INTERNAL AUDIT PROGRESS REPORT

Brentwood Borough Council

2023/2024

IDEAS | PEOPLE | TRUST

BDO

CONTENTS

SUMMARY OF 2023/24 WORK

INTERNAL AUDIT

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 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.
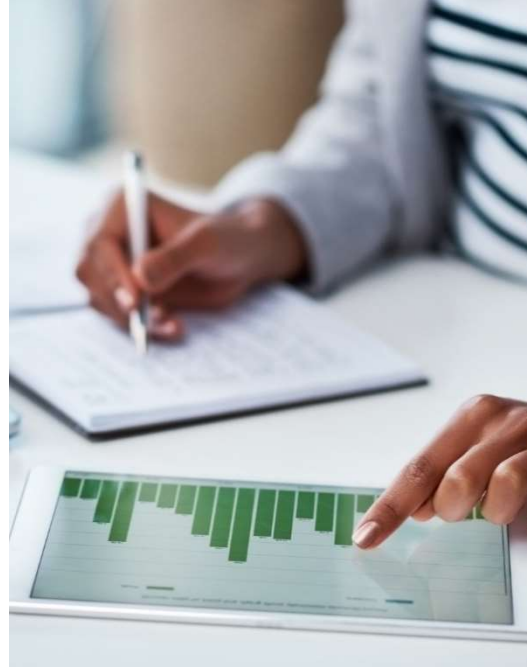
INTERNAL AUDIT METHODOLOGY

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.

2023/24 INTERNAL AUDIT PLAN

Since the last Audit and Scrutiny Committee we have completed one audit from the 2023/24 audit plan and present the final report:

▶ Waste Management.

Fieldwork is currently progressing in respect of the following audits:

▶ Communications and Information Sharing

▶ Risk Management

▶ Workforce Strategy

▶ Estates Management (Corporate).

The remaining audits are being planned and we anticipate presenting these reports at future Audit and Scrutiny Committee meetings.

CHANGES TO THE 2023/24 INTERNAL AUDIT PLAN

We have agreed the following change to the audit plan with officers:

▶ An audit of Development Partnerships will replace the One Team review and Partnership with Rochford District Council review included in our audit plan.

REVIEW OF 2023/24 WORK

AUDIT	EXEC LEAD	A&SC	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVE-NESS
Car Parking	Director of Assets & Investments	Sept 2023			✓	M	M
Tree Management	Director of Environment	Sept 2023			✓	L	L
Waste Management	Director of Environment	Nov 2023			✓	L	L
Risk Management	Interim Director of Resources	Jan 2024		✓			
Communications and Information Sharing	Director of Policy & Delivery	Jan 2024		✓			
Workforce Strategy	Joint Acting Director of People & Governance	Jan 2024		✓			
Estates Management (Corporate)	Director of Assets & Investments	Jan 2024		✓			
Data Protection (c/fwd from 2022/23)	Director of Customer & Data Insight	Jan 2024	✓				
Assets Management	Director of Assets & Investments	Jan 2024	✓				
Disaster Recovery and Business Continuity	Interim Director of Resources	Jan 2024	✓				
Main Financial Systems	Interim Director of Resources	Mar 2024	✓				
Financial Planning and Monitoring	Interim Director of Resources	Mar 2024	✓				
Development Partnerships	Interim Director of Resources	Mar 2024	✓				
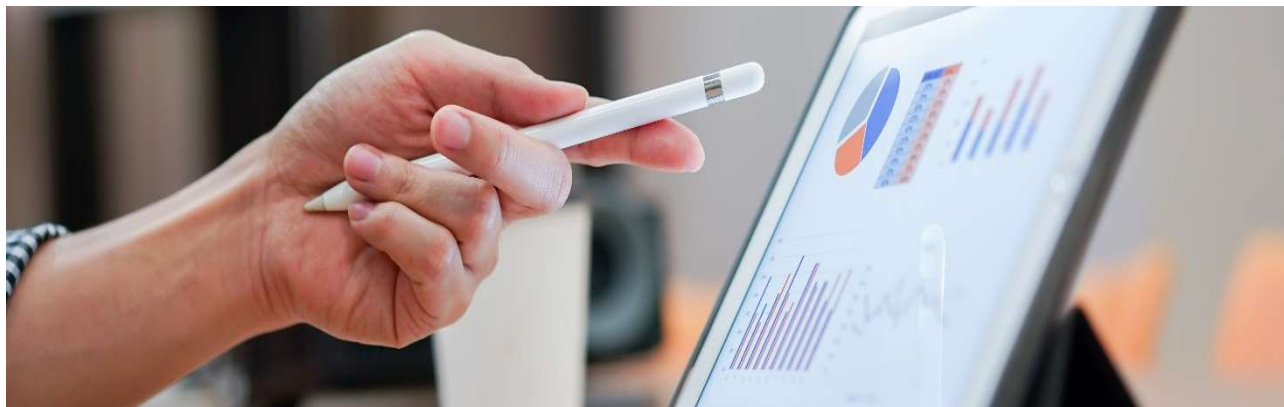
WASTE MANAGEMENT

| Design Opinion | **L** Limited | | Design Effectiveness | **L** Limited |

| Recommendations | **2** **4** **1** |

SCOPE

BACKGROUND

- ▶ Waste Management is an in-house service at the Council. All domestic household properties in the borough receive a weekly refuse pick up. Glass and green waste is collected every two weeks. Cans, plastic, paper and cardboard are collected on alternate weeks.
- ▶ Missed collections are reported online and the Council aims to collect the missed waste and recycling by the end of the next working day after the report is made.
- ▶ Household and recycling waste is collected free of charge however, residents can pay £60 per annum for a two weekly garden waste collection and £13 per bulky waste item.
- ▶ The Council is part of a 25 year Joint Municipal Waste Management Strategy for Essex (2007-2032), comprising Essex County Council as the Waste Disposal Authority and the 12 District and Borough Councils as the Waste Collection Authorities.
- ▶ The aim of the strategy and the partnership is to work together to create, promote or support campaigns that avoid or reduces waste, improve or maximise recycling and composting and minimise the environmental impacts of managing, treating and disposing of waste in Essex. The Strategy is currently in the process of being refreshed.

PURPOSE

The purpose of the audit was to review the Council's arrangements for improving the management of its waste and recycling collections.

AREAS REVIEWED

- ▶ We reviewed the Joint Municipal Waste Management strategy and established whether it is regularly reviewed, clearly defines roles and responsibilities, and is supported by action plans.
- ▶ Determined if there was adequate health and safety training available to officers which is completed regularly, and verified that completion records are maintained.
- ▶ Sought evidence to confirm if regular inspections of Waste Management are completed by the Health and Safety Team to ensure compliance with Health and Safety legislation.
- ▶ We scrutinised the Waste Management risk assessments to determine if they have been reviewed in the last 12 months.
- ▶ Confirmed if there is appropriate monitoring and reporting of key performance indicators to verify adequate oversight by management.
- ▶ Determined if there were action plans in place for any under-performing areas.
- ▶ Reviewed the complaints process to establish if it is sufficient and completed in compliance with procedures.

AREAS OF STRENGTH

- ▶ The Council has a complaints policy, which outlines the processes and procedures that are required by the Council and the complainant. Further, it also outlines the required timeframes set out by the Council for responses to each stage of complaint.

AREAS OF CONCERN

Our work highlighted the following areas of concern:

▶ The Council does not have a specific Waste Management Strategy, or supporting policies which incorporate the Essex Waste Management Strategy objectives and which also includes objectives which are relevant and tailored to the Council. The Council have a Performance Indicator Dashboard in place that shows current performance target percentages per department, which Street Scene is RAG rated red and no further breakdown is included. *(Detailed Finding 1 – High)*

▶ There was no documented evidence of Health and Safety inspections conducted in the last two years. *(Detailed Finding 2 – High)*

▶ The Council does not have an adequate and complete training document that outlines the current list of employees and the training they are required to complete for each waste role. Our review of the current training documentation found it was incomplete and the training dates on employee certificates were inconsistent to those listed on the training document maintained by the Council. *(Detailed Finding 3 – Medium)*

▶ We found no evidence that controls in the risk assessments maintained by Waste Management have been reviewed since they were implemented to ensure that the control is still working as originally expected. *(Detailed Finding 4 – Medium)*

▶ The Council do not conduct any formal reviews of routes conducted by waste drivers to ensure they are fully maximised and implemented effectively. *(Detailed Finding 5 – Medium)*

▶ Key performance indicators monitored by the Waste Management Team do not include missed collections and key themes that have been identified from the complaints received. Further, we found action plans for areas that are under performing area are not reported on and disseminated to ensure timely implementation. *(Detailed Finding 6 – Medium)*

▶ From our sample of five complaints received by the Team, we found that two stage 1 complaints and one stage 2 complaint had not received a response in a timely manner. *(Detailed Finding 7 – Low)*

CONCLUSION

▶ Overall, we found the controls in place to mitigate the examined Waste Management risks were not well designed or fully operational.

▶ We have made two high priority, four medium priority and one low priority recommendation in relation to a Council specific Waste Management Strategy, centralised training documentation for staff, health and safety inspections, risks assessments, driver routes, monitoring of key performance indicators and the dissemination of the complaints policy.

▶ We are therefore only able to provide limited assurance over the design and operational control framework in place for Waste Management services.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
1. Waste Management Policy 1.1 The Council should have a specific Waste Management Strategy, or create supporting policies and supporting standard operating procedures (SOPs), to incorporate the Essex Waste Management Strategy objectives including tailoring objectives that are relevant to the Council. The Strategy should also detail the following: • Roles and responsibilities. • Health and Safety and risk assessment requirements.	High	1.1 Agreed. This is already underway with a Member workshop pending. 1.2 Noted. Although final Brentwood strategy will reflect local resident practice. 1.3 Agreed.	Director of Environment June 2024

• Collection targets. • Agreed KPIs with monitoring and reporting structures. 1.2 We recommend that the Strategy or supporting Waste Management Policy should include action plans that support the Joint Municipal Waste Management Strategy for Essex, with collection targets and assigned responsibility owners, to ensure that Waste Management is being monitored and reported on accordingly and the Council have oversight of achieving their set objectives. 1.3 The policy should include a schedule of reviews, to ensure that it is up to date and ongoing monitoring and continuous improvements are being implemented.			
2. Health and Safety Inspections 2.1 The Council should establish an inspection schedule for regular inspections, to ensure that these inspections are completed. There should be allocated resources and personnel appointed to prioritise that these inspections are completed. Qualified individuals should be designated responsible for conducting inspections and addressing and reporting on solving any issues that arise. 2.2 The Council should also document all results from the inspections to evidence regular review including the date of the inspection and by whom it was conducted.	High	2.1 Agreed. 2.2 Agreed.	Waste and Streets Manager November 2023
3. Training Records Incomplete 3.1 Develop a structured/centralised training program/document that outlines the current list of employees and the training they are required for each of their roles. Maintain records to show when they were inducted and when they are due to have a refresher on the health and safety training. A centralised document to track all training would allow for proper oversight to ensure that each current employee is meeting their training requirements. 3.2 Implement periodic reviews of training records to identify gaps, outdated certifications and areas that need improvement. Assign responsibility to ensure records are being accurately maintained.	Medium	3.1 Agreed. 3.2 Agreed.	Waste and Streets Manager November 2023

4. Waste Management Risk Assessments 4.1 The Council should implement a schedule for the review and ongoing monitoring and mitigation for Waste Management risks. Monitoring of each of the controls should also outline when they have been last reviewed to ensure they are being regularly monitored to confirm they remain well designed and fully operating.	Medium	4.1 Agreed.	Waste and Streets Manager November 2023
5. Reviews of Driver Routes 5.1 The Council should implement a schedule for regular and robust reviews of driver routes to maximise efficiency and establish a more effective route management system. This schedule should include: • Action plans for when new locations are added onto the driver routes to ensure that the current driver routes are the most efficient or another route is better maximised, also considering the drivers capacity. • A feedback mechanism where drivers can report route-related issues or suggest improvements. 5.2 Driver software could also be implemented to enhance the driver routes. However, with this appropriate training should be provided.	Medium	5.1 Agreed. Route assessments to be spread over a year on a rolling basis. 5.2 Noted. Prices for appropriate software are being obtained.	5.1 Waste and Streets Manager October 24 5.2 Waste and Streets Manager December 23
6. Oversight of Key Performance Indicators 6.1 The Council should expand the Key Performance Indicators to include missed collections and key themes that are being identified in the complaints they have been receiving regarding Waste Management e.g., percentage of bins missed, identifying areas that need improvement to ensure that areas of underperformance are being addressed. 6.2 The Council should implement action plans for areas that are underperforming to ensure these areas are receiving efficient support and resources to improve in the areas they are lacking. With regular reviews and detailing timeframes to report back on the status of their performance.	Medium	6.1 This is now in place. 6.2 Agreed, although existing data would require manual entry and analysis therefore it may prove too time consuming.	6.1 Waste and Streets Manager October 23 6.2 Waste and Streets Manager July 2024
7. Complaints Policy 7.1 The Policy should be disseminated to applicable staff to ensure they are fully aware of the response time requirements.	Low	7.1 Agreed	7.1 Waste and Street Manager November 23

KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	Two 2023/24 audits have been deferred until later in the year, 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 report – overall score at least 70% for surveys issued at the end of each audit	No survey responses received yet for 2023/24	-
4. Annual survey to Audit committee to achieve score of at least 70%	Average score from six respondents is above 70%.	G
5. At least 60% input from qualified staff	We are on track to meet this KPI	G
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for three out of three audits for 2023/24 to date	G
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for three out of three audits fore 2023/24 to date	G
8. Positive result from 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 three out of three completed audits (see table below) The KPI regarding draft report has been met for three out of three completed audits (see table below)	G
10. Audit sponsor to implement audit recommendations within the agree timescale	Our latest follow up exercise has confirmed 11 out of 30 due recommendations (based on original due dates) have been implemented since our last progress report.	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 have experienced some delays in securing meetings to start our audits	A

KEY FOR RAG RATING

G = met target   A = partly met target

R = not met target   - = not applicable

AUDIT TIMETABLE DETAILS (2023/24)

Audit	Draft ToR Issued	Management Response to ToR Received	Closing Meeting	Draft Report Issued	Management Response to Draft Report Received	Final Report Issued
Car Parking	14/07/2023	21/07/2023	30/08/2023	01/09/2023	13/09/2023	13/09/2023
Tree Management	29/06/2023	03/07/2023	29/08/2023	31/08/2023	13/09/2023	14/09/2023
Waste Management Services	06/07/2023	09/07/2023	02/10/2023	06/10/2023	19/10/2023	24/10/2023
Risk Management	10/07/2023	17/07/2023	n/a	n/a	n/a	n/a
Communications and Information Sharing	12/09/2023	25/09/2023	n/a	n/a	n/a	n/a
Workforce Strategy	19/09/2023	22/09/2023	n/a	n/a	n/a	n/a
Estates Management	24/10/2023	31/10/2023	n/a	n/a	n/a	n/a
Data Protection (Carried forward from 22/23)	n/a	n/a	n/a	n/a	n/a	n/a
Assets Management	n/a	n/a	n/a	n/a	n/a	n/a
Disaster Recovery and Business Continuity	n/a	n/a	n/a	n/a	n/a	n/a
Main Financial Systems	n/a	n/a	n/a	n/a	n/a	n/a
Financial Planning and Monitoring	n/a	n/a	n/a	n/a	n/a	n/a
Development Partnerships	n/a	n/a	n/a	n/a	n/a	n/a

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial	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.
Moderate	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.
Limited	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.
No	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
High — 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.
Medium — 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.
Low — 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:

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