Executive Summary on Security 2015/2016 : Personal Security

Assurance	Limited

Introduction

A review of Council security was undertaken as part of the 2015/2016 risk based internal audit plan, approved by Audit Committee in March 2015. During this review we identified a number of recommendations relating to personal security. These have been reported within this report and issued directly to the Councils' responsible Health and Safety Manager (part of GO Shared Services) for response. This additional report remains under the original scope of the Security audit.

Overview and Key Findings

Corporate Policies

In May 2015 GO Shared Services Health & Safety (GOSS H&S) issued generic policies across all GOSS clients covering: Fire Safety, Violence at Work, Lone Working, and Control of Contractors. These policies were approved at Joint Consultative Committee (June 2015), however they still appear in draft form on the CDC intranet and have not been published on the WODC intranet. These policies should be reviewed and re-publicised.

Fire and First Aid provisions

GOSS H&S have appointed officers to support fire evacuation procedures (Fire Marshals) and apply First Aid where necessary. Testing identified a lack of clarity of fire personnel arrangements and inaccuracies in records kept on First Aid qualifications. We were unable to find evidence that GOSS H&S gain assurances that officers are fulfilling responsibilities required as part of these roles. GOSS H&S should review the current arrangements of fire personnel and provide training were necessary, ensure all qualification records of registered First Aiders are correct and gain assurance that appointed officers are fulfilling their responsibilities.

Service Area personal security procedures

In accordance with corporate policies, services in which officers undertake lone working or are at risk of exposure to aggression or abuse require: documented procedures, produce suitable information, instruction, training and supervision to ensure the personal safety of their officers. Testing highlighted this was not occurring in a number of service areas. GOSS H&S should gain assurance that all service areas are following the guidelines described within the associated policies.

Management Response

GOSS Health and Safety Manager in January 2016. The GOSS Health and Safety service area has now recruited a full team and is already some way to addressing points identified in this Audit.

CDC-WODC has a dedicated HS Business Partner who is working on a full review of both the First Aid and Fire Marshal provision – in terms of numbers and competency.

The Corporate Health and Safety Policies are already under review and only confirmed/approved documents will be added to the Intranet pages.

The Audit programme of GOSS HS will reinforce the actions identified in this report and see them to satisfactory completion.

Shared working is presenting on going challenges to GOSS HS and effort is being made to introduce more robust systems.

Greater division of responsibility around Fire Safety Management will speed implementation of actions identified – with Property Services focused on repair and maintenance of the Protective and Preventative systems in place. Employee Fire Safety needs to be firmly with GOSS HS.

The Audit recommendations are thus well received.

Executive Summary on CDC Security 2015/2016	
Assurance	Satisfactory

Introduction

This review of Council security was undertaken as part of the 2015/2016 risk based internal audit plan, approved by Audit Committee in March 2015. The focus of this audit was on:

- Highlighting strengths and weaknesses in the Councils' current physical security measures to protect their physical and financial assets.
- Reviewing Council policies and service areas' processes relating to security, to ensure they are current and mitigate all perceived risks effectively.
- Resources used in accordance with policies/procedures are adequate.

The Council has a responsibility to protect the security of its assets, information it holds, and the personal safety of its employees and customers. During this review we identified a number of recommendations relating to personal security. These have been reported in an additional audit report issued directly to the Council's responsible Health and Safety Manager (part of GO Shared Services) for response.

The review identified there are procedures in place to mitigate security risks, however improvements could be made to further increase the control environment, which are reflected in the assurance opinion and recommendations made.

Overview of key audit findings and recommendations

All areas of computer security were found to be satisfactory.

Building security (access control, CCTV, intruder alarms, fire detection and prevention) is administered by Property Services; testing found building security controls are well managed although some areas have been identified where controls could be improved.

ICT Server room Access

The ICT server rooms store vital computer equipment. Access is controlled using independent code locked doors; testing found the code had not been changed for some time. At a minimum the access code should be changed quarterly or more frequently as applicable (e.g. staff leavers).

CCTV coverage

The Council has extensive CCTV coverage other than in two key areas: the PACE interview room and the rear of the payment kiosk whether cash is collected. Consideration should be given to mounting CCTV cameras in these areas to increase personal and financial security.

Cashing up and banking procedures

Cashing up procedures were found to be secure; however a major weakness in relation to the transferal of banked income to the collection company, which have the potential for loss, has been reported.

Consideration should be given to where income is handed to the security collection company and procedure documentation, including robbery protocols, should be produced. Banking summary reports would also improve the control environment and make tracking payments possible.

Anti-money laundering measures

Audit observed a large amount of cash being used as payment at the Council offices, which involved an officer entering over £2,000 cash into the payment kiosk; a process taking approximately 15min. No clear procedure was in place to ensure the safety of officers depositing the cash, and to ensure compliance with the Council's Anti-Money Laundering policy. All officers should be reminded of their responsibilities under the Council's Anti-Money Laundering policy and a new process for receiving and receipting large cash payments is required.

Management Response

Management Team has reviewed the responses of the appropriate service managers and are satisfied that appropriate action is in progress for the matters requiring priority treatment.

Items that require more significant expenditure commitments such as building access controls will, where appropriate, be the subject of reports to elected members seeking budget to facilitate such changes.

The costs of any additional controls need to be assessed alongside the perceived risk of not implementing any such controls.

Executive Summary for Council Tax and NNDR 2015/2016 (CDC)	
Assurance	Satisfactory

Introduction

This review on Council Tax and NNDR is in accordance with the 2015/16 Audit Plan agreed with CDC Audit Committee.

This memo reports on our testing of the key controls and some transactional testing of Council Tax and NNDR systems and processes. We undertake the whole system review on a modular basis covered over a 3 year period. The assurance offered therefore takes into account the findings from our 2 previous years, as well as the work undertaken in this review.

Overview and Key Findings

Recovery Processes

We reviewed recovery processes to ensure that processes were in accordance with procedures. Testing identified that appropriate processes were operating; where recovery actions had been unsuccessful the write off procedure applied was in accordance with the policy.

Reconciliation Processes

Daily cash files from the Civica cash receipting system are reconciled to the Northgate system by the Revenues & Systems Officer based at CDC. We found that suspense items were being investigated and actioned by the Control team.

However, reconciliation of the Northgate system to the Council's main accounting system, Agresso (ABW) is not being undertaken as per the Financial Rules. Financial Rule I5.1 states;

> *'Budget holders are responsible for....Reconciling income systems with the council's main accounting system monthly to ensure that all income received has reached the correct budget head and investigating where there is a discrepancy.'*

2015/16 year end reconciliations for Council Tax and NNDR had been performed by the GOSS Accountant as part of close down procedures. However, to comply with the Financial Rules, service areas need to undertake regular reconciliation to ensure that income in their system agrees to income in the council's main accounting system. Any mis-postings or errors would be identified earlier and corrections made in a timely basis, rather than leaving it to year end, which may result in a time consuming, cumbersome process.

Recommendations and Conclusion

Monthly reconciliation of income in the Northgate system to income in Agresso must be undertaken as detailed in Financial Rule I5.1.

Based on the work undertaken and consideration of our previous 2 year's audit assessments, we can confirm that a **'Satisfactory'** assurance opinion can be offered over the control environment operating at CDC for the Council Tax and NNDR systems. We have made a recommendation relating to reconciliation processes that must be implemented to comply with the Financial Rules.

Management Response

From 1 September 2016 accountancy will send a monthly report for the service to reconcile, as suggested , to ensure we are compliant with the Financial Rules (15.1)

Executive Summary for Housing Benefit 2015/2016 (CDC)

Assurance	Satisfactory

Introduction

This review on Housing Benefit is in accordance with the 2015/16 Audit Plan agreed with CDC Audit Committee.

This memo reports on our testing of the key controls and some transactional testing of Housing Benefit systems and processes. We undertake the whole system review on a modular basis covered over a 3 year period. The assurance offered therefore takes into account the findings from our 2 previous years' work, as well as work undertaken in this review.

Overview and Key Findings

We reviewed the Housing Benefit overpayments process to ensure that processes operated were in accordance with procedures.

At CDC recovery actions are undertaken via the Accounts Receivable module of the Agresso system. The Overpayments Officer obtains reports from the system and goes through them to identify the reason for the overpayment and to ensure that the change that produced the overpayment was accurately processed. The HB officers are then requested to make the necessary adjustments in the Northgate system and either arrange recovery via on-going benefit payments or raise a debt on the Agresso system.

We can confirm that the Overpayments Officer has been tasked with developing procedure notes, as currently there is no other officer that is trained in recovery processes.

Testing identified that processes for the recovery of overpayments are sound, although there was one instance where the overpayment had been recovered from the claimant's spouse rather than the claimant. On this occasion the debt had been paid in full, however, this may not always be the case and so it important to ensure that invoices are raised to the correct payee.

We did note that errors identified by the Overpayments Officer, such as officers omitting to update notes on the Anite imaging system or omitting the sundry debt flag on the Northgate system are not recorded or logged. This statistical data along with the overpayment error logs that are already maintained could identify future training of individual officers.

Conclusion and Recommendations

We have also reviewed the implementation of the recommendations made in our 2014/15 review, and can confirm that these have been progressed.

Based on the work undertaken and consideration of our previous 2 year's audit assessments, we can confirm that a 'Satisfactory' assurance opinion can be offered over the control environment operating at CDC for the Housing Benefit system. We have made a recommendation relating to procedure notes which if addressed would help to enhance the control environment.

Management Response

As per audit recommendations the overpayment officer at CDC has started the process of putting in place procedural notes to assist with service continuity during periods of absence. The process should be completed during this financial year and communicated to the full service. Processes will be put in place to ensure that officers have awareness of the process and that a resource is available to process overpayments during periods of absence.

Executive Summary for Payroll 2015/2016	
Assurance	Satisfactory

Overview and Key Findings

The Payroll review was conducted as part of the core audit programme for 2015/16 as approved by the relevant Audit Committees and Boards in March 2015.

This review is carried out over a 3 year cycle, with 2015/16 being the second year of this cycle.

The focus of the review was on:
- Maintenance of records and calculation of entitlements
- Maintenance of employee records (starters / leavers / variations)
- Maintenance of employee records (HMRC / NI / P45)
- Maintenance of employee records (car users)
- Mileage and Expense claim sample testing to include casual, overtime, shift and standby payments

The audit review covered:
- The management of processes undertaken by GOSS on behalf of client organisations
- That processes comply with Financial Rules and other Client based policies and standards
- Follow-up and test the recommendations agreed in the previous audit
- An assessment of the GOSS performance levels and KPIs

We have undertaken sample testing and review of payroll processes undertaken by GOSS HR/Payroll in the areas identified above. We can confirm that on the whole sound processes and procedures are operating which ensure that an effective service is provided to the clients.

Processes comply with Financial Rules and other client based policies, however, our testing has identified instances where payments have been made that do not comply with the respective authority's policies. We have recommended that GOSS should report instances of non-compliance so they can be appropriately actioned.

Our follow up work to assess the implementation of our previous recommendations has found that progress has not occurred as planned. We are aware that changes are planned to the GOSS intranet as part of the 2020 Vision Programme and that work has started on closer working across the two Payroll Business Centres to improve consistency in working practices. However due to the Milestone 4 Upgrade and the 2020 Agresso project further progress has not been made at this current time.

We can confirm that performance data is reported to the GO Client Officer Group.

We have made recommendations that if addressed should strengthen the overall control environment. Based on the work completed and taking into account our previous years' assessment, we can conclude that a 'satisfactory' assurance opinion can be given.

Management Response

The GOSS HR and Payroll Business Centre teams have again demonstrated a high standard of application of various processes in a very complicated multi-client environment.

The areas highlighted and the recommendation mainly fall outside the remit and authorisation of the GOSS Business Centres, however we are happy to support and guide where necessary. It should however be noted that it is the responsibility of the line manager signing off the various forms that they comply with the relevant applicable policy.

The management team will email clients to raise awareness of the importance of ensuring line

managers are familiar with the policies that apply to the individuals claim. This is particularly important within the 2020 new shared services team and Ubico where multiple terms and conditions can apply within one team.

Well done teams.

Executive Summary for HR Policy Application 2015/2016	
Assurance	**Satisfactory**

Overview and Key Findings

This review on the Application of Human Resource (HR) Policies was undertaken in accordance with the 2015/16 Audit Plan, as approved by the Audit Committee at Cotswold District. The focus of the audit was on assessing the effectiveness of the application of policies relating to the following areas:

- Recruitment and Selection to include induction and training schemes

- Disciplinary, Grievance and Capability to include Sickness Absence

- Recharging in relation to joint workers

There are comprehensive policies and procedures for all of the above areas which aim to assist managers in ensuring processes are applied appropriately.

Audit testing can confirm that procedures undertaken for recruitment and selection, and induction and training schemes were in accordance with the relevant policies.

Our review identified that with the increase in shared working with West Oxfordshire DC, HR policies for disciplinary and capability procedures had been reviewed in 2014 for both Councils. However, this was not the case for grievance procedures. Given that grievances are heavily linked to disciplinary and capability processes, there is a risk that separate grievance policies could result in processes becoming cumbersome and the perception of inequality between the two authorities. We also found other HR policies that were out of date. We are aware that policies are being reviewed in line with the 2020 Vision Programme which should address these concerns.

Our testing identified a total of 8 processes (disciplinary, grievance and capability) had been undertaken for CDC during the period January 2013 to July 2015. On the whole processes were appropriately applied however; records maintenance is in need of improvement.

Informal processes are undertaken by service managers and are not required to be reported to HR. However, if HR are unaware of incidents (especially if they are repeat incidents) then there is a risk that formal processes are not considered and therefore due policy not applied. This could have an adverse impact on either the Council or the employee. We have recommended that a basic record is maintained to evidence any employee concerns as well as protecting the Council.

Our review of sickness absence processes identified a number of anomalies and instances of sickness absence not being appropriately recorded within the HR system. This could result in inaccurate reporting and also ineffective management of sickness absence cases.

A strategy governing the recharging arrangements for shared workers was introduced in 2010. Since then, the increase in shared working has resulted in an increase in administration of the recharging arrangements and so is no longer an efficient process. In addition, testing identified inconsistencies, it has also been recognised that there is the potential for inaccurate recharging. We have recommended that consideration be given to reviewing the current arrangements with a view to implementing robust procedures

Based on the work undertaken we can confirm that processes relating to the application of HR Policies covering recruitment, disciplinary and recharging shared working expenditure is fair. Recommendations made are aimed at further improving the control environment. We can offer a **'satisfactory'** level of assurance at this current time.

Management Response

'Our review of sickness absence processes identified a number of anomalies and instances of sickness absence not being appropriately recorded within the HR system. This could result in inaccurate reporting and also ineffective management of sickness absence cases'.

Re the above statements - HR regularly reminded managers on inputting sickness absence data into the Agresso system and to send copies of GP Fit notes and Return to Work forms to HR. Agresso drop in sessions have been held with HR admin for staff to clarify any problems/ask for assistance when using Agresso.

It is not always practical to record informal discussions with staff on disciplinary/grievance matters. If detail is to be recorded and put on file in writing it could deter some staff from discussion personal/confidential matters with their managers and HR.

Revised Grievance, Sickness Absence and Disciplinary Policies are currently being drafted to meet the 2020 Partnership requirements.

(END)