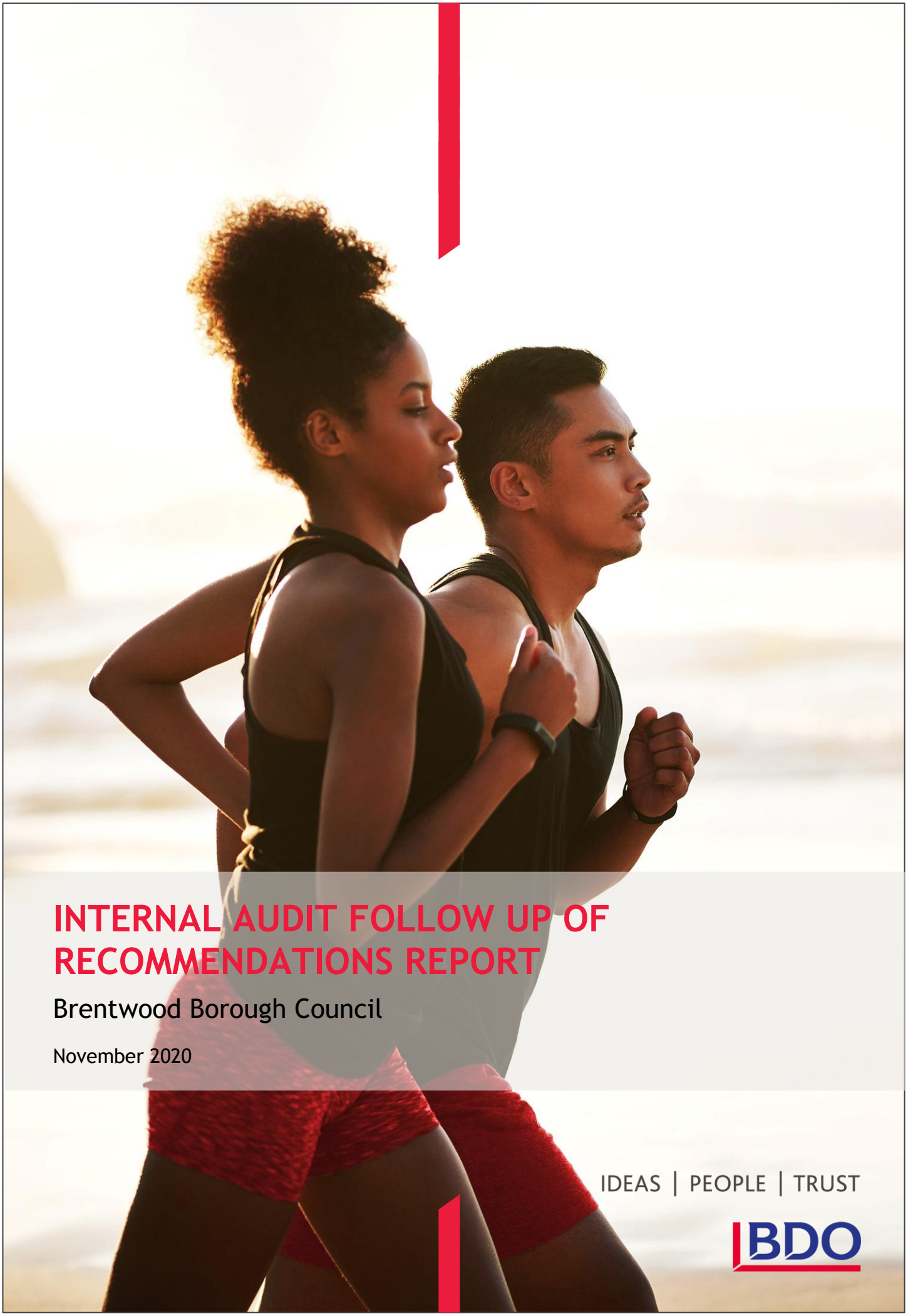

INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

Brentwood Borough Council

November 2020

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BDO

Summary

We have followed up on the status of those High (H) and Medium (M) recommendations due for implementation by 30 October 2020. The positon as at 12 November 2020 is summarised below:

	Total H & M	Complete		In Progress		Overdue		Superseded		Not Due		% H & M Recs Completed / Superseded
	Recs	H	M	H	M	H	M	H	M	H	M	
2020/21												
Performance Management and Formal Complaints	1	-	-	-	-	-	-	-	-	-	1	0%
Sickness Absence	4	-	-	-	-	-	-	-	-	1	3	0%
Corporate Strategy	3	-	-	-	-	-	-	-	-	-	3	0%
Fraud risk assessment	14	-	-	-	-	-	-	-	-	1	13	0%
2019/20												
Risk Management	3	-	-	-	1	-	-	-	-	-	2	0%
Main Financial Systems	3	-	1	-	1	-	-	-	-	-	1	33%
Treasury Management	2	-	2	-	-	-	-	-	-	-	-	100%
Housing Repairs and Maintenance	1	-	-	-	1	-	-	-	-	-	-	0%
Leisure Services	2	-	2	-	-	-	-	-	-	-	-	100%
Housing Benefits	3	-	3	-	-	-	-	-	-	-	-	100%
Food Safety	1	-	1	-	-	-	-	-	-	-	-	100%
Trade Waste	1	-		-	1	-	-	-	-	-	-	0%
HR Recruitment	1	-	1	-	-	-	-	-	-	-	-	100%
2018/19												
Workforce Strategy	2	-	1	-	1	-	-	-	-	-	-	50%
Housing Department	2	1	-	-	-	-	-	-	-	-	1	50%
Main Financial Systems	6	-	6	-	-	-	-	-	-	-	-	100%
Housing -Homelessness	2	1	1	-	-	-	-	-	-	-	-	100%
GDPR Compliance	1	-	1	-	-	-	-	-	-	-	-	100%
Disaster Recovery and Business Continuity	3	-	3	-	-	-	-	-	-	-	-	100%
Local Development Plan	2	-	2	-	-	-	-	-	-	-	-	100%
Corporate Projects	3	-	3	-	-	-	-	-	-	-	-	100%
PCI/DSS Compliance	5	1	2	-	1	-	1	-	-	-	-	60%
2017/18												
Minimum Reserve Levels	1	-	1	-	-	-	-	-	-	-	-	100%
Community Halls Viability	5	2	3	-	-	-	-	-	-	-	-	100%
Housing	8	2	6	-	-	-	-	-	-	-	-	100%
Insurance	3	-	3	-	-	-	-	-	-	-	-	100%
Financial Planning & Budget monitoring	2	-	2	-	-	-	-	-	-	-	-	100%
Partnerships	7	-	6	-	-	-	1	-	-	-	-	86%
Environment	4	-	4	-	-	-	-	-	-	-	-	100%
Housing Benefit Shared Service	2	-	2	-	-	-	-	-	-	-	-	100%
Main Financial Systems	9	2	7	-	-	-	-	-	-	-	-	100%
Risk Management and Governance	3	1	2	-	-	-	-	-	-	-	-	100%
Customer Service	4	-	4	-	-	-	-	-	-	-	-	100%
Information Security Assessment	10	-	10	-	-	-	-	-	-	-	-	100%
Car Parks and Payment Collection	7	4	3	-	-	-	-	-	-	-	-	100%
Taxi Driver Licensing	2	-	2	-	-	-	-	-	-	-	-	100%
Local Development Plan	4	-	4	-	-	-	-	-	-	-	-	100%
Contract Management & Procurement	9	3	6	-	-	-	-	-	-	-	-	100%
	145	17	94	-	6	-	2	0	0	2	24	

Total BDO Recommendations

Of the total 145 recommendations (relating to 2017/18 to 2020/21), 119 were due to be implemented by 30 October 2020 or earlier. We have confirmed with reference to evidence that 111 have been completed.

2020/21 Recommendations

Of the 22 recommendations raised in 2020/21 (14 of which relate to a fraud risk assessment), all are not yet due.

2019/20 Recommendations

Of the 17 recommendations raised in 2019/20, 10 have been completed, 4 are in progress and 3 are not yet due.

2018/19 Recommendations

Of the 26 recommendations raised in 2018/19, 22 have been completed, 2 are in progress, 1 is overdue and 1 is not yet due.

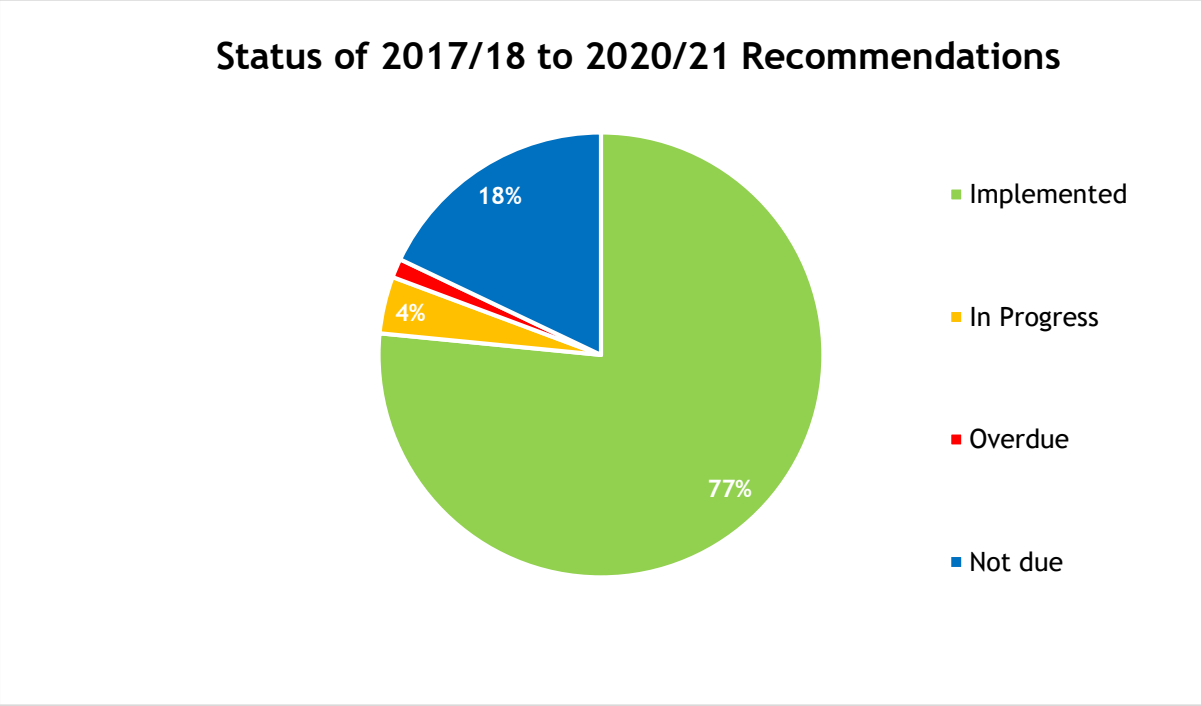
2016/17 and 2017/18 Recommendations

Of the 80 recommendations raised in 2016/17 and 2017/18, 79 have been completed and there is 1 overdue.

Those which are overdue have surpassed both the original implementation date and the revised implementation dates more than once or no update has been received from officers.

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. We have also included details for the recommendations that have been closed since our last follow-up report to the Audit and Scrutiny Committee.



Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2017/18 - Partnerships				
17/18 Partnerships rec 3: 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 (Partnership Leisure and Funding Manager)	~~March 2018~~ ~~January 2019~~ ~~March 2019~~ ~~February 2020~~ ~~September 2020~~ December 2020	Update: The recommendation has not been a priority to complete during the Covid-19 pandemic. It requires reviewing historic and applying retrospective information. *Due date revised.*
2018/19 - PCI/DSS Compliance				
18/19 PCS/DSS rec 5: A policy should be developed, which sets out how the Council will manage PCI DSS compliance activities and the policy should be reviewed on a regular basis. The policy should include but not be limited to: • Assignment of roles and responsibilities for ensuring that the Council is PCI DSS complaint have been assigned • Procedures for staff that are responsible for taking card payments • The Council's security strategy in relation to the storage, processing and transmission of credit card data • A set of instructions for detecting, responding to and limiting the effects of an information security event. The Council should develop and disseminate suitable procedure notes for staff, to ensure that working practices are compliant. Appropriate training should be provided on PCI DSS requirements to all members of staff dealing with card payments.	Medium	Tim Huggins (ICT Manager)	~~September 2019~~ ~~June 2020~~ ~~September 2020~~ ~~October 2020~~ December 2020	Previous update: The policy has been developed for approval. Further work delayed to deliver priority services for Covid-19 response. Policy to be approved by September 2020. Storage of data in within the information security policies and management of data is part of the GDPR training. Training to be made available by October 2020. *Internal Audit satisfied from review of the policy dated November 2019 that some of these elements have been included, however further work required to fully complete the recommendation.* Update: Policy requires approval and training has not yet been completed, due to conflicting priorities with Covid-19 and limited resources. A review will need to be carried out on appropriate virtual training as there are now limited staff dealing with card payments. *Due date revised.*

Recommendations: In progress

Recommendation made	Priorit y Level	Manager Responsible	Due Date	Current Progress
2018/19 – PCI/DSS Compliance				
18/19 PCS/DSS rec 2: a) Identify and clearly and fully document the Council's complete card payment environment b) Review the existing arrangements whereby different systems are used for payment processing and consider rationalising the card payment process c) Complete the annual Self-Assessment Questionnaire as a means of identifying gaps in the Council's requirements of PCI-DSS across the Council's three card payment channels and develop actions to address them d) Establish a timetable for the completion of the annual Self-Assessment Questionnaire.	Medium	Tim Huggins (ICT Manager)	~~September 2019~~ ~~June 2020~~ ~~September 2020~~ December 2020	Previous update: All elements complete except for completion of the annual self-assessment questionnaire (SAQ). The SAQ has been partially completed, further work delayed to deliver priority services for Covid-19 response. Update: All elements complete except for completion of the annual self-assessment questionnaire. The SAQ has been partially completed, further work delayed to deliver priority services for Covid-19 response. *Internal Audit satisfied from review of evidence provided that all elements complete except for annual self-assessment questionnaire, which the Council is now aiming to complete by December 2020.*
2018/19 - Workforce Strategy				
2018/19 Workforce Strategy rec 1: Where outcomes are monitored to confirm progress evidence should be retained to confirm that the outcome is on track or completed. This ensures that any potential slippage is discovered early and there is a greater chance of resolving issues in a timely manner. When formal reviews of the RAG spreadsheet are completed evidence should be checked and if missing, requested and retained on file to support the progress of these outcomes.	Medium	Jacqueline Van Mellaerts (Director of Corporate Resources)	~~February 2020~~ December 2020	Previous update: The Council decided to recruit a Senior HR Manager, and bring HR & Recruitment back in house. Although many actions have taken place, a formal review of the workforce strategy and supporting evidence has been delayed due to conflicting priorities during Covid-19 and onboarding of new positions. A review will take place later in the year as part of the recovery phase of Covid-19. Update: Same update as before. It was not envisaged the

Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				pandemic would continue to later in the year. *Due date was previously revised to December 2020.*
2019/20 - Trade Waste				
19/20 Trade Waste rec 1: a) Actively search and identify possible opportunities/events available to promote the trade waste service, ensuring that the market audience is understood prior to attending events to ensure they are aligned with the service's target market. b) Liaise with the business rates team to ensure that trade waste leaflets with fee information are distributed as part of the annual business rates information packs. c) Liaise with the food safety team to identify new businesses that may require trade waste services. d) Undertake cold-calling of local businesses in the borough to attract new customers.	Medium	Mike Dun (Trade Waste Officer)	a) ~~March 2020~~ March 2021 b) ~~October 2019~~ February 2020 Closed c) ~~October 2019~~ ~~February 2020~~ Closed d) ~~Ongoing~~ 31 March 2021	Update: a) Staff issues and the impact of Corona Virus have adversely affected progress. *This part of the recommendation remains open. Due date was previously revised to March 2021.* b) A leaflet was drawn up that promotes the services of the Business Waste Team and was delivered in March along with the NDR demand to all businesses in Brentwood. *This part of the recommendation has been closed by Internal Audit following receipt of the leaflet.* c) The Food Safety Team do refer to the waste services that the Council can offer. *This part of the recommendation has been closed by Internal Audit following confirmation received from the service.* d) Staff issues and the adverse impact of Corona Virus making this activity difficult at the moment. All efforts going on existing client base to protect it. *This part of the recommendation remains open. Due date was previously revised to March 2021.*

Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2019/20 - Housing Repairs and Maintenance				
19/20 Housing R&M rec 1: a) Variation Order and repairs approval limits should be formally documented, for example, within a Scheme of Delegation. b) Management should consider documenting any accepted exceptions to the authorisation limits, such as in respect of Technical Officer/Surveyor approvals of voids repairs. c) The Council should ensure that all Variation Orders are approved by the appropriate individual within the Rocc system, or where this is done outside of the system (e.g. via email), that this is formally documented, and a record kept on file of who approved the variation.	Medium	Nicola Marsh (Housing Manager)	~~a) August 2020~~ December 2020 ~~b) July 2020~~ December 2020 ~~c) Sept 2020~~ December 2020	Update a) All officers completed financial user forms to provide an audit trail of approval limits. The form isn't set up for such so it has been amended, officers now have to recomplete the form. They have been asked to do this by the end of October due to staffing changes. b) Void baskets are still being reviewed but all jobs over an officers approval limit are now being signed off by someone with the relevant limit (such as the contracts manager). Loss of void surveyor and new one doesn't start until October. c) We are still awaiting final sign off of contract amendments but we are working under local agreements. Once Axis open their offices again we can get these formally signed by Axis. *Recommendation remains open. Due dates revised.*
2019/20 - Main Financial Systems				
19/20 MFS rec 5: The Council should seek annual confirmation from the shared service provider regarding the appropriateness of the users' access rights to the revenues and benefits system.	Medium	Craig Beadle	~~June 2020~~ November 2020	Update: Revenues Support services team are in the process of reviewing all the Civica users access. A review form which will be sent to all users of Civica open revenues in the coming weeks with a 2 week deadline. This review will be completed every year at October going forward. *Recommendation left open until the shared service can*

Recommendations: In progress

Recommendation made	Priorit y Level	Manager Responsible	Due Date	Current Progress
				evidence that this process has been completed.
2019/20 - Risk Management & Governance				
19/20 RMG rec 5: Management should seek commitment from departments that risk discussions will be included as standard agenda items in departmental or team meetings on at least a quarterly basis.	Medium	Jacqueline Van Mellaerts (Director of Corporate Resources)	June 2020	Update: Risk has been discussed regularly at Senior leadership team workshops and commitment has been expressed at Extended Leadership Team meetings. Evidence requires to be sought. *Recommendation left open until it can be evidenced.*

Recommendations: Closed in Quarter

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2018/19 - Housing - Homelessness				
18/19 Housing Homelessness rec 1: a) Cases should only be accepted if the relevant Identity documentation is on file. If it is not the case officer should be informed and the appropriate documents sourced before approval. b) Document verification training should be given to all appropriate staff involved in the homelessness process, outlining key issues they should look for and how to record the verification check completed, whether documents are reviewed in person or through the portal. The Council should also review the need for document verification equipment to assist the staff in verifying the legitimacy of documents presented. This equipment could be used throughout the Council for other services, including pre-employment checks or housing applications. c) The full capability of the Locata system should be reviewed to enable target times to be set and completion dates to be recorded. This information should then be used for regular monitoring to ensure the Council are meeting their obligations in a timely manner and action is being taken to address any areas of poor performance.	High	Stuart Morris (Housing Options Manager)	~~December 2019~~ ~~February 2020~~ September 2020	Update: a) Cases are regularly reviewed by the Team Leader on a fortnightly basis to check appropriate documents are in place. At sign off stage, this is checked again by the authorising Manager. As a separate check all homeless applications must have a live housing application. At tenancy sign up then original documents will be checked and photographed to be added to the system. b) Training has previously been provided to staff but we are currently sourcing additional on-line training by 3rd party providers. Locata advised on the 14.9.20 that they have released an additional software package 'Trust.ID' which is currently being tested by a smaller number of other Housing Providers. The Council will continue to monitor progress of this software and consider purchasing the module once it has been fully tested. We have also tried to source other types of document verification equipment, however, enquiries through DWP/Housing Benefit have confirmed they do not use any document verification equipment. c) As part of the wider piece of utilising the Locata system more efficiently, we have agreed to purchase additional modules: • Review module – This module will allow the

Recommendations: Closed in Quarter

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				Council to review every housing application on a yearly basis; • Upgraded website/document delivery system - Will allow applicants to upload specific documents to their application reducing officer time having to manually process and upload documents; • Autobidding All letters and PHPs are in the process of being updated on Locata. Process maps are being developed for all Housing Options Functions. *Recommendation closed by Internal Audit following receipt of evidence of information from Locata, training provided and purchase of additional Locata modules.*
18/19 Housing Homelessness rec 3: As part of transparency, the full list of KPIs for Housing management should be included as an appendix to committee papers, if only a summary position of items which have had significant movement are being reported on.	Medium	Stuart Morris (Housing Options Manager)	~~September 2019~~ ~~February 2020~~ September 2020	Previous Update: Officers have identified a number of KPIs that could be reported to committee. As part of the overall review of the Locata system, testing of the reporting capability of the system is required to determine whether the KPIs identified are achievable and where not, whether further enhancements can be made to the system. Update: Evidence provided. *Recommendation closed by Internal Audit following receipt of the KPI list that will be monitored.*

Recommendations: Closed in Quarter

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2019/20 - Treasury Management				
19/20 Treasury rec 2: a) Formal evidence of approval should be retained for all loans taken out. b) When requesting approval of loans, the e-mail request should explicitly set out the key facts about each loan that demonstrates that it meets the requirements of the Treasury Management Strategy in terms of risks and affordability.	Medium	Alistair Greer (Principal Accountant Financial Reporting)	~~April 2020~~	Update: This is now done for each new loan. *Recommendation closed by Internal Audit following receipt of e-mail evidence of a loan proposal, with all terms clearly set out, approved by the deputy s151 officer.*
19/20 Treasury rec 3: a) Formal evidence of approval should be obtained prior to any investment being made, including rolled forward investments. b) When requesting approval of investments, the e-mail request should explicitly set out the key facts about each investment that demonstrates that it meets the requirements of the Treasury Management Strategy in terms of duration, amount, credit rating of institution and location of institution.	Medium	Alistair Greer (Principal Accountant Financial Reporting)	~~April 2020~~	Update: This is now done for each new investment. *Recommendation closed by Internal Audit following receipt of e-mail evidence of an investment proposal, with all terms clearly set out, approved by the deputy s151 officer.*
2019/20 - Main Financial Systems				
19/20 MFS rec 1: In the annual security check the Council should ensure that all users' access to the general ledger system has been independently reviewed and signed, all long inactive accounts are disabled where necessary, and access rights remain appropriate.	Medium	Alex Webber (Systems and Finance Officer)	~~June 2020~~	Update: All forms have now been completed. Any user who did not complete the form by 1st July 2020 was deactivated and asked to re-apply for access to the system if they need access in the future. *Recommendation closed by Internal Audit following receipt of e-mail correspondence with users regarding the annual security check.*

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