement and those which are not, deadlines, deadlines being included with annual instruction to book bank holidays and ex-gratia day, and managers at all levels ensuring bank holidays for staff and themselves are booked.</p>	Three recommendations due, three implemented.
Shared Services	<p>Opinion: Amber.</p> <p>One high priority recommendation agreed.</p> <p>Recommendation relates to a review of all Shared Service Agreements.</p>	No recommendations due prior to 30 September 2021
IT Asset Management	<p>Opinion: Red.</p> <p>Five high priority recommendations agreed.</p> <p>Recommendations relate to arrangements being made for the IT Asset Register to be reviewed for accuracy and completeness; regular independent reviews of the IT Asset Register being carried out, including physical checks of IT assets to ensure they are still held by the intended users; ensuring there is a robust process for identifying staff leavers; ensuring IT assets are recovered when staff leave the council and that the IT Asset Register is promptly updated; an accurate record being prepared of all unallocated IT assets and regular reconciliations taking place to ensure this record is accurate and up to date, with all discrepancies investigated and reported as appropriate; and, all sales/disposals of IT assets being undertaken in accordance with the ICT Disposals Policy</p>	Five recommendations due, five implemented.
Private Housing Enforcement	<p>Opinion: Red.</p> <p>Five high priority recommendations agreed.</p> <p>Recommendations relate to private Housing procedures being written and tailored to ensure they reflect local priorities; the team investigating digitalisation of Private Housing enforcement</p>	One recommendation due, one implemented.

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
	<p>processes, including making best use of the systems available and moving away from paper files, as well as well as reviewing arrangements to ensure the Public HMO Register is accurate; arrangements being put in place to facilitate the timely renewal of HMO licences and for enforcement action to be taken where this is not the case; arrangements being put in place to ensure the council is able to take robust private housing enforcement action; the necessary work to facilitate the introduction of Civil Penalties being progressed; and, the service exploring alternative means to hold the landlord forums and otherwise engage with landlords</p>	
Cyber Security	<p>Opinion: Amber. Seven recommendations agreed: three high and four medium priority. Recommendations relate to adjustment to arrangements as a result of changes brought about by the COVID-19 pandemic and enhancements to arrangements for access and monitoring staff completion of training /policies.</p>	<p>Four recommendations due, three implemented. One medium priority outstanding relating to enhancements to arrangements for accessing policies.</p>
Corporate Debt Recovery	<p>Opinion: Amber. Three recommendations agreed: one high, one medium and one low priority. Recommendations relate to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases; the process to be followed should corporate debt fail to engage with customers and/or payments are stopped being documented; and, reviewing the process for updating customer records on relevant systems following corporate debt action to ensure all officers have up to date information on the status of corporate debt cases.</p>	<p>Two recommendations due, one implemented. One high priority outstanding relating to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases.</p>
Traded Services – Rosherville Ltd	<p>Opinion: Amber. Three recommendations agreed: one high and two medium priority. Recommendations relate to consideration of the Rosherville Ltd board including the Non-Executive Directors, training for additional staff on roles and responsibilities, and performance reporting from Rosherville to the Shareholder Board.</p>	<p>No recommendations due prior to 30 September 2021.</p>
Garden Waste Collection Service	<p>Opinion Green. One low priority recommendation agreed. Recommendation relates to arrangements being made for a review of the procedures to collect garden waste bins from customers where necessary.</p>	<p>No recommendations due prior to 30 September 2021.</p>

Recommendations outstanding more than six months after scheduled implementation date

Directorate	Audit title	Recommendation	Priority	Planned implementation date	Management update
Communities	Fraud Focused Review of Flexi, TOIL & Overtime	<p>Information about flexi time and TOIL on the intranet should be reviewed and a central document created and circulated to staff; in addition to the information already provided on the intranet, this should include:</p> <ul style="list-style-type: none"> - guidance regarding the operation of TOIL, including eligibility, the rate at which time can be re-claimed and how this should be recorded; - clarification on whether a timesheet needs to be completed by employees who are not taking part in the flexi scheme; - the requirement to book flexi leave and TOIL on SS4U, including clarification on the recording of part-days; - additional information / examples on how time should be recorded on days when personal appointments have occurred; - responsibility for completing timesheets, including updating the templates; - a reminder for staff that that they should ensure the correct number of hours are recorded for a standard working day / half day; - the requirement to give an explanation for any authorised adjustments. 	High	31 December 2020	Roll out of the Hybrid Working policy has been delayed. We are anticipating this will be circulated shortly with an expected implementation date of 1 Nov (latest).

Communities	Fraud Focused Review of Flexi, TOIL & Overtime	Following the circulation of the guidance recommended at R1, line managers should be reminded of their role in ensuring that this is adhered to, by checking and signing-off timesheets on a monthly basis, as well as how they should deal with any concerns.	High	31 December 2020	Roll out of the Hybrid Working policy has been delayed. We are anticipating this will be circulated shortly with an expected implementation date of 1 Nov (latest).
Communities	Fraud Focused Review of Flexi, TOIL & Overtime	A council overtime policy document should be created, highlighting the Green Book section on overtime and reiterating the correct rates of pay and the Working Time Directive. The policy should include the process for claiming overtime. This document along with a copy of the Conditions of Service of the National Joint Council for Local Government Services (Green Book) should be made available on the intranet.	High	31 December 2020	Roll out of the Hybrid Working policy has been delayed. We are anticipating this will be circulated shortly with an expected implementation date of 1 Nov (latest).
Communities	Fraud Focused Review of Flexi, TOIL & Overtime	Service managers should be reminded of the overtime rates including the guidelines for part-time staff and also the Working Time Directive.	High	31 December 2020	Roll out of the Hybrid Working policy has been delayed. We are anticipating this will be circulated shortly with an expected implementation date of 1 Nov (latest).

Definitions of audit opinions & recommendation priorities

<p>Green – Risk management operates effectively and objectives are being met</p>	<p>Expected controls are in place and effective to ensure risks are well managed and the service objectives are being met. Any errors found are minor or the occurrence of errors is considered to be isolated. Recommendations made are considered to be opportunities to enhance existing arrangements.</p>
<p>Amber – Key risks are being managed to enable the key objectives to be met</p>	<p>Expected key or compensating controls are in place and generally complied with ensuring significant risks are adequately managed and the service area meets its key objectives. Instances of failure to comply with controls or errors / omissions have been identified. Improvements to the control process or compliance with controls have been identified and recommendations have been made to improve this.</p>
<p>Red – Risk management arrangements require improvement to ensure objectives can be met</p>	<p>The overall control process is weak with one or more expected key control(s) or compensating control(s) absent or there is evidence of significant non-compliance. Risk management is not considered to be effective and the service risks failing to meet its objectives, significant loss/error, fraud/impropriety or damage to reputation. Recommendations have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.</p>

<p>High</p>	<p>The findings indicate a fundamental weakness in control that leaves the council exposed to significant risk. The recommended action addresses the weakness identified; to mitigate the risk exposure and enable the achievement of key objectives. Management should address the recommendation as a matter of urgency.</p>
<p>Medium</p>	<p>The findings indicate a weakness in control, or lack of compliance with existing controls, that leaves the system open to risk, although it is not critical to the achievement of objectives. Management should address the recommendation within a reasonable timeframe.</p>
<p>Low</p>	<p>The findings have identified an opportunity to enhance the efficiency or effectiveness of the system/control environment. Management should address the recommendation as resources allow.</p>