



**INTERNAL AUDIT  
PROGRESS REPORT**

Brentwood Borough Council

2022/23

IDEAS | PEOPLE | TRUST

**BDO**

# CONTENTS

SUMMARY OF 2022/23 WORK ..... 2

REVIEW OF 2022/23 WORK..... 3

DEMOCRATIC SERVICES AUDIT ..... 4

KEY PERFORMANCE INDICATORS ..... 8

APPENDIX 1 ..... 10

---

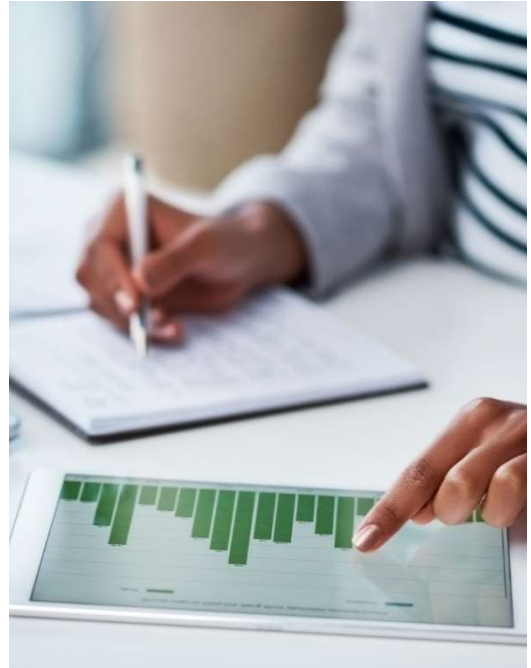
# SUMMARY OF 2022/23 WORK

## INTERNAL AUDIT

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2022/23 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.



## 2022/23 INTERNAL AUDIT PLAN

We are now making progress in the delivery of the 2022/23 audit plan, and we are pleased to present the following report to this Audit and Scrutiny Committee meeting:

- Democratic Services audit

The following audit is in the completion stage:

- Cyber Security

Fieldwork is in progress on the following audits:

- Environment - fly tipping, street cleaning and enforcement
- Sheltered accommodation

The remaining audits are being planned and will be completed over the remainder of this financial year.

## CHANGES TO THE 2022/23 INTERNAL AUDIT PLAN

At officers' request, we have changed the Housing Information audit into an audit of Sheltered Accommodation. We have also agreed to include an advisory review as part of our audit of the main financial systems and to carry out the Climate Change review on an advisory basis.

# REVIEW OF 2022/23 WORK

AUDIT	COUNCIL LEAD	AUDIT COMMITTEE	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVENESS
Main financial systems	Interim Director Resources	June 2023	✓				
Commercialisation and cost savings	Interim Director Resources	June 2023	✓				
Payroll shared service	Interim Director Resources	June 2023					
Partnership with Rochford	Strategic Director	March 2023	✓				
Policy review	Director Policy and Delivery	June 2023					
Data protection	Interim Director People and Governance	June 2023					
Cyber security	Corporate Manager - IT & Service Improvement	March 2023	✓	✓			
Sheltered accommodation	Corporate Manager - Housing Needs and Delivery	March 2023	✓	✓			
Environment - fly tipping, street cleaning and enforcement	Director Environment and Director Communities and Health	March 2023	✓	✓			
Climate change	Director Environment	March 2023	✓				
Leisure services	Corporate Manager Communities, Leisure and Health	June 2023					
Licensing	Environmental Health and Licensing Manager	March 2023	✓				
Democratic services	Corporate Manager (Democratic Services) and Deputy Monitoring Officer	January 2023	✓	✓	✓	M	M

# DEMOCRATIC SERVICES AUDIT

## CRR REFERENCE: CYCLICAL REVIEW

Design Opinion	M Moderate	Design Effectiveness	M Moderate
Recommendations	1 3 2		



### SCOPE

#### BACKGROUND

Democratic Services in the Council is part of the People and Governance Directorate, which is headed up by the Director of People and Governance (Monitoring Officer). The Democratic Services team consists of a corporate manager, three governance support officers and an apprentice. A separate team within the Directorate covers Elections and the maintenance of the electoral register.

The Council operates a 'Committee style' form of governance, with decision making falling to Committees which are made up of a mix of Councillors from all political parties. The Democratic Services team manages the process for all Council and Committee meetings. This is done through the modern.gov app, which ensures that the forward plan and all agendas, reports, minutes and decisions for each Committee are published on the Council's external website.

The Committees are supported by a number of officer and Councillor Working Groups, and Democratic Services ensure that these meetings are minuted.

Constitution updates are made in accordance with Article 12 of the Constitution and a cross-party Constitution Working Group is carrying out a fundamental review of the Constitution, that will be taken to Council for approval.

The Democratic Services team is responsible for recording notices of motions from members and carried out a process in 2021/22, together with the then Deputy Chief Executive, to log and follow up on motions approved by Ordinary Council during the year. A report on progress against these motions was presented to the Audit and Scrutiny Committee in March 2022.

The Democratic Services team supports Councillors in ensuring that relevant training is provided, financial and other interests are declared, and in dealing with members' enquiries. Member requests are logged in the DASH system, through a members' portal, and these requests go to case officers to address. During 2021/22, responsibility for overall monitoring of member requests returned to Democratic Services (having previously resided with the Digital and IT service) and the team has carried out a project to track progress against outstanding requests.

Complaints against Councillors are reviewed by the Monitoring Officer or the Deputy Monitoring Officer (Corporate Manager for Democratic Services), who ensure that independent views are sought and that Councillors are notified of the complaint and the outcome of the review.

Democratic Services also support the weekly meetings of the Senior Leadership Team (SLT) / Corporate Leadership Team (CLT) under the One Team partnership with Rochford District Council, and cover Freedom of Information (FOI) requests received from members of the public.

#### AREAS REVIEWED

1. **Council and Committee management:** we reviewed a sample of Council and Committee meeting agendas, reports and minutes from April to October 2022, to check if they were published on a timely basis, included required information, and that quoracy requirements were met for decision making purposes

2. **Councillor declarations of interest:** we reviewed the processes for ensuring that Councillors complete annual declarations of interest forms, on a timely basis, and notify any further interests that arise during the year
3. **Constitution updates:** we reviewed the process followed for reviewing and seeking approval for updates to the Constitution between January 2021 and October 2022
4. **Councillor training:** we reviewed what induction training was provided to new Councillors during 2022 and attendance records for ongoing mandatory training
5. **Complaints against Councillors:** we reviewed a sample of complaints received against councillors from March 2021 to October 2022 and checked that appropriate processes have been followed for review by the Monitoring and/or Deputy Monitoring Officer, seeking views from independent persons, responding to the complainant on a timely basis, and notifying the Councillor of the complaint and the outcome
6. **Senior leadership team meetings:** we reviewed a sample of SLT meeting minutes from March to July 2022 to determine if required actions were adequately recorded and followed up
7. **Freedom of information requests:** for a sample of FOI requests received from October 2021 to October 2022, we reviewed the Council's processes for responding to the requests in accordance with the Council's policies and statutory timeframes.



## AREAS OF STRENGTH

We identified the following good practice:

- ▮ Agendas and papers for meetings are uploaded onto the Council's website for Ordinary Council, Extraordinary Council and Committees at least five days before the meeting, as required by the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012
- ▮ Standard cover report templates are used for all Committee meetings, which have a section outlining the decision required of the Committee and the rationale for the decision. Decisions made in Committee meetings are recorded in the minutes, with a separate page on the website outlining the decisions taken by each Committee
- ▮ Declarations of interest are recorded on the minutes of each Committee, at the start of the meeting. Additionally, all declarations reported are consolidated on a separate page on the Council's website, allowing the public to search for all declarations made at each Committee over a specified timeframe
- ▮ Changes to the Constitution are considered by either the Constitution Working Group or the Audit and Scrutiny Committee, with a recommendation made to Ordinary Council. The six amendments to the Constitution in this period reviewed were all approved by Ordinary Council.



## AREAS OF CONCERN

Our work highlighted the following areas of concern:

- ▮ There was inadequate evidence to support the processes and notifications underpinning the three complaints against Councillors that we sampled in the audit, as there is no central filing system for this documentation (Finding 1 - High)
- ▮ The published training record for councillors indicates that 16 out of 37 councillors have not completed Code of Conduct training (a requirement of the Council's Constitution) since the published training record commenced in 2018 (Finding 2 - Medium)
- ▮ Since 2021 there have been instances of members of the Licensing Committee or previous Planning and Licensing Committee attending meetings before receiving the necessary training or refresher training, as required by the Council's Constitution (Finding 3 - Low)
- ▮ An action log is not maintained for SLT meetings limiting the effectiveness of identifying and monitoring the completion of agreed actions (Finding 4 - Medium)
- ▮ Four out of 20 (20%) FOI requests sampled were not responded to within the required 20 working days and there was no evidence of an agreed extension (Finding 5 - Medium)

At time of our audit fieldwork, updated declaration of interest forms had not been published for two out of 37 Councillors (5%) since 2021, although they have since been uploaded (Finding 6 - Low).



## CONCLUSION

Our audit identified a number of areas of good practice in Democratic Services that assist the Council in functioning in an open and transparent way, including processes for publication of Committee papers and decisions, member declaration of interests and approval of changes to the Council's Constitution.

However, we identified a few areas for improvement, with the most significant being the lack of central filing of documentation for member complaints, which has resulted in the Council being unable to provide us with sufficient evidence for our sample testing. We also noted delays in some FOI responses and extensions to the response deadlines not being agreed. In addition, actions from SLT meetings were not clearly recorded on an action log to enable easy identification and monitoring.

Overall, we provide moderate assurance over both the design and effectiveness of controls.

## MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p><b>Member complaints</b></p> <p>Documentation and correspondence for complaints should be saved centrally, with a separate folder for each complaint. The filing system should include, as a minimum:</p> <ul style="list-style-type: none"> <li>• Notification to the relevant Councillor of the complaint and the outcome of the assessment</li> <li>• Notification to the Group Party Leader of the complaint and the outcome of the assessment</li> <li>• Acknowledgement of the complaint and notification of the outcome of the assessment to the complainant</li> <li>• Copy of the initial complaint and any supporting documentation</li> <li>• Correspondence with the Independent Person</li> <li>• Any further documentation relating to an investigation or a hearing.</li> </ul>	High	<p>All documentation and correspondence regarding complaints is now filed appropriately so that it can be easily accessed when required. This will be reviewed to determine how effectively this is operating, by the implementation date below.</p>	<p>Claire Mayhew, Corporate Manager (Democratic Services) and Deputy Monitoring Officer</p> <p>31 March 2023</p>
<p><b>Member training</b></p> <p>Dates should be established for Model Code of Conduct training for all</p>	Medium	<p>A Members' development and training programme is being developed and will be in place for the</p>	<p>Claire Mayhew, Corporate Manager (Democratic Services) and</p>

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
Councillors who have never received the training.		new municipal year. This is being done jointly with Rochford District Council and all Councillors will be required to attend mandatory training, including training on the new Model Code of Conduct and training required for regulatory committees.	Deputy Monitoring Officer 30 June 2023
<b>Management meetings</b> <ol style="list-style-type: none"> <li>1. Officers should amend the format of its management team meeting minutes to ensure that actions are more clearly identifiable, for example by adding a column next to each agenda item for any actions agreed and the officer responsible for completing the action.</li> <li>2. A separate action log should be developed and provided with the agenda to each CLT meeting including: <ul style="list-style-type: none"> <li>• all actions agreed at meetings</li> <li>• the action owner</li> <li>• a status update.</li> </ul> </li> <li>3. The CLT should use the action log to follow up on all actions that are outstanding at each meeting.</li> </ol>	Medium	<ol style="list-style-type: none"> <li>1. This is now in place.</li> <li>2. Actions and action owners are now logged at each CLT meeting but the process will be reviewed in line with the recommendation to ensure that all actions are followed up and the status recorded.</li> <li>3. As per 2 above.</li> </ol>	Claire Mayhew, Corporate Manager (Democratic Services) and Deputy Monitoring Officer 31 January 2023
<b>Freedom of Information response processes</b> <ol style="list-style-type: none"> <li>1. Democratic Services should monitor the responses to FOI requests by the departments and follow up on any open FOIs that are approaching the 20 working-day deadline or ensure that extensions are agreed.</li> <li>2. Training on the FOI process and legislative requirements should be provided to all officers who are involved in responding to and monitoring FOI requests.</li> <li>3. A report on the status of FOI requests should be presented to CLT for oversight on at least a quarterly basis.</li> </ol>	Medium	Officers will review the FOI process and training requirements as part of a services review with Rochford District Council.	Claire Mayhew, Corporate Manager (Democratic Services) and Deputy Monitoring Officer 31 May 2023



# KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable.	A few audits have been deferred, as detailed on page 3.	A
2. Actual days are in accordance with Annual Audit Plan.	We are on track to meet this KPI.	G
3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit.	No survey responses received yet for 2022/23.	N/A
4. Annual survey to Audit Committee to achieve score of at least 70%.	Annual survey for 2022/23 not yet completed.	N/A
5. At least 60% input from qualified staff.	This KPI has been met in audits completed to date.	G
6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting.m any external review	This KPI has been met for 1 out of 1 audit (see table below).	G
7. Finalise internal audit report 1 week after management responses to report are received.	This KPI has been met for 1 out of 1 audit (see table below).	G
8. Positive result from any external review.	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	G
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 2 out of 6 audits (see table below). The KPI regarding draft report has been met for 1 out of 1 audit (see table below).	A
10. Audit sponsor to implement audit recommendations within the agreed timeframe.	Of the recommendations raised to date for 2022/23, none are yet due.	N/A
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 experienced delays in receipt of information to enable us to complete the Democratic Services and Cyber security audits on a timely basis.	A

**AUDIT TIMETABLE DETAILS (2022/23AUDITS)**

Audit	Draft TOR issued	Management response to TOR received	Closing meeting	Draft report issued	Management response to draft report received	Final report issued
Main financial systems						
Commercialisation and cost savings						
Payroll shared service						
Partnership with Rochford	23/12/22	12/01/23 (KPI 9 not met)				
Policy review						
Data protection						
Cyber security	16/09/22	29/09/22 (KPI 9 not met)				
Sheltered accommodation	02/12/22	05/12/22 (KPI 9 met)				
Environment - fly tipping, street cleaning and enforcement	02/12/22	15/12/22 (KPI 9 not met)				
Climate change						
Leisure services						
Licensing	28/11/22	01/12/22 (KPI 9 met)				
Democratic Services	10/03/22	08/04/22 (KPI 9 not met)	11/01/23	11/01/23	11/01/23 (KPI 9 met)	13/01/23 (KPI 7 met)

**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>	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>	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>	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>	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

## RECOMMENDATION SIGNIFICANCE DEFINITION

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



**FOR MORE INFORMATION:**

**GREG RUBINS**

Greg.Rubins@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

© January 2023 BDO LLP. All rights reserved.

[www.bdo.co.uk](http://www.bdo.co.uk)

