



# INTERNAL AUDIT PROGRESS REPORT

BRENTWOOD BOROUGH COUNCIL

September 2021

IDEAS | PEOPLE | TRUST



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# SUMMARY OF 2021/22 WORK

## Internal Audit

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan. 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 Appendix 1 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.

For audits with a substantial or moderate assurance opinions, the executive summaries from the final report are included in the Internal Audit Progress Report. For audits with a limited or no assurance opinion, the full report will be included with the papers.

## 2020/21 Internal Audit Plan

The following reports have been finalised since our last progress report to the Audit and Scrutiny Committee, and the executive summaries are included in this report:







- Covid-19 Grants Expenditure
- Local Development Plan
- IT Data Breaches.

## Changes to the Plan

We agreed changes to the timings of the audit below, at the request of officers:

- Covid-19 Grants Expenditure - moved from Q1 to Q2 - completed in Q2.

# REVIEW OF 2021/22 WORK

| Audit  | Exec Lead            | Start Date | Planning                            | Fieldwork | Reporting  | Design  | Effectiveness   |  |
|--|----------------------|------------|-------------------------------------|-----------|------------|---|---|--|
| <b>Affordable Housing</b> (carried forward from 2020/21) | Tracey Lilley        | Q3         |                                     |           |            |   |   |  |
| <b>Risk Management</b>                                   | Jacqui Van Mellaerts | Q4         |                                     |           |            |   |   |  |
| <b>Main Financial Systems</b>                            | Jacqui Van Mellaerts | Q4         |                                     |           |            |   |   |  |
| <b>Covid-19 Grants Expenditure</b>                       | Jacqui Van Mellaerts | Q1         | ✓                                   | ✓         | ✓<br>Final |    |    |  |
| <b>Financial Planning and Monitoring</b>                 | Jacqui Van Mellaerts | Q4         |                                     |           |            |   |   |  |
| <b>Capital projects</b>                                  | Jacqui Van Mellaerts | Q3         |                                     |           |            |   |   |  |
| <b>Partnerships</b>                                      | Greg Campbell        | Q3         |                                     |           |            |   |   |  |
| <b>Local Development Plan</b>                            | Phil Drane           | Q2         | ✓                                   | ✓         | ✓<br>Final |  |  |  |
| <b>IT Data Breaches</b>                                  | Sarah Bennett        | Q2         | ✓                                   | ✓         | ✓<br>Final |  |  |  |
| <b>Building Control</b>                                  | Phil Drane           | Q2         | ✓                                   |           |            |   |   |  |
| <b>Planning</b>  | Phil Drane           | Q2         | ✓                                   |           |            |   |   |  |
| <b>Housing - Homelessness</b>                            | Tracey Lilley        | Q3         |                                     |           |            |   |   |  |
| <b>Democratic Services</b>                               | Amanda Julian        | Q3         |                                     |           |            |   |   |  |
| <b>Follow Up</b>   | Jacqui Van Mellaerts | Ongoing    | -----Separate follow up report----- |           |            |   |   |  |

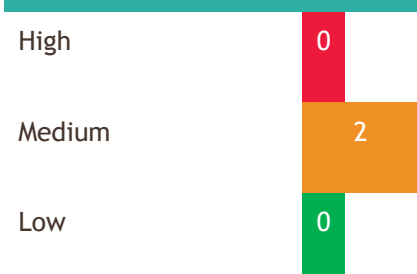
# EXECUTIVE SUMMARY – COVID-19 GRANTS EXPENDITURE

## EXECUTIVE SUMMARY

### LEVEL OF ASSURANCE:

|               |             |   |
|---------------|-------------|---|
| Design        | Substantial | There is a sound system of internal control designed to achieve system objectives.                |
| Effectiveness | Moderate    | Evidence of non-compliance with some controls that may put some of the system objectives at risk. |

### SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 2

### BACKGROUND:

The Chancellor of the Exchequer announced ‘Restart’ business support grants in his Budget on 3 March 2021. Applications closed on 30 June 2021. One-off Restart grants were made available to eligible businesses occupying properties on 1 April 2021 which have a rateable value. The Restart grant is intended to support businesses to re-open safely as coronavirus restrictions are eased.

Non-essential retail businesses may be eligible for the following amounts, if they are occupying a property with a rateable value:

| Business Rateable Value | One-off Grant Amount |
|-------------------------|----------------------|
| Up to £15,000           | £2,667               |
| From £15,001 to £50,099 | £4,000               |
| From £51,000 and above  | £6,000               |

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Hospitality, accommodation, leisure, personal care and gym businesses may be eligible for the following amounts, if they are occupying a property with a rateable value:

| Business Rateable Value | One-off Grant Amount |
|-------------------------|----------------------|
| Up to £15,000           | £8,000               |
| From £15,001 to £50,099 | £12,000              |
| From £51,000 and above  | £18,000              |

Businesses need to complete an application form to claim their Restart grant. All applicants are required to provide satisfactory evidence and satisfy state aid rules. Applicants must also include a list of all Covid grants previously received. Any grant award received by businesses is subject to HMRC tax conditions.

All applications received are processed by Basildon Council (the provider of the Revenues and Benefits shared service), who perform due diligence checks to confirm eligibility. The onus of paying applicants sits with Brentwood Borough Council, after the application and due diligence has been completed by Basildon Council.

Our audit in 2021/22 has involved testing a sample of grant applications to confirm whether appropriate eligibility due diligence was carried out on applications received for Restart grants, re-performing some of the due diligence checks ourselves, and checking if the grant funding was appropriately awarded based on the rateable value of the business.

#### GOOD PRACTICE:

We identified the following good practice areas from our fieldwork:

- Grant application forms: All applicants are required to complete the 'Restart Grant Application,' which sets out eligibility requirements and funding available, and to provide a bank statement. Our testing of a sample of 20 Restart grant payments confirmed that in all cases, there was a completed application form and supporting bank statements (either attached to the form or previously provided to the Council), and the bank details (account number and sort code) from the attached documentation matched the bank details stated in the application form.
- Checks against Civica (NNDR system): Our sample testing of 20 Restart grants awarded to businesses confirmed that the applicant and business details are held in the Civica system and that the applicant details either matched to the system details or valid reasons were provided for variances.
- Companies House and Experian checks: We performed our own checks against Companies House and Experian for the sample of 20 Restart grants tested. In 13/20 instances, we confirmed that the business name, director and owner reflected in the application and NNDR system. In 3/7 cases, we confirmed in Experian that the applicant was a non-registered business. In the remaining 4/7 cases, management provided satisfactory explanations for why the applicant could not be found in the Companies House or Experian search.
- Payment of grants according to Rateable Value (RV): Our sample testing of 20 Restart grants paid to businesses between April to July 2021, which consisted of 10 hospitality related businesses and 10 non-essential businesses, confirmed that the grant amount awarded was in line with the rateable value and type of business.

## KEY FINDINGS:

We identified the following key areas where the control framework needs to be strengthened:

- Due diligence checks: Whilst we were advised that due diligence checks were performed before the grants were awarded, and our sample reperformance checks did not identify any inappropriate claimants, there is no documented record of the due diligence checks that were carried out by officers, what specifically was checked (such as business name, address and directors) and any queries arising - **Finding 1 - Medium**
- Approval of grant claims: From our sample testing of Restart grants awarded and review of notes held in Civica, we found that in all instances there was no indication of (i) who completed the initial due diligence (ii) who completed the final check and (iii) who approved the application for payment - **Finding 2 - Medium**

## DATA ANALYTICS:

Overall, Restart grants were awarded to 432 businesses and totalled £3.666 million.

This comprised:

- 71% (307) to businesses in the Hospitality, Accommodation and Leisure sectors (£3.206 million)
- 29% (125) to non-essential businesses (£427,000).

## CONCLUSION:

Overall, we provide substantial assurance on design and moderate assurance on the effectiveness of the key controls.

Our substantive reperformance testing on a sample of Restart grant claims did not identify any inappropriate awards. However, improvements are required with the evidencing of key controls, particularly in relation to clearly documenting the due diligence performed, any queries and resolutions to queries arising from due diligence checks, and who performed the due diligence, final check and approval for payment. We have raised two medium priority recommendations to improve the audit trail.

## MANAGEMENT ACTION PLAN:

| Recommendation  | Priority | Management Response   | Responsible Officer and Implementation Date                 |
|---|----------|---|---|
| <b>1. Record of due diligence checks</b><br>Where Covid-19 grant applications are received, confirmation of what due diligence has been carried out should be explicitly stated within the notes section of Civica. This should clearly state whether (i) business name matches application and system (ii) business or personal address matches and (iii) whether the director name matches the applicant name where applicable. Where there are any | Medium   | A further element of the process map has now been added to include a word document checklist. This document outlines all the relevant due diligent checks that are to be carried out. The relevant officer will complete the document to confirm the checks | Craig Stack,<br>Business rates manager<br><br>(Immediately) |

| Recommendation  | Priority | Management Response   | Responsible Officer and Implementation Date                      |
|---|----------|---|--|
| differences, this should also be clearly stated within the notes, including any further action taken to address the differences.  |          | have been undertaken and reference the document onto the account accordingly.   |  |
| <p><b>2. Record of approvals</b></p> <p>Once details of the due diligence performed have been documented in the Civica notes, including the officer completing the due diligence (see recommendation 1), the initials of the officer completing the final check and approval for payment should also be included with the notes, in addition to any queries and resolutions that have arisen as a result of the final checks.</p> | Medium   | <p>Independent checks are carried out by a second senior officer, as per the procedure map. The agreement note to confirm checks have been carried out and the grant is okay to pay are made on the payment spreadsheet.</p> <p>Additional process has been added to include that a note be made on the Civica system along with the spreadsheet on the relevant account to state that the final check has been made.</p> | <p>Craig Stack,<br/>Business rates manager<br/>(Immediately)</p> |



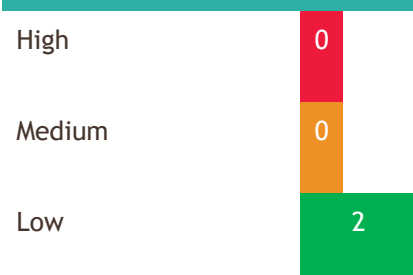
# EXECUTIVE SUMMARY – LOCAL DEVELOPMENT PLAN

## EXECUTIVE SUMMARY

### LEVEL OF ASSURANCE:

|               |             |  |
|---------------|-------------|--|
| Design        | Substantial | There is a sound system of internal control designed to achieve system objectives. |
| Effectiveness | Substantial | The controls that are in place are being consistently applied.                     |

### SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 2

### BACKGROUND:

The Local Development Plan (LDP) is the Council’s strategy for future growth within the borough over 17 years. It sets out a spatial vision, strategic planning policies, development management policies, policies map and site specific land use allocations. The responsibility for compiling the plan is with the Director of Strategic Planning and the Leader of the Council is held responsible by the Secretary of State for Communities and Local Government (CLG). Before submission of the plan to the Secretary of State and the final adoption of it, there is a requirement that the Ordinary Council approve it.

The LDP was first published in 2009 and a preferred options consultation was undertaken in 2013. The Draft Local Plan Consultation was completed in 2016.

In 2017, the Secretary of State issued a letter to the Council outlining concerns that the Council had yet to adopt the 2004 Act Local Plan. Local planning authorities are required to publish a Local Development Scheme setting out when an authority expects to reach key milestones in the plan making process, and the timetable for producing documents to maintain an up to date plan. In the years since the 2004 Act was introduced, the Council had failed to meet such deadlines set out in the timetable.

The Government’s 2017 Housing White paper outlined what would be prioritised leading to intervention. In response to the Secretary of State’s request that the Council explain its position and what action it would take to avoid intervention, the Council submitted a clear timetable in January 2018 for the key actions to be completed. In March 2018, the Secretary of State wrote again outlining that some progress had been made but still no up to date plan was in place and the

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situation would continue to be monitored and if the timetable failed to be met then the full range of powers given by the Parliament would be used.

The Council held an extraordinary Council meeting in November 2018 and approved the Pre-submission LDP (Regulation 19) and the Revised LDP, including a new timetable.

The LDP was submitted to the Secretary of State in February 2020 for independent examination. In June 2020, the Council received a letter with initial questions on the Plan from the Inspectors who were appointed by the Secretary of State to conduct the examination of the LDP. The Inspectors' role was to assess whether the Plan has been prepared in accordance with legal and procedural requirements and assess whether it is sound.

The Council had then agreed to produce a timetable for providing its response to the Inspectors by the end of August 2020. This was completed in October 2020 and the Council then received documents from the Inspectors relating to the Examination Hearing Sessions. These sessions were scheduled in six phases, from December 2020 to July 2021. The purpose of the hearings was to focus on the main issues for discussion, to enable the Inspectors to obtain the information they needed to make necessary conclusions on the Plan.

Following the completion of hearing sessions in July 2021, the process of finalising the Main Modifications is now underway. Public consultation is expected to commence in September 2021. Once responses have been assessed by the Inspectors, they will then issue their report to confirm if the Plan is sound and capable of adoption. The current estimate is that the Council will be able to adopt the Plan by the end of January 2022.

As at the end of August 2021, the Council was preparing to re-send the draft schedule of potential Main Modifications to the Inspectors for approval. The Council is aiming to finalise the sustainability appraisal by 17 September 2021 and start the six-week consultation period by 23 September 2021. In January 2022, the Council expects to hold an extraordinary Council meeting for approval of the updated LDP and adopt the plan.

Our audit included comparing the LDP to the Council's Corporate Plan; reviewing the oversight arrangements in place for the Project board and the LDP Member Working Group; reviewing liaison with Highways England; and making enquiries about the Council's readiness to adopt the LDP by the revised deadline.

#### GOOD PRACTICE:

We identified the following good practice areas from our fieldwork:

- The proposals included within the LDP are compatible with the Council's Corporate Strategy 2020-25. There are a number of policies included within the LDP to reflect how the Council's strategic priorities will be addressed. These policies are included in sufficient detail explaining what the Council's priorities are and how they will be achieved.
- The Project Board is provided with regular updates on the LDP through Project Highlight Reports. These reports include the purpose of the report, achievements since the last report, and financial and resource related variances (if any). The reports are sufficiently detailed and are provided every month. This indicates that there is adequate oversight from the Project Board for the development of the LDP.
- There is a Local Development Plan Member Working Group (LDP MWG) in place and the Terms of Reference 2021/22 include the roles and responsibilities of the working group, membership structure, frequency of the meetings and quorum requirements.
- We reviewed the minutes of the five LDP MWG meetings held between September 2020 and July 2021 and noted that meetings were held every two months, per the requirements of the LDP MWG Terms of Reference, except in May 2021 due to the election schedule. We noted that all the meetings were quorate and actions recorded were sufficiently detailed.

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- We obtained minutes from the weekly meetings held in June and July 2021 with Highways England. These meetings were held to discuss the outstanding tasks around A12 Junction 12, M25 Junction 28 and M25 Junction 29, as identified in the Statement of Common Grounds. We noted that the meeting minutes were sufficiently detailed, with actions recorded, and that these actions were discussed and resolved in the subsequent meetings.
  - A schedule of potential Main Modifications was created and submitted to the Inspectors on 5 August 2021. The comments from the Inspectors have now been received and the Council is aiming to start the six-week consultation period by 23 September 2021. The Corporate Manager - Strategic Planning has advised that the Council is on track to meet the revised January 2022 adoption deadline.

#### KEY FINDINGS:

Our audit did not identify any significant exceptions.

#### CONCLUSION:

Overall, we provide substantial assurance on both the design and operational effectiveness of the key controls.

There is robust oversight and monitoring of the LDP development by the Project Board and through the meetings of the LDP Member Working Group. A number of policies have been included in the LDP to address strategic priorities which are compatible with the Council's Corporate Plan.

We have raised two low priority recommendations.

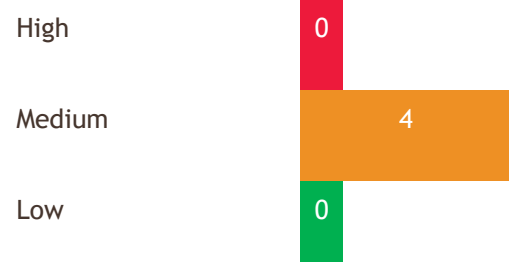
# EXECUTIVE SUMMARY – IT DATA BREACHES

## EXECUTIVE SUMMARY

### LEVEL OF ASSURANCE:

|               |             |   |
|---------------|-------------|---|
| Design        | Substantial | There is a sound system of internal control designed to achieve system objectives.                |
| Effectiveness | Moderate    | Evidence of non-compliance with some controls that may put some of the system objectives at risk. |

### SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 4

### BACKGROUND:

The Information Commissioner’s Office (ICO) defines a personal data breach as: A security incident that has affected the confidentiality, integrity or availability of personal data. In short, there will be a personal data breach whenever any personal data is lost, destroyed, corrupted or disclosed; if someone accesses the data or passes it on without proper authorisation; or if the data is made unavailable, for example, when it has been encrypted by ransomware, or accidentally lost or destroyed.

The UK General Data Protection Regulation (the GDPR) introduces a duty on all organisations to report certain types of personal data breach to the relevant supervisory authority. This must be done no later than 72 hours after the organisation becomes aware of the breach. Where the breach is likely to result in a high risk of adversely affecting individuals’ rights and freedoms, the organisation must also inform those individuals without undue delay. Regardless of whether the breaches are reported or not, organisations should be able to justify this decision and therefore, document it.

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Failing to notify the regulator (ICO) of a breach, when required to do so, can result in a significant fine up to 10 million euros, or 2 per cent of global turnover, with whatever sanction the ICO deems appropriate as a result of the breach i.e. the fine can be combined with the ICO's other corrective powers under Article 58. There is also the additional factor of a requirement to compensate individual data subjects for due harm suffered through the data breach. The impact of a breach therefore has potentially significant financial and reputational consequences.

The Council has engaged Evalian Limited, a third party service provider, as an additional resource to support the Data Protection Officer (DPO) in handling and managing data breaches.

Prior to June 2019, a full Data Protection service, including a Data Protection Officer (DPO), was provided to the Council by Thurrock Council at a cost of £39k per year. In July 2019, the Council made a decision to appoint an internal DPO, replacing the DPO services provided by Thurrock Council. The Council's remaining support contract with Thurrock was subsequently ceased.

The Council's data breaches management operations are split into two working categories ie Cyber/IT breaches and Information Governance (IG) breaches. The Council has contracted a third party provider, HyTec, for the management of the IT network, which filters traffic from all external connections, including to the internet. HyTec manages the Council's IT network firewalls, LAN and security operations centre including all Cyber/IT breaches management.

The purpose of the audit was to appraise the design and effectiveness of the Council's arrangements for handling of data security breaches.

#### GOOD PRACTICE:

We identified the following good practice areas from our fieldwork:

- The Council's Information Governance (IG) team is headed by the DPO, who is supported by two other members of staff. All three members of the IG team have attended the Cyber Incident Planning & Response (CIPR) training. The Council has also been using Evalian, a third party data protection service provider, as an additional resource to provide specialist support in handling and managing IG data breaches.
- There are defined protocols in place by which all suspected information governance breaches are reported promptly to the DPO as the primary point of contact via phone or email.
- The Council has identified the need to have a more permanent solution for Data Protection services and the statutory DPO duty. Therefore, the Council's Senior Leadership Team (SLT) approved on 11 August 2021, to outsource the complete DPO services to Evalian on a one-year contract, which includes a more comprehensive service including gap analysis work and access to a training portal.
- An Information Governance Group (IGG) has recently been established which will report to the SLT. The terms of reference have been approved in June 2021 and IGG held their first meeting in August 2021. The members of this Group includes the Senior Information Risk officer (SIRO), Deputy Monitoring officer, Human Resources, ICT Manager and DPO.
- The Council's IG department maintains an IG Breach register which highlights the type of breach, details of the incident, date of occurrence, risk assessment, mitigations and reporting. An incident report is completed for each identified and reported IG incident/breach. Our review of five incident reports highlighted that these include all the details of the breach/incident, risk assessment, recommendation/mitigations and formal signoff.
- A Council-wide "Guidance for identifying and managing risks" is in place to help staff members engaged in planning and risk management activities, to understand the difference between controls and treatments, how to evaluate controls and how to treat risks.

- A risk assessment is conducted for each IG incident identified or reported based on the likelihood and impact. A risk score is allocated to each incident based on the formal risk maturity and assessment matrix, to identify the mitigating actions. Our review of five IG incidents confirmed that the risk assessments were completed as part of the incident review, the root cause identified and appropriate mitigations had been identified and implemented.

#### KEY FINDINGS:

We identified the following key areas where the control framework needs to be strengthened:

- The Council’s Data Protection and Data Breach policies have not been reviewed since their inception in March 2018. Furthermore, the policies still make references to EU GDPR which has been replaced by UK GDPR since Brexit - **Finding 1- Medium**
- Reporting lines for the management of breaches and incidents are not clear. The reporting ends with the DPO and there is no further reporting of the incidents or breaches to senior management or the SIRO who has the overall responsibility of all information risk across the Council - **Finding 2- Medium**
- No formal performance reports have been presented to the Council by HyTec and the meetings between the DPO and HyTec are not formally documented. Instead, a rolling actions tracker is maintained which only documents the key decisions made for relevant actions during the meetings - **Finding 3- Medium**
- Council staff are not provided with annual refresher training on information governance and cyber security. Furthermore, the Council’s IG department have not conducted a training needs analysis (TNA) in the last 12 months - **Finding 4- Medium**

#### CONCLUSION:

Our review identified a robust framework in place for management of Information Governance incidents and breaches by the Council. However we found several weaknesses relating to the management of Cyber/IT incidents and breaches under the HyTec contract such as the absence of formal KPIs and targeted service level performance metrics and informal monitoring of the contract which could lead to inadequate performance not being identified. Improvements could also be made to training, monitoring and keeping policies updated.

We have raised four medium priority findings. We conclude there is a substantial assurance over the design and moderate assurance for the operational effectiveness of the controls in place at the Council in relation to IT/Data Breach management.

#### MANAGEMENT ACTION PLAN:

| Recommendation  | Priority | Management Response  | Responsible Officer and Implementation Date                               |
|---|----------|--|---|
| <p><b>1. Policy and procedures</b></p> <p>1.1. Management should review and update the Council’s Data Protection policy and Data Breach policy to ensure that it remains in compliance with the UK GDPR requirements and they are relevant to the Council’s needs</p> | Medium   | Brentwood Council has gone into partnership with Evalian to support the Councils statutory requirements for Data Protection. As part of this a full gap analysis will be conducted for Data Protection including but not limited | Tim Huggins,<br>IT & Service Improvement Manager<br><br>(31 January 2022) |

| Recommendation  | Priority | Management Response   | Responsible Officer and Implementation Date |
|---|----------|---|---|
| <p>and in line with the Council's strategic objectives.</p> <p>1.2. The Data Breach policy should include detailed procedures for reporting a data breach. This should include but not be limited to:</p> <ul style="list-style-type: none"> <li>• Defining roles and responsibilities</li> <li>• Description of type of personal data breach</li> <li>• Steps taken in case of a breach</li> <li>• Risk assessments and escalations</li> <li>• Containment and recovery</li> <li>• Contact details of the DPO, or other point of contact</li> <li>• Measures taken to evaluate and mitigate any possible breaches</li> <li>• Breach notifications to the ICO</li> <li>• Training and awareness</li> <li>• Monitoring and reporting compliance</li> </ul> <p>1.3. The revised policies should be approved and communicated to members of staff and arrangements should be put in place for reviewing the policies on an annual basis.</p> |          | <p>to Policies, Processes for Data Protection and Data Breaches. Following this a formal remediation action plan will be developed and actions implemented. This work will support the newly formed Information Governance (IG) Group in their role around information Governance, and the contract will be monitored by the Corporate Manager - IT &amp; Service Improvement.</p> <p>1.1. Reviewing of Information Governance policies is part of the role for the IG group and therefore this action will be co-ordinated by the group working with appropriate officers and partners.</p> <p>1.2. In addition to above - the group will review the recommendations as part of its action plan. Once the suggestions have been reviewed the agreed ones will be included.</p> <p>1.3. Agreed this is normal practice and will be published in document library and formal communication will be shared with all staff, and also including other IG activities such as training and awareness.</p> |   |

| Recommendation   | Priority | Management Response   | Responsible Officer and Implementation Date   |
|--|----------|---|---|
|  |          | Regular reviewing of IG policies is part of the roles and responsibilities of the newly formed IG group and will be undertaken.   |   |
| <p><b>2. Monitoring and reporting</b></p> <p>2.1 The IGG should ensure that the governance of data breaches and incidents including both IG and IT/Cyber, are discussed as a standing agenda item during their meetings.</p> <p>2.2 The SLT should review the formal minutes from IGG's bi-monthly meetings, during their quarterly meetings to review the Council's information handling activities and to gain assurance on management and accountability arrangements for Information Governance and compliance with law.</p> | Medium   | <p>2.1 A standing Item will be added to the IG groups agenda for data breaches and incidents, and Cyber incidents. The appropriate officers will be informed to supply regular timely updates for IGG meetings.</p> <p>2.2 A formal Terms of Reference (ToR) has already been developed and approved by the Senior Leadership Team (SLT). The action for the IG group to regularly update SLT is stated within the ToR.</p> | <p>Tim Huggins,<br/>IT &amp; Service Improvement Manager<br/><br/>(31 October 2021)</p> |
| <p><b>3. HyTec contract management and monitoring</b></p> <p>3.1 The Council should liaise with HyTec to discuss and develop target service levels, appropriate KPIs and monthly performance reports for the purpose of reporting and performance monitoring. These should be formally agreed and approved by the IGG.</p> <p>3.2 The Council should ensure that the monthly meetings with HyTec are formally documented. A set meeting agenda along with the monthly performance reports</p>                                    | Medium   | <p>3.1 Initial KPI's have been discussed and agreed in principle by email and will be raised at the next account meeting (Sept 2021) to review with the action to formalise and agree at the following meeting.</p> <p>3.2 This is already being done and evidence has been shared with auditors with the exception of</p>  | <p>Tim Huggins,<br/>IT &amp; Service Improvement Manager<br/><br/>(1 November 2021)</p> |



| Recommendation  | Priority      | Management Response   | Responsible Officer and Implementation Date   |
|---|---------------|---|---|
| <p>should be presented by HyTec to the Council prior to the meeting to ensure all the elements of service provision agreed are discussed and reviewed during the meeting.</p>   |               | <p>performance manage reports at each meeting. Current statistics are shared separately.</p> <p>Following on from completion of item 3.1 the KPI's will be added.</p>   |   |
| <p><b>4. Training and awareness</b></p> <p>4.1 The Council should develop an IG training programme, which includes basic IG training for everyone, including new starters, annual refresher training and additional training for key staff groups or roles. Furthermore, training completion should be monitored and there should be a record of all the training that has been provided and completed.</p> <p>4.2 A comprehensive training needs analysis should be completed and approved by IGG. The training needs analysis should then be annually reviewed and updated against the continuously evolving industry regulations and best practices to ascertain if staff have been appropriately trained.</p> | <p>Medium</p> | <p>4.1 The Council already has embedded processes for new starters to carry out information governance training before they start. The elearning platform course was developed with another local authority and requires the passing of a short test. If this is not passed access to systems are stopped. Due to the enormous impact of the pandemic within the last year the provision of annual “refresher” training wasn’t enforced. We will work with Evalian to carry out regular training, building on current processes. This will also be supplemented by “cyber awareness training” using a variety of cyber scenarios.</p> <p>4.2 Brentwood has gone into partnership with Evalian to support the statutory requirements for Data Protection. Part of this is regular training. Evalian will provide a</p> | <p>Tim Huggins,<br/>IT &amp; Service Improvement Manager<br/>(31 December 2021)</p> |

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| Recommendation | Priority | Management Response   | Responsible Officer and Implementation Date |
|----------------|----------|---|---|
|                |          | training portal to allow Brentwood to train, monitor and analyse and the IG Group will work with Evailian to continue to update the training in line with industry regulations. |   |

# KEY PERFORMANCE INDICATORS 2021/22

| Quality Assurance as per the Internal Audit Charter   | KPI Results  | RAG Rating  |
|---|--|---|
| 1. Annual Audit Plan delivered in line with timetable.  | One audits has been deferred, as detailed on page 3.   |    |
| 2. Actual days are in accordance with Annual Audit Plan.  | This KPI has been met.   |    |
| 3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit.  | Survey responses received to date have been very positive.   |    |
| 4. Annual survey to Audit Committee to achieve score of at least 70%.   | 2021/22 survey in progress.  |    |
| 5. At least 60% input from qualified staff.   | This KPI has been met.   |    |
| 6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting.   | This KPI has been met for 3 out of 3 audits (see table below).   |   |
| 7. Finalise internal audit report 1 week after management responses to report are received.   | This KPI has been met for 3 out of 3 audits (see table below).   |  |
| 8. Positive result from any external review.  | No external audit reviews have been carried out to date.   |  |
| 9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.                                | The KPI regarding Council agreement of the terms of reference has been met for 3 out of 13 audits (see table below).<br>The KPI regarding draft report has been met for 3 out of 3 audits (see table below).   |  |
| 10. Audit sponsor to implement audit recommendations within the agreed timeframe.   | Of the 6 recommendations raised in 2020/21, none are yet due.  |  |
| 11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff. | We can confirm that for the audit work undertaken to date, management and staff have supported our work and their co-operation has enabled us to carry out our work in line with the terms of reference through access to records, systems and staff as necessary. |  |

**AUDIT TIMETABLE DETAILS (2021/22 AUDITS)**





| Audit   | Draft TOR issued | Management response to TOR received | Closing meeting | Draft report issued     | Management response to draft report received | Final report issued     |
|---|------------------|-------------------------------------|-----------------|-------------------------|--|-------------------------|
| Affordable Housing (carried forward from 2020/21) |                  |                                     |                 |                         |  |                         |
| Risk Management                                   |                  |                                     |                 |                         |  |                         |
| Main Financial Systems                            |                  |                                     |                 |                         |  |                         |
| Covid-19 Grants Expenditure                       | 28/07/21         | 02/08/21<br>(KPI 9 met)             | 02/09/21        | 10/09/21<br>(KPI 6 met) | 15/09/21<br>(KPI 9 met)                      | 20/09/21<br>(KPI 7 met) |
| Financial Planning and Monitoring                 |                  |                                     |                 |                         |  |                         |
| Capital projects                                  |                  |                                     |                 |                         |  |                         |
| Partnerships                                      |                  |                                     |                 |                         |  |                         |
| Local Development Plan                            | 13/08/21         | 18/08/21<br>(KPI 9 met)             | 31/08/21        | 10/09/21<br>(KPI 6 met) | 13/09/21<br>(KPI 9 met)                      | 20/09/21<br>(KPI 7 met) |
| IT Data Breaches                                  | 11/08/21         | 17/08/21<br>(KPI 9 met)             | 24/08/21        | 03/09/21<br>(KPI 6 met) | 15/09/21<br>(KPI 9 met)                      | 20/09/21<br>(KPI 7 met) |
| Building Control                                  |                  |                                     |                 |                         |  |                         |
| Planning  |                  |                                     |                 |                         |  |                         |
| Housing - Homelessness                            |                  |                                     |                 |                         |  |                         |
| Democratic Services                               |                  |                                     |                 |                         |  |                         |

**KEY FOR RAG RATING:**

|   |  |
|---|--|
|  = met target        |  = not met target |
|  = partly met target |  = not applicable |

# APPENDIX 1

## OPINION SIGNIFICANCE DEFINITION

| Level of Assurance  | Design Opinion   | Findings from review   | Effectiveness Opinion   | Findings from review   |
|---|--|--|---|--|
| <b>Substantial</b><br> | 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.                                     |
| <b>Moderate</b><br>    | 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. |
| <b>Limited</b><br>    | 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.              |
| <b>No</b><br>        | 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.   |



FOR MORE INFORMATION:

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