



Cotswold District Council

Report of Internal Audit Activity

Plan Progress 2019/2020

October 2019

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Internal Audit Plan Progress 2018/2019

Our audit activity is split between:

- **Governance Audit**
- **Operational Audit**
- **Key Control Audit**
- **IT Audit**
- **Other Reviews**

● Role of Internal Audit

The Internal Audit service for Cotswold District Council is provided by SWAP Internal Audit Services (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Governance Audits
- Operational Audits
- Key Financial System Controls
- IT Audits
- Other Special or Unplanned Review

Internal Audit work is largely driven by an Annual Audit Plan. This is recommended to the Audit Committee by the Chief Finance Officer, following consultation with the Council's Management Team. The 2019/20 Audit Plan was reported to, and approved by, Audit Committee at its meeting in April 2019.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk.

Internal Audit Plan Progress 2019/2020

Outturn to Date:

We rank our recommendations on a scale of 1 to 3, with 1 being a major area of concern requiring immediate corrective action and 3 being a minor or administrative concern

- Internal Audit Work

Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in **Appendix A** of this document.

The schedule provided at **Appendix B** contains a list of all audits as agreed in the Internal Audit Annual Plan 2019/20. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

As agreed with this Committee where a review has a status of ‘Final’ we will provide a summary of the work and further details to inform Members of any key issues, if any, identified.

Further information on all the finalised reviews can be found within **Appendix C**.

At **Appendix D** we have included a schedule of the high priority recommendations (priority 1s and 2s) that have been identified during our audit reviews. These will be updated when the follow-up audit has been completed.

Appendix E summarises all recommendations made and the progress that has been made against these.

Internal Audit Plan Progress 2019/2020

We keep our audit plans under regular review to ensure that we audit the right things at the right time.

- Approved Changes to the Audit Plan

The audit plan for 2019/20 is detailed in **Appendix B**. Inevitably changes to the plan will be required during the year to reflect changing risks and ensure the audit plan remains relevant to Cotswold District Council. Members will note that where necessary any changes to the plan throughout the year will have been subject to agreement with the appropriate Service Manager and the Audit Client Officer (Chief Finance Officer).

The following changes have been made to the plan:

The audit on Business Rates Reset has been deferred at this time due to the slow progress at national level on the new Business Rates Scheme (due to come into effect April 2021).

We were asked to defer the audit on Civil Contingencies to later in the year by the client due to changes in the service.

We have been requested to undertake a review on Cash Handling procedures at our Partner Councils to ensure they are appropriate and adhered to.

The planned audit of Management and Monitoring of Contracts has been removed, days have been allocated to the review on Ubico – Waste and Recycling Contract. The audit, as originally planned, will be included in the 2020/21 audit plan.

We have been asked to undertake a small review by the CFO in respect of the Corinium Museum Project Management arrangements.

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No Assurance**
- **Partial**
- **Reasonable**
- **Substantial**

● Audit Framework Definitions

Control Assurance Definitions

No Assurance	The areas reviewed were found to be inadequately controlled. Risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

● Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

Categorisation of Recommendations	
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
						2018/19 Audits in Draft / In Progress at Annual Opinion			
ICT	Data Protection Act (GDPR)		Final Report	Substantial	1			1	See Appendices C & E
Operational	Procurement & Contact Management		Final Report	Partial	2		1	1	See Appendices C & E
Key Financial Control	Systems Admin		Final Report	Reasonable	7		2	5	See Appendices C & E
Key Financial Control	Human Resources		Final Report	Reasonable	2		1	1	See Appendices C & E
Key Financial Control	Procurement		Draft Report						
Governance	Risk Management		Final Report	Substantial	-				See Appendix C
ICT	Cybersecurity		Draft Report						
Advice and Consultancy	Benefits Realisation		Position Statement						

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
						2019/20 Audit Plan			
Governance	Annual Governance Statement	1	Draft Report						
Operational	Asset Management	1	Draft Report						
Operational	Commercial Property / Investment Property	1	Draft Report						
Operational	Management and Monitoring of Contracts	1	Deferred						See note on page 3
Operational	Use of Volunteers	1	In Progress						
Advice and Consultancy	Cemetery Services Fees Process	1	Complete						
ICT	Software as a Service – Cloud Provision	1	ToE Issued						
ICT	Software as a Service – Dataset Management	1	ToE Issued						
Advice and Consultancy	Ubico – Waste and Recycling Collection Contract	1	Draft Report						Draft Report Issued – Waiting for Response(s)
Operational	Affordable Housing	2	Draft Report						
Operational	Business Rates Reset	2	Deferred						See note on page 3
Operational	Internal Enforcement Agency	2							

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
						Operational	Civil Contingencies	2	
Operational	Grants	2	In Progress						
Operational	Waste and Recycling Assets	2							
Operational	(NEW) Cash Handling	2	ToE Issued					See note on page 3	
Grant Certification	Disabled Facilities Grants	2	Complete						
ICT	Cyber Security – Incident Management	2							
ICT	Cyber Security – High Risk Area (defined from 2018/19 audit)	2							
Key Financial Control	Revenues and Benefits	3							
	<ul style="list-style-type: none"> National Non-Domestic Rates 		In Progress						
	<ul style="list-style-type: none"> Council Tax 								
	<ul style="list-style-type: none"> Council Tax Benefit 		In Progress						
Key Financial Control	Core Financials	3							
	<ul style="list-style-type: none"> Accounts Payable 		In Progress						
	<ul style="list-style-type: none"> Accounts Receivable 								

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
							<ul style="list-style-type: none"> • Main Accounting 		
	<ul style="list-style-type: none"> • Payroll 								
	<ul style="list-style-type: none"> • Treasury Management and Bank Reconciliation 								
Key Financial Control	Systems Administration	3							
Key Financial Control	Human Resources	3	In Progress						
Key Financial Control	Other Support Service provided by Publica <ul style="list-style-type: none"> • Health and Safety 	3							
ICT	Management of Service Provision	3							
ICT	ICT Business Continuity	3							
Grant Certification	Disabled Facilities Grant Certification – Additional Grant	3							
Advice and Consultancy	(NEW) Corinium Museum – Project Management Arrangements	3	In Progress					See note on page 3	
Governance	Risk Management	4							
Governance	Performance Management	4							

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
						Operational	Publica Transformation Benefits Realisation	4	
Operational	Corporate Culture	4							
Follow-Up	Follow-Ups of Recommendations made in Substantial and Reasonable Audits	1 – 4	On Going						
Follow-Up	Follow-Up of Control Weaknesses identified by the Counter Fraud Unit	3 – 4							
Advice and Consultancy	Workforce Strategy	1 – 4							
Advice and Consultancy	Support to the Publica Transformation Programme	1 – 4	On Going						
Advice and Consultancy	Assurance to the Partner Councils in respect of the Publica Transformation Programme	1 – 4							
Other Audit Involvement	Working with the Counter Fraud Unit	1 – 4	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	1 – 4	On Going						

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
						Other Audit Involvement	Contingency – Provision for New Work based on emerging risks		

Audit Assignments finalised since the last Audit Committee:

- **Summary of Audit Findings and High Priority Recommendations**

The following information provides a brief summary of each audit review finalised since the last Committee update.

2018/19 – Data Protection Act 2018 – Substantial Assurance

Background

The new General Data Protection Regulations (GDPR) and the Data Protection Act 2018 (DPA) came into effect on 25 May 2018. Together they form the new Data Protection Legislation and replace the Data Protection Act 1998.

The DPA 2018 controls how personal information is used by organisations and increases the rights of the individual whose data is used. Most of the main principals of the previous data protection act are still the same, however accountability has been enhanced, and tighter time controls introduced in relation to the reporting of data breach incidents. In addition, fines and penalties for non-compliance with the new regulations have been increased.

The DPA also distinguishes between data controllers and data processors, and it applies to both. A controller determines the purposes and means of processing personal data. A processor is responsible for processing personal data on behalf of a controller.

The DPA places specific legal obligations on processors; for example, they are required to maintain records of personal data and processing activities. They will have legal liability if they are responsible for a breach. However, controllers are not relieved of DPA obligations where a processor is involved. The DPA places further obligations on them to ensure contracts with processors comply with the GDPR.

Publica Group is a council owned employment company which delivers shared services between Cotswold, West Oxfordshire, and Forest of Dean District Councils and Cheltenham Borough Council and could be considered as the data processor.

Audit Conclusion / Findings

In line with the Data Protection Act 2018 (DPA) requirements Publica have appointed a Data Protection Officer. Details of this post together with contact information is publicly available on the Publica Group’s website.

Publica have an up to date and approved Data Protection Policy in place which is available to staff, and detailed information regarding Publica's data collection and usage is clear and can be found on the website. Publica employees have also received training on the DPA's requirements.

In the event of a potential data breach, Publica have a sound incident reporting procedure in place. Incidents are investigated thoroughly and assessed in line with the DPA to determine if they should be reported to the Information Commissioners Office (ICO). A register of incidents with supporting documents is maintained. We can confirm that no incidents have had to be reported to the ICO.

A recommendation was made in the 2017/18 EU General Data Protection Regulations advisory audit report to consider providing periodic, formal reporting on the progress of GDPR preparations including identified project and business risks and issues, to key Council and Publica risk owners, stakeholders, and Members. We can confirm that this reporting is now in place and provided by the Data Protection Officer on a quarterly basis.

Internal audit will include DPA 2018 compliance testing in individual service area audits during 2019/20 to provide additional assurance in this area.

In certain circumstances, such as enforcement, delegated statutory powers can be used when necessary to make requests for certain information from other public bodies. A recommendation is made to review all the roles where this is necessary to determine that if required, all employees hold a dual contract with the relevant Council to ensure compliance with these powers.

2018/19 Risk Management – Substantial Assurance

Background

The Risk Management audit is undertaken using a modular approach with one third of the process being examined and tested each year.

The modules are as follows:

- Risk Framework - Policy and Process
- Risk Identification and Assessment
- Risk Control Environment.

The module covered for this year's review is the Risk Control Environment. At October 2018 there were 25 risks identified in the Corporate Risk Register (CRR); 2 high scoring, 20 medium scoring and 3 low scoring risks. The 2 high scoring risks relate to the potential of an adverse local government financial settlement and the risk of poor service delivery by Publica.

Publica is responsible for service delivery for most of the Council's services and therefore risk management activity is undertaken by Publica officers as well as the Council's Statutory officers.

Audit Conclusion / Findings

The outcome of the review is as follows:

- There is a good system of risk review. Risks are reviewed and reported to the Shared Risk Management Group on a quarterly basis.
- The likelihood assessment of risks in the Corporate Risk Register (CRR) is fair.
- High Impact risks are closely monitored and managed appropriately.
- Appropriate controls have been identified although on occasion there was limited evidence to support how control effectiveness is assessed. Discussions with relevant officers confirmed processes were in place.

We can confirm that 3 recommendations from our previous audit undertaken in June 2018 have been implemented. A Business Manager – Corporate Responsibility has recently been appointed who we have been advised will oversee the implementation of the other 2 recommendations which relate to officer and member training provision. The officer will aim to implement consistent review and reporting across the partner councils.

Our review has found little change since services transferred to Publica. Although, we did note that the Q3 review of the CRR was not reported to the Audit Committee until April 2019. The previous report (Q2) was presented in October 2018. We were advised the delay was because the cycle of committee meetings had changed to meet the requirements of reporting the financial statements in line with statutory requirements. It is important that timely reports are presented on a quarterly basis so that Members charged with governance can be assured that risks are being managed effectively and if needed appropriate challenge can be made.

We have not made any recommendations in this report.

2018/19 Systems Administration – Reasonable Assurance**Background**

Publica Group provide ICT infrastructure and support services on behalf of Cheltenham Borough Council (CBC), Cotswold District Council (CDC), Forest of Dean District Council (FoDDC) and West Oxford District Council (WODC).

As part of this service, Publica have written the ICT and Security Policies in place across Publica, CBC, CDC, FoDDC and WODC. The Security Policy framework incorporates an Access Control Policy which defines the required security controls for the provision of access and permissions to the councils' network and applications. Robust identity and access management processes and access controls are fundamental to help ensure the confidentiality, integrity and availability of an organisation's systems and data.

The Publica ICT team are responsible for the administration of the ICT estate however for certain applications, systems admin duties including access control fall within the service areas themselves and are not the sole responsibility of the ICT team.

Business World, the main financial system in use across the authorities, is managed by a dedicated systems admin team within Publica ICT. The Civica Cash Receipting system at CDC, FoDDC and WODC has a dedicated ICT system administrator who is also able to support CBC.

Audit Conclusion / Findings

Overall, the systems admin user access controls and processes reviewed for the business applications used by Publica and the Councils were found to be adequately controlled. The recommendations made within this report apply to processes across all business systems to improve internal controls and management of risks.

Those employees with systems admin responsibilities that were interviewed, are knowledgeable and understand their responsibilities and systems well.

A Security Policy framework is in place and incorporates an access control policy. An end to end access control process should be closely aligned to the Policy, fully documented and communicated widely. Whilst a process is generally followed by most teams, a recommendation has been made to document, align and ensure coverage of an Identity and Access Management process across all systems and for local procedures to be documented or updated to align with the

overarching policy and process.

Application settings should reflect the requirements stipulated in the Security Policy. A recommendation is made for the Policy to be issued to and reviewed by the system administrators so that any discrepancies are captured, remediated or risk managed.

Regular access reviews are not currently performed and a review of system access levels highlighted a need for this secondary control. In line with the Policy, a recommendation is made to undertake and document regular reviews of all access across all systems to ensure employees access is current, required and accurate according to job role and responsibility.

We were advised that the recommendations from the external auditor, Grant Thornton’s ICT audit of 2018 are in progress.

Priority	Recommendation	Management Response	Due Date
2	We recommend a principal Identity and Access Management process detailing requirements for 'Joiners, Movers and Leavers' is developed and documented and that complies with the requirements set out in the Information Security and Access Control Policy. The overarching process should apply to and embrace all systems that may not be included within the standard ICT team scope and should be available for all employees to view and follow. System administrators should then document or update local processes and procedures that should be in alignment with the overarching policy and process requirements. and documented on a quarterly basis as per the requirements of the Risk Management	Our team ICT Administrators are now updating and documenting our Access Management system process for joiners, Movers and Leavers. A change control process will be introduced that will document significant changes to the ICT infrastructure which will also align to our ICT User Policies and guidances.	31 st March 2020

	Policy		
2	<p>We recommend that officers with systems administration responsibilities are requested to review the Security Policy and its requirements, perform a gap analysis on their current system settings and processes and devise a plan to implement those changes to ensure continued compliance with the Policy. Should it not be possible to make changes for any reason, they should be risk assessed and documented on the ICT risk register or policy exception register.</p> <p>Priority</p>	<p>We agree with the password setting findings and risks with on systems Business World and Civica applications. However at present these risks are mitigated by the Active Directory (AD) password settings. Both Business world and Civica systems users only access these systems via the AD. We also comply with the HMG National Cyber Security Centre (NCSC) password guidance on our network. However, we will seek to review all passwords policy setting on both applications. Our ICT Risk register will be updated to reflect these security risks and mitigations.</p>	<p>31st December 2019</p>

2018/19 Procurement and Contact Management – Partial Assurance

Background

The Publica Procurement Service provides a collaborative approach to procurement work, information and guidance to all of the Publica Partner Councils – Cotswold District Council (CDC), West Oxfordshire District Council (WODC), Forest of Dean District Council (FoDDC) and Cheltenham Borough Council (CBC) as well as Ubico and Cheltenham Borough Homes (CBH). The objective of the service is to improve the way the Council and partners procure services, goods and works and manage contracts to deliver improved quality services and make sure our spending is value for money.

Contracts and relationship management refers to the effective management and control of all contracts from their planned inception until their completion by the appointed contractor(s). It covers the supporting policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations and the maintenance of clear communications and operational relationships with contractors.

Once a contract is in place, contract management is the responsibility of the contract owner or another delegated

contract manager. The TUPE transfer of most Council staff (from CDC, WODC and FoDDC) into Publica in November 2017 means that in the majority of cases, Publica officers are responsible for the management of contracts on the Councils' behalf.

The responsibility to manage contract and supplier risk is part of contract management activities once the contract is in place. Improvement of the contract management process is required and should also include enhancement of management of supplier risk.

The Council's Procurement and Contract Management Strategy sets out contract management guidance and requirements. The In-Tend Portal can be used by contract managers to prompt contract management activities, with an enhanced Contract Management Wizard module in the process of being purchased and set up as an add-on to the In-Tend Portal.

Audit Conclusion / Findings

We are able to offer a Partial assurance over the Procurement and Contract Management processes and related controls at Cotswold District Council (CDC). This opinion is based on the partial assurance issued to Publica Group (Support) Ltd (Publica) in an equivalent audit, who provide procurement services to CDC.

Evidence was obtained to confirm some sound procurement and due diligence processes during the tender stages. Relevant evidence and information is requested of potential suppliers at various stages, including as part of pre-procurement considerations and tender questionnaires. Proportionate and adequate supplier checks are made by Procurement Officers in line with the value and nature of the prospective contract.

Opportunity for improvement was found in relation to contract management processes. Although there is a Procurement and Contract Strategy in place for the Partner Councils, it is out of date and in need of review and update. Tools available to contract owners through the In-Tend Procurement Portal to monitor and manage contracts are not widely used, and training to encourage use of contract management modules on the portal has been delayed due to limited staffing resource within the Procurement Service.

According to the National Procurement Strategy 2018, research by the International Association for Contract and Commercial Management (IACCM) shows that contracts exceed their expected costs by 9.4 per cent on average over their lifetime. Poor contractor performance could seriously damage the Council's reputation and its ability to deliver

effective services and support to local communities. The absence of ongoing due diligence and contract management by contract owners throughout the life of the contract could also expose the Council to unnecessary risk in multiple areas, such as financial, legal, compliance and operational risk.

It is also noted that procedures to embed whistleblowing arrangements into contracts are weak, increasing the likelihood that fraud and misconduct will go undetected or unreported. In turn, this could expose the Council to financial and reputational risk.

Two recommendations are made within this report. The focus of recommendations made to the Council surround the need to gain assurance from Publica Group Ltd that contract management processes and controls are robust and effective.

The Publica Procurement and Contract Management audit includes a recommendation to implement a mandatory requirement that whistleblowing arrangements are drafted into contracts and are included within supporting procurement process guidance and training.

Based on the findings reported from this review, we will conduct a further audit on Management and Monitoring of Contracts as part of our 2019/20 Audit Plan.

Publica Management Response to the Audit Findings

In response to the Procurement and the Procurement and Contract Management audit reports issued, we plan to carry out a fundamental review of the Procurement Service. This review will include an evaluation of how the Procurement Service will integrate or work alongside the new Commissioning and Contract Management teams introduced as part of the recent service review.

Priority	Recommendation	Management Response	Due Date
2	We recommend that assurance is sought from Publica that contracts held and managed on behalf of the Council are monitored and managed effectively. Priority	The Joint Management Team, which includes the Publica Executive Directors and the Council’s Chief Executive, Monitoring Officer and Chief Finance Officer, will monitor the implementation of internal audit recommendations made to Publica in the “Procurement and Contract Management Governance 2018/19” report and the “Procurement 2018/19” report. Implementation of the internal audit recommendations will strengthen the internal control environment. Assurance will also be sought from the follow up work to be carried out by the internal audit team during 2019/20.	30 th September 2020

2018/19 Human Resources (Sickness Absence) – Reasonable Assurance

Background

HR and Payroll services are a centralised function provided by Publica Group (Support) Ltd (Publica), a Council owned company to the four partner Councils Cotswold District Council (CDC), West Oxfordshire District Council (WODC), Forest of Dean District Council (FoDDC) and Cheltenham Borough Council (CBC), as well as, Ubico Ltd, Cheltenham Borough Homes (CBH) and the Cheltenham Trust.

CDC use Business World Self Service functionality for payroll related processes including sickness recording.

Testing samples were taken from Agresso Business World (ABW) from the following date range: 1st November 2017 – 31st October 2018. During this time, the sickness recorded for CDC was 212 FTE sickness days.

Audit Conclusion / Findings

We are pleased to offer reasonable assurance over the following processes within the HR and Payroll Service:

- Existence of a Sickness Absence Policies.
- Appropriate action following periods of sickness absence.
- Sickness absence payment and calculations.
- Sickness payments accuracy checks.

No significant risks were identified during the review, although there are areas where there is opportunity for improvement. These areas are highlighted within the report and recommendations made to improve processes have been made in the areas as described below.

A Sickness absence policy exist for the Council; however, it was noted that it had not been reviewed and updated recently. The policy should be reviewed and updated, to ensure it is in line with relevant legislation and is appropriate to the officers retained by the Council. For Publica officers based at the Council, an up to date Sickness Absence Policy is in place.

Line managers are responsible for monitoring and the reporting of sickness absence to Payroll, by way of the self-service element of the Business World system. Managers are also responsible for holding a return to work interview, completing a form to be signed by both employee and manager to be returned to HR for checking and filing. Testing found that not all forms were found on file or fully completed, and we have therefore recommended refresher training and guidance is provided following the review and update of then policy.

Controls are in place for Payroll Advisors to monitor long-term sickness absence, ensuring any amendments to pay are made in accordance with terms and conditions are captured and actioned at the correct time. Different methods are used across the team during this process; therefore, we recommend standardising the process for consistency.

Sickness variation reports are produced from the Business World System and checked by Payroll Advisors during each payroll run. The checking of these reports highlights if there is a discrepancy in pay caused by a system anomaly and enables personnel to correct the anomaly to ensure the correct payment prior to payroll authorisation and release.

Priority	Recommendation	Management Response	Due Date
2	The Council’s Sickness and Absence Policy should be reviewed and updated to ensure it meets the ongoing needs of the Councils	We will review the Council policy. It will be brought in line with the new Publica policy if and when the partner Council adopts the	30 th November 2019

	retained staff.	new Publica terms and conditions.	
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Audit Name	Priority	Recommendation	Management Response	Due Date	Update September 2019
2017/18 – Licensing	2	We recommend that the procedure for debt recovery for premises and club premises licences is amended to be in accordance with relevant legislation.	In accordance with the legislation the current procedure for debt recovery will be amended to ensure that Premises and Club Licences are suspended after 21 days of an invoice becoming due. ERS will request the assistance of Accounts Receivable to assist with this task.	28/02/19	<p>The Service Leader (Licensing) advised that a process has put in place to monitor debt more frequently and action any suspension of licences necessary. A Technical Officer has been allocated to be responsible for this process. She reviews a debt report which is sent through to Licensing every month by Accounts Receivable. From this, she highlights to any licensing officers where payment is overdue. Officers will then complete necessary actions to retrieve the debt or investigate the issue. If no payment is forthcoming the license is suspended on the Uniform system and a letter is sent to the licence holder. Evidence of this process was provided to support this.</p> <p>Recommendation has been closed</p>

Audit Name	Priority	Recommendation	Management Response	Due Date	Update September 2019
2017/18 - Safeguarding	2	A process should be put in place to ensure that the Safeguarding Policy is embedded into all contracted services or to ensure that contractors have a sufficient regard for Safeguarding which is equivalent to the requirements of the authority's Safeguarding Policy. This process should include a method of gaining continued assurance that a supplier is abiding by the Safeguarding requirements of the Council.	This is a matter that can be discussed with the procurement team. It will also need to be part of discussions as part of the new contractual arrangements between CDC and Publica."	01/04/18	<p>There will be a standard clause which is inserted into applicable contracts about safeguarding and would be referenced in the tendering pack. As part of the vetting process, if a contractor didn't meet the clause then they wouldn't qualify to be taken through to the next stage, where the bids are reviewed, scored, and the contract is awarded</p> <p>Recommendation has been closed</p>

High Priority Recommendation Follow-Up

APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update September 2019
2017/18 - Safeguarding	2	<p>"The 'Lead Designated Safeguarding Officer', who is accountable for the effective delivery of the Safeguarding Policy, must obtain assurance that the training requirements of the policy are met. In order to gain such assurance, it is recommended that a full review of the approach to training is undertaken for all 'employees' and Members. Focus should be given to the following:</p> <ul style="list-style-type: none"> - The introduction of Safeguarding into the Corporate Induction process - Development of a plan for Safeguarding training for staff and Members and to include a timeframe for completing the training requirements - Introduction of a method of recording staff training and understanding of training content" 	<p>The LSO, together with the Community Safety Officer, now attend induction sessions to give a presentation in respect of safeguarding and PREVENT.</p> <p>A training plan/strategy is being developed that will outline training requirements for staff and councillors and how this will be delivered.</p> <p>Safeguarding of children and vulnerable adults is now included on the new online training system and other courses will be added as appropriate. Details of completion of the courses will be recorded on the system."</p>	31/10/19	The Corporate Lead (Claire Hughes) advised that she is in the process of developing an updated policy and training strategy and hopes this will be concluded by the end of October 2019.

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2018/19 Disabled Facilities Grants	2	<p>The Councils should ensure all planned work is approved by an Occupational Therapist or suitably qualified substitute (if appropriate) prior to any work commencing to ensure its suitability. In addition, consideration should be given to ensuring all major adaptations are checked on completion by an Occupational Therapist or qualified surveyor, and applicant satisfaction recorded, prior to payment being approved.</p>	<p>The new HIA system to be implemented (for WODC) in April 2019 has a requirement for proposed and completed work to be approved built into it. It has been agreed by Foundations that provided it is written into the Regulatory Reform Order, basic works do not require OT involvement. We are researching courses and costs for Trusted Assessor Training for Officers to assist them with this decision-making process. This will speed up the process for applicants and reduce the backlog of works, thus better meeting clients' needs.</p> <p>Gloucestershire County Council has deemed the completion of satisfaction questionnaires unnecessary as all customers were satisfied due to the nature of the work and therefore was creating work with no real outcomes. Satisfaction surveys are therefore not undertaken at CDC. Officers have been reminded to ensure that satisfaction certifications are obtained after completion.</p>	30/04/19	<p>Follow-up response from Commercial manager:</p> <ul style="list-style-type: none"> •HIA system went live w/c 06.05.19 due to delay in signing contract •Trusted Assessor Level 4 training booked for 3 Officers 20/21 May 2019 •Meeting held with Senior Gloucestershire OT 09.05.19 to discuss future way of working with follow up meeting scheduled for 04.06.19

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2018/19 Internal Enforcement Agency	2	Publica must ensure the Councils are consulted prior to any further stages of enforcement being internalised to ensure all risks can be considered by them.	Head of Revs and Bens and Business service managers are meeting to discuss a cabinet report with a view to adopting further enforcement methods. This will happen in late November/December.	28/06/19	This is still in draft, trying to increase to include FOD too.
2018/19 Accounts Receivable	2	A review of all active subscriptions should be carried out, on behalf of each client, to identify any other duplicate subscriptions and these should all be corrected. Priority	Agreed. This will be carried out. Additional training will also be provided to AR officers to prevent this occurring again in the future.	31/03/19	Will be followed up during the 2019/20 audit of Accounts Receivable
2018/19 Private Water Supplies	2	All existing data within Uniform should be reviewed and cleansed to ensure Uniform is an accurate reflection of all Private Water Supplies registered, and that data can be easily extracted for the annual Drinking Water Inspectorate Data Return.	The Private Water Supplies data cleanse is currently underway. This involves resolving anomalies, identifying causes of missed risk assessments and sampling and ensuring all Reg 8/9/10 supplies contain accurate data and sampling triggers.	30/06/19	This work has been completed. As part of this project all records that were maintained outside of uniform have now been migrated. Access reports have been written that allows officers to monitor the progress of RAs & sampling at each authority within a single report. Recommendation has been closed

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2018/19 Private Water Supplies	2	As part of the data cleanse the service should agree a consistent approach to entering Private Water Supplies data and produce guidance documentation to assist officers	Following the data cleanse, a procedure will be written to ensure data entry is consistent allowing for a simplified Drinking Water Inspectorate extract.	31/07/19	<p>Procedure notes have been produced to guide all officers entering data into Uniform. These are live documents that are discussed and reviewed as part of weekly team meetings where issues arise, or efficiencies are realised.</p> <p>Recommendation has been closed</p>
2018/19 Private Water Supplies	2	Following the project to cleanse private water supply data within Uniform, an accurate schedule to complete all overdue and upcoming risk assessments, including realistic timeframes, should be developed that prioritises supplies based on perceived level of risk to users of those supplies.	Following the data cleanse, the Senior Officer will work with the ERS Data Analyst to produce this list to ensure work is effectively prioritised based upon risk to public health.	30/06/19	<p>Reports of due/overdue RAs are produced monthly and assigned to senior officers according to their current workload.</p> <p>The service has approval to employ a contractor in November to concentrate on completing RAs</p> <p>Recommendation has been closed</p>

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2018/19 Private Water Supplies	2	A review of all active private water supply entries on Uniform should be undertaken to ensure sufficient sampling visits are scheduled, according to the most recent risk assessment, for the next two years.	This action will be completed as part of the overall data cleanse plan.	30/06/19	<p>This has been completed for a 12-month period. 2 years was requested as part of the audit to allow the service sufficient time to complete overdue RAs. The Senior officer gave verbal assurance this would be completed within 12 months.</p> <p>Recommendation has been closed</p>
2018/19 Section 106 Agreements and Funds	2	All relevant internal Service areas must be involved as appropriate, at either pre-application and/or application stage to ensure evidence, impact and need are generated regarding the proposed development. Consideration should be given to creating a reference document that states when the specific Service areas / officers should be involved in the S106 consultation process and who will maintain this document.	Historically, internal Services were not invited to submit claims as the Council did not have an approved policy to support their involvement. The Local Plan was approved in December 2018. Planning Managers will continue to raise awareness of recent policy changes and apply the Development Team Approach at the earliest stage, which will ensure all interested parties are included. Furthermore, regular meetings will be held with relevant Service areas to gain feedback from consultees over the consultation process.	31/07/19	<p>Officers responsible for agreeing, recording and monitoring S106 at FoDDC, CDC & WODC met 23/09/19 to discuss strategies for aligning best practice across the partner councils.</p> <p>Audit are due to follow-up the outcomes of this meeting in October 2019.</p>

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2018/19 Section 106 Agreements and Funds	1	To ensure all S106 Agreements and financial contributions can be monitored, an overarching S106 record should be maintained, to include: covenants, clauses, triggers and payments. The use of the tick box in Uniform should also be reviewed to assess whether this adds value to the Service and the records it maintains.	We will ensure the implementation of CIL includes a system for monitoring S106s. Prior to this being implemented, quarterly S106 monitoring meetings will be held with the S106 Development team. The Governance arrangements of this team will be developed following the conclusion of the audit.	31/07/19	As above
2018/19 Section 106 Agreements and Funds	2	To ensure there is a full audit trail and financial contributions are consistently managed, developers should be invoiced for financial contributions once the relevant trigger has been reached. In addition, evidence that 3rd parties spend contributions in accordance with the agreement, or an itemised invoice, should be obtained prior to issuing payments to 3rd parties.	Officers will liaise with officers at WODC and FODDC to agree a consistent approach to recording and invoicing, and the submission of evidence from 3rd parties.	31/07/19	As above
2018/19 Section 106 Agreements and Funds	2	To ensure the Council can be held to account in managing the delivery of S106 obligations, the progress of S106 Agreements should be regularly reported to all Members and on the Council's website	Portfolio holders will be regularly updated going forward. Once CIL has been implemented, the CIL system will aid with the reporting of S106s to Members and on the Council's webpages will also be developed to allow the delivery of S106s to be reported there.	31/07/19	As above
2018/19 Housing Benefit and Council Tax Support	2	Remind Benefit Officers that all claims must be correctly updated to ensure information displayed and held in Northgate is correct. Priority	Legislative changes have been clearly identified and guidance issued to ensure officers are aware as to how claims for Housing Benefit are affected in order to prevent further overpayments arising during assessment.	30/09/19	Will be followed up as part of the 2019/20 audit

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2018/19 Subsidy Claims	2	Increased quality assurance should be undertaken in the areas where errors were found in the 2017/18 Subsidy Claim calculation, to mitigate against issues resulting from local authority error.	We already check a proportion of these claims, but moving forward there will be a closer monitoring and increase in QA in these areas	29/09/19	



