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SUPPLEMENTARY AGENDA

Dear Councillor

AUDIT COMMITTEE - WEDNESDAY, 14TH MARCH, 2018

I am now able to enclose, for consideration at next Wednesday, 14th March, 2018 meeting of the Audit Committee, the following reports that were unavailable when the agenda was printed.

Agenda No	Item
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- | | |
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| 3. | <u>Internal Audit Progress Report 2017/18 (Pages 3 - 24)</u> |
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Yours sincerely



Chief Executive

Encs

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14 March 2018

Audit Committee

Internal Audit Progress Report

Report of: *Greg Rubins, Head of Internal Audit (BDO)*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

1.1 This report is intended to inform the Audit Committee of progress made against the approved internal audit plan for 2017/18, which was approved by the Audit and Scrutiny Committee in March 2017.

1.2 The following reports have been finalised since the last Committee, and a summary of our findings is included in the progress report:

- Housing Benefits Shared Service (Moderate / Moderate Assurance)
- Capital Projects (Substantial / Substantial Assurance)
- Taxi Driver Licensing (Moderate / Moderate Assurance)

The full reports are available on request.

2. Recommendation

2.1 That the Committee receives and notes the contents of the reports.

3. Introduction and Background

3.1 The Audit and Scrutiny Committee approved the 2017/18 annual audit plan. The progress against plan will be reported to every Audit Committee.

4. Issue, Options and Analysis of Options

4.1 Not applicable.

5. Reasons for Recommendation

5.1 To monitor the progress of work against the internal audit plan, and highlight recommendations arising from the work of internal audit and management's actions in response to those recommendations.

6. Consultation

6.1 Not applicable.

7. References to Corporate Plan

7.1 Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

8. Implications

Financial Implications

8.1 There are no direct financial implications arising from this report.

Legal Implications

8.2 There are no direct legal implications arising from this report.

Other Implications.

8.3 Not applicable

9. Background Papers

9.1 Not applicable

10. Appendices to this report

Appendix A – Internal Audit Progress Report January 2018

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Brentwood Borough Council

INTERNAL AUDIT PROGRESS REPORT

March 2018

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INTRODUCTION

Internal audit

This report is intended to inform the Audit Committee of progress made against the approved internal audit plans for 2017/18, which was approved by the Audit and Scrutiny Committee in March 2017. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised.

Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal audit methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in section 2 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

Overview of work completed

The following audits have been completed since the last meeting of the Audit Committee.

- Housing Benefits - Shared Service
- Capital Projects
- Taxi Driver Licensing

The status of the plan for 2017/18 is summarised on pages 4 to 7.

The executive summaries and agreed management actions for the audits completed are included in appendices II to IV.

Changes to the approved internal audit plan

The audit of Taxi driver Licensing was undertaken at the request of management, with the contingency allowance within the internal audit budget used to complete this work.

The internal audits of Cyber Security and IT Security and Governance were combined into a single Information Security Assessment, an advisory review at the request of management.

Follow up

A summary of the results of our follow up of previous recommendations is included at page 8 and details of the recommendations outstanding is included at appendix V.

Work outside of the Internal Audit Plan

BDO has been appointed to provide VAT advice to the council. In our opinion, this does not present a conflict of interest or affect the independence of the internal audit service provided to the Council.

REPORTS FINALISED SINCE AUDIT COMMITTEE ON 24 JANUARY 2018

Area	No. of days	Head of Service Responsible	Assurance - System Design	Assurance - Operating Effectiveness	No. of High priority recommendations	No. of Medium priority recommendations	No. of Low priority recommendations	Ref to Executive Summary
Housing Benefits - Shared Service	10	Steve Summers	Moderate	Moderate	0	2	0	Appendix II
Capital Projects	10	Jacqueline Van Mellaerts	Substantial	Substantial	0	0	2	Appendix III
Taxi Driver Licensing	10	Paul Adams / Jacqueline Van Mellaerts	Moderate	Moderate	0	2	0	Appendix IV

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Copies of full audit reports are available on request.

PROGRESS AGAINST 2017/18 PLAN

Area	2017/18 days	Date work undertaken	Progress Update	Assurance - System Design	Assurance - Operating Effectiveness
Transformation					
Main Financial Systems	40	Q4	Reporting in progress		
Risk Management and Governance Arrangements	10	Q4	Fieldwork in progress		
Housing Benefits - Shared Service	10	Q3	FINAL REPORT	Moderate	Moderate
Financial Planning & Budget Monitoring	15	Q2	FINAL REPORT	Moderate	Substantial
Customer service	10	Q4	Fieldwork in progress		
Minimum Reserve Levels	10	Q2	FINAL REPORT	Substantial	Moderate
Insurance	10	Q1	FINAL REPORT	Moderate	Moderate
Disaster recovery and business continuity	15	Q4	Deferred to 2018-19		
Information Security Assessment (replaced Cyber Security and IT Security and Governance)	25	Q3	Draft Report issued 23 February 2018		
Counter fraud	20	Q3	In progress - fraud risk assessment being developed		
	165				

PROGRESS AGAINST 2017/18 PLAN

Area	2017/18 days	Date work to be undertaken	Progress Update	Assurance - System Design	Assurance - Operating Effectiveness
Community and Health					
Partnerships	20	Q2	FINAL REPORT	Moderate	Limited
Parking strategy & Payment Collection	20	Q4	Draft Terms of Reference issued		
Community Halls Viability	15	Q2 - August / September 2017	FINAL REPORT	Limited	Limited
	55				

Area	2017/18 days	Date work to be undertaken	Progress Update	Assurance - System Design	Assurance - Operating Effectiveness
Environment and Housing					
Housing Services	20	Q2	FINAL REPORT	Limited	Moderate
Environment	15	Q3	Draft Report issued 12 January 2018		
	35				

Area	2017/18 days	Date work to be undertaken	Progress Update	Assurance - System Design	Assurance - Operating Effectiveness
Economic Development					
Capital Projects	15	Q3	FINAL REPORT	Substantial	Substantial
	15				

PROGRESS AGAINST 2017/18 PLAN

Area	2017/18 days	Date work to be undertaken	Progress Update	Assurance - System Design	Assurance - Operating Effectiveness
Planning, Reporting, Follow-up and Contingency					
Follow up work	10	Q3/Q4	See page 8 and Appendix V for the latest position		
Audit Management	20	As required	Ongoing arrangement of audits and liaison with management		
Contingency - Taxi Driver Licensing	10	Q3	FINAL REPORT	Moderate	Moderate
Total	40				
Total	310				

FOLLOW UP OF PREVIOUS RECOMMENDATIONS

Introduction

We have followed up the progress with the implementation of all high and medium recommendations raised by Internal Audit in 2015-16 and 2016-17 where the recommendations have not been covered in a subsequent audit in that area.

We requested commentary by responsible officers on the progress towards implementation of our recommendations and verify progress to source evidence and conclude either that the recommendation is complete or incomplete.

2015/16 Recommendations

We raised 16 high and 59 medium priority recommendations in 2015/16 (across 15 audits), or which 2 remain outstanding (for 2 audits), both medium priority.

2016/17 Recommendations

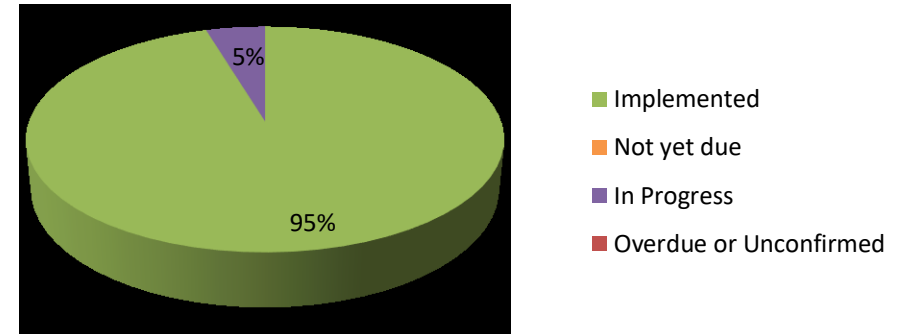
We raised 8 high and 35 medium priority recommendations in 2016-17 (across 8 audits), of which 3 remain outstanding, one high and two medium priority. One recommendation has not yet fallen due for implementation.

2017/18 Recommendations

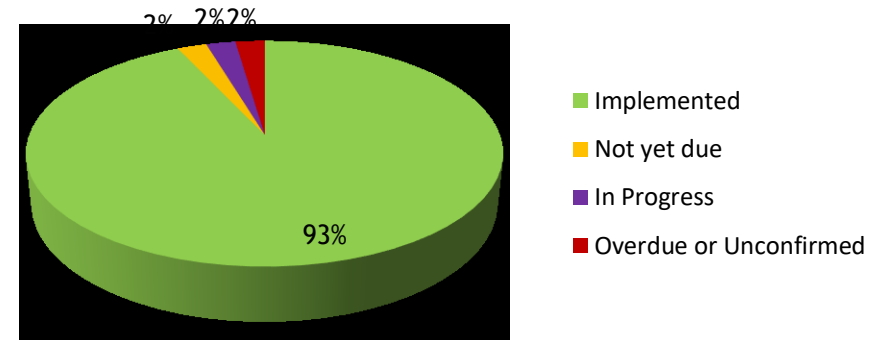
To date, we have raised 4 high and 26 medium priority recommendations in 2017-18 (across 8 audits). A report of progress towards implementation will be included in our next progress report to the Audit Committee.

The current status of the recommendations that have not been implemented in respect of 2015/16 and 2016/17 is included in Appendix VI.

2015/16 Implementation of Recommendations



2016/17 Implementation of Recommendations



APPENDIX I - DEFINITIONS

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LEVEL OF ASSURANCE	DESIGN of internal control framework		OPERATIONAL EFFECTIVENESS of internal controls	
	Findings from review	Design Opinion	Findings from review	Effectiveness Opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

Recommendation Significance	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

APPENDIX II - HOUSING BENEFIT SHARED SERVICE

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK			SUMMARY OF RECOMMENDATIONS	
Risk	To ensure the provision of efficient and effective services		High	0
LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)			Medium	2
Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	Low	0
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.	Total number of recommendations: 2	

OVERVIEW

Background

Brentwood Borough Council entered into a Revenues and Benefits Shared Service agreement with Basildon District Council commencing in April 2015, this led to the co-location of Brentwood Borough Council staff within one site at Basildon Borough Council offices. The Revenues and Benefits service was subject to an internal audit review in 2016/17, the review considered the transfer of data and the resulting impact on the HB subsidy, the arrangements for relocation of the service, and the transfer of data between Brentwood and Basildon Councils. The review concluded in assurance levels of Limited for both the design and effectiveness of the arrangements. The 2017/18 review focussed on following up the performance and operation of the shared service arrangement for delivering housing benefits covering key controls around the processes in place for housing benefit payments.

Scope and Approach

The review considered the adequacy of arrangements relating to housing benefits payments, and followed up the 2016/17 report.

Good Practice

- 4 Weekly reconciliations are conducted by the Subsidy Officer (Basildon Borough Council) of the claimable subsidy to the benefits paid to claimants
- Brentwood Council project governance arrangements have been established to support implementation of significant projects
- Payment processes include communication between Basildon and Brentwood Councils, and checks on and authorisation of payment files.

We noted the following areas of improvement:

- Manual checks are conducted on high value Benefit payments and on Council Tax, these checks are to be extended to benefit claim processing and amendment. Automated checks were delayed pending system development to support multi site working
- Reconciliations of Benefit payments to the Ledger have not been completed since July 2017. Brentwood and Basildon Council are working to enable Basildon Council staff to complete reconciliations for Brentwood Benefits payments.

Conclusion

We raised two medium priority findings, and have issued an opinion of Moderate Assurance for the design and the effectiveness of the Housing Benefit Shared Services systems, reflecting that the HB Shared Services arrangements have improved since their introduction and the previous Internal Audit review, and the Councils continue to work together to evolve the service and to resolve matters raised in this report relating to accuracy checks on Benefits claims and reconciliations of Benefit payments to the ledger.

HOUSING BENEFIT SHARED SERVICE - RECOMMENDATIONS SUMMARY

Ref.	Recommendations	Sig.	Management actions
1	Basildon Council should ensure that they implement a procedure for checking account actions for Brentwood Housing Benefit claims, which mirrors the process used for Basildon Housing Benefit claims, using the CPA module.	M	<p>Systems issues had hindered automated checks but some manual checks were in place. The system has now been fixed and checking of account actions for Brentwood Housing Benefit Claims has now commenced through the CPA module.</p> <p><i>Responsible Officer: Basildon - Revenues & Benefits Operational Manager</i></p> <p><i>Implementation Date: February 2018</i></p>
2	Resolve arrangements for completing the reconciliation of Housing Benefit payments to the ledger, and ensure this reconciliation is completed on a monthly basis.	M	<p>The senior Subsidy Officer met up with Brentwood's finance officer on 25 January 2018 to ensure reconciliation is completed and updated on a monthly basis.</p> <p><i>Responsible Officer: Basildon - Revenues & Benefits Operational Manager</i></p> <p><i>Implementation Date: February 2018</i></p>

APPENDIX III - CAPITAL PROJECTS

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK			SUMMARY OF RECOMMENDATIONS (SEE APPENDIX I FOR DEFINITIONS)	
Risk	Finance Pressures		High	-
LEVEL OF ASSURANCE			Medium	-
Design	Substantial	There is a sound system of internal control designed to achieve system objectives.	Low	2
Operational Effectiveness	Substantial	The controls that are in place are being consistently applied.	Total number of recommendations: 2	

OVERVIEW

Background:

The Council has a Capital Programme directed at meeting its medium term investment proposals. The programme has a total value of £33.9m and comprises 14 existing and 6 new projects for 2017-18. The major projects are for the New Homes Build (HRS) £10.8m; HRA Decent Homes Schemes £9m and Town Hall remodelling £7.4m. It was recorded at the Policy, Projects and Resources Committee (PPR) meeting on 20 June 2017 that £6.6m of capital funds were to be carried over from 2016-17 financial year. The key sources of funding for the programme are Capital Receipts; Capital Grants, Leasing, Prudential Borrowing and Section 106 Contributions.

The following areas of good practice were noted:

- As part of the budget monitoring process, capital projects are reviewed on a monthly basis by the budget holder and appropriate accountant and progress reports are on a six-monthly basis to the Ordinary Council and reported as part of the outturn report for the financial year. A review of the most recent monitoring spreadsheet and minutes reports that projects examined are currently on track against time and budget.
- The Council's use of the Collaborative Planning (CP) spreadsheet with a RAG (Red/Amber/Green) rating system to record the financial position of each project following the monthly Corporate Leadership Board (CLB) meetings .
- There is a clear governance structure that is adhered to, whereby each project reports to CLB. There is a separate project board for the Town Hall project due to its financial size and importance to the council.
- Due to the Town Hall project's size it has its own Risk Register, which is detailed with risk scores and responsible risk owners. likelihood ratings, mitigating factors, reviewed risk ratings and colour RAG ratings. The council has also employed a project management firm to manage the works and agree the amount of work completed which can be invoiced.
- Quarterly meetings of the Budget Challenge meetings also run through the budget as a whole, as well as the Policy Projects and Resources (PPR) committee who meet monthly, meaning that there are several monitoring mechanisms in place.

Continued overleaf

OVERVIEW *continued*

Areas for improvement:

- The Town Hall Risk register needs to be updated to include a record of when the risks are reviewed and if the status is changed to ensure the most current document is used in reviews and decision making. This register also needs to record more detail as to the actual Risk Owners and ensure they are the most appropriate person(s) for each and have more detail in relation to the actual Risk Owners
- The Collaborative Planning commentary should record more details of changes to budget or slippages to ensure a record is held centrally. It would also assist if more detail was recorded in the CLB minutes when projects are reviewed to record what was discussed and if any actions resulted which would need reviewing at the next appropriate meeting.

Conclusion:

The Council's system of internal controls is sound given that the governance structure allows each Project Manager to report directly to the CLB, meaning that there is a centralised reporting mechanism in place for each project. In addition, larger projects like the Town Hall redevelopment have their own Risk Register, which allows identification of more specific risks to larger projects. The monthly budget monitoring programme through the CLB is also effective as each item on Collaborative Planning is reviewed and updated where necessary. Low recommendations have been raised concerning revising and updating the Town Hall Risk Register and recording more details when projects are reviewed at the CLB and on Collaborative planning.

RISKS REVIEWED NOT GIVING RISE TO FINDINGS OF A HIGH OR MEDIUM SIGNIFICANCE

✓	Capital Programme is not approved at the appropriate level
✓	Governance structures set up for projects are inadequate and do not allow sufficient scrutiny
✓	Project outcomes are unclear and not agreed by partners
✓	Monitoring of the capital programme is inadequate and/or ineffective, leading to overruns in terms of time and budget
✓	Information presented to Boards/Committees of projects progress are inadequate to allow effective scrutiny and decision making
✓	Payment mechanisms are not clear and understandable
✓	Risks in relations to each project are not adequately identified, monitored and managed.

APPENDIX IV - TAXI DRIVER LICENSING

BRENTWOOD BOROUGH COUNCIL STRATEGIC RISK			SUMMARY OF RECOMMENDATIONS (SEE APPENDIX II FOR DEFINITIONS)	
Risk	Finance Pressures		High	0
LEVEL OF ASSURANCE (SEE APPENDIX II FOR DEFINITIONS)			Medium	2
Design	Moderate	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	Low	0
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.	Total number of recommendations: 1	

OVERVIEW

Background

An audit was requested by the Head of Paid Services and Financial Services Manager to provide an independent review on fees relevant to taxi driver licensing. The purpose of the audit is to provide assurance that the proposed fees and charges for 2017-18 have been calculated correctly.

Scope and Approach

We have considered the Driver Trading Account and the fees and charges associated with that account. We have interviewed Council officers to determine the systems and controls in place. We have reviewed the calculations used by the Council working papers that support the figures included in the paper presented to the Planning and Licensing Committee on 11 October 2017.

Good Practice

- Costs coded to the Driver Trading Account in 2016-17 could be substantiated and income relating to 2016-17 had been properly accounted for
- Expenditure budgets assigned to the Driver Trading Account for 2017-18 were supported by working papers and income assumptions appeared reasonable and were supported by working papers
- An end of year adjustment to the Driver Trading Account will be undertaken to reflect actual Corporate Overhead costs and Licensing Team support costs, in line with usual Council practice
- Timesheets have been reintroduced since 31 July 2017 to support the percentage allocations to the Driver Trading Account of the Licensing Team and support costs and the various Corporate overheads.

We noted the following areas of improvement:

- In respect of some Licensing Team costs, a virement to the current budget within the finance system following in-year review of the budgets set has not yet been amended to the spreadsheet supporting the Driver Trading Account
- Timesheet monitoring needs to be aligned the regular meetings between the Principal Licensing Officer and the Taxi Trade Consultancy Group and should be undertaken until such time as the fluctuations of activity can be determined with certainty.

Continued overleaf

OVERVIEW *continued*

We noted the following areas of improvement:

- In respect of some Licensing Team costs, a virement to the current budget within the finance system following in-year review of the budgets set has not yet been amended to the spreadsheet supporting the Driver Trading Account.
- Timesheet monitoring needs to be aligned the regular meetings between the Principal Licensing Officer and the Taxi Trade Consultancy Group and should be undertaken until such time as the fluctuations of activity can be determined with certainty.

Fees set by the Council for 2017/18:

Based upon the work undertaken and the information available at this time, the figures used in the setting of the taxi driver licensing fees for 2017-18 have been set with reference to the Council's approved budgets for the year and a reasonable assessment of actual costs to be incurred over the next three years, such that the Drivers Trading Account can be brought back into a break even financial position.

We have reviewed the Council's taxi licensing fees against those charged by other Essex local authorities. Our comparison found that the charges are above the average fee for new applications and renewals (including DBS & DVLA checks) for three year licenses, and the third highest across our thirteen comparators. We recognise that such figures should not be used as a fee matching exercise rather as source of comparative information, as each local authority will have different costs, structures and processes which could lead to differences in fees. The differences reinforce the need for transparency in the costs underpinning the setting of fees at Brentwood Council.

Conclusion

We have raised two Medium priority recommendations and have issued an opinion of Moderate assurance for both the design and effectiveness of the processes and controls relating to the setting of taxi driver licence fees, , reflecting the Council's previous absence of time recording systems to support the apportionment of costs to the Driver Trading Account and the need for routine monitoring of costs and the impact on budgets set.

TAXI DRIVER LICENSING - RECOMMENDATIONS SUMMARY

Ref.	Recommendations	Sig.	Management actions
1	<p>Actual expenditure incurred relating to direct costs, Licensing Team support costs and corporate overheads should continue to be kept under review and fed into the usual year end adjustments to the Driver Trading budget calculations for future years as appropriate.</p> <p>As part of the regular meetings with the Taxi Trade Consultancy Group and in the interests of transparency the results of budget monitoring via the Collaborative Planning approach in the Council and the impact upon the Driver Trading account should be shared.</p>	M	<p>Financial Services Managers accepts that more transparency could be made to the TTCG, and sharing budget monitoring results could be of an effective approach. Actual Expenditure incurred is continually under review and is fed into the usual year end adjustments to the Driver Trading budget, however this is accepted that it could be done in a more timely manner.</p> <p><i>Responsible Officer: Financial Services Manager</i></p> <p><i>Implementation Date: March 2018</i></p>
2	<p>The timesheets recording system should be run until for a period of at least one year or a longer period until such time as the full effect of fluctuations in activity can be seen.</p> <p>Based upon the data collected via the timesheets recording system, adjustments to the Drivers Trading budget calculations for future years should be made as appropriate.</p> <p>Monitoring of timesheets should be undertaken regularly and on a timely basis to feed into the regular meetings with the Taxi Trade Consultancy Group. In the interests of transparency evidence of the review and the results from timesheet analysis and the impact upon the Driver Licenses Trading account should be shared.</p>	M	<p>This has always been accepted by the Council that the time monitoring exercise be repeated to capture the amount of time that is spent on each area of licensing to ensure the cost recover model remains accurate. The current time monitoring will be continued for a period of at least one year or for longer if necessary to ensure an accurate picture is obtained, which is in line with the recommendation. Evidence of the review and the results from timesheet analysis and the impact upon the Driver Licenses Trading account will be shared with the TTCG.</p> <p><i>Responsible Officer: Principal Licensing Officer</i></p> <p><i>Implementation Date: March 2018</i></p>

APPENDIX V - RECOMMENDATIONS NOT IMPLEMENTED – 2015/16

Audit	Recommendation made	Priority Level	Manager Responsible	Original Due Date	Notes on Completion
Main Financial Systems	<p>Financial Process Documents</p> <p>An annual review of all documents within the E-financials section of the Council's intranet is undertaken by a Senior Officer within the Finance team. The review should be evidenced within the intranet under the review column assigned to each document in the 'Document History' section with an author assigned.</p>	M	Chris Houghton	Sept-2016 Sept 2018	A full review of all finance documentation is due to be undertaken when the eFinancials/ eProcurement systems are upgraded in Summer 2018. In the meantime a revised Sundry Debtor policy has been approved to ensure sales invoices and credit control have all the correct information.
Human Resources	<p>Key Performance Indicators</p> <p>When the contract with MHR is reviewed as it approaches the end or its duration, consideration should be given to identifying the most appropriate KPIs to be included, based on what the Council wants from the service. A more useful measure for enabling the Council to properly measure MHR performance is the time taken for MHR to provide a response which satisfactorily resolves the Council's query. Due to the varied nature of HR queries, a measure of the speed at which queries are resolved is alone of limited usefulness. It should be supplemented by a measure of whether the recipient was satisfied with the advice provided, both in terms of quality and timeliness. This information can be captured by a simple yes/no survey emailed to the relevant officer following query resolution. Further comment should be provided by the Council to support any negative feedback. The Council should also explore the possibility of monitoring MHR performance against other HR services provided within the contract specification, in addition to query response times currently measured.</p>	M	Victoria Banerji	Oct-2017 Apr 2018	The MHR contract is currently under review. Should it be decided that the contract will be renewed with MHR, additional KPI's will be put in place to ensure MHR's performance is measured and acted upon.

APPENDIX V - RECOMMENDATIONS NOT IMPLEMENTED – 2016/17

Audit	Recommendation made	Priority Level	Manager Responsible	Original Due Date	Notes on Completion
Local Development Plan	<p>Terms of Reference</p> <p>The current Terms of Reference for the LDP Members Working Group should be updated to include details of:</p> <ul style="list-style-type: none"> • The regularity of the meetings • Who is required to attend • Quorum requirements • Standing agenda items 	M	Phil Drane	Dec 2017	Awaiting management update.
Contract Management and Procurement	<p>Procurement Documentation</p> <p>A review of document retention for current contracts should be undertaken to ensure evidence, justification, contracts and supporting documentation are in place and easily accessible. A more robust retention system should be put in place and disseminated through the Procurement guidelines. This should ensure that all contracts are held in a central location and Officers are made aware of the requirements to retain documentation relating to their contracts.</p>	H	Jane Mitchell and Ramesh Prashar	Apr-2017 Mar 2018	Review of the Contracts Register is ongoing. Process of adding contract values ongoing as part of reconciling contract register with those in the Strong Room. Meetings with Depot and Housing planned as part of the review. At present there are no new contracts over the OJEU thresholds.

APPENDIX V - RECOMMENDATIONS NOT IMPLEMENTED – 2016/17

Audit	Recommendation made	Priority Level	Manager Responsible	Original Due Date	Notes on Completion
Main Financial Systems	<p>Aged Debtors</p> <p>Aged debt reports should be produced for Council Tax and NDR which identify the cases at each stage of recovery, (including age of debt with no action)</p> <p>The above report should be reviewed to ensure the effectiveness and appropriate progression of recovery action</p> <p>The schedule of reminder runs should be reviewed and consideration given to increasing the frequency of reminder and final notice runs.</p>	M	Jacqueline Van Mellaerts	<p>Sep 2017</p> <p>Jun 2018</p>	This area is still under review, with regular Operational and Contract Management meetings between Brentwood and Basildon. Many Processes have been embedded with the new Managed Service/partnership.

The proposal contained in this document is made by BDO LLP ("BDO") and is in all respects subject to the negotiation, agreement and signing of a specific contract. It contains information that is commercially sensitive to BDO, which is being disclosed to you in confidence and is not to be disclosed to any third party without the written consent of BDO. Client names and statistics quoted in this proposal include clients of BDO and BDO International.

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