



Rochford District
Council

REPORT TITLE:	INTERNAL AUDIT ANNUAL REPORT 2022/23
REPORT OF:	Mike Porter – Audit and Counter Fraud Manager

REPORT SUMMARY

To provide the Chief Audit Executive's annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control during 2022/23

RECOMMENDATIONS

- R1 -** It is proposed that the Committee RESOLVES
That the Chief Audit Executive's opinion on the overall adequacy and effectiveness of the Council systems of governance, risk management and internal control be noted.

2 BACKGROUND INFORMATION

- 2.1 Rochford District Council is responsible for establishing and maintaining appropriate risk management processes, control systems and governance arrangements. Internal audit plays a vital role in providing independent risk-based and objective assurance and insight on how these arrangements are working. Internal Audit forms part of Rochford Council's assurance framework.
- 2.2 The Accounts and Audit Regulations 2015 require the Council to maintain an adequate and effective internal audit service in accordance with proper practices. For this purpose, proper practices are deemed to be the UK Public Sector Internal Audit Standards (PSIAS).
- 2.3 The UK PSIAS require that the Chief Audit Executive must give an annual internal audit opinion and provide a report that can be used by the Council to inform its Annual Governance Statement (AGS).
- 2.4 Whilst the work of Internal Audit is a key element in informing the AGS, there are also several other sources within the Council from which the Section 151 Officer and Members should gain assurance, for example, service assurance statements and reviews by external bodies including external audit.

3 INTERNAL AUDIT COVERAGE AND OUPUT

- 3.1 The Audit Committee approved the 2022/23 Annual Audit Plan at its meeting of 15th March 2022. Owing to a reduction in available audit days resulting from the retirement of the Principal Auditor in post at Rochford (prior to creation of the shared service), and difficulties experienced in recruiting to this vacant post, a revised audit plan was taken to the 28 September 2022 meeting.
- 3.2 The Audit Committee has received progress updates on the delivery of the audit plan and the results of individual audits throughout the year. As our audit plans include different activities each year, assurance may vary from year to year, however the assurance level still gives insight into the council's control environment.

- 3.3 **Appendix 1** summarises the Internal Audit work completed in 2022/23 and the assurance opinions given. In summary, 17 audit engagements (including other work items) have been completed. 2 have been assessed as “Good”, 5 as “Adequate”, 1 with a “Limited Direction of Travel”, 1 with a “Positive Direction of Travel”, 6 where due to the nature of the engagement no opinion was provided and 2 grant certifications for fund providers where testing confirmed compliance with the grant conditions.
- 3.4 Excluding ‘other work’ items, 9 audit engagements have been completed since the Audit Committee of 16th November 2022. Of these 2 was assessed as “Good”, 3 were rated as “Adequate”, 1 where a “Positive Direction of Travel” assessment was made, 1 where a “Limited Direction of Travel” assessment was made and 2 where “no opinion” was provided. The opinion given and main points arising from these completed audit engagements is summarised at **Appendix 2**, with ‘light touch’ audits summarised at **Appendix 3**.
- 3.5 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.
- 3.6 Recommendations arising from completed audit engagements are shown in **Appendix 4**. This includes the current status of all recommendations that were ‘live’ at the date of the prior Audit Committee in November 2022 and recommendations raised since that date.

4 CHIEF AUDIT EXECUTIVE OPINION

- 4.1 My audit opinion is based upon, and restricted to, the work that has been performed during the year, including assessments of the:
- design and operation of the underpinning assurance framework and supporting processes, including reliance on other assurance providers where appropriate.
 - range of individual opinions arising from our risk-based audit assignments contained within the internal audit risk-based plan that has been reported throughout the year; and
 - the relative materiality of the areas reviewed and management’s progress in respect of addressing control weaknesses identified.

- 4.2 In terms of breadth of coverage, audit work has been performed across the Council's key services and in relation to its strategic risks where possible. The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to Internal Audit coverage in any one year.
- 4.3 In respect of sundry debt management although debts are now being pursued there are still a number of other areas that need to be addressed. This area was reported as weak in 2021/22, as a result a 'limited' direction of travel opinion has been reported for 2022/23.
- 4.4 Cyber threats to Local Authorities are significant and continuously evolving: with substantial numbers of cyber-attacks occurring on a daily basis. Unpredictable and diverse in nature, these attacks range from high volume, opportunistic attacks to highly sophisticated and persistent threats involving bespoke malware. Audit testing confirmed that the council's network had been subject to external penetration testing and an action plan produced to track all reported issues through to resolution. All critical security issues had been addressed. Work to address the one remaining high-risk issue on external web applications is in progress. Rochford Council was one of a number of authorities that suffered a potential data breach. Rochford Council was informed in May 2023 that Revenues and Benefits information stored on a Hosting Service used by Capita, was for a period, potentially capable of being accessed by unauthorised persons. Capita have since concluded their investigation in respect of Rochford Council data and provided details of their findings.
- 4.5 Despite delivering a reduced audit plan for 2022/23 the CAE is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the council's arrangements. Based on the work performed during 2022/23 and other sources of assurance the CAE is of the opinion that **adequate assurance** can be taken that the Council's risk management, internal control and governance processes, in operation during the year to 31 March 2023, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve arrangements to enhance the Council's governance framework.

Governance

- 4.6 The operation and effectiveness of the Audit Committee is a key element to the Councils effective systems of audit and review. Rochford Council is yet to appoint an Independent Person to its Audit Committee, delegated authority to do so was given by Full Council in December 2022. The Redmond Review of 2020 recommended that local authorities appoint at least one independent member to audit committees to ensure they have the necessary expertise to carry out their role effectively. Audit committees are also a fundamental cornerstone of an authority's corporate governance framework.
- 4.7 CIPFA have recently issued a new position statement on Audit Committees in Local Government. It suggests the committee should report annually on how it has discharged its responsibilities and include an assessment of its performance. This is an area for future development for the Council and should form part of the Annual Governance Statement Action Plan.
- 4.8 There has been a significant change in personnel at Rochford, since the creation of a formal strategic partnership between Brentwood Borough Council and Rochford District Council (formalised in February 2022 following a six-month trial period with a joint chief executive). During 2022/23 the Corporate Leadership Team included a number of interim managers that occupied statutory officers' roles, steps have since been taken to reduce the number of interim managers. The Ministry of Housing, Communities & Local Government (now the Department for Levelling Up, Housing and Communities) published a short guide in 2020 to share lessons learnt from both statutory and non-statutory interventions in local authorities. It suggested that a lack of effective corporate leadership, including an over-reliance on interim statutory officers, could indicate that a local authority may be experiencing serious governance issues. It is important that the strategic partnership gains some stability within the Leadership team and in particular the statutory positions. This point should be included within the Council's Annual Governance Statement.

Risk Management

- 4.10 Internal Audit's work during 2022/23 did not identify any significant issues relating to Risk Management. We understand that Risk Management is included in Phase 1 of planned service reviews. Once this has concluded and the new arrangements had chance to bed in it would be an optimal time for internal audit to undertake a detailed review of this area.

Internal Control

- 4.9 The strategic partnership between Brentwood and Rochford has triggered service reviews across both councils. Any resultant changes to existing processes will warrant examination by internal audit to confirm the adequacy of Rochford's overall control environment and, as such, early engagement is vital. As a result of these on-going service reviews the agreed audit plan for 2023/24 may be subject to change to support these activities.

5 COUNTER FRAUD ACTIVITY

- 5.1 Internal Audit work considers the risk of fraud in planning all individual audits and has supported service departments as part of a wider more strategic approach to counter fraud arrangements in risk identification and the development of controls to mitigate identified risks.
- 5.2 Responsibility for investigation of non-benefit fraud; Local Council Tax Support (LCTS), Council Tax & 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 and officers in Business Rates. Both the National Fraud Initiative (NFI) and Pan Essex Data Hub provide the means for the Council to identify potential fraud through data matching, followed by subsequent investigation by the Compliance Officer.
- 5.3 During 2022/23 the value of Council Tax identified as recoverable, as a result of Revenues & Benefits compliance work, from all sources including LCTS, was around £205k, of which £18k related to identifying unbilled properties (29 dwellings bought into Council Tax) and £130k from withdrawal of discounts or exemptions that no longer apply. The balance of £57k relates to overpaid LCTS and recharge of single person discount.
- 5.4 During the year, the value of identifiable gains in respect of business rates was £385.9k of which £251.2k related to unbilled properties. The rest related to undeclared changes or ineligible discounts. The total gain, net of allowable discounts or reliefs, is £275.2k.
- 5.5 Housing Benefit fraud continues to be investigated by the Department for Work & Pensions, but the Revenues & Benefits Team continues to identify and collect overpayments of Housing Benefit.

6 EFFECTIVENESS OF INTERNAL AUDIT

- 6.1 Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards (PSIAS), which have been in place since 1 April 2013 (revised 2017) and the code of ethics for internal auditors. The standards require periodic self-assessments and an assessment by an external person at least every five years.
- 6.2 An External Quality Assessment (EQA) of the Council's Internal Audit function was completed in January 2018 to establish the degree of conformance with the Public Sector Internal Audit Standards (PSIAS). Internal Audit was assessed as Generally Conforms to the Standards. Since that time Internal Audit has continued to undertake annual self-assessments of its performance, revising working practices where appropriate.
- 6.3 To comply with the Standards for an external review to be undertake every five years, an EQA of the Shared Internal Service that was formed in July 2022, was presented to this committee in March 2023. The opinion of the reviewer was that the combined Internal Audit Service for Basildon Borough Council and Rochford District Council 'Fully Conforms to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.'

7 ISSUES FOR THE ANNUAL GOVERNANCE STATEMENT

- 7.1 No issues, other than those already disclosed, have come to the attention of the Chief Audit Executive that need to be disclosed in the Annual Governance Statement.

8 RISK IMPLICATIONS

- 8.1 Failure to operate a robust assurance process (which incorporates the internal audit function) increases the risk that weaknesses in the Council's governance, risk management and internal control framework may not be promptly identified and remedied. Failure to do so may mean the Council does not achieve its vision and objectives.

9 ENVIRONMENTAL IMPLICATIONS

- 9.1 No decision is being made, the report is merely for noting and as such there are no environmental implications.

10 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 10.1 The current level and make up of in-house and other available third-party internal audit resource are considered sufficient at present.

11 LEGAL IMPLICATIONS

- 11.1 The Accounts and Audit Regulations 2015 (section 5) require the Council to undertake an effective programme of internal auditing to evaluate the effectiveness of its risk management, control, and governance processes, taking into account relevant public sector internal auditing standards or guidance.

12 EQUALITY AND DIVERSITY IMPLICATIONS

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

REPORT AUTHOR:

Name:	Tim Willis
Title:	Interim Director, Resources
Phone:	01277312500
Email:	tim.willis@brentwood.rochford.gov.uk

Background Papers: -

None.

For further information please contact Mike Porter (Audit & Counter Fraud Services Manager) on:

Phone 01268 207969

Email mike.porter@rochford.gov.uk / mike.porter@basildon.gov.uk

If you would like this report in large print, Braille or another language please contact 01702 318111

AUDIT COMMITTEE – 4 JULY 2023

COMPLETED AUDIT ENGAGEMENTS SUMMARY - APPENDIX 1

AUDIT ENGAGEMENT	CORPORATE RISK	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
Transparency Code / Freedom of Information Report 1/2022-23	Failure to ensure compliance with the General Data Protection Regulations (GDPR) and unable to demonstrate consistent application of information standards, controls, and statutory compliance.	Adequate	28 September 2022	-	-	2	3
Licensing Report 2/2022-23	Failure to ensure good governance of the Council's activities and delivery of priority outcomes.	Adequate	16 November 2022	-	-	2	1
Housing Benefits Subsidy Report 3/2022-23	Failure to ensure good governance of the Council's activities and delivery of priority outcomes.	No Opinion Stated	16 November 2022	-	-	-	-
Vehicle Fleet Management Report 4/2022-23	The Council could fail to provide consistent value for money (VFM) across all services or obtain VFM in procurement.	No Opinion Stated	4 July 2023	-	2	5	1
Payroll Notifications Report 5/2022-23	Failure to ensure good governance of the Council's	Adequate	4 July 2023	-	-	1	-

AUDIT COMMITTEE – 4 JULY 2023

AUDIT ENGAGEMENT	CORPORATE RISK	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
	activities and delivery of priority outcomes.						
Housing Benefit Overpayment Follow-up Report 06/2022-23	Failure to ensure good governance of the Council's activities and delivery of priority outcomes.	Positive Direction of Travel	4 July 2023	-	-	-	-
Council Tax Support Scheme Report 7/2022-23	Failure to ensure good governance of the Council's activities and delivery of priority outcomes.	Good	4 July 2023	-	-	-	-
Sundry Debt Recovery Follow Up Report 08/2022-23	Failure to ensure good governance of the Council's activities and delivery of priority outcomes.	Limited Direction of Travel	4 July 2023	-	1	1	-
Cyber Security Report 9/2022-23	Failure to ensure ICT Estate supports achievement of the Business Plan.	Adequate	4 July 2023	-	-	10	-
Home Working/Staff Performance Management and Development Report 10/2022-23	The inability to recruit, retain, develop, and manage appropriately skilled staff to deliver the Council's priorities.	Adequate	4 July 2023	-	-	1	-
Electoral Register Report 11/2022-23	Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection.	Good	4 July 2023	-	-	-	4

AUDIT COMMITTEE – 4 JULY 2023

AUDIT ENGAGEMENT	CORPORATE RISK	ASSURANCE RATING	REPORTED TO AUDIT COMMITTEE	RECOMMENDATION CATEGORY			
				C	S	M	L
Motions on Notice Report 12/2022-23	Failure to ensure good governance of the Council's activities and delivery of priority outcomes.	No Opinion Stated	4 July 2023	-	-	-	-
Deferred to 2023/24							
Performance Management	Deferred as area is subject to service review. Light touch review undertaken in 2021/22 – positive direction travel observed						
Climate Change	Deferred at request of the responsible Director.						
Equality & Diversity	Deferred owing to lack of audit resource.						
Staff Performance Management & Development	Deferred as area is subject to service review. Light touch review undertaken in 2021/22 – positive direction travel observed						
Risk Management – contract risk register	Deferred as area is subject to service review.						
GDPR – data breach / subject access requests	Deferred owing to lack of audit resource. Light touch review undertaken in 2021/22 – positive direction travel observed.						

AUDIT COMMITTEE – 4 JULY 2023

OTHER WORK UNDERTAKEN	
AUDIT AREA	NATURE OF WORK
Contain Outbreak Management Fund (COMF) 2021/22	Confirmation that the conditions attached to the grant have been complied with.
Test & Trace Support Payments	Confirmation that the conditions attached to the funding have been complied with.
Data Breaches	Support and advice.
Counter Fraud Arrangements	Support and advice; oversight of compliance work.
AIM Cash Receipting	Critical friend - advice/guidance on controls for new system.

COMPLETED AUDIT ENGAGEMENTS**Vehicle Fleet Management:
Report 4/2022-23****Audit Objective**

To assess whether the Council effectively manages its fleet of vehicles in respect of maintenance and replacement management. This is a consultation review of operations and accordingly there is no formal audit opinion.

Business Plan Link

This audit contributes to the assurance available regarding the following Business Plan objectives and associate risks identified in the Corporate Risk Register

Business Plan Objective: *Being Financially Sustainable*

Corporate Risk: *The Council could fail to provide consistent value for money (VFM) across all services or obtain VFM in procurement.*

Reason for inclusion in the Annual Audit Plan

Undertaken at the request of Service Management

Prior Audit Work

Last Audit and Assessment: N/A

Risks tested and outcomes

Risk Area Tested	Number and priority of recommendations made
Policies and Procedures as required to manage an efficient fleet service in line with best practices and legislation are not in place or are not up to date	1 Significant

Vehicles are not maintained in a safe and roadworthy condition	None
Effective systems are not in place to record the management and maintenance of the Councils vehicle fleet	1 Significant 2 Moderate
Drivers are not aware of or have not received training regarding their legal and driver responsibilities	3 Moderate 1 Low
The replacement, purchase and disposal of vehicles is not compliant with any existing fleet strategy or managed within agreed capital budgets	None
Data is not effectively controlled	None
Risk Assessments are not in place, not relevant or are not up to date	None

Executive Summary

This Audit Review was requested by management and has been undertaken as a health-check to offer guidance on areas of improvement.

There is currently no written strategy to define the Councils approach to Fleet Management, nor are policies in place that specifically address maintenance and inspections, disposal, and replacement of vehicles. This has been acknowledged by the Audit Sponsor and a recommendation is being raised. A Driving at Work Policy is in place and although overdue for review appears fit for purpose. This policy should be reviewed as part of the development of any new policies.

The Council owns the majority of its vehicle fleet, that support the Waste and Street Cleansing, Open Spaces, and Parking Enforcement functions. The Council entered into a contract with Norse Group in July 2022 for the delivery of waste collection services and have purchased ten new heavy goods and specialist vehicles. The responsibility for the management of the waste vehicles rests with Norse, and the Operator's License is in their name. The Council are responsible for the management of all other purchased vehicles.

A formal contract monitoring process is yet to be established with Norse Group to ensure adequate systems are in place to manage the vehicle fleet. Although liability primarily rests with the contractor should an incident occur, the Councils reputation would be affected. Plans are underway to develop a reporting mechanism; a recommendation has been raised so as not to lose sight of this task.

Maintenance inspections on other council owned vehicles are regularly carried out. Faults are reported to the Principal Street Scene Officer to book in for repair, who is also responsible for booking service and MOT's. The Council does not operate a centralised Fleet Management System and the method of recording and reviewing

vehicle checks and mileage varies across the functions. There is also no form of record keeping for service and MOT history, although invoices for repairs are retained as part of the payments process. The service areas would benefit from adopting a digitalised approach for vehicle inspections where this is not already happening. A central filing system should also be established for maintenance history.

A Vehicle Replacement Programme is being developed, forecasting expenditure via capital or revenue streams over a seven-year period (2021-2028). The majority of the costs are based on market tested quotes obtained during the Covid pandemic and consideration should be given to reviewing the figures and informing Finance colleagues of potential increases to predicted expenditure. Plans are in place to purchase electric vehicles where possible.

All RDC staff who drive for work have received training that is appropriate to their role. Driving Licenses are requested by Human Resources as part of the recruitment process. Home Parking Assessments, that assess potential security risks, do not appear to be consistently utilised for officers who park council vehicles at home overnight for work purposes. However the Councils insurance company are informed of what vehicles are parked at home. Therefore these assessments are somewhat redundant, and a recommendation has been raised to stop using them.

Authority to Drive Forms should be completed at the point of recruitment to confirm medical fitness and validity of car insurance and MOT. There is no central filing system for these forms and so it is not known whether they are always completed. Annual checks should also be carried out to ensure MOT and Car insurance remain valid for officers who drive their own vehicles for business purposes. It is not known whether these checks are consistent across the Council. It is possible to automate this process. Several recommendations have been raised to address this area.

**Payroll Notifications:
Report 5/2022-23**

Audit Objective

To review the process of payroll instructions to Braintree District Council, and the accuracy of data submissions

Business Plan Link

This audit contributes to the assurance available regarding the following Business Plan objectives and associate risks identified in the Corporate Risk Register

Business Plan Objective: *Being Financially Sustainable*

Corporate Risk: *Failure to ensure good governance of the Councils activities and delivery of priority outcomes*

Reason for inclusion in the Annual Audit Plan

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

Prior Audit Work

Last Audit and Assessment: *2020-21 Adequate*

Audit Opinion

The Audit Opinion is based on how well controls and procedures have been designed, and how effectively they are employed in mitigating the keys risks under consideration as detailed in the following section of this report. Detail on the basis for choosing each assurance level is set out on page 6. The basis for assessing the priority status of recommendations arising is set out in the table on page 7.

The level of assurance assessed for this audit is – Good

Risks tested and outcomes

Risk Area Tested	Assurance Level	Number and priority of recommendations made
Information sent to the contracted authority is not accurate	Adequate	1 Moderate
Payroll is made without validation, or formal approval from the contracting authority	Good	None
Payment distributions are not correctly processed	Good	None
Effective system generated reports are not produced or issued	Good	None
Data is not effectively controlled	Good	None
Risk Assessments are not in place, not relevant or are not up to date	Adequate	None

Executive Summary

Braintree District Council (BDC) acts as the provider of payroll services for Rochford District Council. The partnership commenced in April 2021. The Service Level Agreement has expired and should be updated. Both organisations utilise the iTrent Payroll System and access a central SharePoint where all monthly payroll documents are saved.

A review of August 2022 payroll found that effective controls are in place to ensure that monthly payroll is accurately processed. BDC prepares the payroll each month and variations to normal pay are shared with them prior to the deadline via the following methods: Ad hoc payments such as overtime, expenses and mileage are input directly on to iTrent by the employee and approved by their manager. Documents for starters and leavers are completed by authorised personnel at Rochford and shared with Braintree Payroll. Human Resources (HR) at Rochford update iTrent and maintain a monthly 'Changes' spreadsheet, that also includes any salary increments. This is shared with Braintree prior to the pay run.

Assurance checks are completed by BDC for large or unusual variations, and also that changes in staffing have been accurately updated on iTrent by HR.

BDC Payroll produce multiple reports each month, and validation of unusual items is completed by the Finance Manager at Rochford Council. Assurance is placed on BDC Payroll that gross to net calculations are accurate. The total net pay is confirmed by a senior Finance Officer at Rochford and the payroll is processed through Rochford Council's bank account. Items are accurately reconciled to the general ledger.

BDC Payroll is responsible for calculating maternity pay once HR at Rochford have confirmed the dates. Parameters are in place on the iTrent system to calculate sickness leave/payments.

Reliance is placed on the calculations by BDC Payroll for third party payments including tax, national insurance, and pension contributions. Measures are in place by the Rochford Finance team to ensure accuracy, and prompt disbursement to the appropriate bodies.

The Risk Registers for HR and Resources are outstanding. This is in part due to the service redesigns that are currently underway, as part of joint arrangements with Brentwood Council.

Council Tax Support Scheme: Report 7/2022-23

Audit Objective

To assess whether the Council Tax Support (CTS) Scheme is accessible, fair, and transparent, and whether applications are processed accurately.

Business Plan Link

This audit contributes to the assurance available regarding the following Business Plan objectives and associate risks identified in the Corporate Risk Register

Business Plan Objective: *Being Financially Sustainable*

Corporate Risk: *Failure to ensure good governance of the Councils activities and delivery of priority outcomes*

Reason for inclusion in the Annual Audit Plan

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

Prior Audit Work

Last Audit and Assessment: N/A

Audit Opinion

The Audit Opinion is based on how well controls and procedures have been designed, and how effectively they are employed in mitigating the keys risks under consideration as detailed in the following section of this report. Detail on the basis for choosing each assurance level is set out on page 6. The basis for assessing the priority status of recommendations arising is set out in the table on page 7.

The level of assurance assessed for this audit is – Good

Risks tested and outcomes:

Risk Area Tested	Assurance Level	Number and priority of recommendations made

Policies and Procedures are not in place or are not up to date	Good	None
Robust systems are not in place to process, calculate, assess and approve Council Tax Support applications in a timely manner	Good	None
Council Tax Support is given incorrectly or inappropriately through fraud or error, leading to loss of income	Adequate	None
The system is inappropriately accessed leading to error, fraud, or loss or misuse of data	Good	None
Data is not effectively controlled	Good	None
Risk Assessments are not in place, not relevant or are not up to date	Adequate	None

Executive Summary

A new 'banded' Council Tax Support (CTS) Scheme for working age customers on a low income was introduced from April 2022. The calculations are based on the net income of the applicant and any partner in the household. The applicant is allocated an 'income band' that relates to the percentage of discount they will receive off their council tax bill. The scheme was approved by Full Council in February 2022. Of those claiming CTS on 31st March 2022 most applicants have benefited. A transition scheme has been implemented to ensure that those who didn't, are not adversely impacted during 2022/23.

Full details of the scheme and how to apply are available on the Councils website and comprehensive internal guidance has been produced. Detailed training has also been provided to all relevant officers.

Testing confirmed a prompt and efficient service is in place as a result of the simplified online application process and automatic confirmation that an application for discount has been successful. All working age customers who were receiving CTS under the previous scheme have been automatically transferred to the new scheme and been notified of the changes. Sample testing confirmed that banding codes have been correctly input into the Revenue & Benefits (R&B) system, Academy. Parameters are set correctly both for the online form and Academy.

As of January 2023, there were 1981 working age customers receiving CTS. Proof of National Insurance must be provided at the time a new application is made. There were no matters arising from sample testing undertaken. Customers are also responsible for notifying the Council of any changes in circumstances as detailed in the declaration on the form. Proactive reviews of approximately 9% of cases were undertaken by the R&B Project Officer in the first year of the scheme. Additional proof of income is requested at this time. Approximately £39k has been saved as a result of the reviews and other changes in circumstances that have been reported. Nearly 12% of the cases reviewed resulted in a reduction in CTS. The majority of reviews were undertaken in the third quarter of the year to allow time for the new scheme to imbed. The plan for year two and beyond is to increase the number and to start reviewing cases earlier in the year. Written procedures are also due to be developed.

Regular compliance checks are completed on a small percentage of applications. A review found no major concerns, although for a small number of customers some administrative details had not been updated on Academy at the time the application was submitted. Officers should be reminded to check contact and personal details when setting up or amending CTS applications.

The Service Area Risk Register contains relevant risks and controls relating to CTS, although it is overdue for a review. Risk Management is awaiting review as part of partnership arrangements with Brentwood Council.

**Cyber Security:
Report 9/2022-23****Introduction**

This audit forms part of the agreed 2022/23 Internal Audit Plan. Cyber security was last audited in September 2021.

The cyber threats to Local Authorities are significant and continuously evolving; with substantial numbers of cyber-attacks occurring on a daily basis. Unpredictable and diverse in nature, these attacks range from high volume, opportunistic attacks to highly sophisticated and persistent threats involving bespoke malware.

Cyber security is the range of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorised access. These are essential in order that the Council is able to resist, respond to, and recover from incidents that will affect the systems and information it requires to operate.

External cyber security threats include cybercrime (e.g. phishing often through emails and ransom ware attacks), terrorists, hackers, often groups with a specific agenda. Insider threats include employees who cause cyber harm - accidentally through inadvertent clicking on a phishing email, plugging an infected USB into a computer, or ignoring security procedures and downloading unsafe content from the Internet, or deliberately exploiting weaknesses in the network infrastructure and/or its configuration.

The review also followed up on the results of the last external penetration test.

Scope

The Cyber Security review included, but was not limited to the following areas:

- Policies and procedures covering all aspects of ICT governance and security including training and risk, risk management and incident management;
- Security configurations are applied, maintained and updated on all hardware and software detailed in the inventory of information assets, including mobile devices;
- There is effective User Access Management including the controlled use of administrative privileges and account monitoring, including granting and monitoring third party access arrangements; and
- There are adequate limitations and controls on accessing the ICT network with ongoing monitoring of boundary defences, system operations and network and application security.

Key Findings

Our key concerns are as follows:

- Active Directory superuser (Domain Admin) access rights are not reviewed and validated;

- The use of generic and shared logon credentials to support the firewall infrastructure;
- The need to review and update information security policies to capture emerging Cyber Security threats;
- The absence of a documented Cyber Incident Response plan;
- The lack of intrusion protection to block malicious network traffic at source; and
- The presence of 23 generic and 15 inactive user accounts, of which 3 date back to 2020.

Areas of Good Practice

Areas of good practice identified are as follows:

- All Council employees must complete online security training modules;
- Robust password and account lockout policies have been invoked to prevent unauthorised access to the Active Directory domain;
- Active Directory Audit Policies are enabled to capture failed access attempts, use of privilege accounts, object access and changes to security settings;
- The Council network environment is subject to annual external penetration testing;
- User awareness of email phishing threats is enhanced through regular phishing security tests;
- The Council network is protected by a suite of vendor supported firewall appliances; and
- Hytec have been contracted to provide technical support in the management of the Council's network estate.

Observations

Audit testing confirmed that the Council's network had been subject to external penetration testing and an Action Plan produced to track all reported issues through to resolution. All Critical security issues had been addressed. Work to address the one remaining high risk issue on external web applications is in progress.

As a result, the initial original Limited Assurance opinion given has been revised to **Adequate Assurance**.

Home Working/Staff Performance Management and Development: Report 10/2022-23

Audit Objective

To examine arrangements in place to minimise and mitigate the risks to Rochford in relation to home working.

Business Plan Link

This audit contributes to the assurance available regarding the following Business Plan objectives and associate risks identified in the Corporate Risk Register

Business Plan Objective; *All priorities but significantly within Being Financially Sustainable*

Corporate Risk; *We fail to deliver the objectives of the Councils Business Plan in terms of measurable outcomes*

The inability to recruit, retain, develop and manage appropriately skilled staff to deliver the Councils Priorities.

Reason for inclusion in the Annual Audit Plan

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

Prior Audit Work

Last Audit and Assessment: N/A

Audit Opinion

The Audit Opinion is based on how well controls and procedures have been designed, and how effectively they are employed in mitigating the keys risks under consideration as detailed in the following section of this report. Detail on the basis for choosing each assurance level is set out on page 6. The basis for assessing the priority status of recommendations arising is set out in the table on page 7.

The level of assurance assessed for this audit is – Adequate

Risks tested and outcomes

Risk Area Tested	Assurance Level	Number and priority of recommendations made
The home working environment including health and safety considerations are not compliant with legislation and Council Policy	Adequate	None
Internal and external communication regarding home and agile working are ineffective	Adequate	None
ICT performance and/or equipment is ineffective	Adequate	None
Longer term arrangements for home and agile working have not been considered	Adequate	None
Policies and Procedures are not in place for the development and monitoring of staff performance	Adequate	None
The performance of officers is not managed effectively	Adequate	1 Moderate
Staff development programmes and/or training is not in place or is not effective	Limited	None

Executive Summary

Agile working arrangements have been in place at Rochford for approximately two years. All staff were issued with laptops well before the pandemic forced home working arrangements, and controls are in place for software and application updates, to ensure ICT performance is effective. Additional equipment to support home working is not routinely given to staff, however, can be requested. A joint approach for ICT support for both Rochford and Brentwood Councils is being developed as part of the One Team Project.

Agile Working and Staff Performance and Appraisal Policies are generally clear and fit for purpose. All policies and procedures will be reviewed as part of the One Team partnership arrangements, although timescales are yet to be confirmed.

Display Screen Equipment Assessments (DSE), and Home Working Risk Assessments should be completed and reviewed annually. A recent report showed that only eight officers have completed their DSE assessments between May 2022-March 2023. The Health and Safety Officer has circulated communications to all staff reminding them of the importance of completing these assessments. Plans are being developed to improve awareness in this area, in the form of training and available support.

Updates to agile working arrangements are generally shared with staff via e-communications and quarterly staff briefings, although there was a gap in internal communications of this nature between May and December 2022. Residents are notified of any changes to working arrangements that may affect how they contact the Council.

A questionnaire was sent to a selection of officers to obtain their views on their home working experience, appraisals and objective setting. The results confirmed that communication within teams is regular and effective, via various methods such as Microsoft Teams and virtual or in person meetings. Controls appear to be in place from managers to monitor performance and outcomes, considering the remote working arrangements.

The Appraisal system is designed as a rolling scheme of objective setting and six-monthly reviews of achievement across the year, with no year-end assessment. The reviews should be supported by regular one-to-one meetings. Objectives, specific to each officer, should be based on service delivery and personal development. Questionnaire responses confirmed that staff generally receive feedback from managers relating to their performance, however formal appraisal meetings do not always take place and objective setting is out of date in some cases. Although policies will be reviewed, staff should be reminded of the current appraisal process and their responsibilities in relation to setting objectives.

An up-to-date Staff Development Programme is not currently in place at the Council, and elements of e-learning are outdated and/or currently unavailable including Corporate Induction training. Both Rochford and Brentwood Councils are currently in a state of transformation and subject to the service reviews, consideration should be given to the best tool required for meeting the needs of both authorities. Human Resources are developing a new e-learning platform that should be available to all staff by Summer 2023. There have also been two external courses available during 2022-23 to support staff in maintaining continuous professional development.

**Electoral Register:
Report 11/2022-23**

Audit Objective

To assess whether there are effective controls in place for the maintenance of the Council's Electoral Register.

Business Plan Link

This audit contributes to the assurance available regarding the following Business Plan objectives and associate risks identified in the Corporate Risk Register

Business Plan Objective: Enable Communities

Corporate Risk:	Failure to ensure good governance of the Council's activities and delivery of priority outcomes
	Council held data is lost, disclosed, or misused to detriment of individuals or organisations as result of inadequate protection

Reason for inclusion in the Annual Audit Plan

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

Prior Audit Work

Last Audit and Assessment:	Financial administration of elections was reviewed in 2019 and this received an Adequate level of assurance.
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Audit Opinion

The Audit Opinion is based on how well controls and procedures have been designed, and how effectively they are employed in mitigating the keys risks under consideration as detailed in the following section of this report. Detail on the basis for choosing each assurance level is set out on page 7. The basis for assessing the priority status of recommendations arising is set out in the table on page 8.

The level of assurance assessed for this audit is – Good

Risks tested and outcomes

Risk Area Tested	Assurance Level	Number and priority of recommendations made
Non-compliance with the Electoral Commission performance standards.	Adequate	3 Low
Insufficient arrangements to ensure timely and accurate registration of electors.	Good	None
Voting registrant requests are inappropriately handled, including updates to personal information.	Good	None
Lack of communication with other Council services to maintain completeness and accuracy of the register.	Adequate	None
Absent voting requirements inappropriately managed and controlled.	Good	None
Unauthorised access to the register that allows amendments to data.	Adequate	1 Low
The register is not published timely	Good	None

Executive Summary

The Electoral Service has a statutory responsibility for the maintenance of the electoral register including any necessary updates. The electoral register lists the names and addresses of everyone who is registered to vote in public elections. There are two versions of the register – the full register and the open register.

The full register is updated every month and published once a year on the 1st December and at the time of our review there were approximately 67,500 voters. The open register (formally known as the ‘edited’ register) is an extract of the electoral register and is available for general sale, although no recent interest in buying the register has been expressed. The option to opt out from being included on the open register is also available and these requests are adequately followed upon and actioned in a timely manner.

The maintenance of the register is undertaken using a system called Xpress which is used by many other local authorities. Processes to ensure the eligibility of electors are defined within guidance by the Electoral Commission and are engrained into processes through the Xpress electoral system. Through observation of the daily routine work undertaken, positive assurance was obtained as to the automated

processes built into the system to ensure compliance with the electoral registration legislation.

Overall, our testing confirmed that the register is well maintained and voting registrant requests are appropriately handled and on a timely basis. While controls within the system are predominately automated, there are some controls within the team which could be improved and we have made some low-risk recommendations to this effect. In particular with regards to adopting a more formal approach in documenting a public engagement strategy that should be underpinned by an engagement plan to promote participation in the electoral process.

There are a few areas that were identified during testing where possible enhancements could be made and are highlighted for information below.

There are no internal documented procedures that detail the daily tasks to be undertaken, however many of the routine tasks are covered by Electoral Commission guidance and it is understood that staff are expected to seek advice whenever unsure about a point of process so that operational decision making is compliant and consistent. Electoral Services also benefit from the experience and ongoing legislative learning, however many of the process controls used in administering electoral data ultimately rely on staff judgements, and whilst we did not identify any deviations from the set process this is an area that the Council may wish to do their own periodic sample checking to strengthen the overall control environment.

Due to the size of the team there is a lack of segregation of duties, as the person checking the forms/supporting documentation is the same person entering/removing register entries. As a result the risk of mistakes increases, however as confirmed from our review we have noted no issues of concern with the accuracy of the current register with only one small discrepancy with an incorrect date entered for an anonymous voter's declaration expiry date (difference of two days).

Where an individual requests a postal vote, they are required to complete an application before such a request is fulfilled. The onus to respond is on the person requesting and no reminders are issued. Internal Audit acknowledge that sending reminders is not a required practice for such events, however it may be beneficial to understand the reasons why application forms are on occasions not being completed and returned, especially with the recent rise of postal votes, due to the new introduction of ID checks. The Electoral Services Manager confirmed that there is no legal requirement to chase such events and due to resource constraints and additional costs the Council will not change its current procedure.

Going forward, further enhancements could include obtaining elector feedback to improve current processes, however as mentioned above due to the additional costs and resource constraints formal feedback from electors at present will not be obtained. Concerns or compliments can be raised through the Council's complaints system which is easily accessible.

Housing Benefit Overpayment Follow-up
Report 06 2022/23**ASSESSMENT – POSITIVE DIRECTION OF TRAVEL**

A review of housing benefits in 2021/22 identified an issue with the recovery of overpaid benefit due to fraud or error during the Covid pandemic, when recovery action was limited between March 2020 and late 2021. The DWP suspended all collections of overpaid HB via its debt management centre and issued guidance to local authorities to also cease recovery of overpaid HB until the lockdown had ended. Therefore, whilst, overpayment invoices were issued and deductions from ongoing benefits continued, the pro-active management of overpayments where intervention or change in recovery methods was required (including the write-off of debts that are deemed unrecoverable) ceased.

As a result, a Housing Benefit Overpayment Recovery Action Plan was developed (see below) which details key actions to be taken to recommence recovery of housing benefit overpayment. It was agreed that a follow-up review would be undertaken later in the year to consider progress in implementing the actions. Note: follow up work concludes only on whether the agreed actions have been taken and does not re-visit the overall opinion given in the original report.

Discussions with the Council's Overpayments Officer and audit testing identified that good progress has been made, with some actions having been completed and a number in progress (see updated action plan below). Integrity errors in the Academy System have been cleared, which has enabled the PDP Attachment of Benefit System to be implemented and the number of debts being referred to the DWP for collection from DWP benefits is increasing. Records show that debts are collected in a variety of way including from ongoing benefit, payment arrangements and direct earnings attachments. Review of the Debt Management Action Report as of 17 January 2023 shows that action is being taken for all outstanding debts in line with the current recovery process.

The only issue hampering progress is the level of resource dedicated to the recovery of housing benefit overpayments. Currently this is just one officer and therefore some recovery processes such as the clearance of unallocated credits (427 totalling £51,85815 as of 13 January 2023) and write off of debts over £500 are not a priority.

Sundry Debt Recovery Follow Up
Report 8 2022/23**ASSESSMENT- LIMITED DIRECTION OF TRAVEL**

A review of Sundry Debt Management in 2021/22 identified issues with the recovery of outstanding debt, particularly that over 90 days. At the time, the financial ledger system (Dimensions) was undergoing an upgrade that would automate elements of the debt recovery function and provide information to service areas in a more easily understandable format.

There has been one significant area of improvement in that debts are now starting to be chased, but there are a number of other areas that need to be addressed.

The upgraded system has been implemented for the most part, although there have been some system issues relating to the successful delivery of e-invoices and reminders for some customers. This has been raised for resolution and in the meantime, controls are in place to ensure customers who are affected are receiving correspondence using alternative methods. There are also security issues preventing users from utilising the Workspace Platform that allows for a clearer overview of debts relating to each service area. Again, this has been raised for resolution.

The total outstanding debt as at beginning of January 2023 is £498, 250. Debt over 90 days has reduced from £331,570 to £272, 636 since the prior audit review in May 2022.

An officer was recruited in October 2022 on a fixed term basis to monitor aged debt recovery, working closely with service areas. Testing confirmed that there has been an improvement in pursuing overdue debt since October, although there is still some way to go before the process is fully established. Despite a new automated cash collection module on Dimensions, monitoring of debt recovery is currently very manual and resource intensive. This does appear to be working but will need re-examination in the future, as part of the service re-design, to move to a more robust process.

The Building Control and Housing Options departments follow a separate escalation and recovery process. Testing of a sample of Building Control debts confirmed that improvements have been made. However there has been little progress in recovering Housing Debt. Plans were in place to write off a large amount of debt, although this was not achieved prior to the departure of previous management and has not progressed since. There is no established process in place to escalate debt and although unavoidable, staff absences are also currently impacting on any progression in this area. Housing debt accounts for a large portion of the overall debt owed to the Council and a recommendation has been made to address this area.

Debts that are written off are done so with valid reason. There has been a very low number of write offs in 2022-23 although this is likely to increase once the debt recovery process becomes more established. Write offs are being approved at Team Manager or Director level. The Financial Delegations do not allow for this. However,

the Financial Regulations are currently subject to review as part of a wider Constitution review and so a recommendation is not being raised at this time.

The Service Level Agreement (SLA) was updated in September 2022. The Corporate Debt and Write Off Policy was last updated in March 2019. The Policy was due to be updated in line with the SLA however due to staff absence has been delayed. A recommendation has been raised so as not to lose sight of this task.

Recommendations

Procedures will be established for the escalation and recovery and/or write-off of debt relating to the Housing Options Department

Significant Priority

The Corporate Debt and Write Off Policy will be reviewed and updated.

Moderate Priority

MOTIONS ON NOTICE
REPORT 12 2022/23

Motions on Notice are not high in priority at Full Council Meetings, therefore if the meeting exceeds the allotted time, motions may not be heard, and are postponed to the following meeting agenda. In the last year there have been several incidents (member illnesses or absences) that meant meetings were reconvened and there were more business matters to get through. As a result, an extraordinary council meeting was convened in June 2022 that included motions that had not previously been heard.

Local Government Legislation requires Councils to record motions on notice on a register. This task is carried out by the Corporate Services team, and motions are also included in Full Council minutes. There is no requirement that motions be monitored for outcomes. Responsibility rests with individual Leadership Team members to inform Members of progress against motions that have been raised at Council meetings. Members can also request updates. Democratic Services do not have the capacity to centrally carry out the task of monitoring progress and reporting on outcomes.

The Leadership team could consider any updates on motions made for inclusion in the Members Bulletin.

Given there are no procedures or legislation that require councils to monitor motions on notice, Internal Audit do not feel there is scope to carry out an audit in this area. Instead, it will be picked up as part of the constitution review work that is currently on-going.

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Progress of Audit Recommendations

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
17 2017/18	Procurement	3a	M	Contract Procedure Rules and Procurement Guidance will be updated (a)	<p>Agreed Implementation Date 31/3/19 CPR review ongoing. Revised end date 31/12/19. Work in progress with many elements progressed but unable to complete, partially in respect of EU arrangements. Revised end date 31/03/20 Revised end date to bring in line with Constitution review and Financial Regulations review, 31/3/21 Constitution update to be reviewed and rescoped. Revised implementation date 31/3/22</p> <p>Update February 2022 The CPR and Procurement will be reviewed and partnership working with BBC allows for increased staff resilience and capacity. To have a joined-up approach will enable efficiencies across both Councils. Revised implementation date 31/12/22</p> <p>Update Jan 2023 In light of latest governance meeting, this recommendation has been marked forward to reflect the fact that the constitution is to be</p>

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
					revised first, and the procurement service is going through some changes in 2023. Revised implementation date 31/12/23
11 2018/19	Budget Setting and Monitoring	2	M	RDC Financial Regulations will be reviewed to include appropriate controls of transfers to and from Reserves as stated in the Medium-Term Financial Strategy. To be considered as part of overall review of Financial Regs during 2019/20.	<p>Agreed implementation date 31/03/20. Financial regulations to be reviewed as part of overall constitution. Revised end date 31/03/21. Constitution update to be reviewed and rescoped. Revised implementation date 31/3/22</p> <p>Update February 2022 The CPR and Procurement will be reviewed and partnership working with BBC allows for increased staff resilience and capacity. To have a joined-up approach will enable efficiencies across both Councils. Revised end date 31/12/22</p> <p>Update Dec 2022 Carry forward of reserves are approved at year end by Members and therefore not generally approved when drawn down throughout the year. Controls are in place to ensure reserves are used</p>

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
					for their original purpose. MTFS requires update at next review to align with actual practice. No longer relevant to update financial regs in relation to reserves. Close DELETE
2 2021/22	Complaint Handling	1	M	Internal and External Complaints Procedures will be updated to include the following areas: <ul style="list-style-type: none"> - What constitutes a complaint - How to deal with and report incoming complaints to Customer Services - The importance of formally responding, and communicating in a standard format, informing the customer of the escalation process should they remain unsatisfied. - Reporting to Customer Services on lessons learnt and how processes have been improved as a result of a complaint, where appropriate Out of date procedures on the intranet will be removed.	Agreed implementation date 31/10/21. Due to a long-term sick period, it was not possible to implement by due date. We are aware that work is progressing. Revised end date 31/01/22. Final changes are in proposed version are being made and revised procedures will be presented to the Leadership Team, at its quarterly business meeting in April, for approval. Revised end date 30/4/22. This has been completed although may change again, working in collaboration with Brentwood. Implemented Close DELETE

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
9 2021/22	Engagement with Residents and Stakeholders	1	S	An overarching corporate engagement and consultation approach for external engagement and consultation activity will be formalised. It is acknowledged that this may be a project-based approach and the recommendation is intended to develop the initiation of the project.	<p>Agreed implementation date 31/3/22. This work will be included within the Corporate Communications Strategy that will form part of the Transformation Project. It is likely to be developed as part of joint arrangements with Brentwood. Revised implementation date 31/12/22.</p> <p>Changes in management and owner of this action. Revised end date 28/2/23</p> <p>Review has begun for a joint Engagement and Consultation Policy for Rochford and Brentwood. First meeting due end of March. Revised end date 26/04/23</p> <p>Some actions established at March meeting. Some members were unable to attend. Follow up meeting planned for beginning of July to confirm plans. Revised end date 31/07/23</p>
9 2021/22	Engagement with Residents and Stakeholders	2	M	Detailed consideration will be given to the acquisition of a suitable engagement tool to support both the consultation itself and subsequent reporting of outcomes.	Agreed implementation date 31/3/22. This work will be included within the Corporate Communications Strategy that will form part of the Transformation Project. It is likely to be developed as part of joint arrangements with Brentwood. Revised implementation date 31/12/22.

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
					<p>Changes in management and ownership of this action. A meeting has been planned to look at a potential system to use. Revised end date 28/2/23</p> <p>Negotiating on price to purchase a product by end of March, with roll out planned for May/June. Close</p> <p style="text-align: right;">DELETE</p>
13 2021/22	Risk Management	1	M	A full restart of active risk registers for contracts will commence with an effective assessment and review process put in place.	<p>Agreed implementation date 31/7/22 The majority of contracts have been assessed. A small number have been deferred or are outstanding. Revised end date 30/09/22.</p> <p>The responsible officer has experienced difficulties in receiving a response from officers in relation to the remaining contracts. Revised end date 31/12/22. Service review currently underway as part of joint arrangements with Brentwood. Revised end date 31/03/23.</p> <p>Responsibility for risk has shifted to another officer as a result of service review. Marked forward to allow time for changes to imbed. Revised end date 30/09/23</p>
13 2021/22	Risk Management	2	M	Consideration will be given to seeking appropriate guidance with a view to revise the likelihood / impact matrix	Agreed implementation date 30/11/22. Plans in place to align guidance as part of joint

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				structure, to enable a more precise residual risk score.	arrangements with Brentwood. Revised end date 31/03/23. Responsibility for risk has shifted to another officer as a result of service review. Marked forward to allow time for changes to imbed. Revised end date 30/09/23
15 2021/22	Emergency Planning & Business Continuity	1	M	The approach for acquiring sufficient trained volunteers to initiate an emergency response and provide communications support will be reconsidered and implemented	To be a development of procedures as part of joint arrangements with Brentwood. Will be reviewed as part of on-call measures with an expectation this to be addressed by end of October. Agreed implementation date 31/10/22 Options for encouraging recruitment for emergency volunteers is part of the Out of Hours review being discussed with Key Change Champions. Revised implementation date 31/03/23. Plans for a joint approach for emergency planning and business continuity to be finalised. Lead to meet with CLT after April. Revised implementation date 31/05/22. Progression has been delayed. Joint role still to be formally agreed by HR. Other priorities taking precedence at CLT meetings. Revised implementation date 31/8/22
1 2022/23	Transparency Code and Freedom of Information	1	M	The Councils Publication Scheme should be reviewed and updated to ensure items included within the	Agreed implementation date 31/12/22 Close DELETE

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				guide are relevant, and that new information has been added.	
1 2022/23	Transparency Code and Freedom of Information	2	L	<p>The web pages relating to Freedom of Information and Environmental Information Requests (for both chargeable and standard requests) should be reviewed and updated, to include the following for consideration:</p> <ul style="list-style-type: none"> • An updated Compliance Report in the related content on the FOI Web Page • Provide links in Related Content to and from the FOI and EIR web pages • Make clearer that the 'Request for Environmental Information' Form in the related content of the EIR and 'Buying and Selling a Property' web pages is for chargeable requests only. • Provide a link from the EIR web page to the 'How Requests will be Dealt with' web page, given this provides 	<p>Agreed implementation date 31/10/22. Marked forward to 14/11/22.</p> <p>Close</p> <p>DELETE</p>

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				<p>further information on EIR Requests and exemptions.</p> <ul style="list-style-type: none"> It could also be made clearer that the internal review process for standard EIR's is the same as that for an FOI. 	
1 2022/23	Transparency Code and Freedom of Information	3	M	<p>Training relating to Freedom of Information and Environmental Information Regulation Requests, and how the Council deals with such requests should be provided to all staff. This could be in the form of e-learning.</p>	<p>Agreed implementation date 31/12/22. Not yet progressed. New implementation date 28/2/23.</p> <p>Contract with the elearning provider is due to end on 31/03/23. Plan in place for RDC to launch a new in house platform in line with Brentwood Council arrangements. This will impact on the courses available. Revised Implementation date 31/05/23.</p> <p>New learning platform is planned to be in place by end of June. Revised implementation date 30/06/23.</p>
2 2022/23	Licensing	1	L	<p>A review of the Councils Licensing Web Pages will be undertaken to ensure all relevant policies and related content is up to date. For example:</p> <ul style="list-style-type: none"> The Statement of Licensing Policy for Gambling and 	<p>Agreed implementation date 31/10/22. Marked forward to 15/11/22.</p> <p>Close</p> <p>DELETE</p>

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				<p>associated appendices for the period 2022-25 will be published on the website.</p> <ul style="list-style-type: none"> - The appendices to the Statement of Licensing Policy will be updated on the website to reflect 2021-26 period. - The Street Trading Policy 2022-27 could be included as a link on the Street Trading web page. - The Hackney Carriage and Private Hire Licensing Policy for 2022-27 could be included in related content on the Taxi and PHV web page. - Remove the Licenced Scrap Dealers document and replace with updated version (if still deemed applicable). Some of the companies no longer hold a licence 	
2 2022/23	Licensing	2	M	An administrative review of the Taxi Diamond system will be carried out to ensure that expired dates relating to MOT and car insurance are updated in line with valid certificates. Should there be any cases where MOT and insurance certificates have actually	<p>Agreed implementation date 21/11/22</p> <p>Close</p> <p>DELETE</p>

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				expired, the licence will be suspended.	
4 2022/23	Vehicle Fleet Management	1	S	A formal written Strategy will be established that defines the Councils approach to fleet management. Accompanying Policies will also be implement that specifically address the maintenance and inspections of RDC owned vehicles within required timescales, and the disposal and replacement of vehicles in line with Financial Regulations. The Driving at Work Policy will also be reviewed in line with the development of any new policies.	Agreed implementation date 30/06/23
4 2022/23	Vehicle Fleet Management	2	M	All outcomes of vehicle inspections will be recorded electronically (spreadsheet) in a central location and will be reviewed regularly for any irregularities.	Agreed implementation date 31/07/23
4 2022/23	Vehicle Fleet Management	3	M	There will be a centralised, digitalised filing system for the administration of	Agreed implementation date 31/07/23

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				vehicle fleet management, including repair, service and MOT history, and pre-planning for when MOT and Services are due.	
4 2022/23	Vehicle Fleet Management	4	S	A reporting mechanism will be established between Rochford Council and Norse Group to ensure adequate systems are in place to manage the vehicle fleet and meet the requirements of the contract and the Operator's Licence.	Agreed implementation date 30/04/23. Progress has been made but procedures yet to be finalised. Revised implementation date 30/06/23. Norse have shared some information but confirmation is required that they will report on a monthly basis. Revised implementation date 31/07/23.
4 2022/23	Vehicle Fleet Management	5	L	Home Parking Assessments will no longer be completed.	Agreed implementation date 30/06/23
4 2022/23	Vehicle Fleet Management	6	M	The option to automate the process for annual reminder prompts on the iTrent system for MOT and Car insurance certificates will be investigated. New starters can also be added to this process. Until an automated process has been confirmed, managers will implement a manual process to ensure that annual	Agreed implementation date 30/09/23

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				MOT and car insurance checks are being carried out for all officers who drive their own vehicles for business purposes	
4 2022/23	Vehicle Fleet Management	7	M	Until an automated process has been confirmed, Authority to Drive Forms will be completed by Human Resources at the point of recruitment for all officers who will be driving Council vehicles or driving their own private vehicles for Business Purposes.	Agreed implementation date 30/06/23
4 2022/23	Vehicle Fleet Management	8	M	All officers who drive a Council vehicle, or who use their own private vehicle for business use will be reminded of their responsibilities to inform line management of any changes to their health, or any other driving related matters that may affect their ability to drive.	Agreed implementation date 30/06/23
5 2022/23	Payroll	1	M	The Service Level Agreement should be reviewed, updated and signed by	Agreed implementation date 31/3/23. Plans to align Rochford and Brentwood contracts for

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				authorised signatories. The new SLA should reflect the new commencement and expiry dates.	Payroll/HR system. Revised end Date 30/06/23. End of year accounts have taken priority. Revised end date 31/07/23
8 2022/23	Sundry Debtors-Follow Up	1	S	Procedures will be established for the escalation and recovery and/or write-off of debt relating to the Housing Options Department	Agreed implementation date 30/06/23
8 2022/23	Sundry Debtors-Follow Up	2	M	The Corporate Debt and Write Off Policy will be reviewed and updated	Agreed implementation date 31/03/23. Progress made and Policy is being finalised. Revised end date 30/05/23 Close DELETE
9 2022/23	Cyber Security	1	M	Active Directory superuser access rights are subject to a quarterly and evidenced review. The number of superuser accounts will be reduced.	Immediate Implementation DELETE
9 2022/23	Cyber Security	2	M	All FortiGate firewall administrators will be assigned individual logon credentials.	Immediate Implementation DELETE

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				Robust password security settings will be enforced to prevent unauthorised access to the FortiGate firewall platform.	
9 2022/23	Cyber Security	3	M	Documented and approved Information Security policy guidelines will be updated and provide user guidance on confidentiality, authentication, and current and emerging cyber security threats. The policy once updated will be circulated and widely publicised to all staff.	Agreed implementation date 31/12/23
9 2022/23	Cyber Security	4	M	A documented Cyber Security Incident Response Plan will be produced outlining key procedures for managing security incidents.	Agreed Implementation date 30/06/23
9 2022/23	Cyber Security	5	M	The 'Minimum Password Age' on the Council's Active Directory domain will be set to at least 1 day.	Immediate Implementation DELETE
9 2022/23	Cyber Security	6	M	A review process will be established to ensure that all generic test and training accounts are promptly disabled, when no longer operational required.	Immediate Implementation DELETE

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
9 2022/23	Cyber Security	7	M	All inactive or unused Active Directory accounts will be promptly disabled. A review process is established to ensure this happens regularly.	Agreed implementation date 30/06/23
9 2022/23	Cyber Security	8	M	Two factor authentication will be enabled on the FortiGate firewall platform.	Immediate Implementation DELETE
9 2022/23	Cyber Security	9	M	Failover testing of firewall hardware will be incorporated into the ICT annual Disaster Recovery test.	Agreed implementation date 30/06/23
9 2022/23	Cyber Security	10	M	Management will assess the costs and feasibility of deploying an Intrusion Prevention System (IPS) to protect the Council network domain.	Immediate Implementation DELETE
10 2022/23	Home Working/Staff Performance Management and Development	1	M	All staff will be reminded of the current appraisal procedures and the importance of up to date objective setting and regular appraisal and one to one meetings.	Agreed implementation date 30/06/23
11 2022/23	Electoral Registration	1	L	A Public Engagement Strategy will be documented and regularly reviewed and updated ensuring planned	Agreed implementation date 31/12/23

AUDIT COMMITTEE – 4 JULY 2023

Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				<p>activities are tailored to meet the needs of different groups of electors.</p> <p>As per Electoral Commission guidance, the strategy will include:</p> <ul style="list-style-type: none"> • identification and method of engagement with potential target audiences (including hard to reach groups); • communication channels used to engage residents; • working with internal and external partners to reach target audiences; • methods of raising awareness through advertising and the media; and • measuring success of the engagement strategy. 	
11 2022/23	Electoral Registration	2	L	The Electoral Registration Plan will be informed by the Public Engagement Strategy. It will be used as a living document and kept under	Agreed implementation date 30/06/23

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. 	Recommendations are 'low' rating. Any 'moderate' recommendations will need to be mitigated by consistently strong controls in other areas of the activity.
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. 	Recommendations are 'moderate' or "Low" rating. Any 'significant' rated recommendations will need to be mitigated by consistently strong controls in other areas of the activity. A 'critical' rated recommendation will prevent this level of assurance.
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. 	Recommendations are 'significant' or a large number of 'moderate' recommendations. Any 'critical' recommendations need to be mitigated by consistently strong controls in other areas of the activity.
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. 	Recommendations are 'critical' without any mitigating strong controls in other areas of the activity.

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Report No	Report Title	Rec No	Rec Cat	Recommendation	Implementation progress
				regular review using available data to monitor progress and to identify where any amendments need to be made.	
11 2022/23	Electoral Registration	3	L	To consider maintaining a training log confirming that canvassers have read and understood the required training materials.	Agreed implementation date 31/08/23
11 2022/23	Electoral Registration	4	L	The Xpress security administration log will be checked at least on a bi-annual basis to confirm accuracy and appropriate of access rights. The log will be signed and dated by the Electoral Services Manager to confirm the review process.	Agreed implementation date 30/06/23

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. 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>