INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

BRENTWOOD BOROUGH COUNCIL

March 2023

IDEAS | PEOPLE | TRUST

BDO

CONTENTS

SUMMARY
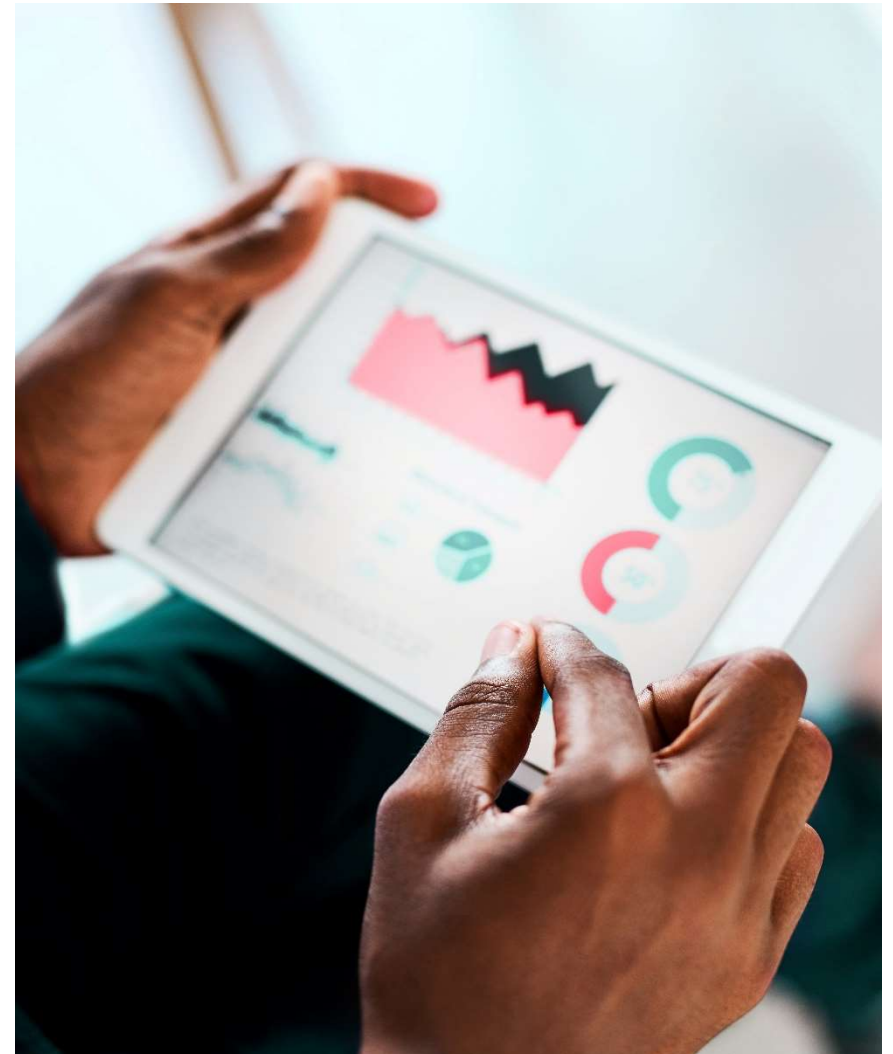
2018 – 2023	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M
2022/23													
Democratic services	6	1	3	2	4	-	1	-	-	-	-	1	2
Cyber security	4	1	1	2	2	-	-	-	-	-	-	1	1
2021/22													
Risk management	3	-	3	-	3	-	1	-	2	-	-	-	-
Main financial systems	5	-	2	3	2	-	1	-	1	-	-	-	-
Capital projects	1	-	1	-	1	-	1	-	-	-	-	-	-
Partnerships	2	-	2	-	2	-	-	-	1	-	1	-	-
IT data breaches	4	-	4	-	4	-	3	-	-	-	1	-	-
Building control	2	-	2	-	2	-	1	-	-	-	1	-	-
Section 106 agreements	2	2	-	-	2	-	-	2	-	-	-	-	-
2020/21													
Disaster recovery and business continuity	1	-	1	-	1	-	-	-	-	-	1	-	-
Environment – Street cleaning, fly tipping and enforcement	6	2	4	-	6	-	-	-	-	-	-	2*	4*
Licensing	7	2	4	1	6	-	-	-	-	-	-	2*	4*
Total	43	8	27	8	35	-	8	2	4	-	4	6	11

* These recommendations are due but are marked here as not due as they are being followed up separately in a new audit of the service in 2022/23

SUMMARY

Of the 202 high and medium priority recommendations raised over the period 2018 to 2023, 175 have been closed, six are in progress, four are overdue and 17 are not yet due or not included in the follow up.

We have confirmed with reference to evidence and through discussions that three recommendations have been completed/closed since our last follow up report. Updates have been received for the remaining outstanding recommendations and it is clear that work is being done to progress them but they have not yet been fully implemented.

Eight high priority recommendations are outstanding, two of which are being monitored by the Council (relating to S106 agreements), two of which are not yet due and four of which are not included in the follow up as they are being re-audited in 2022/23.

2022/23

- Of the 6 high or medium priority recommendations raised in 2022/23, one is complete and five are not yet due (including high priority recommendations relating democratic services and cyber security).

2021/22

- Of the 24 high or medium priority recommendations raised in 2021/22, six are in progress (including the two high priority recommendations relating to S106 agreements) and three are overdue.

2020/21

- Of the 49 high or medium priority recommendations raised in 2020/21, one is overdue and 12 are not included in the follow up. The 12 not included in the follow up include six Licensing recommendations (two of which are high priority) and six Steet cleaning, fly-tipping and enforcement recommendations (two of which are high priority) which are being followed up by audits of these services (including sample testing) in 2022/23.
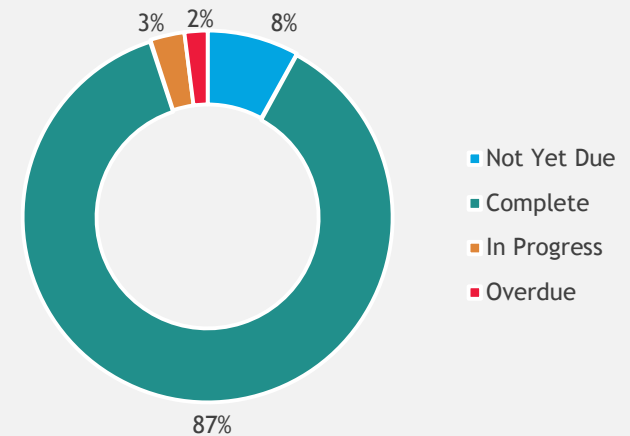
2017/18 TO 2019/20

- Of the 123 high or medium priority recommendations raised in 2017/18 to 2019/20, none are outstanding.

REQUIRED AUDIT & SCRUTINY COMMITTEE ACTION:

We ask the Audit and Scrutiny Committee to note the progress against the recommendations.

2018 – 2023 Cumulative implementation

- Not Yet Due
- Complete
- In Progress
- Overdue

RECOMMENDATIONS: COMPLETE SINCE LAST FOLLOW UP REPORT

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS

2022-23 – Democratic Services	**DS rec 4:**
	
	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.
	2) A separate action log should be developed and provided with the agenda to each CLT meeting including:
	  • all actions agreed at meetings
	  • the action owner
	  • a status update.
	3) The CLT should use the action log to follow up on all actions that are outstanding at each meeting.
		Medium	Corporate Manager (Democratic Services) and Deputy Monitoring Officer	~~January 2023~~
				
				Closed
					Management update:
					
					This has now been actioned.
					
					Internal audit comment:
					
					Recommendation closed following receipt of the minutes for the CLT meeting on 1 February 2023.

2021/22 – Risk Management	**21/22 RSK rec 2:** Risk Officers and senior Management should review how risks are recorded in the risk registers to ensure they adequately define the cause, uncertain event (the risk) and consequence of each risk. Where risks recorded by a particular risk owner are identified as inadequately documented then further training should be provided to them.	Medium	Sue White, (Risk and Insurance Officer)	~~December 2022~~ ~~March 2023~~ Closed	Management update: Discussed at ELT meeting on 13th June and details of the risks without sufficient documentation has been sent to risk owners. The Risk and Insurance Officer has assisted the relevant risk owners in re-wording their risks. Internal audit comment: Recommendation closed following receipt of email correspondence between the Risk and Insurance Officer and the relevant risk owners.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 – Capital projects	**21/22 CP rec 1:** i) The Council should ensure that all capital schemes are supported by growth bid templates, which have been reviewed by the Section 151 Officer and Programme & Projects Team before being approved by PRED (where applicable). These growth bid templates should be held centrally. ii) Link accountants should periodically remind budget holders to complete a growth bid template when submitting a capital project for approval.	Medium	Sam Wood (Senior accountant)	~~December 2022~~ Closed	Management update: i) Growths bids above were reviewed by the S151 officer and it was decided most would not be added to the capital programme as services would have to fully utilise their current resources (as historically we have been carrying lots of slippage year on year). Brentwood Centre main BMS replacement and retrofit were the approved capital projects and were added to the programme. Growth bids are held centrally on our Y drive, with a summary. ii) Emails regarding the budget setting process and timetable were circulated. The link accountants also met with budget holders to ensure growth bids are submitted when needed. Internal audit comment: Recommendation closed following receipt of growth bid templates, the growth bids summary and the budget setting email.

RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date; a revised date has been provided.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021-22 – S106 agreements	**_S106 rec 1:_** a) The Council should identify an appropriate function to take central ownership of s106 agreements. This team should then lead on all aspects of s106 arrangements, including negotiating the agreements with developers and monitoring them from planning consent through to delivery. b) The function should ensure that there are sufficient mechanisms in place to liaise with developers, to monitor progress of developments. Progress meetings with the developers should be implemented, taking account of the size of developments and anticipated speed of progress. c) The function should also liaise with Finance to ensure invoices are issued accurately and in a timely manner. d) A central s106 agreement register/tracker should be put in place where all aspects of the s106 agreements can be recorded and monitored, including progress against trigger points and the status of any payments. This tracker should be owned by the responsible function recommended above and should be reported to each of the teams involved in the management of s106 agreements (Planning, Housing, Finance and Legal) on a regular basis (quarterly as a minimum) with each of the teams being required to provide updates as appropriate.	High	~~Ian Winslet (Strategic Director, Housing and Regeneration)~~ Steve Summers (Strategic Director) and Julian Higson (Interim Director Housing)	~~January 2023~~ ~~February 2023~~ July 2023	Management update: The previous Director responsible for these recommendations left the Council before Christmas. The responsibility has been passed to the Council's Strategic Director and will be reviewed with the Interim Director of Housing to ensure this is the right way forward. Further to the previous comment the Strategic Director and the Interim Director of Housing have reviewed the current arrangements and have decided that a full review of the s106 processes and monitoring arrangements will be undertaken in the first quarter of the new municipal year. The interim arrangements that are currently in place will remain until the review is completed. Internal audit comment: Recommendation remains open.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021-22 – S106 agreements	**S106 rec 2:** Responsibility for the recording, allocation and monitoring of s106 contributions to the capital programme should be clearly assigned and communicated to a team or individual within the Council, who should own the process for ensuring contributions are utilised on appropriate projects in a timely manner and prior to any contributions becoming repayable to the developers.	High	~~Ian Winslet (Strategic Director, Housing and Regeneration)~~ Steve Summers (Strategic Director) and Julian Higson (Interim Director Housing)	~~January 2023~~ ~~February 2023~~ July 2023	Management update: The responsibility for this recommendation has been passed to the Council's Strategic Director. An interim Panel of appropriate Officers has been put in place and have met in September 2022 and January 2023. This will remain in place until the completion of the review as set out in Recommendation 1 above. Internal audit comment: Recommendation remains open.
2021/22 – Partnerships	**21/22 PART rec 2:** The Senior Leadership Team should ensure that an Annual Performance Assessment is completed by the partnership leads for all partnerships. Reminders should be put in place before the annual deadline to ensure this is completed in a timely manner.	Medium	Kim Anderson (Corporate Manager Communities, Leisure and Health)	~~July 2022~~ March 2023	Management update: This was presented to the extended leadership team (ELT) in September 2022 and the annual review is due to be completed by 31 March 2023 by the various partnership leads and will then be presented to the corporate leadership team (CLT). Internal audit comment: Recommendation remains open.
2021/22 – Main Financial Systems	**21/22 MFS rec 1:** When requesting approval of loans, the e-mail request should explicitly set out all 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)	~~September 2022~~ ~~January 2023~~ April 2023	Management update: Officers are continuing to develop processes for implementing this proposal. Implementation of this recommendation has been delayed by changes in the management structure of the finance team, and the target implementation date is now April 2023. Implementation of the action is on track for April 2023. Internal audit comment: Recommendation remains open.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 – Risk Management	**21/22 RSK rec 1:** a) Management should review the content of the previous risk management training provided (in person and online), decide the best format for the training going forward and determine which staff need to receive the training. b) Training completion rates should be monitored closely and reported to senior management on a periodic basis to ensure any low levels of completion are addressed.	Medium	Sue White, Risk and Insurance Officer	~~December 2022~~ ~~March 2023~~ June 2023	<u>Management update:</u> A new e-learning module is in place and risk management refresher training will be rolled out to staff. This action remains in progress until this is completed. <u>Internal audit comment:</u> Recommendation remains open.
2021/22 – Risk Management	**21/22 RSK rec 3:** a) The risk officer and senior management should monitor actions taken against risks and ensure that risk owners clearly document what actions have been taken to support reductions in risk scores. b) Staff should be sufficiently trained to understand how strengthening internal controls can have a direct impact on mitigating risks.	Medium	Sue White, (Risk and Insurance Officer)	~~December 2022~~ ~~March 2023~~ June 2023	<u>Management update:</u> A guide to Risk Controls and Treatments has been sent out to Risk Owners and further training will be provided. This action remains in progress. <u>Internal audit comment:</u> Recommendation remains open.

RECOMMENDATIONS: OVERDUE

These recommendations have been marked as overdue as they have exceeded their original and revised implementation dates by at least once. Therefore, they have now missed at least two revised implementation dates.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 – Building Control	**21/22 BC rec 2:** The service should request the Council's ICT department and third-party provider to enable functionality that allow management to download reports from the system which closely monitor progress against ISO and statutory KPIs. There should be reports that show: - Application date and date approved or rejected versus the ISO and statutory completion date requirements - All current active applications being worked on - All rejected applications within a specified timeframe - All approved applications within a specified timeframe. The Council should also liaise with the system service provider to ensure that the completion deadline dates are precisely calculated on the system.	Medium	Gary Price–Sampson (Building Control Team Leader)	~~June 2022~~ ~~October 2022~~ ~~December 2022~~ ~~February 2023~~ June 2023	Management update: A system to advise on decision dates still needs to be developed, however this is not currently a KPI within the LABC ISO system we operate. It will be a most useful tool and will continue to be pursued / developed. This is a 'loop hole' likely to be closed out by the LABC ISO system at some date as the statutory decision dates are the indicator of ultimate failure, rather than the LABC 'self set' KPIs. Information on these ultimate failures is currently collected manually by us. This action currently remains in progress. Internal audit comment: Recommendation remains open.
2021/22 – Partnerships	**21/22 PART rec 1:** a) The Council should ensure that the Partnership Checklist is completed in all cases and held centrally. Consideration should be given to retrospectively completing the checklist for the Community Safety Partnership. b) The Partnerships Register should clearly indicate the risk level for all partnerships	Medium	Kim Anderson (Corporate Manager Communities, Leisure and Health)	~~July 2022~~ ~~September 2022~~ ~~December 2022~~ ~~February 2023~~	Management update: The annual review of the partnership register is being updated and is due to be completed by 31 March 2023. There is shared TEAMS site which all ELT Managers can access and upload the relevant inform information.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
	listed and the gaps in the register should be completed retrospectively. c) The Council's Partnership Register should include a hyperlink to the completed Partnership Checklist.			March 2023	A partnership webpage has been developed and there will be a hyperlink to the Council Partnership Register once the updated version has been completed at end of March 2023. Internal audit comment: Recommendation remains open.
2020/21 – Disaster Recovery and Business Continuity	**20/21 DRBC rec 1:** Management should perform a training needs analysis to identify and assess the level and type of training required by all members of staff with regards to business continuity and disaster recovery and should develop a mandatory training programme that is based upon these requirements. Training delivery methods could include, but not be limited to, the exercise types suggested in Appendix I in our report. Attendance should be recorded and monitored and training records should be maintained for audit purposes. Furthermore, Management should conduct a formally documented test of its business continuity and disaster recovery arrangements and should put arrangements in place to test them on a routine basis or following a significant change to the Council's operations. The results of the tests should be reported to Senior Management and any issues identified should be resolved in a timely manner.	Medium	Sue White, (Risk and Insurance Officer)	~~October 2021~~ ~~June 2022~~ ~~September 2022~~ ~~December 2022~~ September 2023	Management update: The training was provided in May 2022. Officers are considering a One Team approach to emergency planning and business continuity with Rochford District Council and liaison between the two councils has commenced regarding plans to start developing the new joint Business Continuity Plan. A new format for the plan has been developed which is similar to that which both Councils currently use but incorporates learning from the pandemic. Due to these changes, there has been no planned testing of BC Plans to date, although the Council has considered how each Council would respond should there be any power outages. The Council is registered with Gov.uk Notify and IT has successfully used this method of communication on a number of occasions to inform staff when there is an IT issue. There was a power cut at the Town Hall on 22 February 2023. Staff were notified by Gov.uk Notify and email. Those already at the Town Hall either went home to work, went to the Depot as they still had power, or stayed as IT had connected to a dongle. When power was not restored by midday, remaining staff were told to go home and work. Facilities Management remained onsite. Internal audit comment: First part of the recommendation previously closed by Internal audit. However, second part of recommendation remains open as the Council has not yet put arrangements in place to test BC plans a routine basis, with formal reporting of results to Senior Management.

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 – IT Data Breaches	**21/22 ITDB rec 1:** a) 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 and in line with the Council's strategic objectives. b) The Data Breach policy should include detailed procedures for reporting a data breach. This should include but not be limited to: o Defining roles and responsibilities o Description of type of personal data breach o Steps taken in case of a breach o Risk assessments and escalations o Containment and recovery o Contact details of the DPO, or other point of contact o Measures taken to evaluate and mitigate any possible breaches o Breach notifications to the ICO o Training and awareness o Monitoring and reporting compliance c) 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.	Medium	Tim Huggins (ICT Manager)	~~January 2022~~ ~~June 2022~~ ~~September 2022~~ ~~December 2022~~ ~~February 2023~~ June 2023	<u>Management update:</u> Brentwood Council has gone into partnership with Evalian to support the Council's statutory requirements for Data Protection. As part of this a full gap analysis is being conducted for Data Protection including but not limited 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 Information Governance (IG) Group in their role around information Governance, and the contract will be monitored by the Corporate Manager – IT & Service Improvement. The current Data Breach Policy is available. a) Reviewing of Information Governance policies is part of the role for the IG group and therefore this action is being co-ordinated by the group working with appropriate officers and partners. b) In addition to above – the group is reviewing the recommendations as part of its action plan. Once the suggestions have been reviewed, the agreed ones will be included. c) 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. Regular reviewing of IG policies is part of the roles and responsibilities of the newly formed IG group and will be undertaken. The Council has formally started the project with Evalian. Evalian has appointed resources and the above recommendations are being actioned. <u>Internal audit comment:</u> Recommendation remains open until completion can be fully evidenced.

FOR MORE INFORMATION:

GREG RUBINS

+44 (0)23 8088 1892
Greg.Rubins@bdo.co.uk

JANINE COMBRINCK

+44 (0)20 7893 2631
Janine.Combrinck@bdo.co.uk

www.bdo.co.uk