



# INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

Brentwood Borough Council

January 2021

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# Summary

We have followed up on the status of those High (H) and Medium (M) recommendations due for implementation by 31 December 2020. The position as at 13 January 2021 is summarised below:

	Total	Complete		In Progress		Overdue		Superseded		Not Due		% H & M Recs Completed / Superseded
	H & M											
	Recs	H	M	H	M	H	M	H	M	H	M	
2020/21												
Disaster Recovery & Business Continuity	1	-	-	-	-	-	-	-	-	-	1	0%
Performance Management & Formal Complaints	1	-	-	-	-	-	-	-	-	-	1	0%
Sickness Absence	5	-	-	-	-	-	-	-	-	1	4	0%
Corporate Strategy	3	-	-	-	-	-	-	-	-	-	3	0%
Fraud risk assessment	14	-	1	-	2	-	-	-	-	1	10	7%
2019/20												
Risk Management	3	-	-	-	1	-	-	-	-	-	2	0%
Main Financial Systems	3	-	2	-	-	-	-	-	-	-	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	-	-	-	2	-	-	-	-	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	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%
	147	17	96	-	6	-	3	-	-	2	23	

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### Total BDO Recommendations

Of the total 147 recommendations (relating to 2017/18 to 2020/21), 122 were due to be implemented by 31 December 2020 or earlier. We have confirmed with reference to evidence that 113 have been completed. No high priority recommendations are outstanding.

### 2020/21 Recommendations

Of the 24 recommendations raised in 2020/21 (14 of which relate to a fraud risk assessment), 1 has been completed, 2 are in progress and 21 are not yet due.

### 2019/20 Recommendations

Of the 17 recommendations raised in 2019/20, 11 have been completed, 3 are in progress and 3 are not yet due. The 3 recommendations not yet due will be covered by the internal audits of the main financial systems and risk management in quarter 4 of 2020/21.

### 2018/19 Recommendations

Of the 26 recommendations raised in 2018/19, 22 have been completed, 1 is in progress, 2 is overdue and 1 is not yet due. The 1 recommendation not yet due will be covered as part of an internal audit of Housing Management information in due course.

### 2016/17 and 2017/18 Recommendations

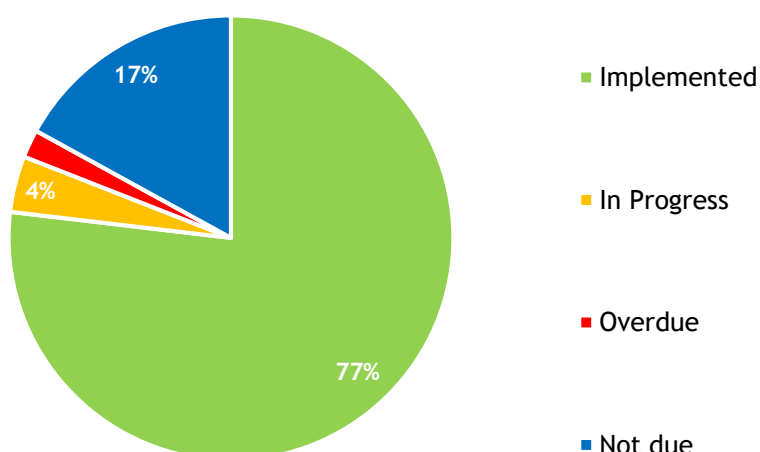
Of the 80 recommendations raised in 2016/17 and 2017/18, 79 have been completed and there is 1 overdue.

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.

### Status of 2017/18 to 2020/21 Recommendations



# Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2017/18 - Partnerships				
<b>17/18 Partnerships rec 3:</b> 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)	<del>March 2018</del> <del>January 2019</del> <del>March 2019</del> <del>February 2020</del> <del>September 2020</del> <del>December 2020</del> March 2021	<u>Previous update:</u> The recommendation has not been a priority to complete during the Covid-19 pandemic. It requires reviewing historic and applying retrospective information. <i>Due date revised.</i>
2018/19 - PCI/DSS Compliance				
<b>18/19 PCS/DSS rec 2:</b> 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)	<del>September 2019</del> <del>June 2020</del> <del>September 2020</del> <del>December 2020</del> March 2021	<u>Previous updates:</u> 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. 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. <i>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.</i>
<b>18/19 PCS/DSS rec 5:</b> 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:	Medium	Tim Huggins (ICT Manager)	<del>September 2019</del> <del>June 2020</del> <del>September 2020</del> <del>October 2020</del>	<u>Previous updates:</u> 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.

## Recommendations: Overdue

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
<ul style="list-style-type: none"><li>• Assignment of roles and responsibilities for ensuring that the Council is PCI DSS compliant have been assigned</li><li>• Procedures for staff that are responsible for taking card payments</li><li>• The Council's security strategy in relation to the storage, processing and transmission of credit card data</li><li>• 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.</li></ul>			<del>December 2020</del> March 2021	<p>Storage of data in within the information security policies and management of data is part of the GDPR training.</p> <p>Training to be made available by October 2020.</p> <p><i>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.</i></p> <p>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.</p> <p><i>Due date revised.</i></p>

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2018/19 - Workforce Strategy				
<b>2018/19 Workforce Strategy rec 1:</b>  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)	<del>February 2020</del> <del>December 2020</del> March 2021	<u>Previous updates:</u>  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.  Same update as before. It was not envisaged the pandemic would continue to later in the year.  <i>Due date was previously revised to December 2020.</i>
2019/20 - Trade Waste				
<b>19/20 Trade Waste rec 1:</b>  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) <del>March 2020</del> March 2021  b) <del>October 2019</del> <del>February 2020</del> Closed  c) <del>October 2019</del> <del>February 2020</del> Closed  d) <del>Ongoing</del> 31 March 2021	<u>Previous update:</u>  a) Staff issues and the impact of Corona Virus have adversely affected progress.  <i>This part of the recommendation remains open. Due date was previously revised to March 2021.</i>  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.  <i>This part of the recommendation has been closed by Internal Audit following receipt of the leaflet.</i>  c) The Food Safety Team do refer to the waste

## Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				<p>services that the Council can offer.</p> <p><i>This part of the recommendation has been closed by Internal Audit following confirmation received from the service.</i></p> <p>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.</p> <p><i>This part of the recommendation remains open. Due date was previously revised to March 2021.</i></p>
2019/20 - Housing Repairs and Maintenance				
<b>19/20 Housing R&amp;M rec 1:</b> 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)	<del>a) August 2020</del> <del>December 2020</del> March 2021 <del>b) July 2020</del> <del>December 2020</del> March 2021 <del>c) Sept 2020</del> <del>December 2020</del> March 2021	<p><u>Previous update:</u></p> <p>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.</p> <p>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).</p> <p>Loss of void surveyor and new one doesn't start until October.</p> <p>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.</p>



# Recommendations: In progress

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
				<i>Recommendation remains open. Due dates revised.</i>
2019/20 - Risk Management & Governance				
<b>19/20 RMG rec 2:</b> 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)	<del>June 2020</del> January 2021	<u>Previous update:</u> 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.  <i>Recommendation left open until it can be evidenced; being reviewed as part of the 2020/21 Risk Management audit in January 2021.</i>
2020/21 - Fraud Risk Assessment				
<b>20/21 FRA rec 3.1:</b> Regarding disabled facility grants, it is recommended that the GDPR/Data Protection Officer is contacted for their advice regarding GDPR, collection and use of personal data.	Medium	Tim Huggins (DPO Officer)	<del>December 2020</del> March 2021	<u>Update:</u> A Privacy Notice has been put together which will be checked by DPO Officer.  <i>Recommendation left open until it can be evidenced. Due date revised.</i>
<b>20/21 FRA rec 5.1:</b> Specific processes and risks to be considered as part of procuring and selling property to ensure that there are appropriate and in depth due diligence processes in place. The Financial Action Task Force document "Money Laundering & Terrorist Financing through the Real Estate Sector" (2007) may be able to provide some additional advice.	Medium	Victoria Banerji (Corporate Fraud Manager)	<del>December 2020</del> March 2021	<u>Update:</u> Officers to review and include additional guidance within Money Laundering Policy on investment properties. Due diligence is under taken and appropriate staff are consulted with regarding these transactions.  <i>Recommendation left open until it can be evidenced. Due date revised.</i>



# Recommendations: Closed in Quarter

Recommendation made	Priority Level	Manager Responsible	Due Date	Current Progress
2019/20 - Main Financial Systems				
<b>19/20 MFS rec 5:</b> 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	<del>June 2020</del> <del>November 2020</del> Closed	<u>Update:</u> The Civica User review for 2020 has now been completed. Revenues support services have reviewed over 200 users who use Civica openrevenues. Each user was sent a form and their senior officer has agreed their access. The Revenues support team have reviewed the forms, sent an email back to all seniors to confirm system access for their staff and requested any feedback. A review date for November 2021 has been set to repeat the process annually.0  <i>Recommendation closed by Internal Audit following receipt of evidence of obtained in the contract management and procurement internal audit.</i>
2020/21 - Fraud Risk Assessment				
<b>20/21 FRA rec 1.5:</b> The Senior Procurement Officer to explore the use of regional or national procurement groups or contract partnerships with other local authorities to allow a greater pool of technical expertise in writing tender specifications.	Medium	Jane Mitchell (Senior Procurement Officer)	Immediate	<u>Update:</u> Senior Procurement Officer is already a member of local and national groups. Agreed this will continue.  <i>Recommendation closed by Internal Audit following receipt of master review spreadsheet of the over 200 users; and examples of the completed user forms, senior confirmations, revenues support emails confirming access back to seniors and screenshots of the Civica openrevenues to confirm the user groups the user was allocated too.</i>



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