
AUDIT PROGRESS REPORT

1 PURPOSE OF REPORT

- 1.1 This report provides Members with an update on completed audit engagements, delivery of the audit plan and progress in implementing audits.
- 1.2 Detail of the progress made in delivery of the annual audit plan is set out in Appendix A.

2 INTRODUCTION

- 2.1 Internal Audit is a statutory requirement under the Accounts and Audit Regulations. Internal Audit's work is monitored through regular reports presented to this Committee.
- 2.2 The 2018/19 Internal Audit plan was agreed by the Audit Committee on 17 April 2018.

3 RISK IMPLICATIONS

- 3.1 Failure to operate a robust assurance process (which includes delivering the Internal Audit Annual Plan) increases the risk that inadequacies in the Council's risk management, governance and control arrangements are not identified and effective remedial action agreed and implemented.
- 3.2 If the Internal Audit Plan is not substantially completed by June 2019, the Chief Audit Executive (CAE) may not be able to give a sufficiently informed opinion on the Council's control environment. The CAE's opinion is a source of assurance for the Annual Governance Statement (AGS), which is also considered by the Audit Committee and is of interest to the external auditors for their assessment of the Council's arrangements to economically, efficiently and effectively use its resources. The lack of CAE opinion could negatively impact on the AGS and Value for Money assessment.
- 3.3 The main risk to delivering the audit plan is the risk of insufficient resources, this is considered below

4 RESOURCE IMPLICATIONS

- 4.1 Excluding the CAE (provided by Basildon Borough Council), the audit resource at the commencement of 2018/19 was 1 FTE. The Annual Audit Plan was based on the expectation that 2 FTEs would be in post by April 2018. The vacant post was filled in late September 2018. The post holder is undertaking elements of training
- 4.2 The delay in augmenting the audit resource means the original audit plan for 2018/19 will not be delivered as anticipated. For the remainder of the year focus will be on delivery of those audits identified in the plan as priority one items, key to the CAE's annual audit opinion.

- 4.3 The lack of suitable audit resource has been recognised by the Essex Audit Group of managers and senior auditors as a major concern for all local authorities. This matter is under consideration by the Group to see what can be done at a local level to resolve the problem.

5 LEGAL IMPLICATIONS


- 5.1 Under the Local Government Act 1972 (s151) and the Accounts and Audit Regulations, the Council has a responsibility to maintain an adequate and effective Internal Audit function.
- 5.2 The Internal Audit Section works to the statutory Public Sector Internal Audit Standards. This includes the requirement to prepare and present regular reports to the Audit Committee on the performance of the Internal Audit service.
- 5.3 Internal audit is a key way in which Members can be assured that the Council is using its resources effectively and that the Council is discharging its fiduciary duties in respect of taxpayers' money. It helps services to design systems which have appropriate controls and also helps identify and respond to breaches if they occur. This report seeks to update the Committee on the activities of the Council's Internal Audit section for the purposes of providing further assurance.

6 EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1 An Equality Impact Assessment has not been completed as no decision is being made.

7 RECOMMENDATION

- 7.1 It is proposed that the Committee **RESOLVES**
- (1) That the update on delivering the 2018/19 Audit Plan be noted.
 - (2) That the conclusions and results from completed audit engagements in Appendices 2 and 3 be noted.
 - (3) That the updated status of audit recommendations in Appendix 4 be noted.



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Background Papers:-

None.

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Appendix A

1 DELIVERY OF THE ANNUAL AUDIT PLAN

- 1.1 A table detailing the audit engagements completed for the first half of 2018/19 is included at Appendix 1.
- 1.2 The opinion given and main points arising from audit engagements completed since the prior Audit Committee is summarised at Appendix 2 or, in respect of light touch reviews, at Appendix 3. An explanation of the meaning of and reason for each assessment (opinion) is provided in Appendix 5. This appendix should be read in conjunction with Appendix 6 setting out the recommendation categories.

2 COUNTER FRAUD ACTIVITY

- 2.1 Responsibility for the investigation of non-benefit fraud, Local Council Tax Support (LCTS), Council Tax and Business Rates Discounts and Exemptions rests with the local authority and, for Rochford District Council, such work is undertaken by the Compliance Officer, Revenues and Benefits.
- 2.2 Housing Benefit fraud is investigated by the Department for Work and Pensions but leads are passed to that organisation by the Compliance Officer.
- 2.3 The Council continues to conform to the requirements of the National Fraud Initiative (NFI). The NFI matches data from 1,300 public sector and 77 private sector organisations, including audit bodies in Scotland, Wales and Northern Ireland, government departments and other agencies. It flags up inconsistencies in the information analysed that could indicate that a fraud, an error or an overpayment may have taken place, signalling the need for review and potential investigation.
- 2.4 There are two NFI exercises. The main exercise is performed every 2 years; datasets were provided in October 2018, the results of which will be made available in January 2019. There is also an annual exercise that matches the Council's Electoral Register with Council Tax data (single person discount).

3 MONITORING OF INTERNAL AUDIT RECOMMENDATIONS

- 3.1 Recommendations arising from completed audit engagements are shown in Appendix 4. This also details the current status of whether the recommendation is implemented or when it is due to be implemented.

COMPLETED AUDIT ENGAGEMENTS SUMMARY - APPENDIX 1

AUDIT ENGAGEMENT	CORE ELEMENT OF PLAN	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY (See Appendix 6)			
				C	S	M	L
Debtors (Report 15 – 2017/18)	Failure to ensure good governance of the Council's activities and delivery of its priorities	Limited	24 July 2018	-	1	13	3
Procurement (Report 17 – 2017/18)	The Council could fail to provide consistent value for money (VFM) across all services or to obtain VFM in its procurement	Limited	24 July 2018	-	1	2	-
Street Cleaning Contract (Report 2 - 2018/19)	The Council could fail to provide consistent value for money (VFM) across all services or to obtain VFM in its procurement	Adequate	27 November 2018	-	-	3	1
Applications Review (Report 4 – 2018/19)	Council data is lost, disclosed or misused to detriment of individuals or organisations as a result of inadequate protection.	N/A	27 November 2018	-	-	-	1
Creditors (Report 5 – 2018/19)	Failure to ensure good governance of the Council's activities and delivery of its priorities	Good	27 November 2018	-	-	1	1

OTHER WORK UNDERTAKEN		
AUDIT AREA	NATURE OF WORK	REPORTED TO AUDIT COMMITTEE
Housing Benefit Subsidy (Report 3 – 2018/19)	An in depth review of 39 benefit cases across 2017/18 selected by and on behalf of EY, the external auditor. This is a major piece of work taking in excess of 20 audit days and feeds into EY's own work on Grants Certification. As a result no Audit Opinion is given.	24 July 2018

STREET CLEANING – REPORT 2 (2018/19)

Audit objective

To assess whether the Council’s key contracts are well managed to ensure compliance and achieve required outcomes. This report is in respect of the Street Cleaning contract.

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective

- Become financially self-sufficient
- Early Intervention

Corporate risk

- Failure to enter into and maintain effective partnerships for the delivery of services and outcomes
- The Council could fail to provide consistent Value For Money (VFM) across all services or obtain VFM in its procurement
- Failure to ensure good governance of the Council’s activities and delivery of its priorities

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:



Good	Adequate	Limited	None
	✓		
<p>The current street cleaning contract does not lend itself effectively to the production of meaningful performance data. The specifications require a frequency of cleaning for different elements of the District across the year but does not specify when. Management are working with the Contractor to develop performance measures within the limitations of the contract specifications and the Contractor’s IT system.</p> <p>Despite the contract terms, the District is monitored by officers and, where necessary, the Contractor is formally directed to bring an area up to an acceptable standard. There are no documented procedures for contract management by the Street Scene Officers. There is a good liaison and working relationship with the</p>			

Contractor and there has not been a need to apply defaults to this contract.

Contract management training is being sought for later in 2018/19.

Procedures are in place to monitor for receipt of key documents, such as insurance certificates, and relevant policies, such as health & safety and safeguarding etc.

A review of the Contractors Health & Safety arrangements is intended to be undertaken by the Council’s Health & Safety Officer during 2018/19.

Our opinion is expressed as a level of assurance as set out in the table below. We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
The required service is not delivered or not delivered to the required standard	Adequate	1 Moderate 1 Low
The Council pays for a service that is not delivered or not delivered to the required standard	Adequate	1 Moderate
The contract is varied to the detriment of the Council; either financially, operationally or by reputational damage	N/A	No variation to contract since 2014
There is business continuity failure by the contractor which may result in reputational, operational or financial damage to the Council	Adequate	None
There is financial failure by the contractor which may result in reputational, operational or financial damage to the Council	Adequate	None
The contractor, when operating on behalf of the Council does not meet all required legal or other specified obligations or regulations resulting in reputational, operational or financial damage to the Council	Adequate	1 Moderate

CREDITORS - REPORT 5 (2018/19)

Audit objective

To assess whether the key controls in respect of the Creditors function are adequately designed and effectively applied.

Corporate links

This audit contributes to the assurance available in regard to the following Business Plan objectives and risks identified on the corporate risk register:

Business Plan objective

- Maximise our assets
- Become financially self-sufficient

Corporate risk

- Failure to ensure good governance of the Council’s activities and delivery of its priorities
- Data is lost, disclosed or misused to the detriment of individuals or organisations

Reason for inclusion in the annual audit plan

This audit is a planned, standard assurance review identified through the annual assessment of all Council activities.

Audit opinion

Our opinion is expressed on the scale of assurance as set out below:



Good	Adequate	Limited	None
✓			
<p>Overall the Creditors process is followed robustly and controls are consistently applied to ensure that payments are made accurately, in time and are authorised appropriately.</p> <p>Areas for further improvement include:</p> <ul style="list-style-type: none"> • Evidencing best value. It was identified during testing that supporting documents were not uploaded to the purchase order. This is currently being addressed in the rollout of Procurement training. • Reporting any discrepancies to Procurement for orders that have been raised after an invoice has been received in order that this can be escalated within the Leadership Team. • Enhancing the New Supplier Form to improve control. 			

Our opinion is expressed as a level of assurance as set out in the table below.

We have formed our audit opinion based on how well controls have been designed and effectively operated to mitigate the following risks:

Risk area	Assurance Level	No. of Recommendations
Suppliers' bank account details are inappropriately amended which could fraudulently divert legitimate payments to another account	Good	1 Low
Goods and services are received without an approved order	Adequate	1 Moderate
Payments are made for goods or services that have not been received	Good	None
Payments are made without sufficient authorisation	Good	None
BACS payment files are fraudulently amended to create additional payments or divert payments	Good	None
VAT is not processed correctly	Good	None

APPLICATION AUDITS - REPORT 3 (2018/19)

As part of the Audit Plan for 2018/19 key IT systems are being reviewed to ensure that operating parameters for 2018/19 have been correctly input and that access and user permissions are effectively controlled.

Payroll

A review has been undertaken in respect of the TeamSpirit HR & Payroll system. Parameters for the Payroll; tax rates, national insurance contributions, statutory sick and maternity pay etc. appear to have been input correctly with relevant management overview evident, for the payroll functions for Rochford and Castle Point Borough Council (CPBC) and the Green Gateway Trading Company (GGT).

A sample of users was tested to ensure access permission to the relevant functions were appropriate to user status. There were no matters arising in respect of CPBC & GGT. There were two officers who are potentially active on the Rochford database that do not appear to have a current need for access. These should be reviewed and deleted / disabled as appropriate if so required.

Revenues & Benefits

A review has also been undertaken in respect of the Academy Revenues and Benefits system. Parameters for the Council Tax, Business Rates and Housing Benefit functions appear to have been input correctly with relevant management overview evident. A sample of bills for both Council Tax and Business Rates was reviewed and were found to be correct.

A sample of users was tested to ensure access permissions to the relevant functions were appropriate to user status. There were no matters arising.

APPENDIX 4

PROGRESS OF AUDIT RECOMMENDATIONS

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
6 2016/17	Debtors	5	S	<p>The Corporate Debt Policy will be re-written to clarify ownership, scope, usage (including escalation processes), procedure and legal requirements dependant on the nature of the debt.</p> <p>It should be in-line with the Council’s Constitution and the scheme of financial delegation, along with the Local Government Ombudsman and be available for use by internal staff to ensure adherence to all debt recovery matters.</p>	<p>Agreed Implementation Date 31/7/2017</p> <p>Included in Finance Business Process Review (BPR) which is a work in progress. Revised 31/10/17. A project to reconstruct the Corporate Debt Policy will commence and is expected to complete June 2018. This will be monitored via project management. Review for progression 31/1/18. Project end date anticipated to be by 31/7/18</p> <p>Draft policy in place but to be adopted as part of Constitution Review. Some procedures arising from review are in place</p> <p>Revised end date 31/3/19</p>
6 2016/17	Debtors	6	S	<p>Formal operational debt recovery procedures for staff use will be documented which will translate the Corporate Debt Policy into required actions so staff</p>	<p>Agreed Implementation Date 31/7/2017</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
				may consistently and effectively recover income.	Included in Finance BPR which is a work in progress. Revised 31/10/17. This will be monitored via project management. Review for progression 31/1/18. Project end date anticipated to be by 31/7/18 Implemented DELETE
6 2016/17	Debtors	7	S	Reports will be provided that calculate and state the level of debts that are paid within payment terms	Agreed Implementation Date 31/7/2017 Included in Finance BPR which is a work in progress. Revised 31/10/17. This work will be carried out as an add-on to the Finance System and will be done after that system is migrated to the Cloud is completed. Revised end date 30/9/18 Implemented DELETE

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
6 2016/17	Debtors	8	S	<p>A clear aged debtor report will be sent to management on a monthly basis to give a breakdown of debt outstanding by age and value. The aged debtor report should be supported by summary detail of activity taken in the last month to recover debt.</p>	<p>Agreed Implementation Date 31/7/2017</p> <p>Included in Finance BPR which is a work in progress. Revised 31/10/17. This work will be carried out as an add-on to the Finance System and will be done after that system is migrated to the Cloud is completed. Revised end date 30/9/18</p> <p>Implemented DELETE</p>
10 2016/17	Compliance with Contract Procedure Rules (CPR)	1	S	<p>Submit a request for an exemption for the procurement of emergency accommodation for the homeless based on rule 3.4.</p> <p>Arrangements to provide ongoing, non-emergency accommodation needs to awarded through an appropriate procurement procedure in line with CPR given total contract value.</p>	<p>All options are being re-considered to effectively deal with provision of temporary accommodation following implementation of homeless reduction legislation. Guidance is being sought as to the most effective means to deal with this aspect of procurement.</p> <p>In line with schemes being put into place to deal with temporary accommodation there may be a requirement for a framework</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					<p>arrangement. The position will be more clear by the New Year and any required procurement will start in January 2019</p> <p>Review date 31/1/19</p>
<p>10 2016/17</p>	<p>Compliance with Contract Procedure Rules</p>	<p>7</p>	<p>M</p>	<p>As part of the next review of CPR, review the following to ensure exemptions are used in an appropriate manner but also supports the delivery of business objectives:</p> <ul style="list-style-type: none"> • threshold for exemptions • criteria for exemptions provides sufficient clarity on the principles of when exemptions are appropriate 	<p>Agreed Implementation Date 30/11/17</p> <p>The Contract Procedure Rules were last updated early in 2016 and are still considered fit for purpose at this time. There are no immediate plans to update the CPR; however the recommendation will be fully considered in the next review, which is likely to take place in 2018/19</p> <p>Revised end date 31/3/19</p>
<p>14 2016/17</p>	<p>Housing Benefits</p>	<p>3</p>	<p>M</p>	<p>Recovery procedures will be reviewed to identify cases where there little or no likelihood of recovery of overpayments in order to focus resource on collectable debt</p>	<p>Agreed Implementation Date 30/6/17. Procedures under review. Revised Date 24/11/17</p> <p>A project to reconstruct the Corporate Debt Policy will commence and is expected to</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					complete June 2018. This will be monitored via project management. Review for progression 31/1/18. Project end date anticipated to be by 31/7/18 Recovery Team procedures to be developed by 31/12/18
17 2016/17	Business Continuity	3	M	Contracts with hosted software will be reviewed to ensure there are specific Recovery Point and Recovery Time objectives within them which can influence continuity planning	Agreed Implementation Date 31/10/17. Under review as part of the ICT Migration Project. Revised to 31/1/18 To take to new system administrator group with first meeting scheduled in May. Will include as an action point arising. To be included in planned August meeting. Review position 24/8/18 Progress being made in identifying hosted applications and requests are being made for the required data. Work in progress Review 31/12/18
2 2017/18	Performance & Risk	2	M	The Performance Framework will be redrafted to reflect the current operational structure of the Council and to	Agreed Implementation Date 31/12/17

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
	Management			align it with the Business Plan 2016-2020	<p>Framework is a work in progress and roll out will link in to Business Plan projects. Revised end date 28/2/18</p> <p>Due to key work in Project Management Office this has been delayed. Expected end date by 31/7/18</p> <p>Framework in draft format. Leadership Team Approval required and launch. Anticipated completion 31/12/18</p>
2 2017/18	Performance & Risk Management	3	M	Level-appropriate training will be provided to those with responsibility for maintaining operational risk registers	<p>Agreed Implementation Date 31/12/17</p> <p>Training to be delivered in January. Revised to 31/1/18. January training related to contract risks. Wider training to be provided. Revised end date 31/8/18</p> <p>Much work is under way in relation to risk. A strategic risk review has been undertaken by one of the Council's insurers. Training will be provided to the Leadership Team and awareness training will be</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					<p>carried out with those with responsibility for organising events etc. Revised end date 31/1/19</p>
<p>2 2017/18</p>	<p>Performance & Risk Management</p>	<p>4</p>	<p>M</p>	<p>Performance measures going forward will be reviewed in line with the Business Plan 2016-2020 and will be designed to identify at an early stage if key elements of The Plan are not on schedule</p>	<p>Agreed Implementation Date 31/12/17 Project management is to be refocused with new monitoring tools to be put in place. Revised end date 28/2/18. Due to key work in Project Management Office this has been delayed. Expected end date by 31/7/18</p> <p>High level decision to be made about what is to be reported and how. Also performance management software will not be continuing so approach to be developed. Anticipated completion 31/10/18. All key indicators are reported in quarterly Finance Performance Report</p> <p>Implemented</p> <p style="text-align: right;">DELETE</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
6 2017/18	Asset Management	3	M	The Asset Register will be brought up to date and maintained. A current version will be available as a source document for those with need	<p>Agreed Implementation date 31/3/18. Revised end date 31/7/18</p> <p>This recommendation closely links Legal Services and the Asset Management Team, of which there are currently vacancies. Recruitment is under way for a new Asset Officer and this will be picked up jointly Revised 31/3/19</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
7 2017/18	Environmental Health	1	S	Relevant Policy and procedures will be produced for Environmental Health, which was originally part of Environmental Services and included in old version of Enforcement Policy	<p>Agreed Implementation date 30/6/18. Work still to be progressed in line with structure of Environmental Services Enforcement Policy. Revised to 30/9/18</p> <p>Full re-write underway but not completed. Task is bigger than anticipated and there will be close alignment to the Environmental Services Enforcement Policy above. Revised to be implemented by 28/2/19</p>
7 2017/18	Environmental Health	4	S	Management will consider improving expertise and obtaining support from software provider to make more effective use of the UniForm environmental health system	<p>Agreed implementation date 30/4/18 Update to relevant system due in June 2018 with training for key officers. Update for progress Revised to 13/7/18</p> <p>Revised version not yet in place.</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					<p>Training to be sought shortly after. Revised 30/9/18</p> <p>Awaiting corporate decision to upgrade at which time recommendation will be addressed. Review 31/12/18</p>
7 2017/18	Environmental Health	6	M	The Food Complaint Policy and Procedure will be reviewed and updated as required	<p>Agreed Implementation date 31/3/18. Marked forward in line with Food Service Plan 30/6/18</p> <p>Draft completed. Awaiting sign-off. Revised to 31/7/18 Completed</p> <p style="text-align: right;">DELETE</p>
7 2017/18	Environmental Health	10	M	The Council will consider documenting more clearly the rationale for its current approach towards air quality monitoring and make the statement publicly available on the website and in the Executive Summary to the Annual Air Quality Status Report	<p>Agreed Implementation date 30/6/18</p> <p>Draft completed. Awaiting sign-off. Revised to 31/7/18. Completed</p> <p style="text-align: right;">DELETE</p>
7 2017/18	Environmental Health	11	M	Health & Safety enforcement policy and procedures will be reviewed and updated as required	<p>Agreed Implementation date 31/5/18.</p> <p>To be developed in line with Environmental Health Recommendation 1 Revised to 30/9/18.</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					Procedures have been updated. Enforcement issues will be incorporated into the work under Recommendation 1. Implemented DELETE
7 2017/18	Environmental Health	12	M	External health & safety will be included in the Environmental Health Operational Risk Register, detailing risks, existing controls and actions required	Agreed Implementation date 31/3/18. Marked forward in line with Food Service Plan 30/6/18 CRR Element implemented and SRR to do. Revised 31/8/18 Service Risk Register would mirror the position stated in the revised Corporate Risk Register. Work considered complete DELETE
7 2017/18	Environmental Health	13	L	Performance information that will be presented to Committee in the 2018/19 Service Plan will compare actual work carried out to the original targets set in the 2017/18 Service Plan, and explain any significant variances to management and members.	Agreed Implementation date 31/5/18. To be signed off in June Revised end date 30/6/17 In Draft and awaiting sign-off Revised to 31/7/18 Completed DELETE

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
9 2017/18	Waste Management Contract	3	L	Formal Contract Management training opportunities will be researched and if appropriate, attended, in order to support existing staff in their roles	Agreed Implementation Date 31/7/18 Priority given to Health & Safety Training. It is anticipated that courses will be available to attend by 31/3/19
11 2017/18	Cash & Banking	3	M	A detailed format / procedure will be developed to ensure effective bank account reconciliation is in place by year end.	Agreed Implementation date 30/4/18. Procedures may change with removal of kiosks and agreed mark forward for review at that time. Revised end date 30/6/18 Difficulties are still occurring relating to timings of transactions. A full review of requirements and procedures will be undertaken. Revised end date 31/10/18. Partially completed. Further work is being undertaken alongside system changes. Revised end date 31/3/19
11 2017/18	Cash & Banking	4	L	The system administrator for Cash Receipting will determine procedures for changing password parameters and for deleting users that no longer require access.	Agreed Implementation date 30/6/18 Cash Receipting update has

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					<p>been deferred until October at which time these issues will be fully addressed. Meeting to be held (September) with software provider to resolve matters. Revised 31/10/18</p> <p>Work still ongoing to upgrade system, which should occur by end of year Review 31/12/18</p>
13 2017/18	Health & Safety	1	M	Enable review of all leases and management agreements to confirm responsibilities for risk assessments, and ensure all parties are aware of respective responsibilities	<p>Agreed Implementation Date 1/6/18 Procedures are now in place and reviews are under way. Procedures are not yet documented but it is intended they will be included in new Asset Management software that should go live in near future Revised date 30/9/18</p> <p>Officer with responsibility has left the Council. The post is being recruited to and this will be picked up. Revised 31/3/19</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
13 2017/18	Health & Safety	2	M	Conduct Fire Risk Assessments for all Council premises whether or not they are in use	Agreed Implementation Date 1/6/18 All properties, with exception of empty / unused assets have had assessments completed. This will be carried out by new fire risk contractor. Revised implementation 31/7/18. Orders have been placed for remaining sites. Mark forward to confirm completion 17/12/18
13 2017/18	Health & Safety	3	L	An Asbestos Register is compiled for all Council assets, and maintained, and the Council ensures that persons working on Council premises are aware of any asbestos or other risks, and that notification of such risks is recorded	Agreed Implementation Date 1/5/18. Revised to 30/6/18 Inspection work has been completed by contractor and format of register has been agreed. Anticipated completion 31/7/18 Implemented DELETE
13 2017/18	Health & Safety	4	L	Identify areas where Health surveillance should be conducted, and introduce formal health surveillance monitoring and recording of impact. This is relevant to areas such as exposure to asbestos or hand arm vibration	Agreed Implementation Date 30/9/18 Implemented DELETE
13 2017/18	Health & Safety	7	M	Training gaps are identified, and training is provided and recorded, before officers are permitted to use equipment requiring training	Agreed Implementation Date 1/5/18 Training Matrix nearing

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					<p>completion. To be rolled out and training plans considered Revised to 31/8/18</p> <p>Training matrix agreed by Leadership Team. Training gaps to be actioned promptly Implemented</p> <p style="text-align: right;">DELETE</p>
13 2017/18	Health & Safety	9	L	The Health & Safety Officer provides instructions to responsible persons on preparation of Emergency Procedures for all Council locations, to include: evacuation, hazardous items, any safe locations and rescue equipment, exit / escape routes, nominated competent person, protocols for shutdown / isolation / making safe, assessment of safe to return, and training	<p>Agreed Implementation Date 1/6/18. Significant amount completed but work still ongoing. Revised to 31/10/18</p> <p>Work is ongoing with many of the required areas addressed. At the present there is no defined completion date and a review will be carried out to monitor progress. Review 31/1/19</p>
13 2017/18	Health & Safety	14	L	Establish arrangements for monitoring the effectiveness of implementation of policies	<p>Agreed Implementation Date 30/6/18. Implementation of policies is to be monitored by a reformed Health & Safety Group. It is anticipated that the first meeting will take place in</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					October. Revised to 31/10/18 Implemented DELETE
15 2017/18	Debtors	1	M	Staffing arrangements relating to invoicing for waste and recycling to Essex County Council will be reviewed to build resilience and enable prompt issue of invoices for this high value income source	Agreed Implementation Date 30/4/19
15 2017/18	Debtors	2	M	Procedures for the administration of charging for waste and recycling will be agreed and procedure notes completed	Agreed Implementation date 31/7/18 First draft procedures produced. Additional work required to encompass a variety of scenarios. Revised to 31/1/2019
15 2017/18	Debtors	3	L	Applicable dates and periods covered will be published in the fees and charges list for sports pitch hire and specific details of the pitch and relevant dates will be included in pitch booking invoice	Agreed Implementation date 31/7/18 Work under way to revise fees and charges when recommendation will be implemented. Expected date of completion 31/10/18 Implemented DELETE

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
15 2017/18	Debtors	4	M	Customer Services and Finance staff will agree a method of enabling the correct allocation of land charges income between the income code and VAT	Agreed Implementation date 31/7/18. Contact to be made with VAT specialists. Expected implementation 31/10/18 Implemented DELETE
15 2017/18	Debtors	5	M	Customer Services and Finance will review the various sources of published land charges fees to harmonise the information	Agreed Implementation date 31/7/18. When work under Rec 4 completed this will follow through. Expected date of completion 31/10/18 Fees will be reviewed as part of budget process Revised 28/2/19
15 2017/18	Debtors	6	M	a) Formalise the agreement with the pre-school group identified in the audit review to ensure clarity of hire or lease arrangements and responsibilities b) The agreement relating to a pre-school group will be fully reviewed to ensure the nature of the agreement and whether the charging of VAT is relevant and if appropriate VAT will be recalculated	Agreed implementation dates a) 31/10/18 - Completed b) 31/10/18. Guidance being sought from consultants. Status re VAT confirmed. Refund to be made to pre-school group of VAT element of agreement - Completed DELETE

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
15 2017/18	Debtors	7	M	The status of VAT in charging for provision of waste and recycling bins will be reviewed and the fees and charges list will be amended if required. If appropriate any miscalculated VAT arising will be rectified.	Agreed Implementation date 31/7/18 Implemented DELETE
15 2017/18	Debtors	8	M	The approach to dealing with debt recovery from Building Control activity will be reviewed to align with corporate debt collection procedures	Agreed Implementation date 31/7/18 Linked with Debt Policy Review Revise to 31/8/18 Implemented DELETE
15 2017/18	Debtors	9	M	a) Protocols for collating information, monitoring and progression of housing related debts will be developed to enable recovery action in cases agreed as appropriate b) Benchmarking will be used relating to charges and recovery protocols to develop a debt management policy for housing related debts	Agreed Implementation Dates a) 31/7/18. Linked with Debt Policy Review Revise to 31/8/18. This element implemented DELETE b) 30/4/19
15 2017/18	Debtors	10	M	Resources within the Payments & Income Team will be prioritised too ensure higher value outstanding debts are prioritised	Agreed Implementation 31/7/18 Implemented DELETE
15 2017/18	Debtors	11	L	Amendments to invoices and / or website should be considered to direct Building Control customers to the correct area of the website to make payments	Agreed Implementation date 31/8/18 Implemented DELETE

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
15 2017/18	Debtors	12	L	The Collection Policy relating to Penalty Charge Notices will be reviewed and updated	Agreed Implementation date 31/10/18 Implemented DELETE
15 2017/18	Debtors	13	M	Batches of write-off requests for Penalty Charge Notices will be passed to the Section 151 for authorisation at least quarterly	Agreed Implementation date 31/7/18 Implemented DELETE
15 2017/18	Debtors	15	S	All permissions applied to Dimensions Finance system will be reviewed to ensure they are appropriate to the individual s or groups in place, amending or disabling if required. This review will include generic user IDs with high level access. A documented review will be carried out periodically.	Agreed Implementation date 31/7/18 Implemented DELETE
15 2017/18	Debtors	16	M	Each person with system administrator rights will have an administration account in their own name, with unique password, rather than a generic logon. Any generic logons will be disabled subsequently.	Agreed Implementation date 31/7/18 Implemented DELETE
15 2017/18	Debtors	17	M	Each person with system administrator rights will have an administration account in their own name, with unique password, rather than a generic logon. Any generic logons will be disabled subsequently.	Agreed Implementation date 31/7/18 Implemented as much as possible DELETE
17 2017/18	Procurement	1	S	a) Areas identified as not compliant with protocols in Audit testing for 2017/18 will be subject to appropriate procurement review, staff will be instructed on correct	Agreed Implementation Dates a) 31/3/19

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
				<p>procedures and exception reports will be made as required to the Leadership Team</p> <p>Part b reported completed Audit Committee 24/7/18</p> <p>c) Further procurement training will be given to staff which will include areas where non-compliance with procurement rules are identified</p>	<p>c) 31/7/18 A series of training events for all staff was initiated with last scheduled date initially 8/11/18. Approximately 2/3rds of officers have attended or booked in for training. Additional mopping up sessions are being scheduled to ensure full coverage Revised to 14/12/18</p>
17 2017/18	Procurement	2	M	<p>Adequate awareness of purchasing arrangements will be made available to avoid Council expenditure being paid from employees' personal finances and that staff are required to ensure procurement rules are followed for all purchases</p>	<p>Agreed Implementation date 31/7/18 To be linked with training. A series of training events for all staff was initiated with last scheduled date initially 8/11/18. Approximately 2/3rds of officers have attended or booked in for training. Additional mopping up sessions are being scheduled to ensure full coverage Revised to 14/12/18</p>
17 2017/18	Procurement	3	M	<p>Contract Procedure Rules and Procurement Guidance will be updated (a), supported by (b) training and (c) communicating of requirements to staff, to reinforce areas of weakness identified in Audit work of 2017/18 including; disaggregated spend, orders made outside of FocalPoint and appointment of contractors for</p>	<p>Agreed Implementation Dates a) 31/3/19 b & c) Originally 31/7/18 & 31/8/18 A series of training events for all</p>

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
				matters where there is no direct Council expenditure	staff was initiated with last scheduled date initially 8/11/18. Approximately 2/3rds of officers have attended or booked in for training. Additional mopping up sessions are being scheduled to ensure full coverage Revised to 14/12/18
17 2017/18	Procurement Addendum	1	M	Urgent training for all relevant officers (although training was noted an action in the Internal Audit report on Procurement, this will be prioritised and actioned as soon as practicable)	Link to existing Recommendations A series of training events for all staff was initiated. Approximately 2/3rds of officers have attended or booked in for training. Additional mopping up sessions are being scheduled to ensure full coverage Revised to 14/12/18
17 2017/18	Procurement Addendum	2	M	The introduction of one point of control for central management for all agency spend	HR to act as point of control. Framework arrangement to be developed End Date 28/2/19
17 2017/18	Procurement Addendum	3	M	The introduction of formal reporting and warning of any possible procurement breaches that are about to occur or have occurred	Report process was in place but being extended to incorporate matters arising from the Addendum. Next report due to be placed before Leadership

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
					Team on 4 th December. Mark forward accordingly to confirm
17 2017/18	Procurement Addendum	4	M	Identify whether the Council’s purchasing system, FocalPoint, can be better utilised to help identify possible issues at an early stage	Meeting to be held with supplier of FocalPoint to determine availability of meaningful report output. Will report into Leadership Team, December End Date 31/12/18
17 2017/18	Procurement Addendum	5	M	Terminating the agency arrangements related to the breach and undertaking an EU compliant process to put in place new arrangements to procure agency staff in future.	Implemented DELETE
2 2018/19	Street Cleaning Contract	1	M	For consistency and future planning the work of the Street Scene Officers involved in monitoring the contract will be documented in a set of operational procedures.	Agreed Implementation date 1/4/19
2 2018/19	Street Cleaning Contract	2	L	Inspections and outcomes relating to Rectification Notices will be recorded as part of the contract monitoring process	Agreed Implementation date 30/11/18
2 2018/19	Street Cleaning Contract	3	M	The contract value will be input to FocalPoint at the earliest opportunity to ensure that committed expenditure is fully identified to assist with budget monitoring	Implemented DELETE

Report No	Report Title	Rec No	Risk	Agreed Recommendations	Implementation progress
2 2018/19	Street Cleaning Contract	4	M	The merits of acquiring from the contractor method statements that support S8.1 and S9.4 of the General Specifications relating to environmental protection and air quality will be considered. It is acknowledged this would be relevant to all current contracts, not just street cleaning	Agreed Implementation date 1/4/19
4 2018/19	Applications Audit - Payroll	1	L	Users will be reviewed on the Rochford Payroll and those with no potential need for access will be deleted / disabled as appropriate	Agreed implementation date 31/10/18 Implemented DELETE
5 2018/19	Creditors	1	L	New Supplier Forms will be amended in order for the originator to be identified.	Agreed implementation date 30/11/18
5 2018/19	Creditors	2	M	The process for ensuring that the Procurement team are advised of late orders will be reinstated	Implemented DELETE

BASIS FOR AUDIT OPINION		
Assurance level	Internal Audit's opinion is based on <u>one or more</u> of the following conclusions applying:-	Basis for choosing assurance level
Good	<ul style="list-style-type: none"> The activity's key controls are comprehensive, well designed and applied consistently and effectively manage the significant risks. Management can demonstrate they understand their significant risks and they are proactively managed to an acceptable level. Past performance information shows required outcomes are clearly defined and consistently met. 	<p>Recommendations are 'low' rating.</p> <p>Any 'moderate' recommendations will need to be mitigated by consistently strong controls in other areas of the activity.</p>
Adequate	<ul style="list-style-type: none"> Most of the activity's key controls are in place, well designed and applied consistently and effectively manage the significant risks. Management can demonstrate they understand their significant risks and they are generally and proactively managed to an acceptable level. Past performance information shows required outcomes are clearly defined and generally met. 	<p>Recommendations are 'moderate' or "Low" rating.</p> <p>Any 'significant' rated recommendations will need to be mitigated by consistently strong controls in other areas of the activity.</p> <p>A 'critical' rated recommendation will prevent this level of assurance.</p>
Limited	<ul style="list-style-type: none"> The activity's key controls are absent or not well designed or inconsistently applied meaning significant risks. Management cannot demonstrate they understand and manage their significant risks to acceptable levels. Past performance information shows required outcomes are not clearly defined and or consistently not met. 	<p>Recommendations are 'significant' or a large number of 'moderate' recommendations.</p> <p>Any 'critical' recommendations need to be mitigated by consistently strong controls in other areas of the activity.</p>
None	<ul style="list-style-type: none"> The activity's key controls are absent or not well designed or inconsistently applied in all key areas. Management cannot demonstrate they have identified or manage their significant risks Required outcomes are not clearly defined and or consistently not met. 	<p>Recommendations are 'critical' without any mitigating strong controls in other areas of the activity.</p>

RECOMMENDATION CATEGORIES		
C	CRITICAL	<p>The identified control weakness could lead to a critical impact on the activity’s ability to manage the risks to achieving its key objectives. The control weakness means the associated risk highly likely to occur or have occurred.</p> <p>There are no compensating controls to possibly mitigate the level of risk.</p>
S	SIGNIFICANT	<p>The identified control weakness could have a significant impact on the activity’s ability to manage the risks to achieve its key objectives. The control weakness means the associated risk is likely to occur or have occurred.</p> <p>There are few effective compensating controls. Where there are compensating controls, these are more likely to be detective (after the event) controls which may be insufficient to manage the impact.</p> <p>The difference between ‘critical’ and ‘significant’ is a lower impact and or lower probability of occurrence and or that there are some compensating controls in place.</p>
M	MODERATE	<p>The identified control weakness could have a moderate impact on the activity’s ability to manage the risk to achieving its key objectives. The control weakness does not undermine the activity’s overall ability to manage the associated risk (as there may be compensating controls) but could reduce the quality or effectiveness of some processes and or outcomes.</p>
L	LOW	<p>The identified control weakness is not significant and recommendations are made in general to improve current arrangements.</p> <p>Note – these recommendations will not be followed up.</p>