



# **BRENTWOOD BOROUGH COUNCIL INTERNAL AUDIT FOLLOW UP REPORT**

**Presented to the Audit and Scrutiny Committee 18 June 2019**

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# Summary of Recommendations Status

We have followed up on the status of those High (H) and Medium (M) recommendations due for implementation by 29 May 2019 (date of reporting).

The implementation status of audit recommendations, where not previously reported, is summarised in the table below.

	Total H & M Recs made in the audit	Complete		In Progress		Overdue		Superseded		Not Due		% H & M recs falling due at 29 May 2019 that have been completed
		H	M	H	M	H	M	H	M	H	M	
18/19. Housing - Homelessness	2	-	-	-	-	-	-	-	-	1	1	n/a
18/19. Main Financial Systems	6	-	-	-	-	-	-	-	-	-	6	n/a
18/19. General Data Protection Regulations	1	-	-	-	-	-	-	-	-	-	1	n/a
18/19. Local Development Plan	2	-	-	-	-	-	-	-	-	-	2	n/a
18/19. Disaster Recovery and Business Continuity	3	-	-	-	-	-	-	-	-	-	3	n/a
18/19. PCI/DSS Compliance	4	-	-	-	-	-	-	-	-	1	3	n/a
18/19. Corporate Projects	3	-	-	-	-	-	-	-	-	-	3	n/a
17/18. Partnerships	7	-	1	-	6	-	-	-	-	-	-	14%
17/18. Environment	4	-	3	-	-	-	1	-	-	-	-	75%
17/18. Housing Benefit Shared Service	2	-	1	-	-	-	1	-	-	-	-	50%
17/18. Customer Service	4	-	-	-	4	-	-	-	-	-	-	0%
17/18. Housing	8	-	1	2	4	-	1	-	-	-	-	13%
17/18. Community Halls Viability	5	1	-	1	3	-	-	-	-	-	-	20%
	-	1	6	3	17	-	3	-	-	2	19	-

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### Total BDO Recommendations

Of the total 91 recommendations, 80 were due to be implemented by 29 May 2019 or earlier. We have confirmed with reference to evidence that 57 (71%) have been completed.

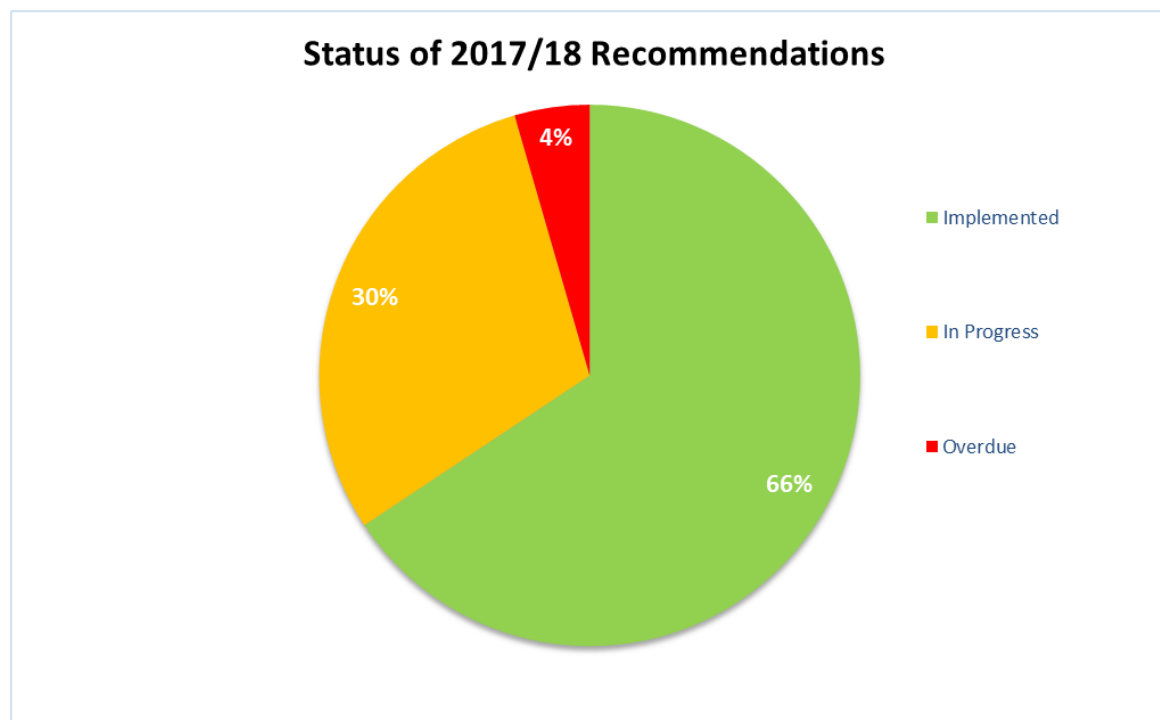
We have been advised by management that a further 19 recommendations have been implemented, however we are awaiting evidence to verify the management assurances and confirm completeness of implementation.

### 2017/18 Recommendations

Of the 67 recommendations raised in 2017/18, we have confirmed with reference to evidence that 44 have been implemented. There are 20 recommendations (three high and 17 medium) that are in progress and three (medium) recommendations that are categorised as overdue.

Those which are overdue have surpassed both the original implementation date and the revised implementation dates more than once as we have not received the latest status on their implementation.

Recommendations not completed will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due.



Where recommendations are in progress, more information on the current status is provided in the pages that follow. This includes those recommendations where management has advised us that the recommendation has been implemented but evidence has yet to be received to enable internal audit to confirm this.

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2017/18 - Community Halls Viability				
<p>a) The Council should introduce the requirement that BLT supply monthly financial performance reports, with supporting evidence, which need to be reviewed by the responsible accountant and any variances or potential issues investigated. Dependent on the option selected the Council should ensure financial performance of the halls contract is monitored on a regular basis.</p> <p>b) As part of the current arrangements, or for the future monitoring of the halls, the Council should ensure that, as a minimum, an annual condition survey is undertaken to ensure the continual upkeep of the properties.</p> <p>c) The Council need to establish the financial position of BLT and whether they would be able to pay for the internal repairs if the halls stay under BLT management or if they are returned to the Council.</p>	High	Kim Anderson	<p><del>October 2017</del></p> <p>March 2019</p> <p>Ahead of the next Audit Committee</p>	<p>Previous update: There has been progress in the financial position there is a work in progress to agree a timeline and finding the best use of each Community Hall. The leases and management agreements have been extended. Requested BLT to prioritise their schedule of repairs and provide a revised price as they felt the prices quoted by the Council's valuer were excessive. The Project Accountant undertook a review of the financial data in 2017. Going forward the Council has agreed with the Trust that the Management Fee will no longer be payable.</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>
<p>A project plan covering the community halls should be developed covering all the steps required to enable a comprehensive report to be produced for members to make their decision on the future management of the community halls. The plan should include nominated officers and set time lines for completion.</p> <p>The plan should include the options to be considered, what information is required to support options, i.e. due diligence exercise on finances and contracts currently in place, and the risks to the Council in delays, not doing anything and any mitigating actions already in place.</p>	Medium	Kim Anderson	<p><del>October 2017</del></p> <p>January 2019</p> <p>March 2019</p> <p>Ahead of the next Audit Committee</p>	<p>The financial position is better understood now and as mentioned above in confidence it is the intention to market test the halls to see if better use can be made of them. This is officer time dependent. A Preliminary Market Engagement Exercise has been launched (September) to identify if there is any 3rd party interest. Subject to any interest and Member agreement (a report will be going to 20 November PPR Committee) then a formal Invitation to Tender exercise will be launched in January 2019."</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>
As part of the project plan the Council should include implementation plans clearly outlining the steps required and target dates. This needs to be monitored on a regular basis by the project lead and reported to the appropriate committees and management.	Medium	Kim Anderson	<p><del>November 2017</del></p> <p>Jan 2019</p> <p>March 2019</p> <p>Ahead of the next Audit Committee</p>	As reported above.
The Council needs to complete and seek approval through the decision	Medium	Kim	<del>March 2018</del>	Draft Leisure Service Strategy was agreed at PP&R Committee on 12

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
making route for the Leisure Strategy which should include, once all information has been obtained, a clear plan for the future use and management of the Community Halls.		Anderson	<del>March 2018</del> Ahead of the next Audit Committee	March 2018 and is awaiting approval from the next Ordinary Council meeting. <i>Internal Audit is awaiting evidence to confirm the above.</i>
2017/18 - Partnerships				
a) Council officers or elected members should use the 'Partnership Checklist' and the 'Partnership Self Assessment Tool' as referred to in the new Partnership Policy and Procedures as a tool to assess the viability of a partnership, prior to joining a partnership  b) The Council's Partnership Leads for all existing partnerships should use both the 'Partnership Checklist' and the 'Partnership Self Assessment Tool' to review the viability of existing partnerships.	Medium	Kim Anderson	<del>March 2018</del> <del>March 2019</del> Ahead of the next Audit Committee	An action plan has been devised for all recommendations and a new documentation compiled for assessing existing and new partnerships and managers.  The Self Assessment tool was circulated to managers to complete (email sent 19 July and followed up 1 August). When all responses have been completed, the results from the Self Assessment tool feedback will inform any further actions on particular partnerships that will need to be undertaken by the partnership lead for that partnership.  <i>Internal Audit is awaiting evidence to confirm the above.</i>
The approval status should be verified for all existing partnerships recorded in the Partnership Register. Where approval was not obtained, the 'Partnership Checklist' and 'Partnership Self Assessment Tool' should be completed and submitted for retrospective approval from the Head of Service or relevant Committee as appropriate	Medium	Kim Anderson	<del>March 2018</del> <del>January 2019</del> <del>March 2019</del> Ahead of the next Audit Committee	As stated above.
The leads for the Council's existing partnerships should conduct a review of their partnerships using the Self Assessment Tool within the Council's new proposed framework, to ensure governance arrangements are clearly defined, and review whether partnership objectives are being met. Where the Council considers that partnership objectives are not being met, the Council should re-consider whether to remain in that partnership.	Medium	Kim Anderson	<del>March 2018</del> <del>January 2019</del> <del>March 2019</del> Ahead of the next Audit Committee	As stated above.

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
Lead officers should use the Partnership Self Assessment Tool to review and assist the effectiveness of current partnership arrangements. They should then make a recommendation as to whether to continue to support engagement in the partnership, improve the partnership working arrangements, or whether to disengage from it, as per the Partnership Policy and Procedures 2017.	Medium	Kim Anderson	<del>March 2018</del> <del>January 2019</del> March 2019 Ahead of the next Audit Committee	As stated above.
a) When partnerships are set up, Council officers or partnership leads should be clear what their specific role and responsibilities are within the partnership, as well as understanding the roles and responsibilities of the other partners. The Council's Partnership Checklist should be used to support this process  b) Roles and responsibilities should be clarified for existing partnerships and included within updated terms of reference.	Medium	Kim Anderson	<del>March 2018</del> <del>January 2019</del> March 2019 Ahead of the next Audit Committee	As stated above.
a) The Council should ensure that there is a formal process in place to monitor the Revenues and Benefits Shared Service performance, and that both the process is documented and the outcomes of monitoring, for example taking minutes in meetings and recording action points  b) Where Performance Indicators are not achieved, action plans should be put in place in all cases, with actions allocated to specific Council officers/teams, and a deadline for the action to be completed. Action plans should then be regularly reviewed (monthly) to ensure that actions are being implemented in order to improve performance.	Medium	Kim Anderson	<del>March 2018</del> <del>January 2019</del> March 2019 Ahead of the next Audit Committee	As stated above.
2017/18 - Housing				
a) Introduce robust information and records management in accordance with ICO guidance, including development of a records management policy covering retention, security, destruction, and data protection.  b) Identify the Housing records to be maintained, and retention periods, and review arrangements for their	High	Stuart Morris & Nicola Marsh	<del>August 2018</del> <del>March 2019</del> Ahead of the next Audit Committee	a) Data protection policies have been developed at Corporate Level in conjunction with Housing Services. Retention, redaction and GDPR compliancy contained within those policies.  Housing Services is continuing to develop systems alongside the Information Governance Group and as supported by Thurrock Council

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<p>storage and retrieval - consider use of the Housing DMS or a Corporate alternative supporting customer relationship management. (Refer to Retention Guidelines for Local Authorities and policies adopted by other Local Authorities)</p> <p>c) Provide training and generally raise staff awareness of the Data Protection Act and the General Data Protection Regulations. In particular ensure staff do not record opinions, and that records contain appropriate information.</p> <p>d) It may also be appropriate to conduct a more detailed review of the Council's compliance with the DPA and preparedness for GDPR</p>				<p>Data Protection Team.</p> <p>b) In conjunction with the above, the Orchard IT Housing system has been reviewed and practices developed to ensure a more robust documenting system.</p> <p>c) Staff have received internal written guidance, including 1-2-1s where necessary. Formal training is due to be rolled out from October 2018 with a new training system being currently piloted.</p> <p>d) A corporate review of compliancy is being conducted through the Intellectual Governance Group of which Housing Services is a part.</p> <p>Update June 2019: Data protection policies now include: Clear Desk/Consent/Breach/DPIA/DP Policy Statement/Document Retention Policy/Information Security Policy/PIA/Privacy Notice/Privacy Notices Policy. Documents are held on corporate document library, with additional tailored Housing Privacy Notice.</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>
<p>a) Develop an Estate Management Strategy and procedure</p> <p>b) Determine Estate Management inspection protocols and carry out inspections accordingly</p> <p>c) Train Housing staff to conduct estate management inspections</p> <p>d) Prepare checklists to support Housing staff conducting inspections (including for first day of tenancy (such as ensuring a working fire alarm) and for ongoing checks</p> <p>e) Consider use of technology to improve recording of issues identified, sharing data as appropriate, and monitoring of resolution</p> <p>f) Develop reporting arrangements for other Council staff already working in the Borough to report estates issues</p>	High	Stuart Morris & Nicola Marsh	<p>April 2018</p> <p>January 2019</p> <p>March 2019</p> <p>Ahead of the next Audit Committee</p>	<p>a) The Strategy has been completed and formally adopted by Committee with supporting procedures now in place.</p> <p>b) and c) Housing currently have a temporary inspection regime which is on an 8 week rota. All Estates Officers are capable of completing these and score sheets are used to prompt areas to highlight. Digital recording services are being looked at by Management with a view to implement these in the longer run.</p> <p>d) Completed</p> <p>e) Ongoing</p> <p>f) Partnership working with Sheltered Housing Team who work directly with the Estates Management Team. Caretakers feed in directly to the Estates Management Team. Wider reporting under development.</p> <p>Update June 2019: Standard practice is now to hold all new documents on the Orchard DMS (stored on Orchard) or Locata IT systems.</p>

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<i>Internal Audit is awaiting evidence to confirm the above.</i>				
<p>a) A working protocol is agreed between the Housing Team and the Asset team to enable an approach reflecting the needs of both teams, and providing clarity on the impact of actions by teams on other areas of Council operations</p> <p>b) Determine the rules of Council land and property assets are to be allocated between the HRA and the General Fund</p> <p>c) Review all Council land and property assets to ensure they are allocated in accordance with (b)</p> <p>d) Review options for maintenance of Asset related records, to determine feasibility of implementing a combined system, or links between systems to enable efficient update of records</p> <p>e) Build resilience by ensuring the Assets system records are capable of being accessed by more than one member of staff. If access issues relate to the system no longer being supported or incompatible with current Council technology, an alternative system should be sought (in line with (d)).</p> <p>f) If records continue to be maintained separately, ensure there is a regular check between the Assets team records and the Housing system</p> <p>g) Until the Council has assurance over the accuracy of records of Right to Buy properties, additional cross checks are made from the Finance records of Right to Buy income or property purchases to the Housing asset records on the Orchard system</p>	Medium	Stuart Morris & Nicola Marsh	<p><del>September 2018</del></p> <p><del>January 2019</del></p> <p><del>March 2019</del></p> <p>Ahead of the next Audit Committee</p>	<p>a) b) c) d) The Council currently utilises Keystone to manage all asset data and this is maintained by Basildon staff. Currently all Asbestos information is being uploaded along with any stock condition survey data from the 2016 SCS by Pennington's. A Safety first planned maintenance programme is underway in the 5 tower blocks owned by the Council.</p> <p>e) Ongoing complete property surveys are due to be introduced in June 2019 as part of the new Repairs and Maintenance Contract.</p> <p>Update June 2019: Formal online training for GDPR has been completed at lv2 by all office-based workers, some non-office based with limited access to data have been trained on manual lv1 system. Records held with corporate training.</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>
<p>a) Define parameters and protocols for cyclical and responsive repairs and replacement, and implement a programmes and inspection regime reflecting these protocols</p> <p>b) Develop system reports to reflect defined protocols</p> <p>c) Ensure remaining Stock Condition Survey information is received and uploaded, and reports produced as defined in (a)</p>	Medium	Stuart Morris & Nicola Marsh	<p><del>September 2018</del></p> <p><del>January 2019</del></p> <p><del>March 2019</del></p> <p>Ahead of the next Audit Committee</p>	<p>As stated above.</p> <p>Update June 2019: Housing Services is currently (May/June 2019) being internally 'spot-checked' by the DP Team to ensure working towards ongoing compliancy. The Thurrock DP Team will produce written record of this.</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<p>d) Agree timetable with contractors to resolve issues relating to links between the Council and Contractor systems to ensure the Council has current information on works completed</p> <p>e) Develop processes for monitoring against protocols for cyclical and responsive repairs</p>				
<p>a) Housing staff are informed that accounts in credit are a potential indicator of fraud</p> <p>b) Periodic checks are made on credit accounts by Housing staff, giving consideration to fraud risks</p> <p>c) The process for transferring credits is reviewed to identify options for efficiency through automation and streamlining</p>	Medium	Stuart Morris & Nicola Marsh	<p><del>April 2018</del></p> <p><del>January 2019</del></p> <p><del>March 2019</del></p>	<p>Estates Management receive reports highlighting accounts in credit. Due to a reduced number of staff this has not been looked at in depth for around 12 months. This will become part of an officers monthly jobs once we are back to full capacity staff in January 2019. Processes are already in place to refund/transfer/raise fraud referrals. One case has been reported to fraud already and we await information back.</p> <p>Update June 2019: No further update to provide. We have been advised that officers are focussing on reducing current rent arrears and the challenges of Universal Credit.</p>
Automate the process of uploading All Pay payments to the cash receipting system.	Medium	Stuart Morris & Nicola Marsh	<p><del>September 2018</del></p> <p><del>March 2019</del></p> <p>Ahead of the next Audit Committee</p>	<p>Some parts of this process have been automated to reduce the amount of time it takes to load the payments. We have been advised that no action has been taken to fully automate due to resource.</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>
<b>2017/18 - Customer Services</b>				
<p>Customer Access Strategy to be updated and the Service Improvement Programme developed incorporating the Councils Channel Shift actions. The relevant decision maker should approve these.</p> <p>Progress against the Service Improvement Programme should be reported to senior management on a regular basis using the Corporate Project register process.</p>	Medium	Chief Operating Officer	<p><del>September 2018</del></p> <p><del>November 2018</del></p> <p><del>March 2019</del></p> <p><del>September 2019</del></p> <p>Ahead of the next Audit Committee</p>	<p>The Customer Access Strategy to be reviewed and reported to the appropriate Committee in September 2019.</p> <p><i>Internal Audit is awaiting evidence to confirm the above.</i></p>
Reviews should be carried out with all departments to identify service requirements and needs and where channel shift will improve stakeholders' interaction with the	Medium	Chief Operating Officer	<p><del>September 2018</del></p> <p><del>December 2018</del></p>	<p>This work has started and will be ongoing as part of the Service Improvement Programme.</p> <p><i>Internal Audit is awaiting evidence</i></p>

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<p>Council and generate efficiencies. Once completed, priority action plans should be agreed with Heads of Departments and feed in to the overall strategy and Channel Shift Plan.</p> <p>The Council should introduce a Business Case summary for each project which should be approved by an appropriate board or panel before a project commences to ensure it ties in with the Council's Customer Services Strategy.</p> <p>The Business Case should include:</p> <ul style="list-style-type: none"> <li>- A brief discussion of the project</li> <li>- Project outcomes (including potential savings in finances and resources)</li> <li>- Planned project start date</li> <li>- Planned project completion date</li> <li>- The stakeholders identified and the role they will play in the project</li> <li>- Financial implications</li> <li>- Resource requirements</li> </ul> <p>This will ensure a formal trial for all projects from the start and evidence stakeholder engagement.</p>			<p><del>March 2019</del></p> <p>September 2019</p> <p>Ahead of the next Audit Committee</p>	<i>to verify this.</i>
<p>The Council should be using the statistical information compiled of the customer contacts to help identify where channel shift could be productive for stakeholders and produce efficiencies for the Council. The Digital Team should identify services from the statistics and work with the service to identify areas which could be improved for stakeholders and devise an action plan to identify potential new channels or how to improve current ones and build this in to the Council's channel shift plan.</p>	Medium	Chief Operating Officer	<p><del>September 2018</del></p> <p><del>December 2018</del></p> <p><del>March 2019</del></p> <p>September 2019</p> <p>Ahead of the next Audit Committee</p>	As stated above.
<p>As part of department reviews the Service improvement Team should identify all external partners and stakeholders to ensure all parties are included in drawing up of the Service Improvement Programme to help either introduce new technology or establish the possible impact on all parties or development of current channels to assist in improving interaction with the Council.</p>	Medium	Chief Operating Officer	<p><del>September 2018</del></p> <p><del>December 2018</del></p> <p><del>March 2019</del></p> <p>September 2019</p> <p>Ahead of the next Audit Committee</p>	As stated above.

# Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2017/18 - Housing Benefit Shared Service				
Resolve arrangements for completing the reconciliation of Housing Benefit payments to the ledger, and ensure this reconciliation is completed on a monthly basis	Medium	Jacqueline Van Mellaerts & Samantha Stanley	<del>February 2018</del> <del>December 2018</del> <del>April 2019</del> Ahead of the next Audit Committee	<u>Previous update:</u> The council is hoping to implement this from 1 April 2019, but haven't been able to do so as the individual responsible went off on long term sick leave and capacity to cover this is not available at the council. The process and timelines are to be clarified by 1 April 2019.  <i>Internal Audit is awaiting the latest position on this.</i>
2017/18 - Environment				
The Council should implement an accident and incident monitoring solution. This could be in the form of a spreadsheet which breaks down the incidents by the service line and department. This will allow for more regular scrutiny and increased efficiency and aid in the compilation and monitoring of health and safety incidents Council-wide.	Medium	David Welling	<del>December 2018</del> <del>April 2019</del> Ahead of the next Audit Committee	<u>Previous update:</u> We confirmed there are plans in place for this to be reviewed with the Director and Asset and Facilities Management. In order to consider the options to make progress on the recommendation.  <i>Internal Audit is awaiting the latest position on this.</i>
2017/18 - Housing				
a) Review the corporate ASB strategy to ensure it remains appropriate and up to date, and provides clarity for staff on the protocols for managing ASBs including addressing the source issues such as through Housing Estates Management.  b) Link the ASB strategy on the Council's website to the Community Safety and Housing team pages  c) Consider use of a system (such as the Uniform system) for the recording of ASBs, and develop linking of ASB and Housing system data to enable reporting on tenancy issues and ASBs to facilitate improved management of the source of issues.	Medium	Stuart Morris & Nicola Marsh	<del>September 2018</del> <del>January 2019</del> <del>March 2019</del> Ahead of the next Audit Committee	<u>Previous update:</u> We have been advised that this is managed by Tracey Lilley's corporate enforcement team on behalf of Housing.  <i>Internal Audit is awaiting the latest position on this.</i>



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