

Finance & Audit Scrutiny Committee

Wednesday 26 May 2021

A meeting of the above Committee will be held in the Town Hall, Royal Leamington Spa on Wednesday 26 May 2021, at 6.00pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Councillor M Ashford

Councillor I Davison

Councillor R Dickson

Councillor J Grey

Councillor T Heath

Councillor G Illingworth

Councillor N Murphy

Councillor J Nicholls

Councillor S Syson

Councillor N Tangri

Councillor J Tracey

Emergency Procedure

At the commencement of the meeting, the emergency procedure for the Town Hall will be announced.

Agenda

Part A – General

1. Apologies & Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Appointment of Chairman

To appoint the Chairman of the Committee for the municipal year 2021/22.

3. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

4. Minutes

To confirm the minutes of the meeting held on 21 April 2021

(Pages 1 to 4)

Part B – Audit Items

5. Internal Audit Quarter 4 2020/21 Progress Report

To consider a report from Finance

**(Pages 1 to 31)
(Appendices A -N)**

6. Internal Audit Annual Report 2020/21

To consider a report from Finance

**(Pages 1 to 13)
(Appendix 1)**

7. Annual Governance Statement 2020/21

To consider a report from Finance

**(Pages 1 to 19)
(Appendix A)**

Part C – Scrutiny Items

8. Progress Report on Replacement IT Systems

To consider a report from Finance

(Pages 1 to 7)

9. Review of the Work Programme and Forward Plan & Comments from the Executive

To consider a report from Civic & Committee Services

**(Pages 1 to 8)
(Appendix 2 to follow)**

10. Cabinet Agenda (Non-Confidential Items and Reports) – Thursday 27 May 2021

To consider the non-confidential items on the Cabinet agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

(Circulated Separately)

11. Public & Press

To consider resolving that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

12. Cabinet Agenda (Confidential Items and Reports) – Thursday 27 May 2021

To consider the confidential items on the Cabinet agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

(Circulated separately)

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prior to the meeting, by telephoning (01926)
456114

Finance and Audit Scrutiny Committee

Minutes of the remote meeting held on Tuesday 6 April 2021 at 6.00pm, which was broadcast live via the Council's YouTube Channel.

Present: Councillor Nicholls (Chair); Councillors: Bartlett, J Dearing, R Dickson, Grey, Heath, Illingworth, Kennedy, Syson, Tracey and Wright.

Also present: Councillors Hales (Portfolio Holder for Finance & Business), and Matecki (Portfolio Holder Housing & Culture).

91. **Apologies and Substitutes**

- (a) there were no apologies for absence; and
- (b) Councillor Kennedy substituted for Councillor Luckhurst.

92. **Declarations of Interest**

There were no declarations of interest made.

93. **Minutes**

The minutes of 17 March Finance & Audit Scrutiny Committee were taken as read and signed by the Chairman.

94. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

95. **Executive Agenda (Confidential Items and Reports) – Tuesday 13 April 2021**

Item 11 – Community Stadium and Associated Developments

The Finance & Audit Committee supported the report.

(The meeting resumed in public session)

96. **Review of the Work Programme and Forward Plan & Comments from the Executive**

The Committee considered a report from Democratic Services that informed the Committee of its work programme for 2021/2022 Municipal Year (Appendix 1) and of the current Forward Plan.

The proposed addition to Scrutiny Procedure rules, attached as appendix 3 to the report, was brought forward by Councillors Milton and Nicholls following several months of informal testing which had worked well.

At its meeting in September, the Committee asked for an update at each meeting on the revised Audit Plan so it was aware of progress. This was attached as appendix 4 to the report.

The Chair stated that following the Scrutiny Committee last month, he and the Chair of Overview & Scrutiny sought feedback about the way the Council should scrutinise the proposed merger with Stratford District Council. They identified the following themes:

- Impact on services to residents;
- Democratic representation;
- Impact on strategic priorities (in particular the CEAP);
- Finance and Council Tax; and
- Communications and consultation with residents.

These themes were supported with some additional focus on specific services, for example Neighbourhood Services and Green Spaces, and the importance of understanding the inter-relationship with Town and Parish Councils. They also sought views about joint scrutiny with Stratford-on-Avon District Council and Warwick District Council scrutiny Committees.

Particular concerns were raised that this could become unwieldy and put at risk the ability to represent the interest of residents as this programme was taken forward.

Councillors Nicholls and Milton had consulted with officers and agreed the following recommendations:

- Scrutiny for the merger should continue to be done separately by Finance & Audit and Overview & Scrutiny, but the Chairs of the Scrutiny Committees should consult frequently to ensure there was good synergy between the work of the Committees and nothing fell between the gaps.
- Scrutiny should be conducted in line with the five themes identified with specific areas being covered in the impact of services to residents theme and the impact of Town / Parish councils, which should become cross-cutting themes. On this point, Committee Services would arrange a briefing session for all Members of Warwick District Council on the different roles of Parish and Town Councils across the District, and the powers they held and what further powers could be delegated or devolved to them within the existing legal framework, if those bodies were to agree.
- Committee Services should be asked to prepare a scrutiny plan which would outline a timetable for Scrutiny to consider these themes. This timetable needed to give sufficient scope for the Committee to influence the development of policy rather than simply reviewing it post hoc.

- The Council should seek additional resource to support the scrutiny of this programme both in terms of officer support and expert support from the centre for governance and scrutiny.
- In terms of joint local plan, the chairs of the Scrutiny Committees agreed with the Executive that joint scrutiny with Stratford-on-Avon District Council was appropriate, and it would be for the chairs of the Scrutiny Committees to meet with the relevant officers and agree an approach in the new Council year.

The Democratic Services Manager and Deputy Monitoring Officer advised Members that in relation to creating the workplan and flow, it would be handy to bring in Centre for Governance and Scrutiny (CfGS) at an early stage to help with the planning phase with the Scrutiny Committee Chairs, in order to help the overall structure and to help guide throughout. If Members were minded to agree with the proposal, Committee Services would get in touch with CfGS to set up meetings as quickly as possible.

Recommended to Council that the addition of the protocol set out at Appendix 3 to the report, for embedding within Scrutiny Procedure Rules, be approved, and asks Council to amend Scrutiny Procedure rules so that the deadline to request Executive items to be considered by Scrutiny is 9.00am on the morning after Group meetings.

Resolved that

- (1) the report be noted; and
- (2) the progress on the Audit Plan as set out at Appendix 4 to the report, be noted.

97. **End of Term Report**

The Committee received a report from Democratic Services providing an update on the work the Finance & Audit Scrutiny Committee had undertaken during the municipal year 2020/21. The Committee met 10 times during the year, although its first meeting was just to appoint the Chair of the Committee. It also met jointly with the Overview & Scrutiny twice in July 2020.

Under Article 6 of the Council's Constitution, the Overview & Scrutiny Committees and Policy Committees were required to provide an end of term report to the Council on work they had undertaken during the year.

The matters considered during the year were attached at Appendix A to the report. This would be updated to include matters considered at this meeting, before it was submitted to Council on 5 May 2021.

A full account of the work undertaken by the Finance & Audit Scrutiny Committee for the municipal year 2020/21 would also be submitted to Council.

In response to a question from Members, the Chair stated that because of the constructive relationship between the Chair of the Finance Programme

Advisory Board (PAB), the Portfolio Holder for Finance & Business and himself, the PAB had been helpful in terms of ensuring that the Committee was able to provide scrutiny on a well-informed basis.

Recommended to Council that

- (1) the list of matters considered by the Finance & Audit Scrutiny Committee during the municipal year 2020/21, as detailed in Appendix A to the report, be noted; and
- (2) prior to submission to Council, the report will be updated to include the meetings of the Committee and any Executive responses that took place in April 2021.

(The meeting ended at 7.05pm)

CHAIR
26 May 2021

Finance and Audit Scrutiny Committee
26 May 2021

Title: Internal Audit Quarter 4 2020/21 Progress Report

Lead Officer: Richard Barr

Portfolio Holders: Councillor Noone

Public report / Confidential report: No

Wards of the District directly affected: Not applicable

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Consultation with line management and SMT. None with community.

Checked for Accessibility: Yes

Final Decision: Yes.

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4 May 2021	Chris Elliott/Andrew Jones
Head of Service	4 May 2021	Mike Snow
CMT	4 May 2021	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	4 May 2021	Mike Snow
Monitoring Officer	4 May 2021	Andrew Jones
Finance	4 May 2021	Mike Snow
Portfolio Holder(s)	13 May 2021	Councillor Noone

1 **Summary**

- 1.1 Report advises on progress in achieving the Internal Audit Plan 2020/21, summarises the audit work completed in the final quarter and provides assurance that action has been taken by managers in respect of the issues raised by Internal Audit.

2 **Recommendations**

- 2.1 That the report, including its appendices, be noted and, where appropriate, approved. Specifically:
 - 2.1.1 That Appendix 1, containing guidance on the role and responsibilities of audit committees, be noted. (Paragraph 3.2 of this report)
 - 2.1.2 That Appendix 2, detailing the performance of Internal Audit in completing the Audit Plan, be considered. (Para. 8.1 of this report)
 - 2.1.3 That Appendix 3, setting out the action plan accompanying the Internal Audit report issued in the quarter, be reviewed. (Para. 10.2)
 - 2.1.4 That Appendix 4, recording the state of implementation of recommendations issued in previous quarters, be reviewed. (Para. 11.2)

3 **Reasons for the Recommendations**

- 3.1 Members have responsibility for corporate governance, of which internal audit forms a key part.
- 3.2 Finance and Audit Scrutiny Committee is operating, in effect, as an audit committee in the context of receiving and acting upon this report. Guidance on the role and responsibilities of audit committees is available from a number of sources. That which relates to audit committees' relationship with internal audit and in particular the type and content of reports they should receive from internal audit is summarised in Appendix 1.
- 3.3 Essentially, the purpose of an audit committee is:
 - To provide independent assurance of the associated control environment.
 - To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
- 3.4 To help fulfil these responsibilities audit committees should review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- 3.5 The following sections provide information to satisfy these requirements.

4 **Policy Framework**

4.1 **Fit for the Future (FFF)**

4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 **FFF Strands**

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.2.2 **Internal impacts of the proposal(s)**

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.3 **Supporting Strategies**

4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.4 **Changes to Existing Policies**

4.4.1 This section is not applicable.

4.5 **Impact Assessments**

4.5.1 This section is not applicable.

5 Budgetary Framework

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 Risks

- 6.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 6.2 It is impractical to provide a commentary on risks as the report is concerned with the outcome of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with the issues raised within the Internal Audit reports (these risks were highlighted within the reports). There is also an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

7 Alternative Options Considered

- 7.1 This section is not applicable.

8 Progress against Plan

- 8.1 At the start of each year Members approve the Audit Plan setting out the audit assignments to be undertaken. This year's Audit Plan had to be revised due to the impact of the Coronavirus Pandemic. A revised Audit Plan was approved by Members on 30 September. A detailed analysis of progress in completing the Audit Plan for 2020/21 is set out as Appendix 2.

9 Assurance

- 9.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of financial and other management controls.

- 9.2 Each audit report gives an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands are shown below:

Assurance Levels

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with the controls that do exist.

These definitions have been developed following extensive investigation of other organisations' practices (including commercial operations).

10 Internal Audit Reviews Completed in the Quarter and Management Responses to Recommendations

- 10.1 Seventeen audits were completed in the final quarter of 2020/21. As confirmed in the last table in Appendix 2, this means that the Audit Plan has been completed for the year. (In fact, one of the team was ahead of schedule so, with the co-operation of the relevant service, was able to undertake an additional audit.)
- 10.2 With the exception of the Digital Transformation Consultancy Review and Web Applications Audit (deemed confidential due to the inclusion of sensitive information), the Internal Audit reports relating to the audits completed in the quarter are available for viewing on the online agenda for the meeting.
- 10.3 Three audits completed in the quarter were awarded a lower than substantial assurance opinion. Three audits were awarded a less than substantial level of assurance. These were: Information Governance, Tenancy Management, and Web Applications: HomeChoice and WasteWeb. All three audits were awarded a moderate level of assurance.
- 10.4 With the exception of the Digital Transformation Consultancy Review and Web Applications Audit (both previously referred to in para. 10.2, above), the action plans accompanying these reports are set out for separate scrutiny as Appendix 3. This details the recommendations arising together with the management responses, including target implementation dates. As can be seen in the Appendix, responses have been received from managers to all recommendations that were made.

11 **Implementation of Recommendations Issued Previously**

- 11.1 Managers are required to implement recommendations within the following timescales:
- (a) Recommendations involving controls assessed as high risk to be implemented within three months.
 - (b) Recommendations involving controls assessed as low or medium risk to be implemented within nine months.
- 11.2 The state of implementation of **low and medium risk** recommendations made in the **first quarter of 2020/21** is set out in Appendix 4 to this report. There were no **high risk** recommendations issued in the **third quarter of 2020/21** so none is included in this appendix.
- 11.3 As can be seen in the Appendix, in terms of determining the state of implementation of recommendations issued in the first quarter, there are no outstanding responses.

12 **Review**

- 12.1 Members are reminded that they can see any files produced by Internal Audit that may help to confirm the level of internal control of a service, function or activity that has been audited or that help to verify the performance of Internal Audit.

Title: Internal Audit Quarter 4 2020/21 Progress Report

Lead Officer: Richard Barr

Portfolio Holders: Councillor Noone

Public report / Confidential report: No

Wards of the District directly affected: Not applicable

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Consultation with line management and SMT. None with community.

Checked for Accessibility: Yes

Final Decision: Yes.

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4 May 2021	Chris Elliott/Andrew Jones
Head of Service	4 May 2021	Mike Snow
CMT	4 May 2021	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	4 May 2021	Mike Snow
Monitoring Officer	4 May 2021	Andrew Jones
Finance	4 May 2021	Mike Snow
Portfolio Holder(s)	13 May 2021	Councillor Noone

Addendum to Agenda Item 5

1. Addendum

- 1.1. An amendment to page 23 of Appendix 3 was received from the Principal Internal Auditor, relating to the Purchasing Card Recommendation.
- 1.2. The amendment is as follows, and the revised appendix is attached to this addendum.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Community Infrastructure Levy and Section 106 Agreements – 5 January 2021				
No recommendations necessary on this occasion.				
Rural and Urban Capital Improvement Schemes – 31 March 2021				
No recommendations necessary on this occasion.				
Purchasing Cards – 31 March 2021				
No recommendations necessary on this occasion.				
Crime and Disorder – 10 February 2021				
No recommendations necessary on this occasion.				
Nuisance and Other Protection Duties: Public Health Funerals – 17 March 2021				
4.2.3	There should be a written procedure in place setting out the processes for arranging a public health funeral.	Low	Safer Communities Manager	A documented procedure will be agreed with the technical officer TID: End of April 2021
Business Applications: MIS Housing and Corporate Property – 4 February 2021				
4.2.2	Council management to work with relevant Information Governance colleagues to complete a DPIA on the MIS ActiveH Application in a timely manner.	Medium	Business Development & Change Manager (Housing Services – System Owner)	Agreed. A Data Protection Information Assessment DPIA for the ActiveH application will be developed and signed off by the Council's Information Governance Manager. TID: 30 April 2021

**Summary of Recommendations and Management Responses from Internal Audit Reports
issued Quarter 4, 2020/21**

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Information Governance – 31 March 2021				
4.2.5	A guidance document, pulling together all issues identified, should be drawn up and distributed to all staff.	Low	Information Governance Manager	Agreed. A guidance document will be drawn up and issued accordingly. TID: 30 June 2021
4.3.9	A review of relevant contracts should be performed where contractor staff have access to Riverside House or other relevant Council buildings to ensure that appropriate reference is made to data security.	Low	SMT	Contract managers will be asked to review their contracts to ensure that the need for data security has been appropriately considered in each case. TID: 30 September 2021
4.5.6	Management should take into account the health and wellbeing of staff in relation to current working conditions and the information governance implications of staff working in 'shared spaces' when taking decisions on future office needs.	Medium	SMT	These aspects will be given due consideration (in conjunction with relevant staff, such as HR and the Information Governance Manager) when future office needs are being considered. TID: 30 September 2021

¹ Risk Ratings are defined as follows:

- High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.19	A review of work-issued devices (such as mobile phones) should be performed to ensure that they are suitable for the work now being performed at home (or other 'off-site' locations).	Medium	SMT	ICT Steering Group will be asked to perform a review of devices currently in use and to identify the resourcing implications of providing replacement devices where necessary. TID: 30 September 2021
Cyber Security – 31 March 2021				
4.2.4	Regular reviews of the ICT Services – Change Management Policy should be conducted with the first one being as soon as possible.	Low	Head of ICT Services	A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service. The Change Management Policy will be reviewed to ensure that it includes key principles from the ITIL change management framework. TID: 30 June 2021

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.1	Regular reviews of the "Major Virus Outbreak procedure" and "Removable Media Policy" should be conducted and communicated accordingly with the first ones being as soon as possible.	Low	Head of ICT Services	<p>A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service.</p> <p>The overall incident management policy and procedure, which includes the major virus outbreak procedure will be reviewed to ensure that it includes the latest guidance from NCSC. Removable media will also be reviewed as significant changes to its usefulness have taken place.</p> <p>TID: 30 June 2021</p>
4.4.1	A formal Network Monitoring Policy and supporting operational procedures should be documented. The policy should set out the scope of the monitoring activity; for example, specifying the infrastructure logs that are relevant, roles and responsibilities and the reporting and follow up processes needing to be carried out.	Low	Head of ICT Services	<p>ICT can review its network monitoring and logging processes in line with the latest guidance from NCSC. An appropriate policy and process will be produced for consideration by the ICT Steering Group.</p> <p>TID: 30 September 2021</p>

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.2	Reviews should be conducted of the relevant Third Party remote access policies, their related procedures and the remote working policy for staff and members. A regular review of the policies should be undertaken on an appropriately regular basis.	Low	Head of ICT Services	A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service. The Council's overall remote working and access policy requires a review to ensure that it takes account of the changed circumstances of WDC, where more staff are working remotely than ever before. A review of supplier remote access will also be undertaken to ensure that appropriate safeguards are in place and effective monitoring is operational. TID: 30 September 2021
Council Tax – 31 March 2021				
No recommendations necessary on this occasion.				
National Non-Domestic Rates – 12 January 2021				
4.3.1.6	Staff should be reminded of the need to advise the VOA of all relevant change to non-domestic properties.	Low	Revenues & Recovery Manager	This has been raised in the team meeting and also the individuals' one-to-ones. TID: Completed.
4.4.3.7	The relief paid to the Community Interest Company should be reviewed, with a further check being undertaken to ascertain whether there are any other such accounts in place.	Low	Exchequer Manager / Revenues & Recovery Manager	We will investigate the CIC identified that is receiving Mandatory Charity Relief and check to ensure they are eligible. This has never been picked up before so we were unaware of this issue. TID: 31 March 2021

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Digital Transformation Position Statement – 31 March 2021 (Consultancy Review)				
Web Applications: HomeChoice and WasteWeb – 31 March 2021 (Confidential)				
Income Receipting and Document Management – 26 March 2021				
4.3.5	Access to post folders should be limited to the relevant team.	Medium	Democratic Services Manager and CST Manager	Agreed. The permissions on these folders were set in liaison with ICT based on available staff structures at the time on the intranet which were inconsistent. This will be reviewed with assistance from HR and within the capacity of the ICT team. The initial review will be completed by the end of April 2021. TID: Initial review to be completed by the end of April 2021.
4.3.7	Staff should be reminded to regularly check folders for inbound post and to remove documents after use.	Low	Democratic Services Manager and CST Manager – to contact managers (members of Managers Forum)	Agreed. A reminder will be sent to Managers Forum each quarter starting with one in late April 2021. TID: First reminder will be sent by end of April 2021.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Development Management – 21 February 2021				
4.2.6	Planning staff should be reminded to save all necessary documentation in Idox.	Low	Manager - Development Services / Business Manager - Development Management	Agreed. TID: End of Feb 21
4.4.3	The issues with Ripplestone should be identified and resolved.	Low	Systems and Business Improvement Officer	Agreed. TID: End of April 21
4.4.11	The percentage of applications with performance agreements should be included in the quarterly SAP figures.	Low	Manager - Development Services / Systems and Business Improvement Officer	Agreed subject to discussion with the Head of Service and Development Portfolio Holder. TID: Discussion by end of March 21
4.5.4	The Development Services risk register should be reviewed and updated on an ongoing basis.	Low	Manager - Development Services / Enforcement Manager	Agreed. TID: This is already the case.
4.6.17	Enforcement activity should be regularly publicised in local media and on social media.	Low	Manager - Development Services / Enforcement Manager	Agreed. Consideration is already given to this on a regular basis. TID: This is already the case.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Community Infrastructure Levy and Section 106 Agreements – 5 January 2021				
No recommendations necessary on this occasion.				
Rural and Urban Capital Improvement Schemes – 31 March 2021				
No recommendations necessary on this occasion.				
Purchasing Cards – 31 March 2021				
No recommendations necessary on this occasion.				
Crime and Disorder – 10 February 2021				
No recommendations necessary on this occasion.				
Nuisance and Other Protection Duties: Public Health Funerals – 17 March 2021				
4.2.3	There should be a written procedure in place setting out the processes for arranging a public health funeral.	Low	Safer Communities Manager	A documented procedure will be agreed with the technical officer TID: End of April 2021
Business Applications: MIS Housing and Corporate Property – 4 February 2021				
4.2.2	Council management to work with relevant Information Governance colleagues to complete a DPIA on the MIS ActiveH Application in a timely manner.	Medium	Business Development & Change Manager (Housing Services – System Owner)	Agreed. A Data Protection Information Assessment DPIA for the ActiveH application will be developed and signed off by the Council's Information Governance Manager. TID: 30 April 2021

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.5	The accounts assigned to the internal auditors should be reviewed such that they are assigned read-only access at the most.	Low	Business Development & Change Manager (Housing Services – System Owner)	<p>Agreed.</p> <p>The level of access permission to be adjusted to read only access.</p> <p>If the system does not facilitate the creation of Read Only accounts, accounts used for auditing purposes could be disabled or removed until they are required.</p> <p>TID: 19 Feb 2021</p>
4.4.7	All of the UDE screens/ forms should be reviewed in order to apply appropriate validation to the relevant fields.	Medium	Business Development & Change Manager (Housing Services – System Owner)	<p>Agreed. To review existing UDE screens and forms, apply the appropriate validations and conditions to those still in use.</p> <p>This would have to be a joint undertaking between ICT, to support the changes, and the service area to identify which business items are crucial and must be updated.</p> <p>TID: 30 April 2021</p>

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Tenancy Management – 31 March 2021				
4.2.9	<p>A review should be completed of the phone duty rota and procedure to ensure busier shifts are covered and so calls abandoned are kept to a minimum.</p> <p>Call waiting messages could be played reminding customers of the other ways to make contact, encouraging a channel shift towards using the website or email.</p>	Low	Landlord Services Manager and Landlord Operations Manager	<p>A review of the phone rota's in line with housing officers' duties of been on patch will be undertaken in April.</p> <p>Opportunities to move more services on line will be explored and comparisons of telephone performance will be undertaken.</p> <p>TID: 30 April 2021</p>
4.4.5	All relevant documentation should be stored and recorded correctly to show that the Council is compliant with the tenancy agreement.	Medium	<p>Landlord Operations Manager</p> <p>Senior Housing Officer</p>	<p>The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. These procedures will include storing of documents.</p> <p>TID: July 2021</p> <p>Housing Services will review the use of IT equipment which could save straight to Active H using whilst on site, using devices such as iPads.</p> <p>TID: September 2021</p>

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.7	There should be a procedure in place for Housing officers to follow to ensure the same process is followed when logging visits and saving relevant documentation.	Low	Landlord Operations Manager	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include Tenancy Visits and saving of relevant documentation. TID: June 2021
4.6.3	The application for the mutual exchange together with other relevant documents should be saved to the tenants or house file. A formal procedure for officers to follow when processing applications for mutual exchanges, should be produced.	Medium	Landlord Services Manager	The Landlord Services Management Team are working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on handling applications for Mutual Exchanges on HPM. TID: July 2021
4.7.3	The duties for garage tenancy management should be agreed and documented in a formal procedure to ensure the Council's assets are maintained and rent is collected as due.	Medium	Landlord Services Manager	The Landlord Services Management Team are working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on managing garages. TID: June 2021

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.7.5	To help ensure garages are used as intended and looked after by tenants, site checks on the external environment of the garages should be completed and logged onto the relevant file. A formal procedure detailing how officers should manage garages will need to be produced.	Medium	Landlord Operations Manager	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on managing garages to include site checks. TID: June 2021
4.8.5	A written procedure to guide staff on the recording of complaints should be established. Also a lack of robust management information means that any necessary remedial action cannot be undertaken.	Medium	Landlord Operations Manager	A procedure for managing complaint so Anti-Social Behaviour has been written. It is awaiting sign off by Landlord Services Manager Training on the new procedure is arranged for 9 March 2021. TID: March 2021
Communications – 10 February 2021				
4.2.6	Training resources should be reviewed, updated and made available to staff.	Low	Marketing & Communications Manager	We will review our intranet pages and all the relevant documents to ensure they are easily accessible for staff. TID: April 2021
4.3.12	Social media training should be amended to directly reference the Social Media Policy.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	This will now be included in the social media training documents. TID: April 2021

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.35	Management should receive performance monitoring data for all Council social media accounts, including Instagram.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	Instagram will now be added to our social media monitoring and included in our monthly media stats. TID: May 2021
4.3.36	Social media performance targets should be reviewed and revised regularly to remain relevant.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	A review of our social media accounts will be included in Kris Walton's objectives in his appraisal to review quarterly. TID: Ongoing from June 2021
4.3.37	Social media performance targets should be reviewed and revised to ensure that they accurately describe the performance statistics.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	As above. TID: Ongoing from June 2021
4.4.3	Guidance notes covering interaction with the media should be reviewed regularly and, where necessary, updated and re-issued.	Low	Marketing & Communications Manager	Guidance notes for dealing with the media will be reviewed and updated on the media team intranet pages. TID: Ongoing from July 2021

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Staff Health and Wellbeing – 11 February 2021				
4.2.6	1. The current advice and information should still be easily accessible to staff so it can be reviewed if their circumstances change or when there are new starters.	Low	Head of People and Communications	The up-to-date guidance has been reinstated on to the big button information. Guidance will be consolidated to ensure the up-to-date information is easy to find. TID: Completed.
	2. Reminders or links to the support available should be an ongoing priority in the current pandemic.	Low	Head of People and Communications	Appropriate links and signposting is in place and managers will continue to be provided with information to share with their teams. TID: Completed.
4.2.8	Messages should be continuously reviewed and adapted, including those delivered by managers. Managers should make regular contact with their staff enabling them to provide guidance and signpost them to support.	Low	Head of People and Communications	Managers have now all received the virtual working training. Appropriate links and guidance will continue to be shared with staff and managers. TID: Completed.
4.2.9	1. The Health and Wellbeing page should be kept up-to-date and include current links, promoting the services and resources the Council has available to staff.	Medium	Head of People and Communications	The Health and Wellbeing page has now been updated. TID: Completed.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.2.9	2. The information relating to the support available to staff should have the relevant intranet tags so it appears in the search function.	Low	Marketing & Communications	This is something we are aware of and it is being addressed. TID: Ongoing.
4.3.5	As most staff cannot access virtual meetings through VMware, there should be alternative joining instructions issued to allow staff to access the sessions from the device used for virtual meetings.	Low	Marketing & Communications	We have been made aware of this and adapted the message to ensure links are accessible. TID: Completed.
4.4.2	The health and safety page should be reviewed to ensure it is relevant and has current information and guidance available, including advice on how to set up their workstation.	Medium	Health & Safety Officer	We will review this to ensure this is regularly updates. TID: Ongoing.

Guidance on the Role and Responsibilities of Audit Committees

Public Sector Internal Audit Standards 2013

Independence and Objectivity

The chief audit executive must...establish effective communication with, and have free and unfettered access to...the chair of the audit committee.

Glossary

Definition: Audit Committee

The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

***Audit Committees: Practical guidance for Local Authorities
(CIPFA)***

Core Functions

Audit committees will:

... Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

Suggested Audit Committee Terms of Reference

Audit Activity:

- To consider the Head of Internal Audit's report and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider summaries of specific internal audit reports as requested.
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

Called to Account: The Role of Audit Committees in Local Government (Audit Commission)

Monitoring Audit Performance

Auditor/officer collaboration

Slow delivery and implementation of recommendations reduces the audit's impact and can allow fraud to flourish or service delivery to deteriorate. Audit committees can play a key role in ensuring that auditors and officers collaborate effectively. This can enable auditors' reports to be dovetailed into the relevant service committee cycles and ensure that officers respond promptly to completed audit reports.

Management response

An audit committee can ensure that officers consider these recommendations promptly, and act on them where auditors have raised valid concerns.

Implementation

Agreed recommendations arising from audit work need to be implemented. Councils should have a forum for considering the contribution of internal and external audit and for ensuring that audit is, in practice, adding value to corporate governance.

Audit committees can be a powerful vehicle for securing implementation of audit recommendations and thereby improve the operation and delivery of Council activities.

CIPFA Technical Information Service Online

Audit Reporting

Introduction

Internal auditors should produce periodic summary reports of internal audit's opinion and major findings.

The...report could also be issued to senior management of the organisation but should primarily be issued to the audit committee to report upon the soundness or otherwise of the organisation's internal control system. This report will form the conclusion of the work undertaken by internal audit

during the period of the report. A summary of the scope of this internal work should also be included in the report.

Periodic Internal Audit Reports

Audit committees should not normally be provided with the full text of internal audit reports. Audit reports are mainly concerned with operational details while audit committees and members or non-executive directors should be concentrating on ensuring that the organisation's system of internal control is effective and that the strategic or corporate objectives are being achieved efficiently. Members or non-executive directors' interest in internal audit should normally be restricted to gaining an assurance that the organisation's systems of internal control are adequate and that where audit does not consider this to be the case that action is taken to ensure that any short comings are rectified promptly.

Audit committee members should not usually get involved in discussing individual internal audit findings or recommendations but should concentrate their attentions on the opinions internal audit express on the activities and systems they have reviewed. These opinions should be summarised and should provide a clear opinion on the overall quality of the organisation's internal control system and the general level of performance across the organisation. Members or non-executive directors should not be over concerned with adverse internal audit conclusions if reasonable recommendations suggested by internal audit have been accepted and that these have been promptly implemented.

If, however, major internal control weaknesses are discovered these should be reported to the audit committee as this may indicate general weaknesses in the management of the section or the department concerned. Audit findings that appear to show a common thread of similar weaknesses throughout the organisation should also be reported to the audit committee.

**9 Traits of an effective Audit Committee: Institute of
Chartered Accountants in England & Wales – Technical
Guidance**

Having an effective Audit Committee is essential for good corporate governance as it leads on financial reporting, internal controls, risk management and external audit functions.

A group of Audit Committee Chairmen and Members, from FTSE 100 and FTSE250 businesses, identified these attributes during a roundtable event held at ICAEW in June 2018, as being qualities indicative of an effective committee:

1. Intellectual curiosity and professional scepticism
2. Courageous in making tough decisions
3. Balanced, ethical approach to whistleblowing
4. Oversight of key risks (not just financial)
5. Excellent relationship builders
6. Ability to build and develop a strong team
7. Able to challenge the external auditors
8. Good listening skills
9. Own the agenda

Intellectual curiosity and professional scepticism

Intellectual curiosity and professional scepticism are necessary attributes in an Audit Committee member. It's not enough to request confirmation from the external auditors and the executive team as this can provide a false sense of comfort. Members of the modern Audit Committee must understand the business and ask the right questions. Audit Committee members must take the time to visit the different parts of the business, particularly an international business, to scrutinise it and get a good understanding of its workings. They must also remember that they are non-executives and have a responsibility to remain objective.

Audit Committee Chairs and members may have more than one directorship and must be mindful of their time commitment to avoid becoming overwhelmed by any one role.

Courageous in making tough decisions

The toughest decisions generally concern people rather than numbers. Audit Committee Chairs have to have the strength and courage to tackle any under-performance in the finance team. In some cases, they will need to replace the existing team to ensure that they have a strong team in place to support them.

Other tough decisions are to:

- appoint new external auditors. If the new auditors take a harder line with the Board then there is the potential for a backlash to be directed at the Chair of the Audit Committee. The appointment of the auditor is a key responsibility of the Audit Committee.
- re-organise the internal audit function. When an organisation does not have the right skill-sets internally to perform the internal audit function, outsourcing and co-sourcing are the most popular solutions. Proponents of co-sourcing argue that it provides access to the expertise required whilst maintaining independence.

Balanced, ethical approach to whistleblowing

The Audit Committee is responsible for ensuring that the whistleblowing process is balanced, ethical and effective. The culture of an organisation is clearly visible when a whistleblower comes forward particularly at Board level if the reported incident involves a director.

Culture is an intangible yet important aspect of all organisations. It is the responsibility of the Board but is often discussed by the Audit Committee. The Chairman of the Audit Committee needs to create a forum where people can discuss all issues openly. Recent high-profile company collapses highlight the issue of management override and company culture. The Audit Committee Chairman must take a balanced and ethical perspective, scrutinise and challenge any decisions to move away from the market standards in accounting and reporting.

A culture where people can admit mistakes and learn from them was identified as the ideal. 'Near misses' offer good opportunities to learn and improve without blaming individuals. The Audit Committee needs to ensure that its working culture is one where corporate governance requirements were valued rather than seen as a compliance issue.

Oversight of key risks (not just financial)

Large scale IT projects and cybersecurity are often seen as two of the biggest risks facing a company. Solutions to these issues ranged from having a specialist presence on the Board to having a broader expertise on the Audit Committee. The use of advisors to consult on the risks is also an effective solution.

The financial services sector is subject to regulation which requires separate audit and risk committees, which emphasises the need for effective teamwork and communication between committees. When the committees are separated, greater care is necessary to ensure that some issues do not slip through the cracks. Other sectors are not required to separate the audit and risk committees but make the decision based on what is needed in the business.

Excellent relationship builder

Inviting the Chairman, Chief Executive Officer and the Chief Financial Officer to attend the Audit Committee meetings alongside external and internal audit helps to create an open and transparent culture. It is also important to build strong working relationships with these key stakeholders. The challenge of having the Chairman attend Audit Committee meetings is that there is the possibility that they may take the lead in the meeting.

Build and develop a strong team

The Nominations Committee is responsible for the membership of the Audit Committee. A Board of non-executive directors is selected and then split into committees. While this produces the correct numbers for committee membership, it does not necessarily allocate the correct skill-set. It is necessary to build and develop a strong team from this starting point.

Working relationships on the Audit Committee are important and difficult personalities need to be addressed in the feedback and performance evaluations. Facilitation skills are key and the Chair of the Audit Committee will use the evaluation process to develop the committee members.

Able to challenge the external auditors

Business structures and the industries in which they operate are becoming increasingly complex. Auditors are called upon to give their judgement on a number of issues and there is a sense that the broad range of experience and understanding of complex business issues is often only found in the larger firms.

Auditors can be reluctant to give a qualitative opinion and more junior auditors don't always fully understand the business. Members of the Audit Committee need to challenge the external auditors to be assured that they understand the complexities and culture of the business and that their judgement is sound.

Good listening skills

Audit Committees often receive large volumes of papers but need to listen to the messages delivered at Audit Committee meetings. Internal audit is widely considered to be a key element in an effective Audit Committee, often acting as their eyes and ears within the business. The Audit Committee Chairman needs to build a good working relationship with the Head of Internal Audit whilst remaining objective and independent. The head of internal audit should sit at the executive committee level, so that they have the status and opportunity to challenge the executive.

Own the agenda

These traits are specifically for the Chairman of the Audit Committee as they will need to plan ahead to ensure that the Committee has time to cover all of

the issues on the annual agenda. In particular, the Audit Committee Chair will:

- Work with the company secretary to arrange the annual calendar of meetings and agendas well in advance, leaving time for new issues as they arise.
- Take control of each agenda – set out the essential issues to be discussed and manage any additional agenda items as they arise.
- Ensure a standard approach to papers, for example, requesting a one-page executive summary and clarity on whether a paper was for ratification or noting.
- Ensure you leave enough time to discuss the outcome with the Chairman of the Board before the Board meeting.
- Good time management – ensure that there is adequate time allocated to each topic and if more time is required to consider re-issued, revised versions of papers, postponing the meeting if necessary.

Each of these actions will allow the Audit Committee to operate effectively.

Internal Audit Progress 2020/21: Quarter 4
Analysis of Performance

Time Spent: Audit Plan – Planned Vs Actual

ACTIVITY	ANNUAL ALLOCATION (DAYS)	PROFILE ALLOCATION (DAYS)	ACTUAL TO DATE (DAYS)	VARIATION (DAYS)
<u>Planned Audit Work</u>	252.4	184.0	248.9	+3.5
<u>Other Time</u>				
Sundry audit advice	30.1	22.6	20.0	+10.1
Contingency (used mainly for Covid grants)	91.4	68.6	91.1	+0.3
Principal Internal Auditor non-audit work (incl. NFI)	71.9	53.9	59.4	+12.5
Non-chargeable activities	207.3	155.5	250.4	-43.1
Leave and other absences	133.5	100.1	109.4	+24.1
<i>Total Other Time</i>	534.2	400.7	530.3	+3.9
<i>Total Time</i>	786.6	584.7	779.2	+7.4

Time spent: Assignments Completed – Planned Vs Actual

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Information Governance	7.0	7.9	-0.9
Cyber Security	Contracted Out		
Council Tax	14.0	12.0	+2.0
National Non-Domestic Rates	11.0	9.9	+1.1
Digital Transformation	Contracted Out		
Web Applications	Contracted Out		
Income Receipting and Document Management	8.0	9.1	-1.1
Development Management	18.0	18.1	-0.1
Community Infrastructure Levy and Section 106 Agreements	15.0	15.0	0.0
Rural and Urban Capital Improvement Schemes	6.0	4.8	+1.2
Purchasing Cards	7.2	7.7	-0.5
Crime and Disorder	10.0	10.8	-0.8
Nuisance and Other Protection Duties:	7.0	6.6	+0.4

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Public Health Funerals			
Business Applications: MIS Housing and Corporate Property	Contracted Out		
Tenancy Management	12.0	12.0	0.0
Communications	10.0	10.6	-0.6
Staff Health and Wellbeing	10.0	8.9	-1.1

Explanation for variances greater than 2 days (unless within 20%):

Not applicable.

Completion of Audit Plan: Target Vs Actual

NO. OF AUDITS PER AUDIT PLAN	PROFILED TARGET COMPLETION		ACTUAL NO. COMPLETED TO DATE		VARIATION	
	NO.	%	NO.	%	NO.	%
26	26	100	27	103.8	+1	+3.8

**Summary of Recommendations and Management Responses from Internal Audit Reports
issued Quarter 4, 2020/21**

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Information Governance – 31 March 2021				
4.2.5	A guidance document, pulling together all issues identified, should be drawn up and distributed to all staff.	Low	Information Governance Manager	Agreed. A guidance document will be drawn up and issued accordingly. TID: 30 June 2021
4.3.9	A review of relevant contracts should be performed where contractor staff have access to Riverside House or other relevant Council buildings to ensure that appropriate reference is made to data security.	Low	SMT	Contract managers will be asked to review their contracts to ensure that the need for data security has been appropriately considered in each case. TID: 30 September 2021

¹ Risk Ratings are defined as follows:

- High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.6	Management should take into account the health and wellbeing of staff in relation to current working conditions and the information governance implications of staff working in 'shared spaces' when taking decisions on future office needs.	Medium	SMT	These aspects will be given due consideration (in conjunction with relevant staff, such as HR and the Information Governance Manager) when future office needs are being considered. TID: 30 September 2021
4.5.19	A review of work-issued devices (such as mobile phones) should be performed to ensure that they are suitable for the work now being performed at home (or other 'off-site' locations).	Medium	SMT	ICT Steering Group will be asked to perform a review of devices currently in use and to identify the resourcing implications of providing replacement devices where necessary. TID: 30 September 2021
Cyber Security – 31 March 2021				
4.2.4	Regular reviews of the ICT Services – Change Management Policy should be conducted with the first one being as soon as possible.	Low	Head of ICT Services	A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service. The Change Management Policy will be reviewed to ensure that it includes key principles from the ITIL change management framework. TID: 30 June 2021

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.1	Regular reviews of the "Major Virus Outbreak procedure" and "Removable Media Policy" should be conducted and communicated accordingly with the first ones being as soon as possible.	Low	Head of ICT Services	<p>A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service.</p> <p>The overall incident management policy and procedure, which includes the major virus outbreak procedure will be reviewed to ensure that it includes the latest guidance from NCSC. Removable media will also be reviewed as significant changes to its usefulness have taken place.</p> <p>TID: 30 June 2021</p>
4.4.1	A formal Network Monitoring Policy and supporting operational procedures should be documented. The policy should set out the scope of the monitoring activity; for example, specifying the infrastructure logs that are relevant, roles and responsibilities and the reporting and follow up processes needing to be carried out.	Low	Head of ICT Services	<p>ICT can review its network monitoring and logging processes in line with the latest guidance from NCSC. An appropriate policy and process will be produced for consideration by the ICT Steering Group.</p> <p>TID: 30 September 2021</p>

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.5.2	Reviews should be conducted of the relevant Third Party remote access policies, their related procedures and the remote working policy for staff and members. A regular review of the policies should be undertaken on an appropriately regular basis.	Low	Head of ICT Services	A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service. The Council's overall remote working and access policy requires a review to ensure that it takes account of the changed circumstances of WDC, where more staff are working remotely than ever before. A review of supplier remote access will also be undertaken to ensure that appropriate safeguards are in place and effective monitoring is operational. TID: 30 September 2021
Council Tax – 31 March 2021				
No recommendations necessary on this occasion.				
National Non-Domestic Rates – 12 January 2021				
4.3.1.6	Staff should be reminded of the need to advise the VOA of all relevant change to non-domestic properties.	Low	Revenues & Recovery Manager	This has been raised in the team meeting and also the individuals' one-to-ones. TID: Completed.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.3.7	The relief paid to the Community Interest Company should be reviewed, with a further check being undertaken to ascertain whether there are any other such accounts in place.	Low	Exchequer Manager / Revenues & Recovery Manager	We will investigate the CIC identified that is receiving Mandatory Charity Relief and check to ensure they are eligible. This has never been picked up before so we were unaware of this issue. TID: 31 March 2021
Digital Transformation Position Statement – 31 March 2021 (Consultancy Review)				
Web Applications: HomeChoice and WasteWeb – 31 March 2021 (Confidential)				
Income Receipting and Document Management – 26 March 2021				
4.3.5	Access to post folders should be limited to the relevant team.	Medium	Democratic Services Manager and CST Manager	Agreed. The permissions on these folders were set in liaison with ICT based on available staff structures at the time on the intranet which were inconsistent. This will be reviewed with assistance from HR and within the capacity of the ICT team. The initial review will be completed by the end of April 2021. TID: Initial review to be completed by the end of April 2021.

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.7	Staff should be reminded to regularly check folders for inbound post and to remove documents after use.	Low	Democratic Services Manager and CST Manager – to contact managers (members of Managers Forum)	Agreed. A reminder will be sent to Managers Forum each quarter starting with one in late April 2021. TID: First reminder will be sent by end of April 2021.
Development Management – 21 February 2021				
4.2.6	Planning staff should be reminded to save all necessary documentation in Idox.	Low	Manager - Development Services / Business Manager - Development Management	Agreed. TID: End of Feb 21
4.4.3	The issues with Ripplestone should be identified and resolved.	Low	Systems and Business Improvement Officer	Agreed. TID: End of April 21

Report Reference	Recommendation	Risk Rating¹	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.11	The percentage of applications with performance agreements should be included in the quarterly SAP figures.	Low	Manager - Development Services / Systems and Business Improvement Officer	Agreed subject to discussion with the Head of Service and Development Portfolio Holder. TID: Discussion by end of March 21
4.5.4	The Development Services risk register should be reviewed and updated on an ongoing basis.	Low	Manager - Development Services / Enforcement Manager	Agreed. TID: This is already the case.
4.6.17	Enforcement activity should be regularly publicised in local media and on social media.	Low	Manager - Development Services / Enforcement Manager	Agreed. Consideration is already given to this on a regular basis. TID: This is already the case.
Community Infrastructure Levy and Section 106 Agreements – 5 January 2021				
No recommendations necessary on this occasion.				
Rural and Urban Capital Improvement Schemes – 31 March 2021				
No recommendations necessary on this occasion.				

Report Reference	Recommendation	Risk Rating ²	Responsible Officer	Management Response and Target Implementation Date (TID)
Purchasing Cards – 31 March 2021				
4.2.9	Cardholders and Heads of Service should be reminded of the importance of updating the FS-Team when circumstances change.	Low	Finance Admin Manager	
Crime and Disorder – 10 February 2021				
No recommendations necessary on this occasion.				
Nuisance and Other Protection Duties: Public Health Funerals – 17 March 2021				
4.2.3	There should be a written procedure in place setting out the processes for arranging a public health funeral.	Low	Safer Communities Manager	A documented procedure will be agreed with the technical officer TID: End of April 2021

² Risk Ratings are defined as follows:

- High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating ³	Responsible Officer	Management Response and Target Implementation Date (TID)
Business Applications: MIS Housing and Corporate Property – 4 February 2021				
4.2.2	Council management to work with relevant Information Governance colleagues to complete a DPIA on the MIS ActiveH Application in a timely manner.	Medium	Business Development & Change Manager (Housing Services – System Owner)	Agreed. A Data Protection Information Assessment DPIA for the ActiveH application will be developed and signed off by the Council's Information Governance Manager. TID: 30 April 2021
4.3.5	The accounts assigned to the internal auditors should be reviewed such that they are assigned read-only access at the most.	Low	Business Development & Change Manager (Housing Services – System Owner)	Agreed. The level of access permission to be adjusted to read only access. If the system does not facilitate the creation of Read Only accounts, accounts used for auditing purposes could be disabled or removed until they are required. TID: 19 Feb 2021

³ Risk Ratings are defined as follows:

High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating³	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.7	All of the UDE screens/ forms should be reviewed in order to apply appropriate validation to the relevant fields.	Medium	Business Development & Change Manager (Housing Services – System Owner)	Agreed. To review existing UDE screens and forms, apply the appropriate validations and conditions to those still in use. This would have to be a joint undertaking between ICT, to support the changes, and the service area to identify which business items are crucial and must be updated. TID: 30 April 2021
Tenancy Management – 31 March 2021				
4.2.9	A review should be completed of the phone duty rota and procedure to ensure busier shifts are covered and so calls abandoned are kept to a minimum. Call waiting messages could be played reminding customers of the other ways to make contact, encouraging a channel shift towards using the website or email.	Low	Landlord Services Manager and Landlord Operations Manager	A review of the phone rota's in line with housing officers' duties of been on patch will be undertaken in April. Opportunities to move more services on line will be explored and comparisons of telephone performance will be undertaken. TID: 30 April 2021

Report Reference	Recommendation	Risk Rating³	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.5	All relevant documentation should be stored and recorded correctly to show that the Council is compliant with the tenancy agreement.	Medium	Landlord Operations Manager Senior Housing Officer	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. These procedures will include storing of documents. TID: July 2021 Housing Services will review the use of IT equipment which could save straight to Active H using whilst on site, using devices such as iPads. TID: September 2021
4.4.7	There should be a procedure in place for Housing officers to follow to ensure the same process is followed when logging visits and saving relevant documentation.	Low	Landlord Operations Manager	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include Tenancy Visits and saving of relevant documentation. TID: June 2021
4.6.3	The application for the mutual exchange together with other relevant documents should be saved to the tenants or house file. A formal procedure for officers to follow when processing applications for mutual exchanges, should be produced.	Medium	Landlord Services Manager	The Landlord Services Management Team are working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on handling applications for Mutual Exchanges on HPM. TID: July 2021

Report Reference	Recommendation	Risk Rating³	Responsible Officer	Management Response and Target Implementation Date (TID)
4.7.3	The duties for garage tenancy management should be agreed and documented in a formal procedure to ensure the Council's assets are maintained and rent is collected as due.	Medium	Landlord Services Manager	The Landlord Services Management Team are working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on managing garages. TID: June 2021
4.7.5	To help ensure garages are used as intended and looked after by tenants, site checks on the external environment of the garages should be completed and logged onto the relevant file. A formal procedure detailing how officers should manage garages will need to be produced.	Medium	Landlord Operations Manager	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on managing garages to include site checks. TID: June 2021
4.8.5	A written procedure to guide staff on the recording of complaints should be established. Also a lack of robust management information means that any necessary remedial action cannot be undertaken.	Medium	Landlord Operations Manager	A procedure for managing complaint so Anti-Social Behaviour has been written. It is awaiting sign off by Landlord Services Manager Training on the new procedure is arranged for 9 March 2021. TID: March 2021

Report Reference	Recommendation	Risk Rating ⁴	Responsible Officer	Management Response and Target Implementation Date (TID)
Communications – 10 February 2021				
4.2.6	Training resources should be reviewed, updated and made available to staff.	Low	Marketing & Communications Manager	We will review our intranet pages and all the relevant documents to ensure they are easily accessible for staff. TID: April 2021
4.3.12	Social media training should be amended to directly reference the Social Media Policy.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	This will now be included in the social media training documents. TID: April 2021
4.3.35	Management should receive performance monitoring data for all Council social media accounts, including Instagram.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	Instagram will now be added to our social media monitoring and included in our monthly media stats. TID: May 2021

⁴ Risk Ratings are defined as follows:

High: Issue of significant importance requiring urgent attention.
Medium: Issue of moderate importance requiring prompt attention.
Low: Issue of minor importance requiring attention.

Report Reference	Recommendation	Risk Rating⁴	Responsible Officer	Management Response and Target Implementation Date (TID)
4.3.36	Social media performance targets should be reviewed and revised regularly to remain relevant.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	A review of our social media accounts will be included in Kris Walton's objectives in his appraisal to review quarterly. TID: Ongoing from June 2021
4.3.37	Social media performance targets should be reviewed and revised to ensure that they accurately describe the performance statistics.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	As above. TID: Ongoing from June 2021
4.4.3	Guidance notes covering interaction with the media should be reviewed regularly and, where necessary, updated and re-issued.	Low	Marketing & Communications Manager	Guidance notes for dealing with the media will be reviewed and updated on the media team intranet pages. TID: Ongoing from July 2021
Staff Health and Wellbeing – 11 February 2021				
4.2.6	1. The current advice and information should still be easily accessible to staff so it can be reviewed if their circumstances change or when there are new starters.	Low	Head of People and Communications	The up-to-date guidance has been reinstated on to the big button information. Guidance will be consolidated to ensure the up-to-date information is easy to find. TID: Completed.

Report Reference	Recommendation	Risk Rating⁴	Responsible Officer	Management Response and Target Implementation Date (TID)
	2. Reminders or links to the support available should be an ongoing priority in the current pandemic.	Low	Head of People and Communications	Appropriate links and signposting is in place and managers will continue to be provided with information to share with their teams. TID: Completed.
4.2.8	Messages should be continuously reviewed and adapted, including those delivered by managers. Managers should make regular contact with their staff enabling them to provide guidance and signpost them to support.	Low	Head of People and Communications	Managers have now all received the virtual working training. Appropriate links and guidance will continue to be shared with staff and managers. TID: Completed.
4.2.9	1. The Health and Wellbeing page should be kept up-to-date and include current links, promoting the services and resources the Council has available to staff.	Medium	Head of People and Communications	The Health and Wellbeing page has now been updated. TID: Completed.
4.2.9	2. The information relating to the support available to staff should have the relevant intranet tags so it appears in the search function.	Low	Marketing & Communications	This is something we are aware of and it is being addressed. TID: Ongoing.
4.3.5	As most staff cannot access virtual meetings through VMware, there should be alternative joining instructions issued to allow staff to access the sessions from the device used for virtual meetings.	Low	Marketing & Communications	We have been made aware of this and adapted the message to ensure links are accessible. TID: Completed.

Report Reference	Recommendation	Risk Rating⁴	Responsible Officer	Management Response and Target Implementation Date (TID)
4.4.2	The health and safety page should be reviewed to ensure it is relevant and has current information and guidance available, including advice on how to set up their workstation.	Medium	Health & Safety Officer	We will review this to ensure this is regularly updates. TID: Ongoing.

Current Implementation Position for Low and Medium Risk Recommendations
issued in Quarter 1 2020/21

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Local Elections (Follow-up Review) – 26 May 2020		
Consideration should be given to the raising of amended invoices where errors have been identified in the cost calculations.	<i>Electoral Services Manager:</i> The costs incurred will be reviewed with invoices subsequently being issued for these costs with an explanatory note that these were identified in the Audit of the accounts. PID: End of July 2020	Once I commence the accounts for the 2021 elections I will go through the outstanding issues for 2019 District and Parish election accounts, the Lillington by election costs, 2020 postponed elections costs and the way poll card costs are recharged. 2021 election accounts will need to be completed by the end of the year – along with the electoral canvass.
A review should be undertaken on the method of cost calculation in relation to poll cards.		

FROM: Audit and Risk Manager

SUBJECT: Communications

TO: Head of People and
Communications

DATE: 10 February 2021

C.C. Chief Executive (CE)
Deputy Chief Executive (AJ)
Head of Finance (MS)
Marketing & Communications
Manager (NC)
Portfolio Holder (Cllr Day)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate. The review was undertaken by Nathan Leng, Internal Auditor. This topic was last audited in February 2018.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email, telephone calls or virtually through MSTeams.

2 Background

- 2.1 The Media team aims to deliver a first class, effective and efficient communication services for the Council which is valued by senior management, colleagues, councillors and stakeholders.
- 2.2 The previous Communications audit (February 2018) focused on social media and its use at the Council.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Website
 - Social Media
 - Media

- Printing
- Internal Communications

3.3 The control objectives examined were:

- Staff are aware of what should and shouldn't be included on the Council's website.
- Only appropriate staff can update and publish information on the Council's website.
- Management is aware of the number of visitors on the Council's website.
- The Council is aware of customer experience of using the website.
- The Council website is accessible to all customers.
- There are strategy and policy documents in place governing the appropriate use of social media by staff and Members.
- Only appropriate staff can update and publish information on the Council's social media accounts.
- Council expenditure on social media is planned for, monitored and controlled.
- The Council responds appropriately to comments and complaints raised via social media.
- Content reaches the intended audience.
- Staff have the skills, knowledge and support to appropriately interact with the media.
- Council news is shared and where appropriate, celebrated with staff.
- Management is aware of news articles relating to the Council.
- Printing is guided by Council policy and adheres to relevant legislation.
- Delivery of high-quality print materials.
- Council expenditure on print materials is planned for, monitored and controlled.
- The Council are committed to engaging with staff and Members.
- Staff are able to raise concerns and receive responses from management as appropriate.

4 Findings

4.1 Recommendations from Previous Report

4.1.1 The current position in respect of the recommendations from the audit reported in January 2018 is as follows:

Recommendation	Management Response	Current Status
1) The Social Media Policy should be presented to the appropriate committee for formal approval.	The policy is under review and approval will be obtained.	The Social Media Policy (2018) was approved by the Employment Committee on 21/03/2018.

Recommendation	Management Response	Current Status
2) The training should be amended to include details of the Social Media Policy.	This will be included prior to the next sessions being run.	The training presentation does not directly reference the Social Media Policy.
3) The importance of attending the social media training should be reiterated to Members, with further training sessions being made available to those who did not attend the first session.	Members will be offered further dates and Group Leaders will be emailed to ensure they know who has attended the training.	Training has been offered to members with additional sessions booked as necessary.
4) The potential for monitoring the numbers of service-specific enquiries should be examined in order to identify the value of using social media.	This information exists in a disparate format. The Media & Communications Manager will work with the new Website Manager to pull it together into a useable format for producing a report.	There is minimal evidence of monitoring for the number of service-specific enquiries made through social media or any assessment for how social media interactions demonstrate the value of using social media. The auditor was advised by Head of People and Communications that monitoring has been impacted by the loss of a media apprentice.

4.2 Website

- 4.2.1 The Digital Strategy outlines the Council's aims to use digital technology to transform the District and enhance the lives of residents while generating long-term savings. The strategy highlights the Council website as fundamental to service delivery, recognising its ability to increase access to information and provide self-serve applications to residents.
- 4.2.2 The Digital Strategy is produced by the Head of ICT services and the ICT steering group. The current strategy document covers the period 2015-2019 and is available via the intranet on the Website Guidance and Policy page. The Marketing and Communication Manager (MCM) confirmed that the strategy is due for review and would contribute to the sections relating to media and communications when a new strategy is produced by the Head of ICT services and the ICT steering group.

- 4.2.3 There are links to relevant procedural guidance, training modules, accessibility guidelines and legislation documents included on the Website Guidance & Policy intranet page.
- 4.2.4 The Website Service Manager (WSM) has overall responsibility for maintaining the Council website. However, staff within each service area are responsible for making sure that service-specific content is appropriate and up-to-date.
- 4.2.5 Each service area has a website author or editor who is responsible for reviewing, updating and publishing content for their area. Staff can contact their service area website editor to get content published, updated or removed. A list of website editors is available via the intranet on the ICT Services page.
- 4.2.6 Website editors have access to guidance documents via the Web Guidance and Policy intranet page. Training was previously run through Moodle and consisted of an e-learning course. However, the MCM confirmed that the Moodle training was based on an old version of the website system, is very complex and in some cases does not adequately inform users how to perform simple tasks. The Council is no longer using Moodle, training is currently carried out in small groups or one-to-one sessions. The MCM plans to upload 'How-to' guides as an alternative to Moodle.

Risk

Staff do not have access to up-to-date training resources.

Recommendation

Training resources should be reviewed, updated and made available to staff.

- 4.2.7 The WSM monitors the number of site visits on a monthly basis. The Digital Content and Social Media Officer (DCSMO) produces a media stats infographic containing visitor statistics which is available via the intranet. A link is also sent to the Senior Management Team (SMT) on a monthly basis as per guidelines in the Marketing and Communications Strategy document (2019).
- 4.2.8 The customer service statistics spreadsheets reveal that in 2019, the website received an average of 170,000 visits per month. This represents a year-on-year increase since 2014 - with the exception of 2018 where there was a slight dip in the figures.
- 4.2.9 More recently, site visit statistics for the period April-November 2020 reveal an average of 205,000 site visits per month. This increase coincides with the onset of the COVID-19 pandemic and suggests that people turned in increasing numbers to the WDC website for information, guidance and support.
- 4.2.10 Formal monitoring of the Council website revolves around two key measures: website success and user satisfaction. These measures are monitored on a

monthly basis and included in the media stats infographic. The results are also reported quarterly and shared on the Business Intelligence portal.

- 4.2.11 User feedback is collected via a pop-up survey, the results of which are collated into a spreadsheet and summarised to provide a general understanding of customer satisfaction levels.
- 4.2.12 The WSM conceded that survey responses represent a small percentage of overall site visitors. For example, in Q3 2020, the total number of web sessions was 619,522 while the total number of survey responses was only 231.
- 4.2.13 The WSM estimates that new website visitors have a one-in-three chance of being presented with the survey when they access the Council website. Repeat visitors, or visitors who have rejected the survey notification previously, may not see the survey due to their web browser cookies. This may limit the number of visitors sharing feedback via the pop-up survey.

Advisory

The user feedback survey should be distributed more widely to receive a higher number of responses.

- 4.2.14 The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations (2018) enshrined the legal duty of public sector organisations to ensure that their website meets accessibility requirements and publish an accessibility statement. These regulations build on existing obligations to people who have a disability under the Equality Act (2010).
- 4.2.15 The Council website has been designed to meet accessibility standards identified in the Web Content Accessibility Guidelines (WCAG) 2.1 which were introduced in September 2020.
- 4.2.16 The Council's accessibility statement indicates that there are some elements of the website design that do not meet requirements detailed in the new WCAG 2.1. An updated website design is currently in progress to meet these requirements.
- 4.2.17 The WSM advised that the usability testing software Silktide is used to continually monitor accessibility and track the level of compliance. This includes monitoring for broken links, spelling errors and profanities. Figures, as of September 2020, were reported with above 90% compliance. The WSM advised that he logs onto Silktide several times a week for review purposes and to address alerts.
- 4.2.18 The website was last tested for accessibility in January 2020. The test was carried out by external company The Shaw Trust who tested all web pages along with manual user testing of user journeys.

4.3 **Social Media**

- 4.3.1 The Digital Strategy (referred to in 4.2.1 above) specifically references social media and highlights its potential for promoting participation and engagement and ability to proactively broadcast information to residents.
- 4.3.2 There is a specific Social Media Policy available via the intranet which covers the appropriate use of social media in the workplace. Amendments to the Social Media Policy were approved by the Employment Committee in March 2018.
- 4.3.3 The Council's Internet and Acceptable Usage Policy, also available via the intranet, establishes how staff and Members can use the internet professionally, ethically and lawfully. Employees are expected to follow these guidelines in relation to any social media activity. The Policy was last updated in 2019.
- 4.3.4 Social media is managed by the Communication team. The DCSMO has overall responsibility for the Council's social media accounts. Other members of the Media team have access and will undertake some of the work as required.
- 4.3.5 There are a number of Council-affiliated social media accounts that are maintained by staff from other departments. The Council's website contains a list of the official social media accounts in use.
- 4.3.6 The MCM and DCSMO advised that the log-in details are held for these other accounts and that they monitor the accounts to ensure that content is appropriate.
- 4.3.7 Staff with access to Council-affiliated accounts are responsible for the content that they produce. If the content is found to contravene Council policy, the content is removed and the team responsible is notified. The MCM advised that repeated breaches will result in the Communications team assuming control of the account. To date, the team have not needed to do this.
- 4.3.8 The Communications team work to equip staff and councillors with the skills and knowledge to use social media effectively and to achieve a positive and consistent tone of voice. A mandatory Social Media Induction course was rolled out to staff in 2018. To date, 354 employees have attended.
- 4.3.9 Training is traditionally arranged in group sessions on an ongoing basis. As sessions are scheduled throughout the year, there are plenty of opportunities for staff and councillors to participate.
- 4.3.10 The DCSMO delivers social media training to staff and councillors. The training consists of a PowerPoint presentation covering the different types of social media, guidance around creating appropriate content and the impact of improper use. Handouts containing key information are circulated during the session for attendees to take away for future reference.

- 4.3.11 The presentation does not reference council policies directly. Notes to the course administrator do, however, include a prompt referring attendees to the Internet Acceptable Usage Policy. The Acceptable Usage Policy is also highlighted during staff inductions.
- 4.3.12 The previous audit report recommended that training should be amended to include details of the Social Media Policy. However, the training makes no direct reference to the policy although the MCM advised that it is mentioned verbally by the trainer.

Risk

Staff may be unaware of the existence of the Social Media Policy and unfamiliar with its contents.

Recommendation

Social media training should be amended to directly reference the Social Media Policy.

- 4.3.13 The training for councillors recognises that councillors are more likely to post work-related content using their personal social media accounts. As a result, the training directs councillors to the Social Media Standards for Councillors document and the Members Code of Conduct for further instruction and guidance. A total of 52 Council Members have attended the training sessions since 2018.
- 4.3.14 The MCM confirmed that there are few costs associated with using social media. However, a recurrent cost is the Communication team's subscription to social media management platform 'Hootsuite'.
- 4.3.15 Hootsuite consolidates all social media accounts into a single platform. It has various useful features and is particularly used for notifying the team of external engagement, scheduling posts, monitoring productivity and reporting on engagement data.
- 4.3.16 There is no dedicated annual budget for social media activities due to the minimal costs. Additional costs are small, ad-hoc in nature and purchased using the MCM's purchasing card.
- 4.3.17 One example of an additional cost is the use of paid-promotional posts. Payment is made to the social media platform to advertise or promote a post to followers or people within a geographical area. This is usually done as part of an information campaign. If the campaign is run on behalf of another Council department, the costs are recharged to that department's marketing budget.
- 4.3.18 The recently promoted 'Light Up the District – Virtual switch-on event' post on Facebook had a budget of £50 and received 724 event responses which accounted for 66% of the total responses received. In this instance, the promoted content led to a significant number of event responses and therefore, the relatively small fee is entirely justified.

- 4.3.19 Social media channels are monitored daily. This is done through continuous monitoring of Hootsuite and native applications during regular working hours.
- 4.3.20 The DCSMO and MCM monitor channels 'out of hours' using applications installed on personal devices. This flexible approach to monitoring allows the Media team to quickly respond to issues or emergencies as they arise.
- 4.3.21 Hootsuite is used to monitor engagement, enquires and complaints. Specific enquiries are redirected to an appropriate officer and dealt with via private (non-public) communication channels.
- 4.3.22 For Twitter, Hootsuite monitors both direct (users who specifically use the @Warwick_DC handle in a tweet) and indirect (users who mention terms associated with the Council i.e. Warwick District Council, Warwick DC etc.) mentions. Hootsuite notifies the Media team devices when the Council are mentioned.
- 4.3.23 The WSM provided a sample of comments and complaints raised through the Council's social media channels. The sample includes both public posts and private messages.
- 4.3.24 The sample revealed that the Media team adopt a consistent approach to handling public enquiries and complaints received via social media. All of the sample responses were clear, concise and informative.
- 4.3.25 The majority of Council responses were issued on the same day, some minutes after the initial contact. There is one case where the Council responded four days after the initial contact and, in this instance, an apology was provided.
- 4.3.26 Complaints are handled according to the normal process. This process is outlined in the 'Employee Guidelines – A Complaint from the Public' document which is accessible via the intranet.
- 4.3.27 The WSM confirmed that performance monitoring is used to assess whether content reaches the intended recipients. Surveys and questionnaires are used to ascertain: a) whether a message is received and; b) how a message is delivered.
- 4.3.28 In January 2020, a survey of 102 residents was carried out to establish the effectiveness of different communication channels in informing residents of changes to Christmas refuse and recycling services.
- 4.3.29 The WSM noted that from their evaluation, the team could determine which Communications platforms were most effective (bin tags and social media) and also what was least effective (radio). This information has helped with planning and budgeting for 2020.
- 4.3.30 Statistical monitoring of social media analytics is carried out each month, with the results reported on a monthly and quarterly basis. Statistics monitored include the number of accounts who have subscribed to the

Council's feed, the number of 'likes' retweets, shares and click-throughs a post receives and the number of new posts on an account.

- 4.3.31 Performance against targets is considered in context. For example, Twitter periodically removes inactive accounts from its platform (around August-September each year). As a result, the Communications team anticipate that their followers may be lower than the tolerance for that quarter.
- 4.3.32 There are also a range of short-term factors which may impact engagement such as campaigns, events or emergency situations. The Digital Strategy stipulates that social media should be used to broadcast information, particularly in emergency situations. During the COVID-19 pandemic, Council social media has shared information and guidance to businesses and residents.
- 4.3.33 The monthly social media analytics form part of the Marketing and Communications statistics which are shared with the Head of People & Communications. This data is also reproduced in the monthly media stats infographic available via the intranet. There are no monthly targets for social media performance. Rather, the DCSMO reports the most common forms of engagement.
- 4.3.34 Quarterly social media data is inputted into the Business Intelligence portal (BIP) which is accessed by members of the Senior Management Team (SMT) and councillors. Reports are also uploaded to the intranet and available for all staff members to view.
- 4.3.35 The information reported in the BIP has increased since 2019-2020 to include Twitter 'likes' and all of the Facebook engagement statistics. However, the statistics do not include Instagram. The lack of performance monitoring of Council social media activity on Instagram poses a significant reputational risk due to a lack of oversight. Performance monitoring should be consistent across all social media platforms.

Risk

The Councils reputation may be damaged by inconsistencies in the measuring of corporate social media engagement.

Recommendation

Management should receive performance monitoring data for all Council social media platforms, including Instagram.

- 4.3.36 The quarterly performance targets included in the BIP may be too low. For example, 'Increased number of click-throughs' has exceeded the target by at least four times in every quarter since April 2019. Performance targets should be reviewed and revised when presented with evidence of a consistent change in customer social media interactions.

Risk

Social media performance targets may become irrelevant as customer interactions change over time.

Recommendation

Social media performance targets should be reviewed and revised regularly to remain relevant.

- 4.3.37 A number of the performance targets included in the quarterly BIP reports are worded incorrectly. For example, 'Increased number of click-throughs' does not measure an increase but rather the total number of click-throughs during a quarter.

Risk

Social media performance targets may not accurately represent the performance measure being assessed.

Recommendation

Social media performance targets should be reviewed and revised to ensure that they accurately describe the performance statistics.

- 4.3.38 The information reported in the monthly and quarterly reports only includes statistics from the main Council social media accounts. Council-affiliated accounts are not included in the performance monitoring reports. This poses a risk that there is limited performance oversight of Council-affiliated social media accounts. However, social media accounts administered by services were not examined so no commentary is possible on these. These will be covered as part of service-oriented reviews.

4.4 Media

- 4.4.1 The Marketing and Communications Strategy 2019-2023 is available via the intranet and includes staff guidance on best practice when interacting with the media.
- 4.4.2 The strategy commits to supporting the development of staff and councillors in their media and social media training to maintain and develop a consistent and authoritative "voice" of the council.
- 4.4.3 In the policies and guidance section of the Marketing and Communications Strategy, reference is made to a 'Media Policy'. Although no specific Media Policy document is in existence there are guidance notes that provide advice to councillors and officers on dealing with the media. However, these guidance notes are not reviewed regularly and kept up-to-date.

Risk

Councillors (and, in limited cases, officers) may not be properly prepared when dealing with the media.

Recommendation

Guidance notes covering interaction with the media should be reviewed regularly and, where necessary, updated and re-issued.

- 4.4.4 The MCM has overall responsibility for media communications. The Media team has a list of contacts that they use regularly to contact the press.
- 4.4.5 The 'How Do I?' section on the Media team page includes an article titled 'Engage with the Media', produced in 2015. The article answers a range of questions relating to staff-media interactions.
- 4.4.6 The article advises that the Media team can provide basic internal media training for small groups or bring in an external consultant for more in-depth training for larger groups. The MCM last conducted a media training course for councillors in 2019.
- 4.4.7 The Communications team can provide appropriate spokespeople to comment on current and topical issues. These include the Council Leader, portfolio holders and other councillors.
- 4.4.8 Copies of the latest press releases containing Council news can be found in the news section of the website. This section is regularly updated and contains press releases on a range of topics. This feeds into actions detailed in the People Strategy Action Plan, namely the action 'Deliver the Council's news and celebrate its successes'.
- 4.4.9 The Marketing and Communications document indicates that media (press, radio and TV) should be monitored daily to determine the levels of coverage that are achieved, the quality of coverage and the overall tone. Feedback should be circulated to the Head of Service, Corporate Management team and councillors as appropriate.
- 4.4.10 The only monitoring evidence provided, relating to media coverage, was the quarterly media statistics reported on the Business Intelligence portal.
- 4.4.11 The figures cover positive press coverage as a percentage of overall reporting about the Council. The target is 60% with a reporting tolerance of -5%. In 2019-2020, positive press coverage as a percentage amounted to an average of 52% for the year which is below the performance target and reporting tolerance.
- 4.4.12 The Marketing and Communicating Strategy includes the following statement:

"The clear measurement and monitoring of our media coverage will continue to demonstrate the effectiveness and impact of our media liaison."

Daily monitoring of media coverage is used to inform future interactions. This information is shared with project leads with advice on how to respond to it. Statistics for Council media coverage are shared routinely on the intranet as part of the monthly infographic.

4.5 **Printing**

- 4.5.1 The Marketing and Communications Strategy (2019-2023), available via the intranet, contains a section describing the Council's role in the production of printed promotional materials. It confirms that the Media team can design, copyright and manage the printing of all promotional materials for the Council.
- 4.5.2 The Strategy stipulates that the Council are duty-bound to comply with best practice, plain English guidelines and accessibility legislation for all printed materials. The Council must also adhere to Copyright Law and the Code of Best Practice for Council Publicity, observing Purdah requirements and any other compliance relevant to the printing of promotional materials for a public body.
- 4.5.3 The Council offers an in-house printing service which can provide quick, cost-effective, small-scale print runs. The Media team also participate in a Print Framework which provides a list of external print providers who have agreed to provide cost-effective and timely printing services.
- 4.5.4 Printing requests are facilitated by the Media team. All requests are subject to an approval process. Once a project is approved, designers receive a briefing sheet detailing the client's requirements. The designers complete a sign-off sheet which constitutes an agreement between the client and designer.
- 4.5.5 The designers are issued an 'Artwork Checklist' document which helps reduce the risk of waste. All designs are produced in accordance with the Council's guidance documents for accessibility and sent to the MCM for quality assurance purposes before final approval is given. The MCM confirmed that there are currently no examples of waste.
- 4.5.6 Once a design is complete, the Media team send an evaluation form to the client. Clients are invited to provide feedback and to confirm whether the final product met their brief.
- 4.5.7 Spending on the printing of promotional materials is controlled by the Print Framework. The Framework was created via a benchmarking exercise which identified printing providers who offer value for money, high-quality materials and who passed a strict procurement process. The Council entered into a contractual agreement with these print providers agreeing to only use providers from the Framework for external print work for the duration of the agreement.
- 4.5.8 All external printing jobs are allocated through the Print Framework. This ensures that work is only commissioned from printers who have gone through the tendering process and who meet the criteria laid out in the Print Framework. This includes adherence to any legal or statutory guidelines in the provision of printed promotional materials.
- 4.5.9 Details of expenditure on internal and external printing jobs are contained in the Budget Spend Spreadsheet. Expenditure on internal printing has remained within budget for the last two years as well as the first two quarters of 2020-2021.

- 4.5.10 Expenditure on external printing has exceeded budget allocations for the same period. However, these costs have been attributed to other services (e.g. elections, re-opening high streets).

4.6 **Internal Communications**

- 4.6.1 Internal communication is all the information that is shared within an organisation between various levels of staff and Members and includes; emails, publications, newsletters, the intranet as well as all external communications that staff receive.
- 4.6.2 The Marketing and Communication Strategy highlights engagement with staff, managers, councillors and anybody connected to the Council as a vital aspect of the communication strategy.
- 4.6.3 Internal communication is informed by staff surveys and the results of the Investors in People (IIP) review. The Council was awarded Silver accreditation, progressing from bronze, thereby demonstrating an ongoing commitment to supporting, engaging with and developing staff.
- 4.6.4 The Council are committed to building two-way engagement channels so that staff and members are able to seek guidance, clarify information and ask questions. Key internal communications channels include emails, Jabber, MS Teams, the intranet and the Rumour Mill.
- 4.6.5 One of the Council's aims is to address 'gossip' by ensuring that communication is accurate, timely and does not leave gaps for speculation and misunderstanding. The Rumour Mill provides an opportunity for staff to submit queries under anonymous conditions.
- 4.6.6 Rumour Mill questions or comments are sent directly to the Media team who will receive an alert before posting it live on the board. If a question or comment cannot be answered immediately, it is forwarded to an appropriate officer for a response.
- 4.6.7 The Rumour Mill is usually updated on a weekly basis. Comments which are deemed pertinent by the Media team are shared with SMT for formal action.

5 **Conclusions**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Communications are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.

Level of Assurance	Definition
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 A few relatively minor issues were, however, identified:

- Unless appropriate training is provided, staff may be unaware of the existence of the Social Media Policy and unfamiliar with its contents.
- Until Instagram is included in the monitoring of social media activity, the Council's reputation may be damaged by underperforming social media content.
- Performance targets are not being reviewed and revised when there is clear evidence of a consistent change in customer social media interactions.
- A number of the performance targets included in the quarterly BIP reports are worded incorrectly.
- Guidance notes covering interaction with the media are not reviewed regularly and kept up-to-date.

6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Development Management – February 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officers	Management Response	Target Date
4.2.6	Training resources should be reviewed, updated and made available to staff.	Staff do not have access to up-to-date training resources.	Low	Marketing & Communications Manager	We will review our intranet pages and all the relevant documents to ensure they are easily accessible for staff.	April 2021
4.3.12	Social media training should be amended to directly reference the Social Media Policy.	Staff may be unaware of the existence of the Social Media Policy and unfamiliar with its contents.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	This will now be included in the social media training documents.	April 2021
4.3.35	Management should receive performance monitoring data for all Council social media accounts, including Instagram.	There may be inconsistencies in the measuring of corporate social media engagement.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	Instagram will now be added to our social media monitoring and included in our monthly media stats.	May 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officers	Management Response	Target Date
4.3.36	Social media performance targets should be reviewed and revised regularly to remain relevant.	Social media performance targets may become irrelevant as customer interactions change over time.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	A review of our social media accounts will be included in Kris Walton's objectives in his appraisal to review quarterly.	Ongoing from June 2021
4.3.37	Social media performance targets should be reviewed and revised to ensure that they accurately describe the performance statistics.	Social media performance targets may not accurately represent the performance measure being assessed.	Low	Marketing & Communications Manager / Digital Content and Social Media Officer	As above	Ongoing from June 2021
4.4.3	Guidance notes covering interaction with the media should be reviewed regularly and, where necessary, updated and re-issued.	Councillors (and, in limited cases, officers) may not be properly prepared when dealing with the media.	Low	Marketing & Communications Manager	Guidance notes for dealing with the media will be reviewed and updated on the media team intranet pages.	Ongoing from July 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager

SUBJECT: Community Infrastructure
Levy & Section 106
Agreements

TO: Head of Development Services

DATE: 5 January 2021

C.C. Chief Executive
Deputy Chief Executive (BH)
Head of Finance
Manager - Development Services
Business Manager – Policy & Site
Delivery
Portfolio Holder (Cllr Cooke)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email, telephone calls or virtually through MSTeams.

2 Background

- 2.1 The Government's Planning Advisory Service highlights that "planning obligations under Section 106 of the Town and Country Planning Act 1990, commonly known as S106 agreements, are a mechanism which makes a development proposal acceptable in planning terms that would not otherwise be acceptable. They are focused on site-specific mitigation of the impact of development."
- 2.2 The Community Infrastructure Levy differs from S106 agreements in that the levy can be applied to more general infrastructure projects where they cannot be linked to a specific development. The revenue from the levy must be used for supporting the development of an area by 'funding the provision, replacement, operation or maintenance of infrastructure'.

2.3 The definition of 'infrastructure' for the purposes of CIL includes:

- Roads and other transport facilities
- Schools and other educational facilities
- Flood defences
- Medical facilities
- Open spaces
- Sports and recreational

3 **Scope and Objectives of the Audit**

3.1 The audit was undertaken to test the management and financial controls in place.

3.2 In terms of scope, the audit covered the following areas:

- Community Infrastructure Levy
- S106 consultation and agreement
- S106 monitoring
- S106 income and expenditure.

3.3 The audit programme identified the expected controls. The control objectives examined were:

- The Council will be able to raise appropriate income from developers towards infrastructure needs
- All relevant elements are appropriately included within the agreements
- Justification is available where S106 agreements are not entered into on viability grounds
- Agreements are enforceable
- Agreements ensure developments fit in with the agreed local plan
- The Council is aware when relevant milestones are reached in relevant development
- The Council receives all income and land due
- Managers and Members are aware of the status of each agreement
- Monies received are accounted for as appropriate
- Communities benefit as intended from the monies received
- The Council is not held responsible for the inappropriate use of contributions by other organisations.

4 **Findings**

4.1 **Recommendations from Previous Report**

4.1.1 The current position in respect of the recommendations from the previous audit, undertaken in December 2018, was also reviewed. The current position is as follows overleaf:

	Recommendation	Management Response	Current Status
1	Consultees should be formally made aware of the outcome of relevant applications including in relation to any contributions that are to be paid to them.	Whilst it is unlikely to be practicable to individually advise all consultees of the outcome of planning applications, consultees are able to follow progress online and will be reminded of this.	Consultees are not formally informed of the outcome but they are reminded to follow the process on the portal as suggested.
2	A formal naming protocol should be introduced for documents stored on IDOX so that all contribution requests can be easily identified.	This is now in place.	This is in place with documents being stored appropriately under codes for 'legal agreements' and 'Section 106 correspondence'.
3	Consideration should be given to investigating whether the S106 agreement can be amended in the relevant case so that the NHS contribution can be secured.	It is not possible to secure this contribution but revised processes whereby heads of terms clauses are included as standard in reports relating to housing sites of over 10 dwellings will prevent this reoccurring.	This is no longer a concern as steps are in place to ensure contributions are requested and secured appropriately.
4	The contribution request from the Police should be included within final S106 agreement in the relevant case.	The Police contribution has now been included in the final agreement.	Police contributions were found to be included in the sample of agreements reviewed.
5	Responsibility should be formally assigned for the updating of the monitoring information, whether this is the spreadsheet or Acolaid once this has been fully implemented.	That responsibility has now be assigned to the Development Monitoring Officer. The spreadsheet will only be used until such time that Acolaid holds all data. New records will be entered direct in to Acolaid with only a short reference being included in the spreadsheet. Associated with this, new processes are being introduced to use Acolaid to ensure all S106	Acolaid holds all of the information regarding S106 agreements. It is not possible to use Acolaid for indexation so very basic details are still entered onto a spreadsheet to perform this.

Recommendation		Management Response	Current Status
		contributions requested are captured and recorded by case officers.	
6	The monitoring spreadsheet should be kept up to date and should include all relevant information.	The main monitoring spreadsheet will be updated to ensure that the contributions are being accurately recorded prior to the Acolaid system being employed for this process.	Acolaid is used for this process.
7	The process of calculating the contribution invoices should be amended so that the figures can be verified.	The process for calculating the invoices (including indexation) will be set out on each invoice as a way allowing the figures to be checked. Invoices will then be associated with the Acolaid record. Further advice will be sought from Internal Audit to ensure that the process is appropriate going forward.	Invoices clearly show the calculation and break down of contributions. Invoices are linked to the record on Acolaid.

	Recommendation	Management Response	Current Status
8	Formal monitoring should be undertaken to ensure that monies are being spent as stipulated in the S106 agreements.	This has been done in relation to 3 rd party contributions (SWFT, Police, CCG) where formal legal agreements are now used to ensure money is spent correctly. Similar arrangements need to be put in place for internal contributions. The process for this needs to be agreed through SMT.	Heads of Service sign a spending agreement for CIL contributions. Legal agreements are not appropriate for internal departments as each department is not a legal entity in its own right. The Infrastructure Funding Statement is new for 2020 and must be submitted by the end of December 2020. All spending of S106 contributions has to be reported as part of the statement. This will help to ensure that departments are spending in line with the relevant agreement.

4.2 **Community Infrastructure Levy**

- 4.2.1 The Council's position of CIL is readily available on the Council's website for developers to see. CIL is calculated based on a number of factors (including floor space) and is only payable for certain types of development. This is all set out within the charging schedule available on the Council's website. The charging schedule was adopted on the 15th November 2017 at Executive Committee and is reviewed as appropriate.
- 4.2.2 All planning applications are checked manually to ensure developments that are liable for CIL are identified. When case officers receive applications and upload them to Crystal (planning software) they tick a box to show that CIL applies to the development. As the tick box is a new addition, the CIL Officer carries out an additional check on applications to ensure that all liable developments are identified.
- 4.2.3 The developer must complete 'form 1', available through the planning portal, so the case officer can validate their planning application. Once the case officer has confirmed that a proposal is potentially CIL liable, 'form 1' would be assessed by a CIL officer and if found to be liable a 'form 2' is requested. At this point, in certain circumstances, the developer can complete an exemption form to reduce or remove the contribution.

- 4.2.4 The liability for the CIL contribution is assigned to the developer and a liability notice is issued with the amount calculated using the adopted charging schedule. When notice of commencement is received from the developer, a demand notice is issued giving the developer 60 days to pay their contribution unless an instalment plan has been agreed following the instalment policy in place (adopted 18th December 2017).
- 4.2.5 Where contributions are to be shared with Local, Parish or Town Councils, the CIL Officer sets up the transaction and sends the relevant documents to the external parties. Legislation states that these Councils are free to decide the timing of the funding payments, however in the absence of an agreement the payments are to be paid to them by the 28th of April or the 28th of October for CIL payments received from the developer during the previous six months. Payments are authorised appropriately via the Business Manager – Policy & Site Delivery, the Head of Development Services and the Head of Finance.
- 4.2.6 When a property is sold the liability for CIL can be transferred. There is a form available for the transfer of liability which must be signed by both parties. There are currently two cases where the transfer of CIL has not been completed and the CIL Officer is liaising with the parties involved to ensure the transfer form is completed and signed. As CIL is registered as a land charge it will show up on searches if unpaid when a property is sold.
- 4.2.7 Monitoring and reporting of CIL is carried out using a spreadsheet. All of the information is recorded on Acolaid but the system does not have the ability to isolate the CIL data to create the reports needed. CIL spending is monitored by the Head of Development Services and the Principal Accountant.

4.3 **S106 Consultation and Agreement**

- 4.3.1 When a relevant planning application is received, consultation responses are sought from various external and internal parties to enable them to request a S106 contribution if required. This can include external responses from the police, NHS, Warwickshire County Council and internal teams such as Green Spaces. If responses have not been received by the time the consultation closes, Principal Planning Officers will chase the various parties to ensure all responses are recorded, even where a party has no comments or requests. Various staff members within Development Services work together to ensure that the contributions requested are in line with the local plan and the CIL compliance policy.
- 4.3.2 The local plan outlines the basic requirements for CIL and S106 contributions. It also informs the developer of the procedure to follow should they feel that the requested contributions are not viable. In these instances, the developer completes a viability assessment. These assessments are reviewed by a Council-approved independent provider with the fees for this service being paid by the developer.

- 4.3.3 A sample of applications approved at Planning Committee within the last twelve months was reviewed. All of the sample had the relevant documents available to view publically in the planning section of the Council's website. This included comments and consultation responses regarding S106 contributions (and CIL where applicable). The majority of S106 agreements were not easily identified as they had been saved under the description of 'unilateral undertakings', thus making them difficult to find when searching for S106 legal agreements. This issue should be resolved over time as the various staff involved in uploading documents to the system have agreed to save S106 agreements as appropriate under the relevant dropdown options of 'legal agreements' or 'Section 106 correspondence' and with an appropriate description.
- 4.3.4 The legal agreements in place were reviewed for the above sample. In all cases, consultation responses were reflected accurately within the final agreements, including where there had been any negotiations. All of the agreements followed a standard format, referenced the relevant legislation and were signed.
- 4.4 **S106 Monitoring**
- 4.4.1 All planning application details are input into Acolaid, including all documents and details regarding both CIL and S106. The case officer is responsible for ensuring the documents are uploaded to the correct case and updated accordingly. Any stipulations in place regarding the application and triggers for S106 payments are also noted to the case.
- 4.4.2 Monitoring of S106 agreements is carried out by the Development Monitoring Officer (DMO). By monitoring the progress of the developments through site visits and communication with the developers themselves, the DMO is aware of when triggers have been hit and when payments are due. The current pandemic has meant a different approach has had to be taken as site visits are not possible. Instead, where appropriate, road side visits have been carried out and remote data from Building Control has been relied upon.
- 4.4.3 Once triggers have been met an invoice is issued to the developer, following the terms set out in the S106 agreement. The invoice sets out a date the payment is due by and reminders are sent accordingly. If payment is not received, the standard Council debt collection process is followed, although this has not yet been needed.
- 4.4.4 Various reports are prepared regularly. This includes quarterly monitoring reports, the authority monitoring report and the infrastructure funding statement. These are covered in detail below. Reports are prepared using the information input into Acolaid and extracted using the reporting function on Crystal. Only a handful of staff can run the reports on Crystal but they can be made available to a wider range of officers through Ripplestone (software that links to Crystal enabling additional users to view the reports).
- 4.4.5 Quarterly monitoring reports show the S106 contributions and developments which have hit triggers. These are shared with the relevant Council services and external third parties who have an interest in the development. They are

also published on the Council's website, available through the planning pages.

- 4.4.6 Both CIL and S106 are recorded in the authority monitoring report (AMR). Published annually on the Council's website, this report is used to measure the performance against the local plan objectives, covering the monitoring undertaken on both housing and employment land as well as a range of other related topics.
- 4.4.7 A new report for 2020 is the infrastructure funding statement which must be published annually by December 31st each year. The 2019/20 statement has been published and is available on the Council's website. The statement must set out various reports relating to CIL and S106 planning obligations for the previous financial year. The reports include how the funds have been used and how the Council intends to use the levy towards future projects and infrastructure. Other service areas are relied on to keep accurate and complete records for the contributions received in order for the information provided in the reports to be accurate. The infrastructure funding statement should give communities a better understanding of how developer contributions have been used to deliver infrastructure within their area.

4.5 **S106 Income and Expenditure**

- 4.5.1 From the previous sample, where developers have paid invoices, the payments could be identified on Total along with the transfers to other departments and third-party organisations. The amounts paid to other organisations could be identified to the corresponding S106 agreement and the amounts matched those on the agreement.
- 4.5.2 The legal agreements in place with the developers set out the sums and the triggers for invoices to be issued or conditions to be met for both CIL and S106. There are also agreements in place for the third-party organisations, detailing the sums due, triggers and any conditions on how the funds can be used.
- 4.5.3 It is not possible to have legal agreements in place for internal departments. This is because the Council is one legal entity and not lots of separate ones. Internal agreements are signed by Heads of Service ensuring they understand the spending requirements and take accountability for it. The spending is also kept under review by SMT.
- 4.5.4 As discussed above (4.4.7) the income and expenditure will be published in detail in the infrastructure funding statement. Internal services need to provide accurate records which are readily available to the Development Services team when they are producing the annual statement. The obligation to produce the infrastructure funding statement potentially negates the need for an internal agreement.

5 **Summary & Conclusion**

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls that are currently in place in

respect of Community Infrastructure Levy & Section 106 Agreements are appropriate and are working effectively.

5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

Richard Barr
Audit and Risk Manager

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Finance
C.C. Chief Executive
Deputy Chief Executive (AJ)
Exchequer Manager
Revenues & Recovery
Manager
Portfolio Holder (Cllr Hales)

SUBJECT: Council Tax
DATE: 9 April 2021

1 **Introduction**

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Nathan Leng, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email or Teams video calls.

2 **Background**

- 2.1 Council tax (CT) is a local tax charged on domestic properties. Properties are grouped into valuation bands based on domestic property values from April 1991. These bands are determined by the Valuation Office Agency (VOA).
- 2.2 Rates of council tax are calculated according to property value, personal circumstances and the level of funding required by the local council. People pay the fee related to the band in which their residence falls. Each dwelling is placed into one of eight bands (A to H) by the VOA. Bills are based on a proportion of what a Band D property is charged. For example, Band A bills are 5/9ths of those for Band D.
- 2.3 CT is collected by local authorities to help pay for local services. The Council is responsible for setting the annual budget and determining how much will be met through CT.

- 2.4 Being a billing authority, the Council sends out bills which include charges ('precepts') set by other authorities in the area. These include Warwickshire County Council (WCC), the Police & Crime Commissioner (PCC) and various town and parish councils within the district. The Council collects money on behalf of these authorities and pays each body a percentage as appropriate. The Civica Open Revenues system is used for processing and administering CT.

3 **Scope and Objectives of the Audit**

- 3.1 The controls identified within the systems-based audit programmes are covered on a rolling basis to reflect the current evaluation of risk, as well as available resources. As set out below, this audit has concentrated on the controls in place regarding billing and collections and refunds.

- 3.2 An extensive examination has been undertaken using the CIPFA systems-based control evaluation models. Detailed testing was performed to confirm that the identified controls have been successfully implemented, with documentary evidence being obtained where possible.

- 3.3 The objectives that have been considered as part of this audit include:

- Revenues staff are aware of and have access to relevant legislation and procedural documentation.
- The recovery of all Council tax liabilities for the year.
- Council tax charges have been formally approved.
- Payment has been enforced through the processes prescribed by legislation.
- The identification and writing off of irrecoverable debts has been managed and controlled.
- Billing amendments have been documented, made for appropriate reasons and the supporting evidence has been retained.
- Refunds have been documented, requested and checked against outstanding liabilities before being processed.
- Bill suppressions have been documented, applied and reviewed appropriately.

- 3.4 The expected controls under the relevant matrices are categorised into the following areas:

Billing:

- (1) Procedures & regulations
- (2) Setting of council tax
- (3) Issuing of demands
- (4) Calculations & payments
- (5) Revisions & suppressions
- (6) Reconciliations
- (7) Security of data

Collection & Refunds:

- (8) Procedures & regulations
- (9) Income collection
- (10) Credits & refunds
- (11) Checks & reconciliations
- (12) Performance
- (13) Security of data

- 3.5 Some specific tests were not performed as they were either considered not relevant to the operations at the Council or are covered under separate audits (e.g. data security is covered under a specific IT audit of the Civica Open Revenues system).

4 Findings

4.1 Recommendation from Previous Report

- 4.1.1 The current position in respect of the recommendation from the previous audit of these subsystems, undertaken in February 2018, was also reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
1 Details of the cases checked as part of the write off authorisation process (including the high value authorisations) should be recorded on the batch authorisation sheets	Agreed – an instruction will be issued to appropriate staff.	Complete – The batch authorisation sheets contain details of cases checked as part of the write-off authorisation procedure.
2 Documentation should be produced and retained to support all debts written off.	Agreed – a reminder will be issued to appropriate staff.	Complete – All sampled write-off cases contained the appropriate documentation and authorisation records.

4.2 Procedures & Regulations

- 4.2.1 Revenues staff are guided in the billing, collection and refunding of Council Tax (CT) by the Institute of Revenues, Rating & Valuations (IRRV) Council Tax Law & Practice document (2018). This document is maintained centrally by the Department for Communities and Local Government (DCLG). The IRRV document is available online and a copy is also held in the Revenues & Benefits system drive.
- 4.2.2 There is no dedicated system manual covering the billing or the collection and refund processes. However, there is a Civica manual

that provides procedural details on specific system functions and processes.

- 4.2.3 Revenues staff are trained to a proficient level upon joining the department. Internal training documents are maintained and made available to all Revenues staff through the Revenues & Benefits system drive.

4.3 **Billing**

4.3.1 **Setting of Council Tax**

- 4.3.1.1 The precepting authorities were notified of the proposed CT base in December 2019 by the Strategic Finance Manager (SFM). The proposed base was announced during the full Council meeting on 20 November 2019 and the proposal was recommended for approval during the full Council meeting on 26 February 2020.
- 4.3.1.2 The base rates were published on the Council website on 5 March 2020. The rates were also published via an advertisement in the Leamington Courier on 13 March 2020.
- 4.3.1.3 A referendum on the base rates was scheduled for 8 May 2020. However, due to the COVID-19 pandemic, the referendum was cancelled and substitute Council tax charges were applied. The Council website was updated and a new advertisement was placed in the Leamington Courier on 15 May 2020.
- 4.3.1.4 A comparison of the precept instalment schedule and records of payments made revealed that all payments were made within the agreed timescale.

4.3.2 **Issuing of Demands**

- 4.3.2.1 The CIPFA internal control evaluation model establishes criteria that CT bills must adhere to. Examination of a sample CT bill revealed that it contained all relevant details set out in the legislation (Council Tax Regulations 1992) along with various other pieces of information that enable the liable person(s) to identify how their charge has been calculated and to raise queries where necessary.

4.3.3 **Calculations & Payments**

- 4.3.3.1 There are several payment methods available to taxpayers. Cash and cheque payments made directly to the Council or via a Council hub have not been accepted since 2016. However, payment by cash and cheque is accepted via PayPoint outlets.
- 4.3.3.2 The standard billing cycle charges the annual tax liability over ten monthly instalments running from April to January. Taxpayers can request a 'special arrangement' whereby their annual liability is spread over twelve monthly instalments. Special arrangements can be made

for a range of reasons including: debt, low income, exceptional circumstances and unusual pay schedules.

- 4.3.3.3 When tax liability is calculated part way through the year, instalments are automatically calculated to end in January. If the liability begins on or after 1 January or was calculated after the end of the relevant financial year, the taxpayer is issued a bill for their outstanding liability. This is paid as a lump-sum or a special arrangement can be made.
- 4.3.3.4 The annual billing run is an automated process. Before bills are generated for the new tax year, checks are carried out to confirm the accuracy of the billing parameters, that discounts and exemptions are awarded as appropriate and that the correct relief and rebates have been calculated. These checks are carried out by the Systems Officer and Exchequer Manager.
- 4.3.3.5 Bills are generally produced before the start of the relevant tax year during the annual billing run. For the tax year 2020-2021, bills were issued on 29 February 2020, more than 30 days before the first scheduled payment period 1 April 2020.
- 4.3.3.6 A sample of Civica accounts of new properties that became liable for CT during 2020-2021 was analysed. Testing revealed that the initial bill was raised 14 days or more before the first payment instalment date. All bills included the names of individuals liable for paying tax at a property. The Civica system holds copies of the bills, details the amount of council tax due, the bill reference and date each bill was raised and despatched.
- 4.3.3.7 Analysis of the precept notification letters from WCC and PCC revealed that the values contained in these documents match the figures from the financial report presented to the full Council meeting on 26 February 2020. However, these values do not match the figures contained on the Civica system. This is because Civica was updated using the substitute CT charge figures after the CT referendum was cancelled.

4.3.4 **Revisions & Suppressions**

- 4.3.4.1 Inhibits are used to prevent recovery action on a specific account until after a certain date or outcome. Revenues staff are authorised to inhibit recovery on accounts for reasons such as extenuating personal circumstances or pending a decision on benefits or banding.
- 4.3.4.2 There are two main types of inhibit; a recovery inhibit and a benefit inhibit. Recovery inhibits are typically less common and may be applied for a range of reasons including; Individual Voluntary Arrangements (IVA) applications, write-off applications and Debt Relief Orders (DRO) applications. Benefit inhibits are more common and applied pending a possible benefit adjustment. Recovery inhibits generally take longer to resolve than benefit inhibits.

- 4.3.4.3 Recovery inhibit reports are carried out ad-hoc with no defined schedule. The most recent report was run on 19 August 2020. The benefit inhibit reports are run weekly.
- 4.3.4.4 A sample of inhibit cases was reviewed. In every case, the reasons an inhibit was applied are documented on the account. The inhibits were all applied for appropriate reasons and appropriate actions were taken in response to the removal of the inhibit. There were no cases where an inhibit had remained active after the expiration or review date. However, in some cases where an original issue was outstanding, a new inhibit was set up after the expiration date had passed.

4.3.5 **Reconciliations**

- 4.3.5.1 The number of bills produced is balanced against the number of liable properties as part of the trial billing run carried out before the start of each new financial year.

4.3.6 **Security of Data**

- 4.3.6.1 The Council are registered as information controllers (Reference. Z623925X) with the Information Commissioner's website.
- 4.3.6.2 Data is held for six years after an account is closed in adherence with the Council's data retention policy. Revenues staff receive training in the areas of data protection and retention through the corporate policy awareness resource (MetaCompliance).
- 4.3.6.3 All physical records have been scanned on to the revenue and benefits systems.

4.4 **Collection & Refunds**

4.4.1 **Income Collection**

- 4.4.1.1 There are a variety of independent payment methods available to taxpayers. This allows Revenues staff, who are involved in the valuation, liability and billing of CT, to maintain a separation of duty.
- 4.4.1.2 There are a total of 2,588 rejected direct debit (DD) payments for CT this year. The sum of these rejected payments amounts to approximately £800,000. This compares to 3,700 rejected DD transactions with an approximate value of £570,000 at the time of the last audit (2019).
- 4.4.1.3 The sum of rejected DD transactions represents 1% of the current tax collected by DD. This compares to 0.7% in 2018-2019, representing a 0.3% increase.
- 4.4.1.4 The Systems Officer does not review the BACS report to confirm whether the expected sum of CT for individual accounts has been paid.

However, requests are made to Finance to verify that the total sum received in the BACS transmission matches the total expected amount.

- 4.4.1.5 A sample of rejected DD transactions was analysed from the 10 February 2021 BACS report. In every case, the follow-up actions taken by Revenues staff were appropriate, timely and recorded in the account diary.
- 4.4.1.6 When a CT payment is made with an invalid payment reference, the payment is held in the Civica suspense account. The suspense account provides a record of all transactions that have passed through the account including; when a transaction was received, when and where it was transferred, and who processed the transfer.
- 4.4.1.7 The Civica system lists 14 users who have access to the suspense account. The majority of these users are only granted viewing access. There is a small group of 'core' users who are authorised, due to their job role, to make transfers from the account. The list also includes staff members who have left the Council. In these instances, access to the Civica system has been disabled.
- 4.4.1.8 A sample of recently cleared suspense transactions was assessed. In every case, the transaction was transferred to a legitimate account. All transfers sampled had been processed within 48 hours of being received in the suspense account.
- 4.4.1.9 At the time of testing, there were 23 outstanding suspense items that had yet to be transferred. The oldest of these transactions was received in April 2020. The Systems Officer confirmed that most of these items are contra debit/credits. There are also some instances where a reference could not be identified during phone transactions. In these instances, the Systems Officer has to wait for the person who made the payment to claim it before taking action.

4.4.2 **Credits & Refunds**

- 4.4.2.1 Accounts are frequently monitored. As soon as an account goes into credit, a 'credit bill' is generated. Taxpayers receive a credit bill form which offers them the option of claiming the credit as a refund or transferring it to another account. If the account holder does not respond to the credit bill form, the Civica system automatically flags a 'workflow action' which is addressed by Revenues staff. Credit reports are run every six months to identify long-standing credits that haven't been claimed.
- 4.4.2.2 A sample of accounts with an end of year credit balance exceeding £1,000 was analysed. In every case, the credit was found to be appropriate. The majority were the result of backdated credit being refunded to an account after a change in the tax liability was processed. There was only one account that had an outstanding liability. In this case, the credit was transferred to offset the liability.

- 4.4.2.3 Refunds are processed upon receipt of an appropriately detailed refund form and where the credit balance cannot be offset against outstanding or future liabilities. Refunds with a credit balance exceeding £1,000 must be authorised by the Revenues & Recovery Manager. Refunds with a value exceeding £5,000 must be authorised by the Exchequer Manager. Refunds processed during December 2020 were reviewed and deemed compliant with the above procedures.
- 4.4.2.4 An analysis of the annual totals of CT refunds made over the last three years revealed that the total value of refunds has decreased each year from £1,460,000 in 2018/2019 to £1,410,000 in 2020/2021. When controlling for variations in the number of properties liable for CT each year, the percentage of refunds fell from 1.3% in 2018/2019 to 1.1% in 2020/2021. This reveals that while there has been a reduction in the total value of refunds when taken as a percentage of the property charge total, refunds remain at a relatively constant level.
- 4.4.2.5 A sample of credit transfers was selected from the Integrated Revenues Transaction Control Report run on 22 January 2021. All of the sampled transactions were processed by an authorised member of Revenues staff at the request of the account holder. The Civica system also documents the reason a transfer is made. In all cases, the credit was transferred to a legitimate account.

4.4.3 **Checks & Reconciliations**

- 4.4.3.1 The Systems Officer runs a daily reconciliation between the CT and Housing Benefits (HB) systems. A Financial Control report is generated to show the benefits total and a CTS Balancing report is generated to reveal the total amount paid. These figures are entered into a spreadsheet that calculates whether there is any difference between the benefits posted and the benefits received. If a discrepancy is identified, it is investigated and the reason for the difference is recorded in the spreadsheet.
- 4.4.3.2 The Systems Officer maintains a Cashbook spreadsheet showing the tax income received from various sources. There is also a Refunds spreadsheet showing the refunds made. The figures from these spreadsheets are compared to the figures in the Financial Control reports.
- 4.4.3.3 CT account statements are periodically sent to taxpayers once per annum to inform residents of their tax liability for the next year.

4.4.4 **Performance**

- 4.4.4.1 There are no performance targets for the collection of CT because the service aims to collect 100% of the anticipated tax income. However, collection rates are calculated on a daily basis and recorded in the annual collection rate spreadsheet.

- 4.4.4.2 The spreadsheet displays the collection rate in monthly intervals from the previous year. This reveals whether collection in the current year is ahead of or behind the previous year. The collection rate percentage for this year, as of 29 January 2021, stands at 92.9%. This compares to 93.4% at the same time last year.

5 **Conclusions**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of billing, collection and refund processes for Council Tax are appropriate and are working effectively.

- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

- 5.3 No recommendations are arising from this review.

Richard Barr
Audit and Risk Manager

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Health & Community Protection
C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
Safer Communities Manager
Portfolio Holder (Cllr Falp)

SUBJECT: Crime and Disorder
DATE: 10 February 2021

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email, telephone calls or virtually through MSTeams.

2 Background

- 2.1 Warwick District Council is an active partner in the South Warwickshire Community Safety Partnership (SWCSP). The vision of this partnership is that South Warwickshire 'should be an attractive and desirable place to live, work and visit, with a sense of safety which reflects the low risk of becoming a victim of crime in the area'.
- 2.2 Responsibility for managing crime and disorder sits mainly within the Safer Communities section of the Health & Community Protection department within the Council, although other departments also have roles to play.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:

- Compliance with legislation
- Partnership working
- Performance monitoring and reporting
- Budget and project management
- Risk management.

3.3 The control objectives examined were:

- The Council complies with relevant legislation
- Relevant partners are aware of their responsibilities
- Decisions are taken by the partnership as a whole
- Partnership management are aware of progress against agreed plans and objectives
- The effects of crime and disorder strategies are known
- Members of the public are informed of relevant performance figures
- Budget variances are limited as the budgets are set appropriately in line with known areas of income and expenditure
- The Council is aware of any potential budget variances
- Partnership funds, including those awarded to the Council for specific projects, are appropriately managed
- The outcomes of individual projects are achieved or management is aware of the reasons for non-achievement
- The Council is aware of the risks in relation to the services provided (where it retains responsibility) and has taken steps to address them
- Partners and outside agencies are aware of the risks in relation to undertaking their services and have taken steps to address them.

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 The current position in respect of the recommendations from the previous audit, undertaken in January 2017, was also reviewed. The current position is as follows:

	Recommendation	Management Response	Current Status
1	Consideration should be given to including a section on crime and disorder implications in (all or selected) committee reports.	Discussions to be held with Committee Services to review.	The current template includes crime and ASB as considerations within the policy section of the report.
2	The YouTube video, regarding the priorities of the SWCSP, should be updated to include recent statistics.	The video cannot be updated. A comment is to be placed on the website to demonstrate the priorities remain the same.	No longer applicable as the priorities are not displayed in a video format.

	Recommendation	Management Response	Current Status
3	A link to the video should be included on the relevant pages of the WDC website.	The link to the video has been checked and updated.	As above.
4	The Community Safety page of the council's website should be updated to show the latest crime figures.	The figures have been updated on the website.	At the time of the audit the figures were up to date.

4.2 **Compliance with Legislation**

4.2.1 There are various pieces of legislation in place for local authorities regarding crime and disorder. The main piece of relevant legislation is the Crime & Disorder Act 1998 and this is supported by the Anti-Social Behaviour, Crime & Policing Act 2014 (public space protection). Section 17 of the 1998 Act is the specific part which requires each authority to consider crime and disorder implications in all of its functions.

4.2.2 Warwick District Council's compliance with the Acts is reported to Overview and Scrutiny Committee, as part of a combined South Warwickshire Community Safety Partnership (SWCSP). The most recent report was presented to the committee on 10th November 2020. The committee reports are also an opportunity to present the current projects and progress on plans.

4.2.3 Crime & Disorder Reduction Partnerships were created as part of the Crime & Disorder Act (1998). They are the responsible bodies for reducing crime, disorder, substance misuse and reoffending.

4.2.4 In 2008 Warwick and Stratford-on-Avon District Councils merged to create South Warwickshire Community Safety Partnership (SWCSP). SWCSP is made up of the following members:

- South Warwickshire Clinical Commissioning Group
- Stratford-on-Avon District Council
- Warwick District Council
- Warwickshire County Council
- Warwickshire Fire Authority
- Warwickshire Police
- Warwickshire Probation

4.2.5 Meetings are held at least three times a year giving opportunity for the Partnership to endorse and set priorities for the next twelve months. Progress and performance is also reviewed after six months as well as annually. Extra meetings may be held to discuss items such as additional priorities and domestic homicide, which allows the partnership to adapt to any changes within the local environment.

- 4.2.6 The main staff involved with the Council's crime and disorder functions are aware of the relevant legislation and through discussion were able to explain how the legislation is embedded within their day-to-day roles.
- 4.2.7 The committee report template makes reference to crime and anti-social behaviour as part of 'Green, Clean, Safe' within the policy section of the report. This helps to serve as a reminder to Members to consider this in their decision making. Members also receive training on crime and disorder and the Council's responsibility as part of their induction and this was last carried out in 2019.

4.3 **Partnership Working**

- 4.3.1 Warwick District Council's website has various pages available to the public regarding crime and disorder. Not only does it include ongoing initiatives but it also signposts to shared safety initiatives on Warwickshire County Council's website. The SWCSP terms of reference was provided on request by the Community Safety Officer. The terms set out the role of the members and the various sub groups involved in delivering the initiatives. A report presented at Overview and Scrutiny Committee on November 10th 2020 confirms the members and reinforces the roles and the responsibilities of the partnership.
- 4.3.2 Pre-Covid SWCSP meetings were held on a regular basis as along with meetings with other partnerships which stem from the main group. Since the first lockdown in March 2020 meetings have had to take a virtual format. Initially there were issues as Warwick District Council staff did not have an MS Teams licence. This prevented them from setting up the meetings. Reliance was placed on other members to set up the meeting, share it and enable a dial in function on behalf of Warwick District Council. Warwickshire Police do not have MS Teams so are still using the dial-in function to join the meetings. Recently the Warwick District Council Community Safety Team have obtained licences so are now able to set up the meetings themselves.
- 4.3.3 Formal minutes are taken at the meetings and are circulated to the relevant partners ensuring that decisions agreed upon are noted and can be referenced.
- 4.3.4 Where appropriate information, initiatives and actions can be shared between north and south Warwickshire and adapted to be delivered on a local level through SWCSP.
- 4.3.5 Stemming from SWCSP there are a number of sub-groups allowing the priorities and actions to be focused at a local level within the communities. These groups include:
- Multi-agency groups – tackling anti-social behaviour.
 - Client action group – working with local charities, such as helping hands and the Salvation Army.
 - Community impact assessment group – working to provide reassurance and deliver initiatives in the local community.

- 4.3.6 There are a number of action plans in place for the groups and partnerships involved in crime and disorder prevention. Action plans are updated and reported frequently. The main SWCSP action plan feeds into the small groups which allows the focus on the actions to be at a local level. The SWCSP action plan is agreed and updated at SWCSP meetings as well as being shared at Overview and Scrutiny Committee.
- 4.3.7 The main priorities currently on the SWCSP action plan include:
- Violent crime, including domestic abuse
 - Anti-Social Behaviour, and links to street begging
 - Crime in rural areas
 - Serious acquisitive crime, with a focus on residential burglary and vehicle offences
 - County Lines, including identifying and protecting vulnerable groups, linked to substance misuse.
- 4.3.8 Each priority has its own accompanying action plan which identifies the action, owner, timescale and any updates on the progress. The actions include delivering training, creating awareness and other initiatives. The SWCSP action plan is then broken down further into the sub-group action plans. For example: the action plan for the Community impact assessment group has actions linked to county lines prevention, reducing, preventing and raising awareness of drug abuse, and links to other initiatives such as 'meaningful change' which identifies individuals who need and will accept help and support.
- 4.3.9 The updates to the actions and their outcomes are shared at the partnership and group meetings as well as being reported to Overview and Scrutiny Committee. Some of the actions and outcomes are also shared on Warwick District Council's website which is also kept up to date with the outcomes of non-confidential actions.
- 4.3.10 As part of Warwick District Council's crime and disorder action plan, the public space protection orders were reviewed. This tied into the anti-social behaviour and county lines priorities. The outcome meant that restricted drinking zones within the district were upgraded to intoxicating substances zones, allowing enforced restriction of consumption of both alcohol and drugs in public places. The review also included the dog control orders. However, unfortunately, confidential information was leaked to the public before a consultation could be held. This led to the current orders being extended for a further year with a view to be reviewed. The orders at present do not prevent dogs from being off lead in some play areas or protected wildlife areas unless there is suitable signage in place.

Advisory

Ensure confidential documentation is clearly marked and that Members and staff are aware and are reminded of their obligations.

- 4.3.11 Other initiatives working towards the county lines priority have been carried out throughout the year, despite lockdown. One of the associated actions

was to raise awareness within the area. The safer communities team presented awareness sessions in March, just before the first lockdown. The sessions were held at the Royal Spa Centre and were well attended by Warwick District Council and Warwickshire County Council staff, local police, support services, teachers, elected members and local businesses. A total of 401 people attended across the three sessions.

- 4.3.12 A presentation based on the above mentioned session was also due to be rolled out into local schools. Originally the sessions were going to be presented in schools for limited year groups (due to the cost) but because of the ongoing pandemic they have had to be adapted to be video presentations. This will mean that more year groups will be able to watch the presentation without a significant increase in cost.
- 4.3.13 Another successful action is the 'Meaningful Change' initiative. A total of six units have been purchased so far of which four have been installed. The units have a contactless tap point on the front which allows passers-by to tap their contactless bank card to give an instant donation as an alternative to giving money directly to beggars, to help the homeless and less fortunate within the local area. Since the first installation in November 2019 around £6,300 has been raised. The funds have so far paid for the rehabilitation of two people who were able to show they could commit to rehab and would accept the support offered to them. The funds have also purchased identification documents for others to help them gain employment and benefits. Meaningful change links to the client action group, the Samaritans and local charity Helping Hands. Each case is presented to them and assessed before the funds can be committed.
- 4.3.14 Actions have also included raising awareness of county lines and knife crime through social media. Using Crimestoppers and Fearless services, posts and videos were circulated on social media sites targeting adults and young people across South Warwickshire. The Crimestoppers campaign reached 21,484 people in the Leamington area. The Fearless campaign, aimed at a target age group of 13-17 year olds reached a total of 55,096 people using the social media platforms of Instagram, Snapchat and Facebook.
- 4.3.15 The action plans are adaptable and the groups can work flexibly as new intelligence arises, such as with the recent activity of the 'Hundred Handers' within the area. The group are working on producing information to share within the community and wider area, helping to reduce the impact and to create awareness of the risks. The information about the 'Hundred Handers' and other right wing groups was also recently shared internally amongst managers to help create awareness within the various service areas at Warwick District Council.
- 4.3.16 Adapting to the pandemic also meant that accommodation needed to be organised for the homeless in the area during the first lockdown in March 2020. Providing this accommodation meant that the homeless were able to be reached easily with support and advice to help keep them off the streets. Current figures show the impact has been sustained as there are only four homeless people in the district compared to 22 previously (figure correct in December 2020).

4.3.17 The Safer Communities team have also had to adapt to situations in the district such as the increase in violent incidents. Early in 2020 a murder in the district unsettled the community. A 'pop-up' group was quickly organised to assist residents affected and support the police. The group filled a gap where support and reassurance was needed in the community. The group is made up of members from Warwick District Council and Warwickshire County Council Community Safety, Warwick District Council Housing and Warwickshire Police. The pop-up group have been used to deliver leaflets and have carried out door-to-door visits providing information, reassurance and advice. Support has also been provided to residents where the incidents have made it difficult for them to enter or exit their house or maintain a level of privacy within their home. The benefits of the group and the impact it has had in the community has been recognised as good practice with thoughts to roll out similar groups across the County.

4.4 **Performance Monitoring and Reporting**

- 4.4.1 Performance monitoring is carried out by SWCSP and reported to Overview and Scrutiny committee. The last report to the Overview and Scrutiny committee was issued on the 10th November 2020. The report shows the figures for South Warwickshire then breaks them down into districts and wards. This allows the group to identify priority areas to focus on at a very local level.
- 4.4.2 The monitoring report for Warwick district shows an increase in violent crime and antisocial behaviour and a drop in acquisitive crime when comparing April to September 2020 to the same period in 2019. The narrative accompanying the report explains and reviews the potential reasons behind the changes.
- 4.4.3 Violent crime has increased within Warwick district and across the south of the county as a whole. One of the main trends is the increased level of reported domestic violence. A number of possible reasons for the increase have been identified including lockdown conditions, raised awareness and willingness to report. Positively, lockdown conditions have been identified as a likely reason as to why violence with injury has decreased – affording limited opportunities for it to occur.
- 4.4.4 Acquisitive crime has shown a decrease with residential burglary and vehicle crime showing a positive trend, likely to be a result of the restrictions linked to the pandemic. As restrictions become eased it is believed that these offences will start to rise.
- 4.4.5 The increase in antisocial behaviour is largely down to the method of recording Covid regulation breaches. As Covid was new there was not an appropriate reference for it to be logged on the police database so Covid-related incidents were logged as antisocial behaviour. This accounts for a 60% increase in the figures for the district. Non-Covid related incidents show a reduction of 4% compared to the previous year. A briefing paper was produced for Councillors and presented at Overview and Scrutiny Committee in November, the paper further broke down the crime figures and responded to questions that had been raised.

- 4.4.6 Warwick District Council's website has dedicated community safety pages. The relevant legislation is published on the pages along with information regarding SWCSP. The crime levels on the webpage were updated during the audit to show the figures up to 2018/19. The page on antisocial behaviour is up to date with the relevant information, legislation and contact details. The public spaces protection orders page is also up to date with the current legislation and orders in place within the district.
- 4.4.7 There was an increase in violent incidents in 2020, with a number of murders and violent incidents occurring within the district. Two of the murders were linked to county lines and drugs which has enabled the team to focus support and create awareness in the wards affected. Two of the murders have been accepted for domestic homicide review by the Home Office and progress is overseen by an independent chair on behalf of SWCSP.
- 4.4.8 Reporting is also carried out on a quarterly basis to the Police and Crime Commissioner (PCC). This allows progress on initiatives funded by the PCC to be reviewed and progress updated. The reporting also includes the spending of any grants issued.

4.5 **Budget and Project Management**

- 4.5.1 The budgets were reviewed as part of the audit and there were no variances or concerns found. Many of the budgets are currently shown as underspent, which is largely due to the pandemic preventing some of the initiatives from being carried out. Discussions with the Community Safety Officer and the Head of Community Protection confirmed that many of the initiatives planned will still go ahead but different approaches will have to be taken, e.g. providing sessions in a virtual or video format rather than face to face.
- 4.5.2 The budgets are reviewed on a regular basis by the Head of Community Protection and an Assistant Accountant. Where face to face meetings cannot be completed, correspondence has been via email. The budgets are reviewed and monitored closely as reporting and monitoring forms a part of the PCC grant agreements.
- 4.5.3 Special budget codes are not used for the PCC grants but they are easily identified within the budgets. The grants received from the PCC were allocated to the following initiatives in 2020-21:
- | | |
|-------------------|------------|
| • SW Drone | £2,500.00 |
| • Street Marshals | £3,780.00 |
| • Street Pastors | £4,500.00 |
| • CCTV | £11,150.00 |
| • Burglary Packs | £2,382.30 |
| • County Lines | £9,888.00 |
| • TOTAL | £34,200.30 |
- 4.5.4 Documentation is retained supporting the spending and is reported to the PCC on a quarterly basis in partnership with Stratford-on-Avon District Council. The reports show the amounts spent remaining funds, broken down

into the relevant areas for each district. The spending is explained in the report along with any obstacles encountered.

4.6 **Risk Management**

- 4.6.1 Lone working and general visit risk assessments are used when Warwick District Council officers are working away from the office, meeting with members of the public or partnerships, visits and inspections to domestic premises, business premises and outdoor locations. The visits risk assessment has been updated within the last year and continues to be kept up to date with regard to working safely during Covid restrictions and relevant guidance.
- 4.6.2 There are numerous other risk assessments in place for the officers to use which cover Covid risks and procedures, helping to keep them safe when working within the community and meeting with partners.
- 4.6.3 The service area risk register is updated frequently, incorporating changes and updates to legislation. It identifies various relevant risks such as staff shortages, lone/night working and general health and safety. It also incorporates Covid-related additional risks such as transport, working from home, dealing with the public and the effects on partnership working. Where risks have been reviewed or updated they have been dated and any further discussion points are noted.

5 **Summary & Conclusion**

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls that are currently in place in respect of Crime and Disorder are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

- 5.3 Just one advisory was noted regarding procedures, awareness and communication of confidential information.

Richard Barr
Audit and Risk Manager

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of ICT Services
C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
ICT Infrastructure Manager
Portfolio Holder (Cllr Day)

SUBJECT: Cyber Security Management
DATE: 4 May 2021

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21 an audit review of the Council's Cyber Security Management was completed in March 2021. This report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and co-operation received during the audit.

2 Background

- 2.1 Cyber Security is an increasingly relevant risk to the Council and the wider public sector. The WannaCry event from May 2017 is one such example, which caused widespread disruption through the use of a Ransomware attack, mobilised by the EternalBlue exploit.
- 2.2 Ransomware attacks encrypt the data on the target network, with the threat actors demanding a ransom to supply a code to unlock the encryption. EternalBlue was the mechanism that enabled the attack to propagate across a target network.
- 2.3 This audit was undertaken to ensure the security, integrity and availability of the Council's systems and data through the effective management of Cyber Security controls.

3 Scope and Objectives of the Audit

- 3.1 The objective of the report is to ensure the security, integrity and availability of the Council's systems and data through the effective management of Cyber Security controls.
- 3.2 Testing was performed to confirm that controls identified operated as expected with documentary evidence being obtained where possible, although

some reliance has had to be placed on discussions with relevant staff. A maturity assessment approach was adopted for the testing.

3.3 The audit was designed to assess and provide assurance on the risks pertaining to the following key areas:

- Secure Configuration
- Malware Prevention
- Monitoring; and
- Home & Mobile Working

4 Findings

4.1 Recommendations from Previous Report

4.1.1 This section is not applicable as this is the first audit of this area.

4.2 Secure Configuration

4.2.1 We have noted that there is a documented Patch Management policy, which has undergone a recent review in February 2021. The policy covers patching across the infrastructure as well as the standard Windows patching processes for devices such as servers and user machines.

4.2.2 There are processes in place to ensure that all relevant Windows devices are patched as required, with other devices such as network switches and firewalls being patched as new updates are available. These are issued on a less frequent basis.

4.2.3 There are documented build sheets in place. These are used as a checklist to ensure that all new devices are set up in a consistent manner and that they have the required 'core' software installed. Such software includes Office products as well as Anti-Virus/Malware Endpoint Protection systems.

4.2.4 We have noted the presence of a range of other policies that help manage the secure configuration of the Council's systems. These include the Change Management policy, although the policy was noted as having been previously reviewed in May 2018.

Risk

Where a regular policy review is not undertaken, there is a risk that the policy does not stay aligned to any process changes that may be being implemented over time.

Recommendation

Regular reviews of the ICT Services – Change Management Policy should be conducted with the first one being as soon as possible.

4.2.5 The Council does not currently have a process in place whereby periodic vulnerability scans are carried out in addition to the annual mandatory Public Sector Network (PSN) External Penetration Test and Internal Health Check.

Advisory

Consideration should be given to the procurement of an appropriate internal vulnerability scan tool to facilitate the implementation of periodic internal vulnerability scans. Tools such as Tenable Nessus are available for such activities.

- 4.2.6 The support lifecycle of the Council's infrastructure is monitored on an ongoing basis and we have noted that there is a contract with a Third party contractor who provide advice and guidance for the management and procurement of this. Lifecycle management is vital to ensure that the Council only uses equipment that is supported by the relevant vendor and that replacements are planned in advance of support being withdrawn. Unsupported equipment will not receive new patches to deal with known vulnerabilities that may be exploited by threat actors.

4.3 Malware Prevention

- 4.3.1 We have noted the presence of a documented "Major Virus Outbreak procedure" and a "Removable Media Policy". However, these documents require review as they were last updated in 2016 and 2019 respectively.

Risk

Where regular policy reviews are not undertaken, there is a risk that they do not stay aligned to any process changes that may be being implemented over time.

Recommendation

Regular reviews of the "Major Virus Outbreak procedure" and "Removable Media Policy" should be conducted and communicated accordingly with the first ones being as soon as possible.

- 4.3.2 The Council's devices have appropriate Malware prevention systems in place that scan all data "on access", which means that data cannot be processed until a successful scan of it has been undertaken first. This is especially important where external data has been received, but is also important for internal data.
- 4.3.3 We have seen that the Council has a documented procedure for scanning external media such as CD-ROMs. This procedure is available as staff guidance in the event that media is received from external parties.
- 4.3.4 The Council has implemented a process whereby USB devices are blocked from being used and that users are restricted from downloading certain file types from the Internet.
- 4.3.5 Sophos Endpoint Protection monitors the compliance status of all relevant Council devices under its management. Compliance status relates to the currency of the signature files that are the virus updates to cater for the latest known vulnerabilities.

- 4.3.6 We have noted that the Current Sophos has about two years remaining on the contract. ICT Management have stated their intention to remain with Sophos, although remain mindful of alternative options.

4.4 **Monitoring**

- 4.4.1 The Council does not have a documented Network Monitoring policy and procedure in place. The policy and procedure sets out the scope of the monitoring processes and how to implement the processes.

Risk

Where there is no formal Network Monitoring Policy and Procedure in place, there is a risk that potential malicious and/ or inappropriate network activity goes undetected.

Recommendation

A formal Network Monitoring Policy and supporting operational procedures should be documented. The policy should set out the scope of the monitoring activity; for example, specifying the infrastructure logs that are relevant, roles and responsibilities and the reporting and follow up processes needing to be carried out.

- 4.4.2 However, we have noted that there are a range of operational monitoring systems in place, including the FirePower Intrusion Prevention System (IPS), the Cisco Prime Infrastructure monitoring dashboard and the VSphere Virtual Machine monitoring processes. The monitoring includes alerts that require attention or are for information purposes only.
- 4.4.3 The Council uses the services of British Telecom (BT) where incidents that require their assistance is required. BT provides support for the Council's Cisco infrastructure (primarily network devices and telephony) and advise on infrastructure changes.

4.5 **Home & Mobile Working**

- 4.5.1 The Council has documented a range of policies and related procedures that cover this space, including the management of Third party access to the Council's systems. The policies are as follows:
- Third Party Network Access Agreement
 - Third Party Connection Policy
 - Third Party Network Access Request form
 - Third Party Remote Access Procedure; and
 - Remote Working Policy for Staff and Members.
- 4.5.2 We have noted that all of these documents are outdated, having been last reviewed in 2018 and 2019.

Risk

Where regular policy reviews are not undertaken, there is a risk that they do not stay aligned to any process changes that may be being implemented over time.

Recommendation

Reviews should be conducted of the relevant Third Party remote access policies, their related procedures and the remote working policy for staff and members. A regular review of the policies should be undertaken on an appropriately regular basis.

- 4.5.3 The Council uses the Cisco AnyConnect Secure Mobility Client software to manage its remote access service. The service is supplemented by Multi-Factor Authentication.
- 4.5.4 We have noted that posture checking has also been implemented. Posture checking is a process whereby Council devices that are scanned to confirm that they comply with a minimum standard of rules before access to the Council's network is granted. The rules at the time of the audit were as follows:
- Client Anti-Virus signature files are no more than 15 days old
 - The Windows 10 Operating system build is build 1803 or higher
 - The posture checking process searches for a specific entry within the Windows registry that confirms it as a Council machine.
- 4.5.5 The posture checking was a recent change following a migration from VMWare Horizon to Council-managed devices with AnyConnect VPN. VMWare Horizon has been used as the remote working tool prior to the Pandemic. However, it was found that it was not suitable for supporting the sustained increase in demand for remote working, especially where telephony support is concerned.

5 Conclusions

- 5.1 The audit did not highlight any urgent issues materially impacting the Council's ability to achieve its objectives. The audit did, however, identify four Low-rated issues which, if addressed, would improve the overall control environment. These are set out below:
- A need to conduct a review of the ICT Services – Change Management Policy and to ensure that a regular review of the policy is undertaken on an appropriately regular basis.
 - A need to conduct reviews of the "Major Virus Outbreak procedure" and "Removable Media Policy".
 - A need to document a formal Network Monitoring Policy and supporting operational procedures with the policy setting out the scope of the monitoring activity.
 - A need to conduct regular reviews of the relevant Third Party remote access policies, their related procedures and the remote working policy for staff and members.

Consequently, the findings are considered to give SUBSTANTIAL assurance around the management of Cyber Security risks.

5.1 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 A further 'issue' was also identified where an advisory note has been reported. In this instance, no formal recommendation is warranted as there is little risk if the action is not taken.

6 Management Action

6.1 The recommendations arising above, are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Cyber Security Management – March 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.4	Regular reviews of the ICT Services – Change Management Policy should be conducted with the first one being as soon as possible.	Where a regular policy review is not undertaken, there is a risk that the policy does not stay aligned to any process changes that may be being implemented over time.	Low	Head of ICT Services	<p>A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service.</p> <p>The Change Management Policy will be reviewed to ensure that it includes key principles from the ITIL change management framework.</p>	30/06/21

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.1	Regular reviews of the "Major Virus Outbreak procedure" and "Removable Media Policy" should be conducted and communicated accordingly with the first ones being as soon as possible.	Where regular policy reviews are not undertaken, there is a risk that they do not stay aligned to any process changes that may be being implemented over time.	Low	Head of ICT Services	<p>A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service.</p> <p>The overall incident management policy and procedure, which includes the major virus outbreak procedure will be reviewed to ensure that it includes the latest guidance from NCSC. Removable media will also be reviewed as significant changes to its usefulness have taken place.</p>	30/06/21

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.1	A formal Network Monitoring Policy and supporting operational procedures should be documented. The policy should set out the scope of the monitoring activity; for example, specifying the infrastructure logs that are relevant, roles and responsibilities and the reporting and follow up processes needing to be carried out.	Where there is no formal Network Monitoring Policy and Procedure in place, there is a risk that potential malicious and/ or inappropriate network activity goes undetected.	Low	Head of ICT Services	ICT can review its network monitoring and logging processes in line with the latest guidance from NCSC. An appropriate policy and process will be produced for consideration by the ICT Steering Group.	30/09/21

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.5.2	Reviews should be conducted of the relevant Third Party remote access policies, their related procedures and the remote working policy for staff and members. A regular review of the policies should be undertaken on an appropriately regular basis.	Where regular policy reviews are not undertaken, there is a risk that they do not stay aligned to any process changes that may be being implemented over time.	Low	Head of ICT Services	<p>A number of ICT's key operational policies have not been reviewed according to the normal schedules, principally due to the impact of COVID-19 on capacity to carry out the work and the absence of key staff within the service.</p> <p>The Council's overall remote working and access policy requires a review to ensure that it takes account of the changed circumstances of WDC, where more staff are working remotely than ever before. A review of supplier remote access will also be undertaken to ensure that appropriate safeguards are in place and effective monitoring is operational.</p>	30/09/21

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

FROM: Audit and Risk Manager **SUBJECT:** Development Management
TO: Head of Development Services **DATE:** 15 February 2021
C.C. Chief Executive (CE)
Deputy Chief Executive (BH)
Head of Finance (MS)
Development Manager (GF)
Team Leaders (SS, RR)
Portfolio Holder – Cllr Cooke

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate. The review was undertaken by Nathan Leng, Internal Auditor. This topic was last audited in January 2018.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

2 Background

- 2.1 The Development Management service promotes and delivers safe, sustainable and attractive development. Its primary function is to ensure that all development within the District accords with local and national rules and regulations.
- 2.2 This is achieved by the submission and determination of planning applications. There is also a dedicated planning enforcement team that investigates alleged breaches of planning control and works to remedy unauthorised development.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Planning applications
 - Fees
 - Performance monitoring
 - Risk management
 - Enforcement

3.3 The control objectives examined were:

- Planning applications are decided by the appropriate officers or Members upon receipt of valid reports which allows for informed decisions to be reached.
- Planning applicants are correctly charged.
- The council receives all planning monies due.
- Pre-application fees are set at appropriate levels.
- Team member performance is accurately monitored.
- Service performance is accurately monitored.
- Management and Members are aware of how the service is performing against agreed objectives.
- Management are aware of the risks associated with the provision of services.
- Staff understand the rules and regulations that govern enforcement activities.
- Workloads are managed to ensure effective and efficient enforcement practices.
- Early intervention minimises the threat of planning breaches and unauthorised developments.
- The public perception of Council enforcement action is largely positive.

4 Findings

4.1 Recommendations from Previous Report

4.1.1 The current position in respect of the recommendations from the audit reported in January 2018 is as follows:

Recommendation	Management Response	Current Status
All members of the team should be reminded to save all necessary documentation in Idox.	This report and action plan will be discussed with all members of the team during the next team meeting. The message to staff will be to ensure that all relevant documentation is retained and filed in Idox.	It was evident that not all relevant documentation is saved in Idox. This recommendation was also made in the 2014 audit report and is made again in the latest report (2020).

4.2 Planning Applications

- 4.2.1 There is a formal scheme of delegation in place which is set out within the Council's constitution. Section DS (70) outlines a system of delegation whereby the Head of Development Services has the power to determine all applications submitted to Warwick District Council (WDC) as required by relevant planning laws.
- 4.2.2 There is also a 'local' scheme of delegation which outlines powers that the Head of Development Services has devolved to other officers.

- 4.2.3 Under section DS (70), the Development Manager, the Development Management Team Leaders and the Planning Enforcement Manager are authorised to review the work of the planning officers and to sign off delegated reports and decision notices once the applications have been decided.
- 4.2.4 To check that applications were being processed correctly, a sample of 55 planning applications decided in 2020 was randomly selected to check the following:
- Decisions as to whether planning applications were dealt with under delegated powers or passed to the Planning Committee were sound and based on the scheme of delegation.
 - Relevant site visit reports were being completed and held.
 - Evidence that site notices were being retained.
 - Consultation responses were included in the relevant reports.
 - Delegated decision worksheets were held and signed by appropriate officers.
 - Committee reports were appropriately detailed.
 - Decision notices were available.
- 4.2.5 In general, the testing proved satisfactory with the following key points noted:
- Decisions as to whether planning applications were dealt with under delegated powers or passed to the Planning Committee was sound for all 55 cases based on the scheme of delegation.
 - Only nine cases had a site visit report held on Idox. The Development Management Team Leader (DMTL) confirmed that site visits had taken place but reports were saved locally rather than on Idox. Information contained in the nine available site visit reports was considered appropriate.
 - There was no photographic evidence held on Idox to confirm that site notices had been placed appropriately in 54 out of the 55 cases sampled. One case was exempt from needing a site notice due to not meeting certain criteria. The DMTL confirmed that photographic evidence is currently saved in a secure folder for future reference.
 - 47 of the 55 cases sampled were found to have all appropriate consultation details checked to the report. In seven cases, the report was not found and therefore could not be assessed. One case did not have all the relevant consultation details checked to the report. The DMTL confirmed that this was likely an oversight error.
 - The delegated decision worksheet was held for 45 of the 55 cases and signed by an appropriate officer. In seven cases, there was no delegated decision worksheet held. Three cases were Planning Committee reports and therefore exempt from this test.
 - The three Planning Committee reports were held and appropriately detailed.
 - Decisions notices were available in all 55 cases sampled.

- 4.2.6 It is acknowledged that human error may occur due to the nature of the planning application process. However, for transparency and reputational purposes, all evidence should be available in Idox.

Risk

Relevant documentation relating to an application may not be publicly available.

Recommendation

Planning staff should be reminded to save all necessary documentation in Idox.

4.3 Fees

- 4.3.1 Planning applications require a fee to be paid before an application is accepted for assessment. These fees are set externally and publicised on the Planning Portal website.
- 4.3.2 A 20% increase in fees came into effect in January 2018. The Employment Committee agreed to follow central government guidance to use the additional funds arising from this increase to support the delivery of an effective planning system.
- 4.3.3 All received fees are verified by the Administration team who save evidence of payment on the Idox document management system (DMS).
- 4.3.4 A sample of 55 applications was selected to ensure that fees are calculated and charged correctly. The test proved satisfactory in that the majority of fees were correct and had been received.
- 4.3.5 There were only two cases where incorrect fee information was found on Acolaid. The DMTL confirmed that these were manual input errors. Two additional cases were found to have no receipt of payment on Acolaid.
- 4.3.6 While the rate of error is low, it is important that officers correctly input fee information and ensure fee-related evidence is stored in the appropriate DMS.
- 4.3.7 Evidence from fee calculation forms held on Idox revealed that the planning fees for all 55 cases was completed correctly in line with the Planning Portal guidelines.
- 4.3.8 Potential applicants are able to pay a small fee to receive pre-application advice from a member of the Development Services team. This affords potential applicants with the opportunity to discuss an application, any relevant legislation and receive assurance as to whether an application is likely to be successful.
- 4.3.9 The Development Services Manager (DSM) sets the pre-application advice fees. The DSM periodically conducts a benchmarking exercise comparing the fees charged by other local authorities to ensure fair and competitive pricing. However, no evidence of this has been provided.

4.4 Performance Monitoring

- 4.4.1 Individual officer performance is monitored in real-time by the Development Management Team Leader (DMTL) who is able to track how many cases each officer is dealing with and how many of those are nearing the deadline date so that appropriate action can be taken.
- 4.4.2 The Enforcement Manager (EM) monitors the Enforcement team caseload of to ensure it is appropriate and manageable. This is achieved through the production of Ripplestone reports which extract caseload information from Acolaid.
- 4.4.3 The EM noted that there is currently an issue with Ripplestone whereby the report for tracking the number of closed cases has been malfunctioning for at least twelve months. As a result, it has become more difficult to monitor team performance.

Risk

Caseload monitoring may be made more difficult and time-intensive.

Recommendation

The issues with Ripplestone should be identified and resolved.

- 4.4.4 The overall performance of the planning process is monitored by the central government. PS1 and PS2 forms are to be completed by each district planning authority in England and submitted on a quarterly basis.
- 4.4.5 The PS1 and PS2 reports present information about the range of district matter applications that local planning authorities handle when exercising their development management functions. These reports are generated within the Acolaid system.
- 4.4.6 The PS1 report outlines the number of planning applications received and outstanding while the PS2 report details the time taken to process various types of application. The PS1 report also contains information on the number of different types of enforcement action taken.
- 4.4.7 The Council are required to make planning decisions within a statutory determination period. The national targets are 60% of major applications to be decided within 13 weeks of application or by any extended date agreed and 70% of non-major applications within eight weeks or by any extended date agreed. The Council can lose the authority to determine planning applications if they do not meet these targets.
- 4.4.8 Development Management has performed consistently well against these targets with 90% of all planning decisions made within the statutory time limits over the last three years.
- 4.4.9 However, the percentage of the planning applications with performance agreements (PA) has increased each year (see table, overleaf):

Financial Year	Planning Applications <i>With</i> Performance Agreements	Planning Applications <i>Without</i> Performance Agreements
2017-18	1244 (81%)	296 (19%)
2018-19	981 (70%)	420 (30%)
2019-20	774 (62%)	480 (38%)
2020-21	322 (59%)	223 (41%)

- 4.4.10 The DMTL and DSM advised that the increased use of extensions is likely to be the consequence of staffing issues. During the course of this audit it was noted that there are two outstanding vacancies for Planning Administration Officers. Approval for the recruitment of an Assistant Planning Officer and a Senior Planning Officer has recently been granted. It is envisaged that the fulfillment of these positions will increase capacity.
- 4.4.11 Although Development Management consistently meets their statutory obligations and the use of extensions to the statutory period is legitimate, the trend of requiring a substantially higher percentage of performance agreements each year is unsustainable and should be monitored.

Risk

Use of performance agreements to achieve statutory obligations may become unsustainable.

Recommendation

The percentage of applications with performance agreements should be included in the quarterly SAP figures.

- 4.4.12 The Planning Enforcement Policy provides guidance on enforcement procedure and best practice. The overall aim is to reinforce the standards of the local and neighbourhood plans while avoiding taking formal action where possible.
- 4.4.13 A sample of 36 enforcement cases was selected for testing to ensure that decisions were made in line with local and neighbourhood plans.
- 4.4.14 The test proved satisfactory in that, in every case sampled, the appropriate decision route was taken. All decisions were sound, made in line with local and neighbourhood plans with reference to appropriate planning legislation to support their case.
- 4.4.15 While some decisions were viewed as contentious by the notifier, it is acknowledged that the Council has some discretion as to how it may approach enforcement actions. In these instances, the justifications provided by the Enforcement team appear wholly legitimate.
- 4.4.16 The service area plan (SAP) quarterly figures for Development Services are shared on the Business Intelligence portal (BIP). These are available to the Senior Management Team (SMT) to provide performance oversight of various

Development Services activities, including Development Management & Enforcement.

- 4.4.17 The Development Service Manager (DSM) acknowledged that the measures of performance included in the SAP quarterly figures are not comprehensive and could be improved.
- 4.4.18 The SAP quarterly figures do not contain information on local and national targets which the performance figures are measured against. It would be beneficial to managers and Members if they were provided with the performance targets with the quarterly figures so that they can easily assess performance against set targets.
- 4.4.19 The Systems and Business Improvement Officer (SBIO) produces monthly reports on planning application measures which are reported to the DSM. However, The SBIO confirmed that there is no monthly reporting of enforcement performance.
- 4.4.20 Regular reporting of enforcement performance would be a very useful addition to the compendium of reports that the DSM receives. For this purpose, Ripplestone provides a multitude of reports for different aspects of enforcement performance monitoring.

Advisory

The Development Manager should receive monthly reports of enforcement performance against set targets.

4.5 Risk management

- 4.5.1 There are many risks relating to Development Services including health and safety, IT failures, resource limitations, inadequate training, legislation changes and staff availability. For Development Management specifically, the risks can be summarised as failing to deal with applications properly and within the required timescales.
- 4.5.2 These risks have been identified and allocated in the Development Services risk register which was last reviewed by the Finance and Audit Scrutiny Committee in April 2019.
- 4.5.3 The service-specific risk register should be viewed as a 'live document' and therefore reviewed and updated on an ongoing basis. Despite considerable changes in work processes over the last eight months, the risk register has not been updated since April 2019.
- 4.5.4 In response to changing conditions brought about due to the COVID-19 pandemic, a risk assessment was carried out by the Enforcement Manager. The assessment focused on the health and safety implications of site inspections during the pandemic. The findings do not feature on the risk register.

Risk

Risks may not be identified or updated in the risk register.

Recommendation

The Development Services risk register should be reviewed and updated on an ongoing basis.

4.6 Enforcement

- 4.6.1 Changes to planning and enforcement legislation are published by the central government. When changes in legislation are enacted, the Enforcement Manager (EM) receives an email notification and forwards it to the Enforcement team.
- 4.6.2 The EM arranges regular team meetings to discuss legislation changes. However, due to various factors including resource limitations, the volume of enforcement cases and changing working practices during the COVID-19 pandemic, enforcement staff have met less frequently despite the increase in legislative changes within the last eight months.
- 4.6.3 It is understood that enforcement officers have an individual responsibility to keep up-to-date with legislation changes. All staff members have access to a range of WDC documents that outline enforcement processes and procedures in line with local and national rules and regulations.
- 4.6.4 Staff have access to legal advice through the Shared Legal Service Agreement (SLSA) with Warwickshire County Council (WCC). Contact is usually made via email. Supervisors at WCC will then delegate the task to an appropriate appointee.
- 4.6.5 Due to the reactive nature of enforcement-related legal enquires, it can be difficult to anticipate the level of support needed. However, the level of legal support is generally considered appropriate.
- 4.6.6 The weekly in-person legal workshops provided by the Legal Service has stopped due to the COVID-19 pandemic. The EM has arranged fortnightly virtual meetings with a planning legal advisor to discuss issues and seek advice during this period of remote working.
- 4.6.7 The Enforcement team currently consists of one Enforcement Manager, one full-time Enforcement Officer (37 hours) and two part-time Enforcement Officers (30 and 20 hours). There is also a vacancy for a Senior Enforcement Officer.
- 4.6.8 There are approximately 2000 enforcement cases presented to the Council each year. The EM allocates cases on a pro-rata basis and calculates the number of cases each officer can have based on the number of hours each officer is contracted per week.
- 4.6.9 There is currently a backlog of 149 cases yet to be allocated, with the earliest dating back to April 2020. At the time of writing this report, the Enforcement

Manager has been allocated seven cases to help clear the backlog. Due to the backlog, the Enforcement team are only dealing with high-priority enforcement cases.

- 4.6.10 The EM raised concerns that staffing issues have contributed to a reduction in the efficiency of the team. There is also some anecdotal evidence that an increased workload and associated pressures have contributed to work-related stress and absences.
- 4.6.11 The EM confirmed that the Enforcement team do not attend local Parish and Town Council meetings to proactively identify and respond to potential emerging development issues. This is due to time constraints brought about by resource limitations and the high-volume of cases.
- 4.6.12 However, the EM carries out training sessions with local Members to ensure that they have the skills and knowledge to identify legitimate development issues within their constituencies. The aim is to add a layer of expertise at a local level to filter potential cases so that only those which constitute a legitimate breach of local and national development rules are presented to the Enforcement team.
- 4.6.13 The training was scheduled for April 2020 but cancelled due to the COVID-19 pandemic. The EM intends to arrange virtual training in the future. When the training is re-arranged there may be benefits from extending the training to include local parish and town representatives.

Advisory

Consideration should be given to extending the training to include local parish and town representatives.

- 4.6.14 Local residents were consulted during the drafting of the Council's Local Plan and neighbourhood plans and amendments were made in light of the public examination. Enforcement action, carried out in accordance with these plans, is therefore informed by local interests.
- 4.6.15 The Planning Enforcement Policy states that the Council should publicise the outcome of enforcement cases in the local media and by other means in the interest of raising public awareness of the risks associated with undertaking unauthorised development. It is hoped that this will deter unauthorised development and thereby reduce the incidence of such development occurring.
- 4.6.16 The EM and DSM aim to publicise the outcome of cases whenever possible; they acknowledged, however, that more could be done and conceded that there is not a specific plan in place currently to facilitate this.
- 4.6.17 The risks associated with not publicising enforcement actions are small. However, advantages may include increased public awareness of local enforcement activity, the education of residents and developers on proper development practices and promotion of Council services.

Risk

The public may be unaware of the risks associated with undertaking unauthorised development.

Recommendation

Enforcement activity should be publicised in local media and on social media.

5 Conclusions

5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of the Development Management are appropriate and are working effectively.

5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 A number of minor issues were, however, identified:

- Manual input errors were found in Acolaid (although this issue was not widespread).
- The SAP quarterly figures are not comprehensive and could be improved.
- The SAP quarterly figures do not contain information on local and national targets which the performance figures are measured against.
- Enforcement virtual team meetings to discuss legislation changes were not taking place sufficiently frequently during remote working.

5.4 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted as there is no risk if the actions are not taken. If the changes are made, however, the existing control framework will be enhanced:

- The Development Manager should receive monthly reports of enforcement performance against set targets.
- Consideration should be given to extending the training to include local parish and town representatives.

6 **Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Development Management – February 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officers	Management Response	Target Date
4.2.6	Planning staff should be reminded to save all necessary documentation in Idox.	Relevant documentation relating to an application may not be publicly available.	Low	Manager - Development Services / Business Manager - Development Management	Agreed.	End of Feb 21
4.4.3	The issues with Ripplestone should be identified and resolved.	Caseload monitoring may be made more difficult and time-intensive.	Low	Systems and Business Improvement Officer	Agreed.	End of April 21
4.4.11	The percentage of applications with performance agreements should be included in the quarterly SAP figures.	Use of performance agreements to achieve statutory obligations may become unsustainable.	Low	Manager - Development Services / Systems and Business Improvement Officer	Agreed subject to discussion with the Head of Service and Development Portfolio Holder.	Discussion by end of March 21
4.5.4	The Development Services risk register should be reviewed and updated on an ongoing basis.	Risks may not be identified or updated in the risk register.	Low	Manager - Development Services / Enforcement Manager	Agreed.	This is already the case.

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officers	Management Response	Target Date
4.6.17	Enforcement activity should be regularly publicised in local media and on social media.	The public may be unaware of the risks associated with undertaking unauthorised development.	Low	Manager - Development Services / Enforcement Manager	Agreed. Consideration is already given to this on a regular basis.	This is already the case.

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager

SUBJECT: Health and Wellbeing of
Staff under COVID Working
Arrangements

TO: Head of People and
Communications

DATE: 11 February 2021

C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
Portfolio Holder (Cllr Day)

1 **Introduction**

- 1.1 In accordance with the (amended) Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email, telephone calls or virtually through MSTeams.

2 **Background**

- 2.1 Health and wellbeing was a priority area of focus in 2019, referred to as The Year of Wellbeing. Various initiatives were planned and organised to promote health and wellbeing within the district and for all employees. Initiatives carried out included Thrive, continued promotion of the health and wellbeing scheme and the support available through services from the employee support officers and Unison.
- 2.2 On 23rd March, the COVID-19 pandemic forced staff to adopt new ways of working, with the lockdown requiring nearly all 519 employees to temporarily relocate to their homes. Roughly a week prior to this WDC had already identified a number of 'at risk' staff and made arrangements for them to work from home. Some staff were unable to carry out their role because they were not normally office based or because they did not have the necessary equipment, where possible alternative arrangements were made, deploying some to help with the workload in other areas. A checklist

was issued to identify staff ICT needs and where health and wellbeing support may be required.

- 2.3 35 staff members were identified as a priority to return to Riverside House to work rather than stay home. This was made possible in September due to COVID safe conditions being met (e.g. social distancing, perspex screens, hand sanitising stations etc.). In addition to this there are a number of staff members (circa. 44) who work at Riverside House on a more flexible basis using a team rota system to enable them to fulfil their role.
- 2.4 Since the start of the pandemic, advice and guidance has been rolled out from various bodies including HSE, Public Health England and the Government. As well as information regarding local and national restrictions, the advice has included a focus on health and wellbeing for employees working from home.
- 2.5 The purpose of the audit is to ensure the health and wellbeing of staff has been promoted and has been considered throughout the pandemic so far and that appropriate support and guidance following government legislation has been and continues to be provided.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Information and communication
 - Monitoring and reviewing feedback
 - Legal and regulatory guidance
 - Insurance and risk assessments
- 3.3 The audit programme identified the expected controls. The control objectives examined were:
- Staff feel included and secure in their role
 - Staff support is readily available
 - Staff are aware of how to make the most of their working environment
 - Staff are not working excessive hours
 - Staff morale is high with staff feeling valued, supported and positive about working for the Council
 - Staff are encouraged take regular screen/desk breaks
 - Staff feel valued and do not feel isolated
 - Managers are aware of productivity issues and able to provide support
 - Vacancies are recruited to quickly
 - HSE guidance is followed
 - The Council maintains its IIP award
 - The Council is sharing potential costs from claims with our insurance company
 - Risk assessments are up to date and issues are being addressed

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 The previous audit of Health and Wellbeing was completed in July 2019. However, whilst there were recommendations made, they are not thought to be relevant to this audit. The primary focus of this audit is the Health and Wellbeing of Staff under COVID Working Arrangements and should, therefore, be considered as a standalone audit.

4.2 Information and Communication

- 4.2.1 Since the start of lockdown, updates have been communicated to staff via a number of methods including a 'Big Button' on the intranet. Legislation is issued quickly whereas non-compliant guidance has often needed to be reviewed and deciphered by a team of staff to make sure they understand what it means and the implications for WDC employees. The team involved in relaying the communications includes Senior HR Business Partners, the Head of Health and Community Protection, the Marketing and Communications Manager, the Learning and Development Officer and the Localities and Partnerships Officer. Updates are posted to the big button as quickly as possible once the legislation has been issued or updated ensuring a consistent message is shared across all communication and ongoing initiatives.
- 4.2.2 At the start of lockdown, the Communications team were aware of a number of staff who did not have access to the intranet or their emails whilst working from home. A text service was, therefore, set up to relay important messages, updates and newsletters. 200 staff members signed up for the service. The last message issued was on 24th June 2020 as, by this point, most staff had been issued with equipment to enable them to work from home.
- 4.2.3 Staff are also issued with an update from the Chief Executive. This is usually issued at the weekend directly to staff emails. These updates are also issued to stakeholders and key contacts as well as being published in the residents' newsletter. Early in the pandemic the updates to staff were quite formal but, as a result of comments received from staff through the staff survey, the tone has been changed slightly and the update is amended to prioritise the staff news.
- 4.2.4 Managers are frequently encouraged to have conversations with staff and to signpost them to the wellbeing initiatives and services available. Throughout the pandemic, questionnaires, talking points and reminders have been shared through Managers Forum. They have also been issued with guidance to encourage staff to take breaks and to use their annual leave, not necessarily to go away on holiday but to have a break from work.
- 4.2.5 Updates and information provided to staff through the Big Button is deleted as it is updated. Early into lockdown there was information provided regarding the ability to work flexibly whilst having children at home and advice on home office set up. It was highlighted during the audit that the

advice was no longer available and is still of benefit as staff are replacing home furniture with desks and other equipment is being replaced or where staff may have children isolating at home. The advice had not been removed on purpose and has since been reinstated.

- 4.2.6 In April there was a focus on health and wellbeing with a Big Button released highlighting mental health, how the Council can support staff, and tips to improve your mental health. The guidance signposted staff to support and issued tips on working remotely as well as promoting the healthcare scheme. Again this information is still relevant but the article is no longer available, although managers have continued to be encouraged to have conversations with their staff. As mentioned in 4.2.5 the information had been removed unintentionally and links will be reinstated.

Risks

- 1. Staff may be following working guidance from the HR handbook, rather than the up-to-date guidance in place during the current pandemic.**
- 2. Staff may be unaware of the wellbeing support available to them.**

Recommendations

- 1. The current advice and information should still be easily accessible to staff so it can be reviewed if their circumstances change or when there are new starters.**
- 2. Reminders or links to the support available should be an ongoing priority in the current pandemic.**

- 4.2.7 Where there have been changes in staff roles, either through re-organisation or new starters or leavers, the individual staff pages (located through the search function) are not being updated accordingly. For some of the senior positions the communications team have provided a Big Button update with the new starter or change of role information. This has been found to be very useful as it has not only helped staff feel 'in the loop' but it has also given some background on the staff member and the chance to get to know a little about them.

Advisory

Updates of staff or service area changes could be shared on team pages or big buttons to help ensure staff don't feel further isolated.

- 4.2.8 The impact of the tone and style of communication delivered plays an important role in the current situation. The guidance and updates, if not adapted accordingly, could unintentionally have a negative effect on staff that are already struggling. During the audit, a training session started to be rolled out 'making virtual working work' with part of the session highlighting the importance of a balanced approach by using paradoxes to show the negatives and positives for a selection of scenarios. By ensuring a balanced

view, and continuing the mental health theme from earlier in the year, staff that are feeling isolated may feel like they aren't alone and may be more willing to talk about their problems or access the support available.

Risk

The tone and style of updates and guidance may have a negative effect on the staff causing them to feel further isolated.

Recommendation

Messages should be continuously reviewed and adapted including those delivered by managers. Managers should make regular contact with their staff enabling them to provide guidance and signpost them to support.

- 4.2.9 The Council has a wide range of support available to staff. However, the information is posted on various pages throughout the intranet, so the support is not always easy to locate. The main health and safety page includes a team page for health and wellbeing, which directs users to WCC pages for wellbeing, the BUPA scheme, 2019 Year of Wellbeing page and the health officers group (HOG). There are no direct links to the employee support officers (ESO's), Unison or the emergency support line and counselling. There are dedicated pages for the ESO's and Unison but they are not easy to locate. Carrying out a search for 'staff support' does not provide any relevant links.

Risk

Staff may not be able to find information on the support available to them when they need it.

Recommendations

The Health and Wellbeing page should be kept up-to-date and include current links, promoting the services and resources the Council has available to staff.

The information relating to the support available to staff should have the relevant intranet tags so it appears in the search function.

- 4.2.10 There are currently 55% of staff registered in the healthcare scheme. Last year's claims totalled £26,223.60, with the highest percentage of claims going towards dental (circa. 30%) or therapy costs (circa. 26%). The current year's claims figures are not yet available, although it would be expected that claims would be lower with many services being closed for most of the year, other than for emergency treatment. The uptake of staff registering on the scheme does not appear to have been impacted by the pandemic.
- 4.2.11 Before the pandemic the 'people and change' training sessions had been completed, with the session being designed to help staff adapt and embrace change. Training sessions have continued in the virtual environment with

only a few of the regular courses unable to be carried out. The courses that can be offered online have been better attended than previous years with staff logging in on time and there being fewer 'no shows'. Provision of the training courses through virtual methods appears to have been successful with only a few minor technical issues where the attendee's internet has dropped out or has been inconsistent. However, there are some staff who have been unable to attend training this way as they do not yet have the equipment needed. This will be resolved once the laptops have been rolled out to staff, with priorities decided by management.

4.3 Monitoring and Reviewing Feedback

- 4.3.1 One-to-ones are still continuing where staff have the equipment to take part and almost 77% of appraisals were able to be carried out. The guidance has continued to advise staff to work from home since March 23rd 2020. A roll out of laptops has begun to ensure that the staff who don't currently have suitable equipment will be able to work from home and access the virtual meeting platforms. In June, the guidance was updated to allow workplaces to reopen as long as they could do so in a Covid-compliant manner.
- 4.3.2 Feedback from staff has been obtained through a staff survey carried out in June. The feedback showed that staff were enjoying the nicer weather and the ability to go outside and walk on their lunchbreaks or in the evenings. Some staff were even able to take their equipment into their gardens to work. There were a number of positives identified for staff working from home but the survey also had responses from staff who felt isolated, were struggling to have a definition between work and home life, wanting to reclaim their dining/kitchen tables, had issues with ICT or equipment and some who simply missed the general office interactions. Some of these points are explored further in the below paragraphs.
- 4.3.3 The survey was carried out at a time when staff believed we would begin to return to the office to work due to the government briefings advising the nation that we were moving into recovery. However, the legislative guidance remained the same, advising staff to work from home apart from where work places could be Covid secure. A follow-up short survey is due to be completed in January as part of the Chief Executive talk. At this point, most of the workforce will have been temporary home workers for around ten months.
- 4.3.4 The results of the survey were circulated towards the end of June. Since this point, there have been various intranet posts produced to help with the issues raised within the survey.
- 4.3.5 To help with the isolation and general interactions, some managers are encouraging non-work meetings and 'tea break sessions'. Staff Voice also recently ran two sessions for staff to join and just have a catch up and chat. The sessions were not accessible to all staff, due to the link being embedded in the message or staff not having the necessary equipment. Further sessions are planned to be organised. There also needs an across-the-board clear and consistent approach, ensuring all managers are offering the opportunity to their staff.

Risk

Staff may not be able to access the casual meetings from a link on the intranet.

Recommendation

As most staff cannot access virtual meetings through VMware, there should be alternative joining instructions issued to allow staff to access the sessions from the device used for virtual meetings.

- 4.3.6 The Media team has also recently produced a Big Button for staff, providing ideas on how to keep warm before turning the heating up. This responds to the concerns raised both in the survey and through Rumour Mill (the staff discussion board) regarding the increase in utility bills due to working from home. As well as ideas to keep warm, the information also reminds staff about the ESO's, Unison and the health and wellbeing membership scheme, although no direct links are provided. There was also a reminder and link included for the tax rebate available for staff who are temporarily working from home.
- 4.3.7 ICT are working to ensure all staff have suitable equipment to work at home and be able to attend virtual meetings by providing laptops. This is not a small task and the roll out could take a number of months to complete. All laptops need to be set up correctly with the appropriate programs and systems and staff will then need to be trained on how to use the equipment. This training is undertaken face-to-face so must be COVID secure and relies on staff arriving on time and engaging in the process. Unfortunately, it has been reported that staff have repeatedly arrived late, delaying the process, and affecting not only their session but following sessions. A reminder email and clear instructions have been circulated to help reduce this issue.
- 4.3.8 Unison have been meeting frequently with both HR and the Joint Communication Forum to discuss any concerns and how to support staff returning to work. They have been providing health and wellbeing support to their members throughout the pandemic and have been encouraging communication with managers. Membership does not appear to have been affected by the pandemic; there are currently 211 members, equating to circa. 41% of staff. Unison are working with HR to produce the next staff survey which will have a focus on health and wellbeing.
- 4.3.9 35 staff were identified (through the staff survey, an ICT and health and wellbeing checklist and manager discussions) as needing to return to the office. They returned in September after the workplace had been made Covid secure, by installing screens in between work stations, providing hand sanitation stations, one way systems, new working guidance, and more ensuring that the staff who needed to return to work could do so safely.

4.4 **Legal and Regulatory Guidance**

- 4.4.1 As an employer, WDC has the same health and safety responsibilities for home workers as for any other workers and this includes those who are temporary home workers. Insurance companies, the Health and Safety executive (HSE), Mind and various other external companies realised at the start of the first lockdown that there was a high potential for insurance claims against businesses from staff due to the working arrangements as well as an increase in the potential for mental health issues. To help with this, the HSE, Safety and Health Practitioners (SHP), the insurers and many other companies provided guidance for employers to share with their staff. The guidance included advice on various home working aspects.
- 4.4.2 The Health and Safety Co-ordinator shared the guidance and advice from SHP with the Media team who posted it to the lockdown Big Button earlier in the year, as well as incorporating it into the induction training for new starters. As mentioned above (see 4.2.5), the guidance is no longer accessible, despite it still being relevant, as the button has since been updated. The guidance is also not available on the health and safety team page. Links to AssessNet (a system used that holds risk assessments and DSE assessments along with other workplace risk advice) can be found on the quick links on the main intranet page and on the health and safety team page, however only the quick link works.

Risk

Staff may be setting their equipment up incorrectly, causing musculoskeletal injuries.

Recommendation

The health and safety page should be reviewed to ensure it is relevant and has current information and guidance available, including advice on how to set up their workstation.

- 4.4.3 The Investors in People (IIP) silver award was issued to WDC in 2018 and has recently been reviewed. The Council has maintained the silver status and the feedback was presented at Managers Forum in November. The IIP highlighted some of the Council's strengths, including the commitment to developing and supporting staff, a well-designed learning and development programme and a shared ethos based on values. The IIP feedback also provided areas to work on and focus on over the next twelve months, many of which aim to improve the health and wellbeing of the staff.
- 4.4.4 One of the focus areas identified was to speed up the response to change and performance which is very relevant to the current situation. WDC could use the frequent changes over the last year to show their reactions to change when the next review is carried out. Another focus area included in the feedback is to review the health and wellbeing action plan in line with the new ways of working. Again the current situation will provide a solid base of evidence to show how this has been incorporated. The next IIP review has been deferred for a year due to the amount of change the Council is

currently going through. The focus areas will remain under review until the deferred IIP review takes place.

4.5 Insurance and Risk Assessments

- 4.5.1 There is appropriate insurance in place in the event of staff claiming against the Council due to working conditions. Due to the potential of liability claims, the insurers have provided guidance to help reduce the risk by advising staff on how to set up their workstations and on the importance of taking regular breaks as well as offering mental health and wellbeing advice. The guidance had been circulated to HR and it was included on one of the earlier lockdown Big Buttons. As before, this guidance is no longer available as the button has been updated.
- 4.5.2 At the start of lockdown, HR issued a checklist to staff to assess the equipment needs and home set up. Managers were required to review the information and provide support to their staff where possible. The checklist was also used to help compile an equipment list for ICT, enabling them to prioritise staff equipment needs as well as a list of staff who needed to return to the office as soon as the restrictions and legislation allowed.
- 4.5.3 The Corporate Health & Safety Co-ordinator (CHSC) has been providing support to staff on an individual basis where staff have made contact and asked for office equipment such as chairs. An assessment has been carried out to ensure the staff member's needs are met and, where possible, a solution has been arranged.
- 4.5.4 As highlighted above, the Council uses a system called AssessNet to collect and compile display screen equipment (DSE) assessments. Since an update to the system in April it has not worked to its potential and has not been sending feedback to the CHSC when assessments have been completed. The CHSC is working with AssessNet to resolve the issue and, once resolved, a new DSE assessment for homeworkers will be issued to all relevant staff.
- 4.5.5 A number of workplace risk assessments and procedure documents have been updated or created to ensure staff, Councillors and members of the public are kept safe and healthy whilst working through the pandemic. These include, but are not limited to, procedures for sickness reporting, procedures for exposure, PPE provision, hand sanitiser and cleaning regimes, Covid secure risk assessments, generic, activity specific and individual and occupational health assessments.

5 Summary & Conclusion

- 5.1 The pandemic has left all staff in a situation where they have had to learn new ways of working and adapt to different environments both in and out of their working life. The staff involved in promoting staff health and wellbeing have faced the same issues and challenges as the rest of the staff at WDC, whilst continuing to provide advice, signpost support and deliver the relevant COVID updates.

5.2 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls that are currently in place in respect of Health and Wellbeing of Staff under COVID working arrangements are appropriate and are working effectively.

5.3 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.4 There were minor issues, however, identified during the course of the audit relating to:

- The availability of up-to-date working guidance.
- The guidance to the support available.
- The need for balanced messages.
- The ease of accessing the information and guidance through the intranet.
- The ability to access meetings.
- The potential increase in musculoskeletal injury.

An advisory was identified regarding staff updates and changes in roles.

6 **Management Action**

6.1 The recommendations above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Health and Wellbeing of Staff under COVID working arrangements – December 2020

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.6	1. The current advice and information should still be easily accessible to staff so it can be reviewed if their circumstances change or when there are new starters.	1. Staff may be following working guidance from the HR handbook, rather than the up-to-date guidance in place during the current pandemic.	Low	Head of People and Communications	The up-to-date guidance has been reinstated on to the big button information. Guidance will be consolidated to ensure the up-to-date information is easy to find.	Completed
	2. Reminders or links to the support available should be an ongoing priority in the current pandemic.	2. Staff may be unaware of the wellbeing support available to them.	Low	Head of People and Communications	Appropriate links and signposting is in place and managers will continue to be provided with information to share with their teams.	Completed
4.2.8	Messages should be continuously reviewed and adapted, including those delivered by managers. Managers should make regular contact with their staff enabling them to provide guidance and signpost them to support.	The tone and style of updates and guidance may have a negative effect on the staff causing them to feel further isolated.	Low	Head of People and Communications	Managers have now all received the virtual working training. Appropriate links and guidance will continue to be shared with staff and managers.	Completed

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.9	1. The Health and Wellbeing page should be kept up-to-date and include current links, promoting the services and resources the Council has available to staff.	Staff may not be able to find information on the support available to them when they need it.	Medium	Head of People and Communications	The Health and Wellbeing page has now been updated.	Completed
	2. The information relating to the support available to staff should have the relevant intranet tags so it appears in the search function.		Low	Marketing & Communications	This is something we are aware of and it is being addressed.	ongoing
4.3.5	As most staff cannot access virtual meetings through VMware, there should be alternative joining instructions issued to allow staff to access the sessions from the device used for virtual meetings.	Staff may not be able to access the casual meetings from a link on the intranet.	Low	Marketing & Communications	We have been made aware of this and adapted the message to ensure links are accessible.	Completed
4.4.2	The health and safety page should be reviewed to ensure it is relevant and has current information and guidance available, including advice on how to set up their workstation.	Staff may be setting their equipment up incorrectly, causing musculoskeletal injuries.	Medium	Health & Safety Officer	We will review this to ensure this is regularly updates.	Ongoing

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.
Medium Risk: Issue of moderate importance requiring prompt attention.
Low Risk: Issue of minor importance requiring attention.

INTERNAL AUDIT REPORT

FROM: Audit & Risk Manager
TO: Deputy Chief Executive (AJ)
C.C. Chief Executive
Head of Finance
Democratic Services Manager
Information Governance Manager
Portfolio Holder (Cllr Day)

SUBJECT: Information Governance
DATE: 31 March 2021

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Ian Davy, Principal Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email or Teams video calls.

2 Background

- 2.1 The original scope for this audit was for a review to be performed of what was being left on desks by staff at the end of each day. However, due to the COVID-19 pandemic and the resulting changes to the way everyone was working, this was not appropriate.
- 2.2 Instead, a review has been performed on how staff are dealing with data security in their new working environment, be that at home or within Council premises, and how data security was maintained during the mothballing of parts of Riverside House and the clearance of other levels to allow for a COVID-safe environment to be put in place for those that needed to work from the office.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken through two main 'avenues', firstly through discussion with relevant staff to ascertain how information governance as a whole had been managed, including the mothballing process followed at Riverside House and, secondly, via a staff survey to identify whether staff

working from home were dealing appropriately with the security of data that they obtained. Some of these aspects were also discussed with staff from the relevant teams (e.g. the Corporate Support Team (CST)).

3.2 In terms of scope, the audit covered the following areas:

- Training and guidance
- Data use and retention
- Data disposal.

3.3 The control objectives examined were:

- Staff are aware of how to deal with data they obtain in different working conditions
- Information is not unwittingly disclosed to other staff or contractors
- Information is not unwittingly disclosed by staff working from home
- Personal / sensitive data continues to be disposed of in an appropriate manner during COVID working conditions.

3.4 A separate audit of Income Receipting and Document Management has also recently been completed that covered other aspects of the work of the CST. Whilst there is some overlap (and some recommendations from that audit relate to information governance), this audit is concerned with topics relating specifically to data security.

4 Findings

4.1 Recommendations from Previous Reports

4.1.1 Due to the specific nature of this audit, the recommendations from the previous audit of Information Governance undertaken in May 2018 were not followed up.

4.2 Training & Guidance

- 4.2.1 The Information Governance Manager (IGM) advised that there had been no specific training provided to staff in relation to information governance whilst working from home (WFH). However, he suggested that work was being undertaken on preparing some (general) data protection presentations which will be delivered to managers at both Warwick and Stratford before being made available to all staff as recordings on the intranet.
- 4.2.2 The Democratic Services Manager & Deputy Monitoring Officer (DSM) confirmed that no WFH-specific training had been delivered although meta 'training' and intranet notices have been pushed out.
- 4.2.3 The Learning & Development Officer confirmed that eleven 'meta' notices / training items had been pushed out over the last year with the list including some directly relevant 'notices' as well as others that deal with the processing of data (e.g. NFI).
- 4.2.4 As part of the staff survey, specific questions were asked of staff as to what they had received, or felt they needed, in terms of training or guidance for their new ways of working. A summary of the 'findings' from the staff survey

are covered in 4.5 below, with a more detailed summary of the responses in Appendix B.

- 4.2.5 As highlighted in other sections of this report, some data protection 'issues' have been communicated to staff over the course of the last year and the IGM agreed that it may be a good idea to put together guidance in the form of a 'crib sheet' of issues that staff need to be aware of.

Risk

Staff may not be aware of data protection issues that impact their way of working.

Recommendation

A guidance document, pulling together all issues identified, should be drawn up and distributed to all staff.

- 4.2.6 The IGM highlighted that all relevant policies should apply - no matter where a member of staff is working. He confirmed that the policies had been reviewed shortly before he joined the Council and that he had no concerns over their suitability. However, he suggested that there may be a need for a specific homeworking policy should this continue to be the norm.
- 4.2.7 As part of the staff survey, specific questions were asked of staff as to whether they were aware of policies / procedure documents relevant to their new / current ways of working (see 4.5 and Appendix B).
- 4.2.8 The IGM and the DSM both suggested that there had not been 'regular' communications regarding data security issues. However, there had been occasional notices posted on the intranet as and when there was a specific need, such as the auto-completion of email addresses and use of 'connected devices'. The DSM also suggested that more was needed around requests for changing personal data.
- 4.2.9 As part of the staff survey, specific questions were asked of staff as to whether they had received or were aware of any communications relating to data-related issues that have occurred due to home working / current working (see 4.5 and Appendix B).
- 4.2.10 The DSM advised that all staff visiting Riverside House to clear their offices had to arrange the visits through the Building Surveyor (BS) or the Temporary Riverside House Building Manager (TBM). After one 'near miss', all paperwork to be disposed of was placed into a secure room before 'volunteers' went through the contents to remove any 'non-paper' items (e.g. folders) with the paperwork subsequently being collected for off-site secure destruction. As such, there was no general need to provide guidance to all staff in relation to the office clearance.
- 4.2.11 The BS advised that, with the exception of the main GDPR training, no specific guidance was issued to him for the mothballing process (and the clearing of paperwork from other levels) although this was likely due to the fact that he had raised queries through the Workforce Steering Group directly

in relation to data security; it was therefore probable that there was no perceived need for further guidance to be issued.

4.3 Data Use & Retention

- 4.3.1 Whilst the majority of staff are now working from home, a small number of staff are working from Riverside House, either because their work requires them to be in the office, or there are 'wellbeing' issues. The 'set-up' of Riverside House has been amended to allow for COVID-safe working practices, with staff sat in different areas of the building compared to their previous office base. As a result, staff may now hear or see different information than they would have previously.
- 4.3.2 The DSM advised that the Perspex screens in place at each desk have had an effect on the way that sound transmits around the office although "only 50% of the conversations are heard".
- 4.3.3 The DSM also highlighted that the new arrangements have actually fostered new team dynamics. The IGM also suggested that there was a need to ensure that staff did not feel isolated in the office, as this was one of the reasons that some staff are actually working at Riverside House.
- 4.3.4 Both the DSM and the IGM confirmed that staff were still respecting data security as they would have done in the office previously.
- 4.3.5 Due to the need to ensure that the offices were safe to work in, the contract cleaners were in attendance more frequently than before. The IGM agreed that there was a higher risk of cleaners being in the offices during the day and, as such, there was a need to consider the data security practices of the contractor, ensuring that they (as a contractor as opposed to individual staff members) deal with any data appropriately.
- 4.3.6 The DSM suggested that the cleaners were, however, only approaching desks when staff were not at them (with the use of laminated signs to advise the cleaners whether they were free for cleaning) and staff should be ensuring that no data was visible.
- 4.3.7 The Contract Services Manager obtained confirmation from Churchill (the cleaning contractor) that their staff have to sign a confidentiality agreement as part of their application which includes:

During the course of your employment you may see, hear or have access to information on matters of a confidential nature relating to Churchill Contract Services, their employees and their clients. Under no circumstances should such information be divulged or passed on to any other unauthorised person(s) or organisations. This includes divulging the nature of ours or our client business.
- 4.3.8 Whilst the test concentrated on cleaners being in the building (due to them being in the office more frequently at present) there is a need to consider other contractors in the building at all other times.

- 4.3.9 The BS advised that he was aware that there was an element of data governance reflected in the contract with Pinnars (who worked on the Riverside House 'mothballing' process) and he was aware that reference to GDPR was made in some of the recent contracts he had been involved in the letting of, but this was 'general' and did not necessarily reflect specific processes for coming into 'contact' with information as part of their attendance at Riverside House or other Council properties, although this may be covered by contractor management meetings as appropriate.

Risk

Staff from contractors may obtain and divulge data held at Council premises.

Recommendation

A review of relevant contracts should be performed where contractor staff have access to Riverside House or other relevant Council properties to ensure that appropriate reference is made to data security.

- 4.3.10 The DSM highlighted that there has generally been less post being both sent and received. On the whole, the responsibilities of staff within the Corporate Support Team (CST) and the Copier Operative have remained the same and, as such, the staff were aware of their responsibilities with data being treated as was previously the case.
- 4.3.11 As staff are generally not in the office to obtain their incoming post, the documents are scanned and placed in specific network folders. The DSM advised that the folder structure appears to be working well, with the structure and the related security of the folders being built with ICT staff.
- 4.3.12 The CST Manager (CSTM) confirmed that, due to the nature of their work, the majority of staff within the CST were still office-based and continued with their normal responsibilities. One additional member of staff had also been co-opted into the team but was also aware of his responsibilities in terms of data security.
- 4.3.13 The CSTM suggested that there is the expectation that, if staff were to move department within the Council, their details would be updated on the intranet and their folder access would be amended appropriately so that they were able to obtain scanned documentation as required.
- 4.3.14 The Technical Support Analyst advised that, assuming that ICT were made aware of the change, they would ask the 'new' department for details of someone who has similar access requirements as the access to the post folders (amongst other things) is based on group access settings. The details provided for the new department would then be copied across for the staff member which would overwrite all of their existing settings.
- 4.3.15 The CSTM highlighted that, once scanned, documents are placed into the old post folders for each team. These are then reviewed on the first of each month with all post from the previous month being removed.

- 4.3.16 If staff need to obtain any printed materials, there is a print locker in place at Riverside House that staff can access without needing to enter the building. The BS advised that the lockers were only meant for certain types of documents (e.g. flyers) as opposed to anything that may contain personal / sensitive data which would be distributed separately. As such, it is considered that there is no issue in terms of data security with regards to the use of the lockers.
- 4.3.17 As part of the staff survey, specific questions were asked of staff as to whether they had received any post or requested printing whilst working from home and how they were ensuring data security in their new working environment (see 4.5 and Appendix B).

4.4 **Data Disposal**

- 4.4.1 The BS advised that there had been time to plan the clearance of relevant areas of Riverside House to allow staff to return to a COVID-safe office (not just mothballing of level four but clearance of other levels to allow staff to be moved), with a work process designed accordingly.
- 4.4.2 People were invited into Riverside House in groups to allow for the process to be supervised / controlled, with 'items' then classified as either staff needing it to be taken home (which had largely been undertaken when staff first started working from home), information (paperwork) that needed to be retained but not needed for working from home (either because there was no time to review it all or it needed to be retained), and then 'everything else'.
- 4.4.3 For items that needed to be retained but which were not being taken home, individual rooms / areas were allocated to each department, with some differentiation between what had previously been 'secured' (e.g. in locked cupboards) and what had been 'in the open'.
- 4.4.4 The BS advised that he had been on site along with the TBM each day to supervise the process and to discuss with staff what was required. There was an assumption that everyone had received their GDPR training but staff were told that, if in doubt, any paperwork should be put in the confidential waste bins for secure disposal.
- 4.4.5 Despite the staff 'briefings', the BS advised that it was surprising how much staff were still putting in the general waste and, following a 'near miss' (where it was identified that personal data had been placed in the general waste skip), staff were stopped from putting any waste in the skips. The BS and the TBM went through every general waste 'box' themselves which ensured that no personal data was placed in the general waste (and also allowed for greater levels of recycling).
- 4.4.6 The BS suggested that human error was the main issue and there were some repeat offenders who were very bad at disposing of their paperwork appropriately. The issue was reported to the Workforce Steering Group who advised the BS that he was able to flag any specific concerns with the relevant Head of Service.

- 4.4.7 The BS also highlighted that Pinner's were also briefed about putting any paperwork they found to one side so that it could be reviewed.
- 4.4.8 All paperwork from the office clearance was placed in the 'bike store' before being transferred to a shipping container for secure destruction.
- 4.4.9 The BS suggested that there were lessons to be learned from the process and he would have involved the IGM more in the process in hindsight. These 'lessons' should be taken on board, as staff still have to go through some of the documentation held where they didn't have time to review it all before it was moved to its current storage areas and there will also be further work required as and when the Council moves from Riverside House in the future.

Advisory

A 'lessons learned' report should be drawn up that can be referenced when any future building moves are undertaken.

- 4.4.10 A confidential waste bin is available at Riverside House for staff to use as needed. The DSM advised that the availability of the facility had not been well publicised, although reference to it had been made in response to a Rumour Mill question.
- 4.4.11 Due to the positioning of the bin (i.e. just inside the staff entrance), there was no real need for guidance around social distancing etc.
- 4.4.12 As part of the staff survey, staff were asked how they were destroying or disposing of data whilst working from home (see 4.5 and Appendix B).

4.5 Summary of Findings from the Staff Survey

- 4.5.1 162 responses were received to the survey issued via the intranet, with staff being asked a series of questions as highlighted in the previous sections. As suggested previously, a more detailed summary of the responses to the staff survey can be found at Appendix B. However, the 'issues' detailed in the following paragraphs need specific consideration.
- 4.5.2 In terms of training, almost 32% of the respondents did not feel that they had received appropriate training in relation to data security whilst working from home.
- 4.5.3 Supporting comments to this question and a follow-up question on what staff felt they needed training on suggested a number of general and more specific issues:
- 'General awareness'
 - The use of 'connected devices' (e.g. Amazon Alexa)
 - Confidential waste
 - Equipment security
 - General data security
 - 'I don't know what I don't know'.

The recommendation at 4.2.5 above should ensure that these 'issues' are resolved.

- 4.5.4 Two further specific training / guidance 'needs' where flagged, albeit, not directly relevant to data security:
- Mental health whilst working from home
 - MS Teams etiquette.
- 4.5.5 A similar question was asked in relation to staff awareness of policies and procedure documents that were relevant to their new / current working conditions. Approximately 39% of respondents answered that they were not aware of relevant documents. Again, the guidance produced in reference to the recommendation at 4.2.5 should make reference to any relevant policy / procedure documents.
- 4.5.6 A question on the receipt of communication relating to data-related issues was also asked. Over 52% of staff were not aware of any relevant communication received although supporting comments from those who were aware of the communications made reference to notices such as those referred to at 4.2.8 above.
- 4.5.7 Whilst not relevant to the question on communication, two responses also detailed security 'incidents' that had affected the individuals:
- A personal phone number had been used as a WDC number
 - A staff member's email address had been included in a 'rehousing' email which led to threats from neighbours
- As these are one-off incidents, it is not considered that there is a need for a specific recommendation. However, it was felt that there was a need to make reference to these issues so that management are aware that these had been flagged by staff.
- 4.5.8 A question was asked about current working conditions for staff working from home. Whilst responses were understandably varied, a number of those who were working in rooms that were not dedicated offices suggested that they are working on tables as opposed to office type desks (20) and three people were working in cramped spaces. Whilst this audit is concerned with information governance, there is an obvious impact on health and wellbeing from some of these working conditions which is felt to be worth highlighting.
- 4.5.9 A follow-up question was also asked as to whether anyone else used the 'office space'. Almost a third of respondents confirmed that others use this space and, whilst in hindsight the question could have been made clearer as to whether this was whilst the individual was working (e.g. someone else may use the lounge but not whilst the staff member was working there), and staff may well be taking precautions to ensure that data security is maintained, there is undoubtedly an information governance implication from working in shared spaces with non-WDC staff.

Risk

Staff may be working in unsuitable working conditions, both in terms of health and wellbeing and data security.

Recommendation

Management should take into account the health and wellbeing of staff in relation to current working conditions and the information governance implications of staff working in 'shared spaces' when taking decisions on future office needs.

- 4.5.10 One particular issue that the IGM flagged during the opening meeting for the audit was the prevalence of 'connected devices'. Questions were, therefore, asked as to whether staff had them in the work spaces and whether the listening facility was being disabled whilst working from home.
- 4.5.11 Only 28 respondents suggested that they had such a device in their work space and the majority of those suggested that they turned the listening facility off. However, comments in relation to other questions suggest that some staff were not aware that using one of these devices could have data security implications, so further (or reinforced) guidance (as recommended at 4.2.5 above) may be useful.
- 4.5.12 Another question asked staff how they were storing and securing the data they obtained. The comments were very varied due to the nature of the question but specific references were made in a number of cases in relation to the security of 'confidential data' (or that they didn't hold any such data).
- 4.5.13 However, as flagged by the BS, some staff appeared unaware of what constituted relevant personal / sensitive data when they visited RSH to clear their areas so there may be some false sense of security when staff talk about ensuring that 'confidential' data is secure.
- 4.5.14 There were also a number of responses where staff advised that they hold paper documents but did not specify whether these were secure. It could well be that they are maintaining security, but it could be part of a wider issue of staff not having the capacity to store data securely when working from home.
- 4.5.15 Methods of dealing with distractions to ensure that data was not inadvertently disclosed whilst working from home were also covered by a question in the survey. Specific examples were given to staff (i.e. sending emails to the wrong recipient and putting documents in with general waste) as these had been the subject of previous data breaches or near misses.
- 4.5.16 In a similar vein to other questions, some respondents made specific reference to separating confidential waste from other documents. One person also highlighted that they put their notebooks in the general waste. Again, there may be a need to flag that some 'notes' taken may contain personal data whilst not being formally classified as confidential.
- 4.5.17 Another response also hinted at a false sense of security in relation to emails. They highlighted that "they work on a work laptop, so can't email 'randoms'".

This obviously doesn't stop someone from picking the wrong email address from the auto-fill drop down lists so this may also need reinforcing in the guidance issued.

- 4.5.18 Again, there were also responses that suggested that working from home may not be suitable as a long term solution for all (e.g. hard to avoid distractions from others in the house, no means of disposing of data etc.). This was also raised in a subsequent question on screen positioning whereby a member of staff was unable to position their monitor such that others passing the property may be able to read what is on the monitor.
- 4.5.19 The use of personal equipment was also covered in the survey. Roughly 38% of respondents suggested that they had or were using personal devices for work and, whilst the majority of comments suggested that data security was not an issue, one specific response in relation to use of their personal phone went into quite some detail on the suitability of their device and the issue that they are dealing with:

I have to use my personal phone for photos due to my work phone a) not allowing me to store or send them to my work email. b) My data allowance is dangerously small. c) I would rather my work phone was used! I always send them to hsgem, then process / delete from my phone, and empty my trash which is very time consuming, limits my working process and I do not wish to have the kind of horrible insanitary photos I have to take on my personal device. Nobody else uses my phone however I find I am restricted because I won't use my own device to show family/friends photo's especially if I have used it for work that day. Please arrange for work phones to be able to be used for work photos and have enough data to do the job properly, I would hate to have this facility and then find it is too restrictive to do the job properly. In very poor properties I can take 30 plus photo's in initial visits. My data is all used and I can't send them anywhere.

- 4.5.20 Whilst this is only one specific responses, anecdotal evidence suggests that others may also be experiencing similar issues with the suitability of their devices.

Risk

Staff may not be able to deal with data securely.

Recommendation

A review of work-issued devices (such as mobile phones) should be performed to ensure that they are suitable for the work now being performed at home (or other 'off-site' locations).

- 4.5.21 The final questions covered disposal of the data held. The issues flagged in the responses to these questions generally fell into the previously reported 'category' of staff potentially not knowing what may include personal data when referring to 'confidential' documents and others seemingly discarding 'notebooks' in general waste.

5 Conclusions

5.1 Following our review, in overall terms we are able to give a MODERATE degree of assurance that the systems and controls in place in respect of Information Governance are appropriate and are working effectively.

5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 Issues that require further action were identified:

- There is a need for a staff guidance document in relation to various data security aspects highlighted within the report
- Staff from contractors attending Council offices may obtain access to data
- Current working conditions for some staff may not be suitable both in terms of health and wellbeing and information governance
- Work-issued devices may not be suitable for work performed by some staff to enable appropriate data security.

5.4 A further 'issue' was also identified where an advisory note has been reported. In these instances, no formal recommendations are warranted as there is no risk if the actions are not taken. If the changes are made, however, the existing control framework will be enhanced:

- A 'lessons learned' report in relation to the clearance and mothballing of parts of Riverside House would be useful for any future office moves.

6 Management Action

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit & Risk Manager

Action Plan

Internal Audit of Information Governance – March 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.5	A guidance document, pulling together all issues identified, should be drawn up and distributed to all staff.	Staff may not be aware of data protection issues that impact their way of working.	Low	Information Governance Manager	Agreed. A guidance document will be drawn up and issued accordingly.	30 June 2021
4.3.9	A review of relevant contracts should be performed where contractor staff have access to Riverside House or other relevant Council properties to ensure that appropriate reference is made to data security.	Staff from contractors may obtain and divulge data held at Council premises.	Low	SMT	Contract managers will be asked to review their contracts to ensure that the need for data security has been appropriately considered in each case.	30 September 2021
4.5.9	Management should take into account the health and wellbeing of staff in relation to current working conditions and the information governance implications of staff working in 'shared spaces' when taking decisions on future office needs.	Staff may be working in unsuitable working conditions, both in terms of health and wellbeing and data security.	Medium	SMT	These aspects will be given due consideration (in conjunction with relevant staff, such as HR and the Information Governance Manager) when future office needs are being considered.	30 September 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.5.20	A review of work-issued devices (such as mobile phones) should be performed to ensure that they are suitable for the work now being performed at home (or other 'off-site' locations).	Staff may not be able to deal with data securely.	Medium	SMT	ICT Steering Group will be asked to perform a review of devices currently in use and to identify the resourcing implications of providing replacement devices where necessary.	30 September 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

Summary of Responses to Staff Survey on Data Security



18 questions were included in the staff survey, with the first two just asking for the name and department of the respondent. 'Issues' raised or identified from the responses are recorded in section 4.5 of the main report.

Q3 asked respondents to describe their current working conditions. The 161 responses can be summarised into the following categories (NB the total does not equal 161 as some comments are included in more than one category and some responses were not relevant. Those who answered 'N/A' in the comments to this (and any other) question have been removed from the number of comments recorded):

Location	Number
Bedroom (including spare / box rooms)	54
Dedicated office / study	49
Lounge / living room	24
Dining room	18
'Open Plan' spaces	9
Kitchen	7
Other rooms at home (e.g. conservatory)	10
Riverside House (or other WDC offices)	5

A number of those who were working in rooms that were not dedicated offices suggested that they are working on tables as opposed to office type desks (20) and three people were working in cramped spaces.

A follow up question was also asked as to whether anyone else used the 'office space'.

4. Does anyone else use this 'space'?				
			Response Percent	Response Total
1	Yes		32.08%	51
2	No		67.92%	108
			answered	159
			skipped	3

As per the figures above, almost a third of respondents confirmed that others use this space. Whilst, in hindsight, the question could have been made clearer as to whether

this was whilst the individual was working (e.g. someone else may use the lounge but not whilst the staff member was working there), and staff may well be taking precautions to ensure that data security is maintained, there is undoubtedly an information governance implication from working in shared spaces with non-WDC staff.

One particular issue that the IGM flagged during the opening meeting was the prevalence of 'connected devices' (e.g. Amazon Alexa, Google smart hubs etc.). Questions were, therefore, asked as to whether staff had them in the work spaces and whether the listening facility was being disabled whilst working from home:



5. Are there any 'casual listening devices' (e.g. Amazon Alexa) in this 'space'?				
			Response Percent	Response Total
1	Yes	<div><div></div></div>	17.39%	28
2	No	<div><div></div></div>	82.61%	133
			answered	161
			skipped	1

6. If so, do you turn off the listening facility while working?				
			Response Percent	Response Total
1	Yes	<div><div></div></div>	31.88%	22
2	No	<div><div></div></div>	68.12%	47
			answered	69
			skipped	93

(NB there is a clear anomaly between the numbers who said that they had a device (28) and the total number who responded to the follow-up question (69) – it is assumed that the majority of the 'no' answers were respondents who did not have a device but chose to answer no as opposed to skipping the question).

From the figures, it appears that the majority of respondents who have a device turn off the listening facility, but comments in relation to other questions suggest that some staff were not aware that using one of these devices could have data security implications, so guidance may be useful.

The next four questions covered training, guidance and communications:

7. Have you had appropriate training/guidance on how to deal with data security whilst working from home?				
			Response Percent	Response Total
1	Yes		68.15%	107
2	No		31.85%	50
			answered	157
			skipped	5

62 supporting comments were provided for question 7. In summary, these fell into a number of general categories:

Theme	Number
Common Sense	7
Intranet / Emails / Guidance / Discussions	20
'General' training	12
'Prior / Non-WDC' training	3
Same as being at Riverside House	7
None / can't remember	6

Two specific comments to note (which may not relate directly to the question asked, but were provided in the comments for this section) were:

- 'I wasn't aware that Alexa could impact security'; and
- 'No **proactive** training received'



A follow up question (Q8) was asked – 'If not, what do you believe you need training/guidance on?'. This elicited 38 responses, although a number were not relevant (e.g. related to the previous comments on Q7 as opposed to identifying training needs). Again the relevant responses fell into a number of general categories:

Theme	Number
General awareness	5
Connected devices	4
Confidential waste	1
Equipment security	1
Data security	5
'Don't know what I don't know'	5

Two further specific training / guidance 'needs' were flagged, albeit, not directly relevant to data security:

- Mental health whilst working from home
- MS Teams etiquette

9. Are you aware of any relevant policies/procedure documents relevant to your new/current working conditions?



			Response Percent	Response Total
1	Yes		61.25%	98
2	No		38.75%	62
			answered	160
			skipped	2

26 supporting comments were made which referenced a number of specific 'policies' and other guidance (more relevant to the previous questions):

Theme	Number
Data Protection 'Act'	1
Display Screen Equipment (DSE)	2
As at Riverside House	5
GDPR	2
WDC Data Security Policy	1
ICT Security Policy	1
'Home Working Essentials' article	5
Meta notices	1
Intranet / Email guidance etc.	10
COVID FAQs	1

One comment suggested that 'there should be a meta compliance test'.

10. Have you received or are you aware of any communications relating to data-related issues that have occurred due to home working/current working conditions?

			Response Percent	Response Total
1	Yes		47.83%	77
2	No		52.17%	84
			answered	161
			skipped	1



33 supporting comments were made which referenced a number of specific issues that had been communicated or general comments about where the notice had come from:

Theme	Number
Topics	
Auto-fill / email trails	11
Screen security	2
Home printing	2
Shredding / confidential waste	2
Password security	1
Source	
Meta communications	2
Intranet notices	7
Emails	2

Two responses also detailed security 'incidents' that had affected the individuals:

- A personal phone number had been used as a WDC number
- A staff member's email address had been included in a 'rehousing' email which led to threats from neighbours

The next two questions asked about the receipt of post and printing:

11. Have you received any post/requested printing whilst working from home?			Response Percent	Response Total
1	Yes		41.61%	67
2	No		58.39%	94
			answered	161
			skipped	1

Where staff had answered yes to Q11, Q12 asked how this had been obtained. 70 responses were provided which fell into a number of general categories:

Theme	Number
Posted home	12
Visit RSH / Team members at RSH deal with it on their behalf	37
Of the above – specific mention of use of Print Locker	10
Visit to another WDC location	5
Outgoing / incoming mail folders on network	7
Via CST / Mike Pratley	14
Email	6
Own approved printer	1

Q13 asked 'How is the data you obtain (through any means) stored/secured whilst working from home (e.g. from others in the house etc.)?'. The 149 comments were very varied due to the nature of the question but, again, they can be largely summarised into one or more themes:

Theme	Number
Electronic	100
Work equipment	36
Devices / screens locked or shut down	36
Only person in the house (at least during working hours)	11
Locked / closed office	6
Locked desk	6

Theme	Number
Various 'folders' / storage areas (not specified whether locked / securely held)	30
'Own part of office'	3
Note books / paper documents (not specified whether held securely)	10
Clear desk	2
Unspecific 'securely held'	3
'Unsecure / unable to secure'	2
No data(!)	1

Five respondents made specific reference to the security of 'confidential data' (or that they didn't hold any). However, as the Building Surveyor, some staff appeared unaware of what constituted relevant personal / sensitive data when they visited RSH to clear their areas so there may be some false sense of security when staff talk about ensuring confidential data is secure. It is also slightly alarming that one person felt that they didn't deal with any data!

As can be seen from the above table, there are also a number of people who appear to hold paper documents that did not specify whether these were secure. It could well be that they are maintaining security, but it could be part of a wider issue of staff not having the capacity to store data securely when working from home.

The next question (Q14) covered dealing with distractions to ensure that data was not inadvertently disclosed whilst working from home. Specific examples were given (i.e. sending emails to the wrong recipient and putting documents in with general waste) as these had been the subject of breaches or near misses. 140 responses were provided to this question, with some covering one of the examples, some covered both and some gave more general comments (not all of which were applicable!).

Numbers for those who said that they hadn't got any paper records were discounted, as the question was around dealing with distractions as opposed to whether there was anything that could 'go wrong' if they were distracted. Some also highlighted that they had the same amount / less distraction than they would while working at RSH or they would deal with distractions in the same way that they would whilst working in the office.

The other responses can be summarised as:

Theme	Number
No distractions (e.g. work away from anyone else at home)	26
Manage distractions (e.g. stop working)	6
Use a personal shredder / incinerator	26
Emails checked / auto-fill turned off	24

Theme	Number
Not disposing of work 'waste' at home / use of confidential waste bin at RSH	11
Generally 'being careful'	10
Had actually sent emails to the wrong person	3

In a similar vein to other questions, some respondents made specific reference to separating confidential waste from other documents. One person also highlighted that they put their notebooks in the general waste. Again, there may be a need to flag that some 'notes' taken may contain personal data whilst not being formally classified as confidential.



Another response also hinted at a false sense of security in relation to emails. They highlighted that 'they work on a work laptop, so can't email 'randoms''. This obviously doesn't stop someone from picking the wrong email address from the auto-fill drop down lists.

Again, there were also responses that suggested that working from home may not be suitable as a long term solution for all (e.g. hard to avoid distractions from others in the house, no means of disposing of data etc.)

Q15 covered screen positioning at home, to ensure that data on the screens could not be overlooked by people passing the property. Only four of the 158 responses suggest that there was a potential that data on their screens could be seen by people from outside of their house, although one may be discounted as they suggested that this was 'mitigated' (door closed whilst working).

One again specifically flagged the suitability of their homeworking environment in this regard ('Due to the size of my office at home I have no choice on where it (the screen) has to go. Visible from the footpath and road')

The next questions covered the use of personal equipment and whether there was any data stored on it or if others had access to it:

16. Do you use any personal equipment for work (e.g. personal laptop/iPad etc.)?				
			Response Percent	Response Total
1	Yes		38.13%	61
2	No		61.88%	99
			answered	160
			skipped	2

64 responses were provided to the follow-up question (Q17) regarding storage and access. Again, some responses cover more than one topic and can be summarised as:

Theme	Number
No data stored	25
Nobody else has access	17
Only used for Teams / Jabber / Outlook etc.	22
'No' (general answer, could be covering one or both aspects of the question)	15
Protected by password / software	3
Work-related photos / phone numbers held on device due to capacity / capability etc. of work-provided equipment	4
Others have access to device	3
'Other storage' (videos on SD card)	1

One of the respondents who uses their personal phone for photos gave an in-depth answer to the issues they were dealing with:

I have to use my personal phone for photos due to my work phone a) not allowing me to store or send them to my work email. b) My data allowance is dangerously small. c) I would rather my work phone was used! I always send them to hsgem, then process / delete from my phone, and empty my trash which is very time consuming, limits my working process and I do not wish to have the kind of horrible insanitary photos I have to take on my personal device. Nobody else uses my phone however I find I am restricted because I won't use my own device to show family/friends photo's especially if I have used it for work that day. Please arrange for work phones to be able to be used for work photos and have enough data to do the job properly, I would hate to have this facility and then find it is too restrictive to do the job properly. In very poor properties I can take 30 plus photo's in initial visits. My data is all used and I can't send them anywhere. Thank you

The final question (Q18) covered data disposal and destruction. A range of answers were given, with some respondents also covering this as part of Q14 when commenting on their methods of ensuring that data wasn't disclosed inadvertently due to distractions (specifically around access to shredders / incinerators etc.)

The 139 answers to Q18 can be summarised as follows (NB a number of responses such as 'do not have any / no paperwork etc. were not counted):

Theme	Number
All held electronically	33
Shredder / Incinerator / other 'unspecified' destruction methods	49
'Deleted'	12

Theme	Number
Brought to RSH / waiting to be able to bring to office	23
Not destroying whilst WFH	6
'Only' notebooks	3
Bin (household waste)	2
'Confidential' 'ripped up, not confidential in recycling	1

Similar issues to previous questions were highlighted in relation to disposal through unsecure means and the 'confidential' aspects of data.

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager **SUBJECT:** MIS Housing and Corporate Property (ActiveH) Application

TO: Deputy Chief Executive (AJ) **DATE:** 4 February 2021

C.C. Chief Executive
Head of Finance
Head of Assets
Head of Housing Services
Head of ICT Services
Application Support Team Leader
Business Development & Change Manager
Compliance Manager
Portfolio Holder (Cllr Day)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21 an audit review of the Council's MIS Housing and Corporate Property Application (ActiveH) was completed in December 2020. This report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and co-operation received during the audit.

2 Background

- 2.1 The MIS ActiveH Housing Management Application is used by the Council to manage its housing and corporate property assets. The majority of system users are within Housing Services and Assets, although there are a number of ancillary users spread across other services throughout the Council. Contractors undertaking work on the Council's properties also have limited access to the system.

3 Scope and Objectives of the Audit

- 3.1 The objective of the report was to ensure the security, integrity and availability of the Council's ActiveH Application
- 3.2 Testing was performed to confirm that controls identified operated as expected with documentary evidence being obtained where possible, although some reliance has had to be placed on discussions with relevant staff.

3.3 The audit was designed to assess and provide assurance on the risks pertaining to the following key areas:

- Application Management and Governance
- System Security
- Data Input and Output
- Change Controls
- Interface Controls and Processing
- System Resilience and Recovery
- Support Arrangements.

4 Findings

4.1 Recommendations from Previous Report

4.1.1 This section is not applicable as the previous audit report from August 2016 did not include any recommendations.

4.2 Application Management and Governance

4.2.1 It was identified that a Data Protection Impact Assessment (DPIA) has not yet been conducted for Active H although the need to conduct the assessment has been acknowledged by senior management.

4.2.2 The Data Protection Act 2018 requires that a DPIA be conducted for all systems that process personal data. The process is required to be carried out as part of the implementation of new systems or where a significant change to an existing system has taken place.

Risk

There may be an increased risk of non-compliance with the Data Protection Act 2018 if a DPIA has not been undertaken.

Recommendation

Council management to work with relevant Information Governance colleagues to complete a DPIA on the MIS ActiveH Application in a timely manner.

4.2.3 There are staff in place whose role is to act as system administrator for the application. The Business Development & Change Manager in Housing Services is the Information Risk Owner for the application.

4.2.4 We have noted that there are training processes embedded within the department and that the training is supported by relevant training guidance, a sample of which was obtained and reviewed as part of the audit fieldwork. The guidance is made available within a library available on the network and there is work underway to look into the feasibility of implementing an interactive Intranet training service. Should further training support be requested by users, a request for closer support can be made.

- 4.2.5 The audit has noted that the training that is provided is not routinely being recorded within a training register or other suitable recordkeeping mechanism.

Advisory

Consideration to be given to keeping a training log or register to demonstrate the nature of the training being provided, to whom and when. Such records may help inform future training needs based on existing knowledge.

4.3 System Security

- 4.3.1 Requests for new accounts and changes to existing accounts are made via email from a recognised staff member. The requests include the level of access required for the user.
- 4.3.2 Users are allocated their own username and temporary password when the account is first set up. The application automatically marks the temporary password as requiring a change when the password is first used.
- 4.3.3 Should a user forget their password, a temporary password is assigned to the account to allow the user to log in, whereupon the same automated password change process causes the password to be changed to make it unique to the user when the account is used again. We have also noted that password complexity has been enabled to the extent permitted by the application's design.
- 4.3.4 Periodic reviews of user accounts take place with the reviews being assigned to local staff within the departments that have access to the application. The results of the reviews are saved to a central network location.
- 4.3.5 It was noted that the Council's internal auditors have access profiles for the application that are always available for their use as they act for others in the Council on a periodic basis and have regular need to refer to the data processed by the application for other reasons. However, it is noted that the access profiles are not read-only profiles. Hence, there is a need to ensure that the auditor access profiles are revised so that they have no more than read-only access to the data.

Risk

Inappropriate access controls may increase the risk of inadvertent or unauthorised changes to the data processed by the Application. This could result in non-compliance with Data Protection Act 2018 requirements.

Recommendation

The accounts assigned to the internal auditors should be reviewed such that they are assigned read-only access at the most.

4.4 **Data Input and Output**

- 4.4.1 A review of a sample of screens that are used to process data within the application was undertaken. It was identified that there is widespread use of drop down lists where specific options can be selected. It was also noted that available options in other drop down lists for other fields are modified depending on options selected in other fields. For example, if a property that has no bedrooms is selected, options related to bedrooms are disabled so that there can be no interaction with them.
- 4.4.2 The use of drop down lists and the fact that the behaviour of other fields changes depending on what is selected elsewhere helps to ensure consistency of input, which, in turn, helps increase the integrity of data being reported in management information that is made available on a routine or ad-hoc basis.
- 4.4.3 The review also identified that there is a range of 'error trap' functionality that displays error messages when attempting to save data that is not accurate or formatted correctly. This is supported by red dots with exclamation marks inside them that appear when badly formatted data has been entered. Hovering over the dots reveals a 'tooltip' that explains the reason for the dot appearing.
- 4.4.4 If an attempt to save the data is made, the error message described above will be displayed. The red dots are used as a warning to the user that something they have input is unlikely to be accurate. If the errors are cleared before being saved, the red dots disappear.
- 4.4.5 The application also makes use of mandatory fields and colours those fields so that it is clear to the user that some form of entry is required. Mandatory fields are pink. It is not possible to save forms where incomplete pink fields are present. Yellow is used for fields that are for information only (although this is customizable). An example of this might be a field displaying the full address of the asset being displayed at that time.
- 4.4.6 The application also includes a number of tabs within the screens that can be used to design bespoke processing screens. The forms are called User Design Elements (UDE) and are labelled 'Additional Details'. The Council uses these screens for additional, bespoke data input, although it was noted that validation of the input in these UDEs has not been enabled. As an example, a successful attempt was made to enter a date in the year 3000, which was not flagged as an error in the relevant UDE field.
- 4.4.7 This is due to the fact that the design of the forms and the fields used also requires validation routines to be assigned to each field to help prevent inaccurate or incorrectly-formatted data from being entered. The review noted that there is a separate screen available that can be used to configure appropriate validation routines for the field concerned. An example of this could be to create validation to prevent birth dates forward of today and possibly any dates that fall outside of a specific time frame prior to today, should the age of a tenant be relevant to the scenario in question.

Risk

Inconsistent data entry may increase the risk of inaccurate management information and possible service disruptions.

Recommendation

All of the UDE screens/ forms should be reviewed in order to apply appropriate validation to the relevant fields.

- 4.4.8 The Ripplestone report management system is used for all relevant reports, which manages the creation, distribution and storage of reports built using Crystal. MIS incorporates its own reporting tool, although it is not used to the same degree.
- 4.5 **Change Controls**
- 4.5.1 There is a formal process for accepting a change and authorising ICT to promote a change into the live system. The process includes a range of authority options:
- Agreed to promote having completed all testing to the satisfaction of the authorised person;
 - Agreed to promote without testing and confirm that the business takes responsibility for the decision;
 - Withdraw the change completely and give a reason why.
- 4.5.2 Part of this process, for upgrades and complex development changes, includes a summary test spreadsheet showing the final testing results for all areas being tested in order to demonstrate the rationale behind the authority to proceed with promoting the upgrade into the Live environment.
- 4.6 **Interface Controls and Processing**
- 4.6.1 There are manual interface processes in place for posting entries between the finance system and ActiveH. The processes are documented as user guides. The processes include the manual selection of input files created by other systems and moving the 'used' files into folders so that the new input file that is created for the next processing run does not conflict with the one previously used.
- 4.7 **System Resilience and Recovery**
- 4.7.1 There are alerts in place that are part of the VMWare environment that the application and database are hosted within. The alerts are designed to provide warnings on infrastructure issues that may require attention. Such issues include capacity warnings where disk space may be low. The alerts are recorded within the IT Service Desk system for resolution.
- 4.7.2 ActiveH is hosted on two main environments - maxapp2 (the application) and maxsql2 (the database). These are both hosted as Windows virtual machines and are included in the corporate backup processes.

- 4.7.3 Every three days, the latest disk backup is copied offsite to the Town hall disk backup server. This process also has a number of previous restore points retained covering the last 60 days or so.
- 4.7.4 Every seven days, the latest disk backup is copied to tape and stored at the Town Hall. The Town Hall is a few streets away from the main Council office.
- 4.7.5 A documented Housing Services crisis plan is in place, dated November 2019. The Council has also documented a corporate Business Continuity Plan, which the crisis plan is linked to. However, the document was last reviewed in 2014. Hence, a further review is required to ensure that it remains fit for purpose.
- 4.7.6 However, a focussed Business Continuity audit is planned for 2021/22 (having been deferred from the current year's audit plan) and this issue will be covered as part of that audit. Hence, no recommendation is being raised in this report.

4.8 **Support Arrangements**

- 4.8.1 There is a general satisfaction with the system and there has been a recent major upgrade to keep it aligned to business needs and for support purposes.
- 4.8.2 The support relationship is managed by the business area although ICT also log support calls with MIS's helpdesk if the issues are something that the Council is unable to resolve. MIS is the supplier; however, they do not manage the application or database servers as the infrastructure is entirely managed by the Council's ICT Service. If it becomes necessary, MIS can connect remotely to the Council's infrastructure should more direct support be required.
- 4.8.3 Such access needs to be requested by either MIS or the business as the account they use for this is disabled by default. Disabling accounts until required in this way is accepted good practice for security reasons.
- 4.8.4 ActiveH upgrades are managed entirely in house; with MIS supplying the software and associated instructions.

5 **Conclusions**

- 5.1 The audit did not highlight any urgent issues materially impacting the Council's ability to achieve its objectives. A result, the findings are considered to give SUBSTANTIAL assurance around the management of database security risks.
- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.

Level of Assurance	Definition
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

- 5.3 However, a number of issues were identified:
- A Data Protection Impact Assessment (DPIA) has not been completed for the system
 - The access profile for Internal Audit staff is not restricted to read only access
 - User Design Elements (UDEs) currently allow incorrectly formatted data to be entered.
- 5.4 A further 'issue' was also identified where an advisory note has been reported. In this instance, no formal recommendation is thought to be warranted as there is no risk if the action is not taken. If the change is made, however, the existing control framework will be enhanced:
- Consideration to be given to keeping a training log or register to demonstrate the nature of the training being provided, to whom and when. Such records may help inform future training needs based on existing knowledge.

6 **Management Action**

- 6.1 The recommendations arising above, are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Appendix A**Action Plan****Internal Audit of the MIS Housing and Corporate Property (ActiveH) Application – February 2021**

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.2	Council management to work with relevant Information Governance colleagues to complete a DPIA on the MIS ActiveH Application in a timely manner.	There may be an increased risk of non-compliance with the Data Protection Act 2018 if a DPIA has not been undertaken.	Medium	Business Development & Change Manager (Housing Services – System Owner)	Agreed. A Data Protection Information Assessment DPIA for the ActiveH application will be developed and signed off by the Council's Information Governance Manager.	30 April 2021
4.3.5	The accounts assigned to the internal auditors should be reviewed such that they are assigned read-only access at the most.	Inappropriate access controls may increase the risk of inadvertent or unauthorised changes to the data processed by the Application. This could result in non-compliance with Data Protection Act 2018 requirements.	Low	Business Development & Change Manager (Housing Services – System Owner)	Agreed. The level of access permission to be adjusted to read only access. If the system does not facilitate the creation of Read Only accounts, accounts used for auditing purposes could be disabled or removed until they are required.	19 February 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.7	All of the UDE screens/ forms should be reviewed in order to apply appropriate validation to the relevant fields.	Inconsistent data entry may increase the risk of inaccurate management information and possible service disruptions.	Medium	Business Development & Change Manager (Housing Services – System Owner)	Agreed. To review existing UDE screens and forms, apply the appropriate validations and conditions to those still in use. This would have to be a joint undertaking between ICT, to support the changes, and the service area to identify which business items are crucial and must be updated.	30 April 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.
Medium Risk: Issue of moderate importance requiring prompt attention.
Low Risk: Issue of minor importance requiring attention.

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager

SUBJECT: National Non-Domestic Rates

TO: Head of Finance

DATE: 12 January 2021

C.C. Chief Executive
Deputy Chief Executive (AJ)
Exchequer Manager
Revenues & Recovery
Manager
Portfolio Holder (Cllr Hales)

1 **Introduction**

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Ian Davy, Principal Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email or Teams video calls.

2 **Background**

- 2.1 National Non-Domestic Rates (NNDR) is managed by members of staff in the Revenues section of Finance. The team is also responsible for the management of NNDR on behalf of Stratford-on-Avon District Council.
- 2.2 There are currently 5,415 chargeable properties in the district with a total rateable value of £170,801,919.
- 2.3 The net charge for 2020/2021 is currently £80,195,692.01. The collection rate as at the end of December 2020 was 78.69% which represents a decrease of 2.84% on December 2019. This is understandable given the current trading position in light of the COVID-19 pandemic.
- 2.4 Most NNDR transactions and routines are processed by a management system called Civica Open Revenues. This has been in place for several years and, while the basic functions remain broadly unaltered, it has undergone a number of revisions in response to changes in legislation.

3 **Scope and Objectives of the Audit**

3.1 The controls identified within the systems based audit programmes are covered on a rolling basis to reflect the current evaluation of risk, as well as available resources. As set out below, this audit has concentrated on the controls in place regarding valuation and liability.

3.2 An extensive examination has been undertaken using the CIPFA systems-based control evaluation models. Detailed testing was performed to confirm that controls identified have operated, with documentary evidence being obtained where possible, although some reliance has had to be placed on verbal discussions with relevant staff, including the Revenues & Recovery Manager.

3.3 The objectives that have been considered as part of this audit include:

- Appropriate legislative and procedural guidance is in place and is available to adequately trained staff
- New and amended properties that should be subject to non-domestic rates are identified with the Valuation Office Agency (VOA) being notified accordingly
- Information provided by the VOA is acted upon in a timely manner
- The correct liable individuals are identified, with changes being processed accurately
- Reliefs and exemptions are only awarded to relevant properties / organisations.

3.4 The expected controls under the relevant matrices are categorised into the following areas:

Valuation:

- (1) Procedures and regulations
- (2) New and amended properties
- (3) Notifications to the Valuation Office
- (4) Valuation Office listings
- (5) Reconciliations and checks
- (6) Security of data

Liability:

- (7) Procedures and regulations
- (8) Determination of liability
- (9) Amendments to liability
- (10) Reliefs and exemptions
- (11) Reconciliations and checks
- (12) Security of data

3.5 Some specific tests were not performed as they were either considered not relevant to the operations at the Council or are covered under separate audits (e.g. data security is covered under a specific IT audit of the Civa Open Revenues system).

Findings

4.1

Recommendation from Previous Report

4.1.1

The current position in respect of the recommendation from the previous audit of these subsystems, undertaken in January 2019 was also reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
1 The VOA should be informed on the change of property use in the cases identified.	Now that we have the Visiting Team Admin Officer (VTA) in post, I will ensure that the VTA report all of these to the VOA by way of Billing Authority Reports from now on.	Sample testing on Building Control Completion lists highlighted similar issues with the VOA not being informed of works performed in four of the 20 sampled cases (see 4.3.1.6 below).
2 Follow-up action should be taken with the VOA for all outstanding notified amendments.	As above, the newly created VTA post will now run the reports using all amendment codes and chase these with the VOA as we do the 'new' properties.	It was confirmed that a report covering the other amendment codes is run on a quarterly basis with these being chased accordingly. The 'new properties' reports are still run on a monthly basis (see 4.3.2.3 below).
3 The identified cases (and any other similar cases) should be reviewed to ensure that they are either billed where appropriate or deleted from the system.	We will look into these, however if a property is not bought into rating, it is excluded from any reporting on total property numbers. I see this as more of a file tidy exercise than a risk.	The 'unrated' properties were specifically excluded from the test this time (see 4.4.3.5 below). However, upon review of the report showing the empty, it was noted that 118 of the 599 properties on the report had a zero rating. The Exchequer Manager (EM) highlighted that non-rated businesses that have been set up on the system but not rated by the VOA do not impact on any other work or reports and do not cause any concern. Some of these may well suddenly be rated by the VOA and some will have had their rateable value reduced to zero by the VOA requiring that they remain in the rating list. A recommendation is not, therefore, required this time around.

Recommendation	Management Response	Current Status
4 The listed status of the identified property should be confirmed.	We do check all new cases with 'Historic England' and any cases that are queried, however some have been within the system for years and when I asked Historic England if they could provide a definitive list for our Council, this was not something that was possible. We will look into the case identified and refer to Historic England for advice.	No issues were identified in relation to listed buildings covered by the relevant tests performed for this audit (see 4.4.3.6 below). The specific identified property (2A Church Terrace) has now been taken out of rating as it has been converted to domestic, so no further review was considered necessary.
5 A review of discretionary reliefs should be performed with applications sought as appropriate. The scoring of the applications should then be undertaken to ensure that the correct amounts of relief are being awarded.	This was planned for 2019/20 anyway so will be done as planned.	The review has now been performed (for 2021/22) (see 4.4.3.10 below).

4.2 Procedures & Regulations

- 4.2.1 Relevant regulations and guidance are held on the Revenues & Benefits I Drive which is available to all relevant staff. The information held includes the latest 2018 edition of the IRRV Rating Law & Practice with a hard copy also being held.
- 4.2.2 Business Rates Information (BRI) letters from the Ministry of Housing, Communities & Local Government (previously DCLG) are also held in the I drive. These date back to 2005 with the 2020 folder containing the latest eight letters.
- 4.2.3 The Revenues & Recovery Manager (RRM) confirmed that there is no specific office procedure manual in place although on-line guidance is available and CIVICA training will be undertaken as required. However, a 'trainer' is now in post and the aim is for them to draw up a procedure manual.
- 4.2.4 Training needs are covered under the appraisal scheme. The RRM highlighted that new starters would follow a pattern of on-the-job training

and team leaders would undertake one-to-one training with staff. Staff would also be made aware when new guidance or information letters were made available. The new trainer will also be looking to set up a training matrix, although this is likely to be after the next billing run (March 2021).

- 4.2.5 Details of rated properties, including rateable values, are freely available via the VOA website. Sample testing was undertaken to ensure that the rateable value shown on the website agrees to the figure on the CIVICA system and that each property has a unique reference on the system. This test proved satisfactory.

4.3 **Valuation**

4.3.1 **New & Amended Properties**

- 4.3.1.1 There are many different sources used for identifying new properties or changes to existing buildings. The main source of information is the Building Control completion lists that are provided on a weekly basis by Building Control. As the properties on these reports are already confirmed as completed, the relevant details for new properties will be entered onto CIVICA and the VOA will be informed of the need to visit the property.
- 4.3.1.2 Planning Committee approvals are also provided following each committee and reports are received from the GIS team regarding new street naming and numbering.
- 4.3.1.3 The RRM also suggested that other means of identifying relevant properties employed include the use of Analyse (an external contractor) and their RV Finder product. She highlighted that, following notification from Analyse, the Council's records will be checked to ascertain if we were already aware of the property / amendment. If we were not aware of the change, then a commission payment is due.
- 4.3.1.4 The RRM suggested that partly due to the requirements of the VOA and also the number of COVID-related grants that had been applied for (or not in some cases), more property visits are being undertaken now, with site plans being obtained / photos taken etc. with these being attached to workflow and diary notes on CIVICA and sent to the VOA.
- 4.3.1.5 The visiting team is now fully resourced which allows the visits to be undertaken as required. The use of the old 'hard-copy' visiting cards has now ceased, with a spreadsheet being maintained of visits performed and diary notes being maintained on the system.
- 4.3.1.6 Sample testing was undertaken to ensure that completed works included on the Building Control completion lists were being updated on the system and were reported to the VOA for action. This proved largely satisfactory although four cases were noted where the VOA had not been notified of the changes undertaken.

Risk

Incorrect rates may be charged.

Recommendation

Staff should be reminded of the need to advise the VOA of all relevant change to non-domestic properties.

4.3.2 Notifications to the Valuation Office

- 4.3.2.1 Weekly reports are generated of property amendments and the associated export files are uploaded onto the VOA site the following morning. Testing was undertaken on a sample of notified amendments to ensure that CIVICA has been updated to show the subsequent ratings reported by the VOA or details have been recorded as to why no action has been taken. The system was found to have been updated appropriately in all sampled cases where the VOA had actually taken action.
- 4.3.2.2 VO Notification Statistics reports are automatically run on a monthly basis (on the last day of each month) by the PTC scheduler, with the reports being retained on the spool manager. There are six reports run each month, with three of these relating to NNDR and the others relating to Council Tax.
- 4.3.2.3 The different reports cover different lengths of time that the notifications have been outstanding (42, 84, and 126 days) for 'new properties'. There is also another report covering the 'other' codes which is run on a quarterly basis. The Visiting Team Administrator provided evidence of the chasing email that had been sent to the VOA to cover cases that had not been actioned by them.

4.3.3 Valuation Office Listings

- 4.3.3.1 The VOA sends through schedules detailing the relevant alterations to ratings on (roughly) a weekly basis.
- 4.3.3.2 A sample of amendments was chosen from schedules received during the current financial year and testing was undertaken to ensure that the property records on CIVICA had been updated appropriately. This test proved satisfactory.

4.3.4 Reconciliations & Checks

- 4.3.4.1 Weekly reconciliations are undertaken between the totals on the VOA schedule and the figures on CIVICA with a balancing sheet being created and supporting reports being retained, either on the Spool Manager on CIVICA or on the relevant network files. The latest balancing sheet was reviewed and was agreed to the corresponding VOA schedule and the RV report on CIVICA.

4.4 Liability

4.4.1 Determination of Liability

- 4.4.1.1 Identification of the correct liable person is not always straightforward. However, the RRM advised that a number of methods would be employed

such as sending out canvas forms, contacting the relevant agents or 'Googling'. Copies of lease agreement are also now being requested when liable persons have been identifying themselves, with this being implemented during the processing of the recent COVID grant payments.

4.4.1.2 Once the correct liable person and the date they became liable has been identified, the system will automatically calculate the charge based on the parameters set within the system and the dates entered. An account with a liability period that did not start on 1 April was identified and it was confirmed that the charge was based on a daily rate multiplied by the remaining number of days after the liability started.

4.4.1.3 The parameters are loaded as part of the new year creation process on CIVICA. The current year parameters were checked to the information contained in the relevant Business Rates Information Letter (BRIL2) and figures on the GOV.UK website. This confirmed that the parameters had been entered correctly.

4.4.2 **Amendments to Liability**

4.4.2.1 If the rateable value is reduced during the year, the liable amount will also be reduced and if the payments made are greater than the new liability a refund will be due.

4.4.2.2 A sample of reductions in rateable value were identified from VOA schedules received and testing was undertaken to ensure that the CIVICA had been amended to take account of these changes and that refunds had been made where appropriate. The controls had operated as expected and no issues were identified.

4.4.3 **Reliefs & Exemptions**

4.4.3.1 The liability can also be amended via the application of exemptions and reliefs.

4.4.3.2 Transitional relief is applied to ensure that bills do not increase or decrease rapidly following a general revaluation. A sample of accounts that had received transitional relief was identified and testing confirmed that this had been applied as appropriate.

4.4.3.3 When a property becomes empty it is exempt from rates for three months (or six months if it is an industrial property), after which it becomes liable for full rates (allowing for some exceptions which are covered below).

4.4.3.4 Sample testing was undertaken to ensure that the empty property relief was being applied correctly based on the dates notified and that evidence was being obtained to confirm this status.

4.4.3.5 Of the twenty cases sampled, relevant notification was held in all cases. However, it was noted that the exemption in two cases had been incorrectly calculated, one through human error (due to the exemption covering year-end) and one due to system error (again covering year-end). These were rectified at the time of the audit once Revenues staff were informed and

plans have been put in place to ensure that similar issues are identified in the future.

- 4.4.3.6 As suggested above, some empty properties are exempt from charges, over and above the initial period (e.g. listed buildings, properties with a rateable value under £2,900). Sample testing was undertaken to ensure that the exemption was being applied correctly and this proved to be the case in all sampled cases.
- 4.4.3.7 Mandatory reliefs are available to some types of organisations (e.g. charities and community amateur sports clubs (CASC)). A sample of these reliefs awarded was reviewed to ensure that the liable persons met the criteria for the relief. It was confirmed that the ratepayers for the 17 of the sampled accounts were appropriately registered as charities / associated sports clubs with two others being exempt charities and did not need to register. However, the other account related to a Community Interest Company (CIC) and, as such, is not eligible.

Risk

The Council may not receive all rates due.

Recommendation

The relief paid to the Community Interest Company should be reviewed, with a further check being undertaken to ascertain whether there are any other such accounts in place.

- 4.4.3.8 Those that are not entitled to mandatory relief, or organisations requiring a 'top-up' to the 80% mandatory relief awarded, can apply for discretionary relief, with the amount awarded based on scores awarded against set criteria.
- 4.4.3.9 Upon review of a sample of discretionary relief awards, it was established that:
- The applications, where held, were generally from 2016, with none relevant to the current financial year.
 - The applications were generally supported by relevant financial information and policy documents as appropriate.
 - The scoring (to confirm relevant percentages) was also not apparent in most cases.
- 4.4.3.10 Whilst the applications held were generally from 2016, new applications were also on workflow for 2021/22 for eleven of the sampled accounts and it was evident that a review of discretionary reliefs has been undertaken.
- 4.4.3.11 A local discretionary rate relief scheme also operates which is funded by central government to support business that faced the steepest increases following the 2017 revaluation. This has automatically been applied to relevant accounts based on the criteria set by the Council.

- 4.4.3.12 The most frequent relief awarded is small business rate relief (SBRR). This is based on the rateable value of the property with a different rate being charged. Sample testing confirmed that the amounts awarded had been calculated correctly.
- 4.4.3.13 Although a number of application forms for the current financial year could not be found on the system it was confirmed that, once an application has been received, there is no need to reapply and there was actually nothing in legislation that required forms to be submitted; thus, some applications may have been considered over the phone. With this taken into account, the test proved satisfactory.

4.4.4 **Reconciliations & Checks**

- 4.4.4.1 The Exchequer Manager advised that, as part of the year-end processes, the total amounts of reliefs and exemptions would be reviewed. The totals have to be recorded on the NDR1 and NDR3 returns and the figures would be checked against the previous year's figures to ensure that they appear 'reasonable'. If the figures are not roughly comparable, they would be investigated, with comments being required on the relevant return.
- 4.4.4.2 He advised that, the NDR1 form is currently being worked on as it is submitted at the end of January, with the NNDR3 form being submitted at a later date (April / May).

5 **Conclusions**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of valuation and liability processes for National Non-Domestic Rates are appropriate and are working effectively.

- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

- 5.3 Two minor issues were identified relating to:

- The VOA not being notified of a number of potentially relevant changes to properties.
- Mandatory (charities) relief had been awarded to a Community Interest Company which does not meet the relevant criteria.

6 **Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of National Non-Domestic Rates – January 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.1.6	Staff should be reminded of the need to advise the VOA of all relevant change to non-domestic properties.	Incorrect rates may be charged.	Low	Revenues & Recovery Manager	This has been raised in the team meeting and also the individuals' one-to-ones.	Completed
4.4.3.7	The relief paid to the Community Interest Company should be reviewed, with a further check being undertaken to ascertain whether there are any other such accounts in place.	The Council may not receive all rates due.	Low	Exchequer Manager / Revenues & Recovery Manager	We will investigate the CIC identified that is receiving Mandatory Charity Relief and check to ensure they are eligible. This has never been picked up before so we were unaware of this issue.	31 March 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager **SUBJECT:** Nuisance and Other
Protection duties – Public
Health Funerals

TO: Head of Health and Community **DATE:** 17 March 2021
Protection

C.C. Chief Executive
Deputy Chief Executive (AJ)
Head of Finance
Safer Communities Manager
Portfolio Holder (Cllr Falp)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email, telephone calls or virtually through MSTeams.

2 Background

- 2.1 Public health funerals have previously been audited as part of a wider audit covering Environmental Protection Functions, due to be replaced by Nuisance and Other Protection Duties in 2021/22. However, the Public Health Funerals section of the audit was brought forward into 2020/21 as part of the re-organisation of audits due to Covid.
- 2.2 The Public Health (Control of Disease) Act 1984 ('the Act') places a statutory duty on local authorities to arrange for a burial or cremation where no suitable alternative arrangements are being made. Warwick District Council provides this service when there is no next-of-kin or the next-of-kin, relatives or friends are unable or unwilling to make the necessary arrangements for a funeral ensuring that all individuals are treated with dignity and respect, regardless of their circumstances. They are designed to protect safety and limit the spread of infectious diseases, their primary objective is to protect public health.

3 **Scope and Objectives of the Audit**

3.1 The audit was undertaken to test the management and financial controls in place.

3.2 In terms of scope, the audit covered the following areas:

- Services provided
- Budget setting and management
- Procedures and protocols
- In-house services
- Contracting out.

3.3 The audit programme identified the expected controls. The control objectives examined were:

- Services to be provided are regularly reviewed with services provided being based on available resources.
- Staffing levels are maintained at a sufficient level to enable mandatory services to be provided (unless they are contracted out).
- The work of the team is publicised and includes information on reporting relevant incidents.
- Budgets are set appropriately, taking into account expected works in the different areas, and any expected income.
- Budgets are appropriately approved and are signed off.
- Budget reports are regularly received and reviewed, with action taken where significant variances are identified.
- There are standard procedures and protocols in place covering the activities undertaken by the team and these are disseminated to relevant staff and are reviewed and updated as appropriate.
- Detailed records are maintained for all Requests for Service (RFS).
- RFS are actioned promptly.
- License and permit applications are recorded upon receipt, any visits are scheduled as soon as is practical, and licenses are issued as soon as possible thereafter.
- Fees are charged appropriately, with invoices being raised on a timely basis.
- Recharges (internal) are raised appropriately.
- A formal review of services to be contracted out is undertaken to ensure that it cannot be provided more economically in-house.
- Contracts to be let out are appropriately advertised, tendered for and let in accordance with the code of contract practice.
- Performance monitoring is undertaken to ensure that the level of service provided adheres to the standards detailed within the contract.

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 There were no recommendations from the previous audit completed in March 2018.

4.2 Services Provided

- 4.2.1 The Public Health (Control of Disease) Act 1984 places a statutory duty on local authorities to arrange for a burial or cremation where no suitable alternative arrangements are being made.
- 4.2.2 There is a clear staff structure in place, the Technical Officer carries out the majority of the day to day role with support, when needed, from the Environmental Protection Team Leader should any difficulties be encountered.
- 4.2.3 There is only one Technical Officer who arranges public health funerals and no documented procedure in place. In the absence of the officer, there is no-one else who has knowledge of all of the processes taken to arrange a public health funeral.

Risk

If the Technical Officer were to leave or have an unexpected / extended absence there may be difficulties in completing the statutory requirements due to the lack of a written procedure.

Recommendation

There should be a written procedure in place setting out the processes for arranging a public health funeral.

- 4.2.4 There are no mandatory timeframes in place when arranging public health funerals. However, as soon as Warwick District Council are made aware of a deceased with no next-of-kin, or that no-one is making arrangements, the Technical Officer must begin making them.
- 4.2.5 Public health funerals are not advertised as it would not be beneficial to the Council. This has been made apparent previously when a money-saving website published an article about it - the number of public health funerals carried out increased as a result, although the costs were able to be recovered for many of them. A similar thing happened after it was highlighted in a soap opera. Funeral directors advise families about the service when they become aware that the family can't afford the arrangements or are unwilling to make them.

4.3 Budget Setting and Management

- 4.3.1 The budget is set annually to cover the average cost of ten funerals. Although the costs of a funeral can fluctuate, a basic cremation without

service is approximately £1,005. If family or friends want to attend, the addition of a service can add around £500.

- 4.3.2 The budget manager reviews the budget on a monthly basis, As the number of funerals can fluctuate it is vital that the budget is monitored to ensure the funds are available when required. Historically there has been as few as two public health funerals in a year and in excess of twenty in others. Although the costs can be recouped from the deceased estate this isn't always possible.

4.4 **Procedures and Protocols**

- 4.4.1 As mentioned in 4.2 above there is no documented procedure in place for arranging public health funerals. A verbal walkthrough of the procedure was carried out between the Technical Officer and the auditor. This included discussion on where the processes are adapted to suit a change or different scenario.
- 4.4.2 The coroner informs the Technical Officer or Environmental Health when there is a deceased person with an absence of next-of-kin. Alternatively, the funeral director will make contact when the next-of-kin, relatives and friends are unable or unwilling to arrange a funeral. Requests for the service rarely come directly from the family.
- 4.4.3 Funeral arrangements are made with the funeral directors Henry Isons, the current provider. Henry Isons arrange for a cremation to be carried out. In some cases a burial may be considered and carried out under some circumstances, such as for religious reasons or in the case of the deceased's final wishes. A small service for family and/or friends can also be arranged when required.
- 4.4.4 While funeral arrangements are being made a search is completed at the deceased property by the Technical Officer accompanied by another staff member. The aim of the search is to find a will, bank statements, passport and any other documents that could help to identify a next-of-kin, should they be unknown at this point. The search also allows the officers to find any final wishes of the deceased and means to recover the costs of the funeral. This search is carried out by two officers to ensure it is quick, respectful and so that any findings can be collaborated.
- 4.4.5 When a next-of-kin is identified they are contacted by the Technical Officer, and given the opportunity to either take over the funeral arrangements and associated costs or they can sign a form authorising the Council to manage the arrangements on their behalf.
- 4.4.6 Where there is an opportunity to reclaim costs from the deceased's bank account, the bank is contacted and provided with a copy of the death certificate and an invoice for the funeral and officer costs.
- 4.4.7 If the costs cannot be recovered from a bank account or next-of-kin, valuable belongings from the deceased property can be claimed by the

Council and sold at auction. This is unusual, though, as the time spent and costs incurred rarely make it worthwhile.

- 4.4.8 Documents regarding the funeral are saved, complete with a copy of the death certificate and next-of-kin details. A spreadsheet is also maintained to allow a quick view of the progress of each funeral and the outcome of cost recovery. The spreadsheet is used as the main source of information if a freedom of information request is received.
- 4.4.9 A new policy is in the process of being written, making use of good practice from government documents and other local authority's funeral policies. The policy will help with some of the decision making such as when family request to have no service but friends want to attend one.
- 4.4.10 Understandably arranging public health funerals can be mentally draining and at times upsetting. As well as the health and wellbeing support available for all staff on the intranet the Technical Officer explained that the team are all supportive and available to talk with when needed.

4.5 **In-house Services**

- 4.5.1 There have been seven public health funerals carried out so far within the current financial year (2020/21). All of the cases were reviewed and relevant documents had been stored and information had been logged correctly. Where there had been more than one next-of-kin identified all parties had completed the relevant declaration handing the responsibility to Warwick District Council.
- 4.5.2 Documents have been saved to each file to show that regulations in place have been followed. This includes obtaining a death certificate, registering the death and completing a notice and application for a cremation.
- 4.5.3 Invoices are paid directly to the funeral director as soon as it has been established that there are not enough funds available in the estate to cover the costs. Where the estate has the funds available the invoice is sent to the bank or the next-of-kin including any expenses incurred; such as officer time.

4.6 **Contracting Out**

- 4.6.1 There is currently a contract in place with Henry Isons, Funeral Directors. The contract was established in September 2015 and is due to end in September 2021. The contract had been extended in 2018 for two years and again more recently for a further six months. The value of the contract is £27,000 and was obtained through three quotes.
- 4.6.2 The procurement process for the new contract has begun with the Safer Communities Manager working with a Procurement Business Partner. The new procurement will give the Safer Communities Manager the opportunity to include relevant performance measures within the new contract which can then be incorporated into future service plans and be used for contract monitoring.

5 **Summary & Conclusion**

5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls that are currently in place in respect of Public Health Funerals are appropriate and are working effectively.

5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 There was just one minor issue identified regarding the lack of a documented procedure in place setting out the processes to follow when arranging public health funerals.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Public Health Funerals – March 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.3	There should be a written procedure in place setting out the processes for arranging a public health funeral.	If the Technical Officer were to leave or have an unexpected / extended absence there may be difficulties in completing the statutory requirements due to the lack of a written procedure.	Low	Safer Communities Manager	A documented procedure will be agreed with the technical officer	End of April 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

FROM: Audit and Risk Manager **SUBJECT:** Purchasing Cards
TO: Head of Finance **DATE:** 28 April 2021
C.C. Chief Executive
Deputy Chief Executive (AJ)
Exchequer Manager
Finance Administration
Manager (JD)
Portfolio Holder (Cllr Hales)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Nathan Leng, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email or Teams video calls.

2 Background

- 2.1 Purchasing cards were introduced to staff for low value expenditure to be made without the need for formal orders to be raised. They have the advantage of low financial running costs compared to traditional purchasing order payments and are valued for their efficiency.
- 2.2 This is the first audit to take place after the purchasing card provider changed from HSBC to NatWest (October 2020). NatWest provide an online system (SDOL) designed to automate various aspects of the transaction approval and review processes.
- 2.3 There were 81 cardholders at the beginning of February 2021, with cardholders in each department of the Council.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place to manage purchasing cards.

- 3.2 The scope considered as part of this audit include:
- Applications, amendments and cancellations.
 - Terms of use.
 - Transaction processing.
 - Expenditure analysis.
- 3.3 The expected controls for the provision of purchasing cards are identified in the audit programme. The control objectives that have been considered as part of this audit include:
- Cards are issued to appropriate and authorised users.
 - Expenditure is appropriately controlled.
 - Leavers are unable to undertake transactions on their purchasing cards.
 - Staff understand the benefits of holding a purchasing card.
 - Staff understand the purchasing card application process.
 - Purchasing cards are used within the terms of use.
 - There is appropriate oversight of expenditure by senior staff.
 - Budget holders can accurately track their expenditure.
 - The Council is transparent regarding its expenditure.
 - Appropriate procurement practices are being followed.

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 The current position in respect of the recommendation from the previous audit of these subsystems undertaken in March 2018 was also reviewed. The current position is as follows:

Recommendation	Management Response	Current Status
1 Regular analysis of purchasing cards usage should be undertaken.	Regular analysis of card usage is undertaken to ensure compliance with the agreed procedures. Consideration to be given how the currently available data can be further analysed ahead of the new Procurement Card system being produced.	Monthly analysis is carried out on a sample of transactions to verify whether the agreed procedures have been adhered to. Consideration is being given to use the new NatWest SDOL system to facilitate in-depth expenditure analysis.

Recommendation	Management Response	Current Status
2 Purchasing card expenditure should be further analysed to ascertain whether the Council would meet the thresholds for receiving discounted rates with accommodation providers.	A Procurement Card system is due to be produced in 2018/19 that will streamline the process and enable improved interrogation of the transactions. Data to be analysed as part of forthcoming Spend Analysis.	Consideration is being given to use the new NatWest SDOL system to facilitate in-depth expenditure analysis. Spend Analysis was conducted.
3 Expenditure via purchasing cards and via TOTAL should be further analysed to ascertain whether the Council would meet the thresholds for receiving discounted rates with train companies.	A Spend Analysis is due to be undertaken in-house in 2018/19. Whilst this will primarily be of the transactions within Total, the Purchasing Card data should be evaluated alongside this.	Spend Analysis was conducted. Consideration is being given to use the new NatWest SDOL system to facilitate in-depth expenditure analysis.
4 Cardholders should be instructed that transaction limits should be adhered to, with attempts to circumvent these limits being reported to senior managers.	This has been completed. An email has been sent to all cardholders and copied to SMT Plus to advise them of this requirement with an amended procedure document also being issued. The issue has also been highlighted to the FS Team and they have been advised to notify the Finance Administration Manager if they notice any further instances.	All cardholders and approvers are emailed and provided access to guidance documents. Cardholders are also required to sign a cardholder agreement form to show they understand and agree to the conditions of use for purchasing cards.

4.2 Applications, Amendments & Cancellations

- 4.2.1 Purchasing card (PCard) applicants must complete a 'New Card Request' form. Applicants are required to submit personal information to satisfy the anti-money laundering guidelines of the PCard provider NatWest. Forms must be signed by the appropriate Head of Service to ensure PCards are only issued when there is a legitimate business need for one.
- 4.2.2 Completed forms are emailed to the Finance Admin Manager (FAM) via the Financial Services team (FS-Team) email account. Once the FAM has cleared the request form, a new PCard is ordered and sent to the

applicants' home address. The FAM also emails the applicant to outline the status of their application and provide further information. A PCard agreement form and guidance document is attached to the email.

- 4.2.3 The PCard agreement form outlines the terms and conditions that cardholders must abide by when using their PCard. Prospective cardholders are instructed to read, sign and return the form to the FAM who advised that a copy of the form is passed to HR Support and held in the individual's HR file. The FAM sends a follow-up email if the form has not been returned within three to four days. If after seven days the agreement form has not been returned, the card is blocked from use until the form has been received.
- 4.2.4 Testing was undertaken to ensure that PCard applications follow the correct application procedure. The test examined applications made after the purchasing card provider changed to NatWest.
- 4.2.5 Testing revealed that, in every case, the application procedure was followed in full and evidence of documents and email conversations held for every step of the process. In one case, however, the PCard was not delivered. The FAM was notified by the applicant and the card was promptly cancelled and a replacement reordered.
- 4.2.6 The minimum PCard expenditure limit is £1,000. There is no upper limit for single transactions or monthly totals. However, limits are determined on a case-by-case basis by the Heads of Service.
- 4.2.7 Requests to amend a PCard spending limit are made via the 'Increase or Decrease Card Limit Request' form. These forms require information about the cardholder, their previous spending limit and the proposed new limit. The form also requires the signature of the appropriate Head of Service. The FAM reviews the completed forms and amends the spending limit as appropriate. In response to increasing remote and digital working practices, the FAM also accepts emailed instruction from the cardholder's Head of Service (HOS). As a result, the request form is now rarely used.
- 4.2.8 At the time of writing this report, the Council have introduced the new I-Trent HR & Payroll system. Previously, the FS-Team received two separate alerts for staff who have left the Council - an automated alert from ICT stating the name of the former staff member and a quarterly starter and leaver report from HR. The new I-Trent system is actively updated by HR allowing immediate workflow notifications to the FS-Team for staff who have moved within or left the Council.
- 4.2.9 Under the processes that existed at the time of audit testing, the HR report included information on all individuals who have joined or left the Council over the previous three months as well as those who had changed job role. The FAM cross-referenced these reports with up-to-date lists of active cardholders, blocking cards as appropriate.
- 4.2.10 Since the HR reports were issued on a quarterly basis, there was a minor risk that notification of staff who have changed job role within the

Council may not have been immediately picked up. In these instances, PCards may have remained active for longer than necessary. The recent introduction of the I-Trent system, however, should mitigate the risk.

- 4.2.11 Cancellation request forms are available on the intranet for cardholders and their Head of Service. However, the FAM confirmed this form is not often used with HOS and line managers preferring to email the cancellation request directly to the FS team.
- 4.2.12 When a PCard is cancelled, the FAM requests photographic evidence that the card has been destroyed. There are three examples of cancelled PCards after the card provider was changed to NatWest in October 2020. In all three cases, the cards were cancelled within 24 hours of the cancellation request being received by the FAM. Every case had photographic evidence of the destroyed card saved on file.
- 4.2.13 Information covering the PCard application, amendment and cancellation processes is available to staff via the FS-Team intranet page. Staff can also find information on the business case for using PCards on the same page.

4.3 **Terms of Use**

- 4.3.1 Cardholders are made aware of the terms of use during the PCard application process. The FAM emails two documents to an applicant upon receipt of a valid PCard request form; the PCard agreement form and the PCard holder guide. New cardholders are required to sign the PCard agreement form before being issued a card.
- 4.3.2 The FAM notifies cardholders of significant changes to the terms of use. The FAM communicates with cardholders on an 'ad-hoc' basis and when the need arises.
- 4.3.3 Cardholders are required to use their PCard for appropriate reasons and must report expenditure in line with compulsory procedures. Failure to comply can result in the PCard being blocked or disciplinary procedures.
- 4.3.4 Transactions must be reviewed by the cardholder. A transaction review involves the cardholder populating the NatWest SDOL system with details of a transaction. Transactions are available for review as soon as they have been posted on the SDOL system. This usually takes a couple of days from the date the transaction was processed.
- 4.3.5 Once all the required information has been confirmed by the cardholder, the transaction is available for authorisation on the SDOL system by a PCard approver. Approvers verify that all transaction information is present and correct before authorising the transaction.
- 4.3.6 In instances where information is found to be incorrect or incomplete, the approver sets the transaction back to the review stage on the SDOL system and emails the cardholder outlining any changes that need to be made. Some users of the SDOL are both cardholders and approvers. In

these instances, the individual is not permitted to authorise their own transactions.

- 4.3.7 Cardholders and approvers are strongly encouraged to review and authorise outstanding transactions as soon after the transaction as possible throughout the month. However, transactions must be reviewed and authorised no later than seven days after the 28th day of the month. Failure to adhere to this timescale will result in the PCard being blocked until all transactions from the previous statement have been authorised.
- 4.3.8 The FS-Team conduct quality assurance checks on the transaction approval process for all PCard transactions. However, the overall responsibility for ensuring the accuracy and timeliness of transaction reviews rests with the approvers.

4.4 Transaction Processing

- 4.4.1 The procedure for processing transactions mandates that transactions are authorised by a PCard approver. This ensures that every transaction is scrutinised and approved by an authorised senior staff member.
- 4.4.2 At the time of audit testing, monthly expenditure journals had been created for October to December. These journals include the value, description and general ledger cost-code for each transaction. Each journal includes the net expenditure as well as the total VAT for all PCard expenditure made during the month. Due to issues with cardholders not supplying all relevant transaction details, and approvers not authorising transactions, the journals for latter months had been delayed. However, between the audit testing and writing this report, the FAM advised that all journals up to March 2021 have now been completed.
- 4.4.3 The Local Government Transparency Code (LGTC) (2015) requires the Council to publish details of every purchasing card transaction. Analysis of the transaction report for October 2020 revealed it did not include a summary of the purpose of the expenditure. The FAM confirmed that this was due to cardholders failing to provide a sufficient description of their transactions. However, as part of the report drafting process, the FAM advised that the October report has now been amended to include the purpose of expenditure. Previous reports for 2020 were reviewed and showed full compliance with the requirements set out in the LGTC (2015).
- 4.4.4 The LGTC (2015) also requires the Council to publish PCard transaction data not later than one month after the quarter to which the data and information is applicable. Analysis of the Council website revealed that the most recent report is October 2020, uploaded November 2020. This is the first report to include data of transactions made on NatWest PCards. This shows the Council is in breach of its obligations to the LGTC (2015) as the monthly transaction data for November and December 2020 should have been published before the end of January 2021. However, delays in processing and reporting this data is attributed to the recent switch in PCard provider.

- 4.4.5 This problem has been caused by cardholders and approvers repeatedly not following required procedures, despite the best efforts of the FAM to ensure compliance. No recommendation is considered necessary, however, as it is believed that these issues will dissipate as cardholders become familiar with the new system and processes and, during the drafting of this report, the FAM confirmed that all financial tracking reports up to March 2021 have now been completed.
- 4.4.6 The above testing also revealed that the financial information was not easily accessible via the Council website. The FAM liaised with the Website Service Manager to implement search bar optimisation to rectify this and improve access.

4.5 **Expenditure Analysis**

- 4.5.1 The previous audit of this area (2018) included analysis of PCard expenditure and made recommendations that regular analysis of expenditure should be undertaken to identify procurement cost savings with frequently used suppliers. The FAM advised that a new procurement card system was being sought that could offer a streamlined process allowing more in-depth analysis.
- 4.5.2 During this audit (2021), the FAM confirmed that the new NatWest SDOL system has the capability to facilitate this sort of expenditure analysis. Due to resource constraints this feature is currently not being used. However, the FAM plans to make use of this feature in the future.
- 4.5.3 Analysis of expenditure as part of this audit has not been possible due to the unavailability of the monthly transaction logs for purchases made after the switch to NatWest.

5 **Conclusions**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of the use of Purchasing Cards are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

Richard Barr
Audit and Risk Manager

INTERNAL AUDIT REPORT

FROM: Audit & Risk Manager

SUBJECT: Rural and Urban Capital Improvement Schemes

TO: Head of Finance
Head of Revenues, Benefits and Customer Services

DATE: 31 March 2021

C.C. Chief Executive
Deputy Chief Executive (AJ)
Exchequer Manager
Finance Admin Manager
Portfolio Holder (Cllr Hales)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Ian Davy, Principal Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face to face, correspondence has been via email or Teams video calls.

2 Background

- 2.1 The Council has historically operated Rural and Urban Capital Improvement Schemes (RUCIS) whereby grants of between £1,000 and £30,000 are available to local, not-for-profit organisations which make use of volunteer labour for capital projects within the District's area. Capital is generally deemed to be funds used to purchase or upgrade a physical asset such as property or equipment.
- 2.2 As a result of COVID and the associated funding constraints, the schemes have not operated during the current financial year. However, the unspent grants that had been awarded in previous financial years continue to be paid out when the relevant conditions have been met.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.

3.2 In terms of scope, the audit covered the following areas:

- Policy and publicity
- Application processing
- Grant approval
- Budgets and payments.

3.3 The control objectives examined were:

- Grants are awarded in a fair and structured manner
- Eligible organisations are aware of the funding available to them
- Grants are assessed in a structured manner
- Grants are only awarded to eligible schemes
- The Council is aware of who has applied for and received funding under the scheme
- The Council complies with data protection regulations
- Members of the Council can ensure that the funds are used for appropriate schemes
- Applicants are aware of why their application has been successful or otherwise
- Applications are only approved in line with available funds
- Payments are made in line with approved schemes.

4 Findings

4.1 Recommendations from Previous Reports

4.1.1 There were no recommendations included in the previous audit report from July 2017, so this section is not applicable.

4.2 Policy & Publicity

4.2.1 The criteria in place for the RUCIS grants were approved in March 2016. Approval for changes to these criteria (in terms of maximum (percentage) contribution) was given by Executive in December 2019, but these changes have effectively not been enacted due to the closure of the scheme.

4.2.2 The criteria cover (amongst other things) the types of works that can and cannot be funded, the types of organisation that can apply, the funding available and the Council's aims that the projects need to contribute towards.

4.2.3 The Finance Admin Manager (FAM) advised that, under normal circumstances, the scheme is publicised through various channels but, understandably, this has not been undertaken during the current financial year with the scheme being closed.

4.2.4 Details regarding the scheme are still available on the Council's website which provides a link to the application form along with details of previous grants awarded and case studies to give potential applicants details of the types of projects that the Council supports through the scheme.

4.3 **Application Processing**

- 4.3.1 All grants that had been awarded since April 2019, as detailed on the Council's website, were reviewed. This confirmed that formal application forms had been completed in each case.
- 4.3.2 In order to confirm eligibility, the applicant is required to submit various documents to support the application including the organisation's accounts, quotations for the work and details of other funding sources.
- 4.3.3 The review confirmed that appropriate supporting documentation had been submitted for each successful application, although some documentation in relation to one grant was still held in hard copy, as the FAM had not been able to scan the documents due to COVID homeworking restrictions.
- 4.3.4 The FAM advised that he speaks to the majority of applicants before the formal application is submitted and draft applications are generally produced before the final application is received. Whilst not explicitly stated, the FAM's review of the draft document confirms that the criteria are being met and the reports to Executive confirm these points.
- 4.3.5 The documentation relating to each application is held within specific folders on the Council's network. The FAM was unsure whether the documents were specifically covered by the Finance department's document retention plan but suggested that, as the documents related to finances, the 'six plus one' approach was followed.
- 4.3.6 He highlighted that, due to COVID, some older documents had not yet been purged, but he agreed to delete documents relating to the 2013 and 2014 applications. Following the production of the draft report, this action was undertaken.

Advisory

The need for retaining documents relating to completed projects that have been supported through the provision of RUCIS grants should be considered.

4.4 **Grant Approval**

- 4.4.1 Applications that meet the grant criteria are presented to Executive for their approval. Upon review, it was confirmed that the selected grants had all received formal approval. Due to the cancellation of the March 2020 meeting of Executive as a result of the onset of the COVID pandemic, approval for four grants was initially given under delegated powers. These decisions were subsequently ratified on 29 June when Executive met remotely.
- 4.4.2 Documentation retained on the network confirmed that the successful applicants are formally notified of their award along with any conditions that are attached, such as the need for confirmation to be provided that (financial) support is received from the organisations detailed on the applications.

4.5 Budgets & Payments

- 4.5.1 The FAM maintains a budget spreadsheet which sets out the current budget position and the status of each grant that has been awarded. He highlighted that the budget for this financial year was the outstanding payments relating to previously approved projects. Upon review of TOTAL, it was confirmed that the only variance was the underspend on one of the projects carried forward.
- 4.5.2 Payment of the grant is conditional upon the applicant providing copies of the invoices for the works performed relating to the approved scheme. These can be for the whole grant or at stages of the work depending on the size of the project. It was confirmed upon review that supporting invoices had been submitted as appropriate for all payments made.
- 4.5.3 The FAM advised that he normally undertakes site visits both before and after the project is undertaken in order to confirm that the works relating to the grants have been performed. Due to COVID, some of the 'post-project' reviews have relied on the applicant providing photographic evidence of the completed work. Upon review, it was confirmed that photographs were held in the network folders for all relevant grants.

5 Conclusions

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Rural and Urban Capital Improvement Schemes are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

- 5.3 No formal recommendations are included within the report. However, one advisory note has been made. In these instances, no formal recommendations are thought to be warranted as there is no risk if the actions are not taken. If the changes are made, however, the existing control framework will be enhanced:
- Document retention requirements should be reviewed.

Richard Barr
Audit & Risk Manager

INTERNAL AUDIT REPORT

FROM: Audit and Risk Manager
TO: Head of Housing Services
C.C. Chief Executive
Deputy Chief Executive (BH)
Head of Finance
Landlord Services Manager
Landlord Operations Manager
Portfolio Holder (Cllr Matecki)

SUBJECT: Tenancy Management
DATE: 31 March 2021

1 Introduction

- 1.1 In accordance with the Audit Plan for 2020/21, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.
- 1.3 The audit was undertaken during the COVID-19 pandemic. This has meant a slightly different approach has been taken to complete the audit. Rather than observing staff members and meeting staff face-to-face, correspondence has been via email, telephone calls or virtually through MSTeams.

2 Background

- 2.1 Housing officers manage the active tenancies using Active H. Various housing staff have access, allowing tenants details to be added and updated, documents to be saved and diary notes added ensuring that housing tenancies can be effectively managed.
- 2.2 The Council owns 5,391 houses and flats which generate an annual rental income in the region of £24.8m. As well as these rental properties, the Council also manages twelve shared ownership properties, 616 Leaseholders and 40 non secure / temporary accommodation places.
- 2.3 Tenancy management covers the roles and duties involved from when a tenancy starts until it ends, ensuring tenants receive high quality customer service and the Council has well-managed properties and is compliant with relevant legislation.

3 **Scope and Objectives of the Audit**

3.1 The audit was undertaken to test the management controls in place.

3.2 In terms of scope, the audit covered the following areas:

- Staff roles and responsibilities.
- Lone working and safeguarding.
- Tenancy visits.
- Tenancy Management.
- Mutual exchanges.
- Garage management.
- Complaints and ASB.

3.3 The audit programme identified the expected controls. The control objectives examined were:

- Staff know who to report to and there are clear lines of responsibility.
- Staff are aware of their role and responsibilities.
- Staff have the required access and permissions to carry out their roles.
- The phone lines have appropriate cover.
- The Council is compliant with relevant legislation.
- Appropriate checks have been carried out on the housing staff.
- Staff are aware of safeguarding procedures and are alert to the potential signs when carrying out visits.
- Staff are not putting themselves at un-necessary risk when carrying out visits.
- Staff are aware of the risks and follow the Councils guidance to help keep themselves and members of the public safe.
- Staff are aware of the expectation to visit tenants.
- Staff document visits and make relevant notes which are followed up when needed.
- Staff complete tenancy update visits.
- Scheduled safety checks and works are completed in a timely manner.
- Staff provide advice and support tenants regarding succession cases.
- Tenants are aware of the conditions of the tenancy and their obligations.
- Tenants sign their agreement and are provided with relevant documentation.
- Secure tenants are aware of any changes to their tenancy.
- Staff respond to information provided by the public regarding the occupation of Council properties.
- Staff are aware of the requirements in place to validate mutual exchanges and the expectations of their role in the process.
- Tenancy details are up-to date after mutual exchanges have been completed.
- Garages are used for the correct purpose and maintained appropriately.
- Complaints (including anti-social behaviour) are managed appropriately.

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 The audit of Tenancy Management is new to 2020-21 so there are no previous recommendations to follow up on.

4.2 Staff roles and responsibilities

- 4.2.1 A restructure of housing services was completed in early 2020 after being agreed at Employment Committee on December 10th 2019. This restructure resulted in a clear staffing structure with a number of new posts available within the service.
- 4.2.2 There is no written procedure manual in place for new starters to follow. This will have impacted the introduction and training for new starters as normal face-to-face training has been difficult to complete due to the Covid restrictions in place since March 2020. The Landlord Operations Manager, new to the role in January 2021, is aware of the lack of documented procedures and is working on compiling a complete manual. This will ensure new starters have a guide to follow and that existing staff are able to follow the same processes.
- 4.2.3 The job descriptions in place were refreshed as part of the restructure. They clearly define the roles and duties expected, separating out some of the speciality tasks to specific roles, such as garage management. All of the job descriptions emphasise the importance of giving excellent customer service and well-managed lettings.
- 4.2.4 The housing management system (ActiveH) is used by all Housing staff, enabling them to manage fully all aspects of the letting and the tenant's details. This includes logging the details of any contact with the tenant, visits completed, storage of relevant documents, reviews of the rent status and log repairs or complaints. Access is checked regularly (approx. every six months) by the business administration team to ensure the right staff have the access levels required.
- 4.2.5 Housing Officers' roles includes providing phone cover - staff members are allocated a time on a rota which they dedicate to phone duty and, between calls, admin tasks. The rota in place splits the day into two shifts – mornings (8:45 to 13:00 hrs) and afternoons (13:00 to 17:15 hrs). These shifts will usually be covered by two separate staff members with a third available as a backup. At the moment the backup is only used when the staff member on phone duty Jabbers¹ them asking them to log in to answer a call.
- 4.2.6 A call log report is currently shared with senior Housing staff showing the previous week's call data. This report shows the number of calls received and the number of calls abandoned. A selection of these reports was reviewed

¹ Jabber is an internal call and messaging system.

and showed that between 8% and 13% of call were abandoned during January (business hours only).

- 4.2.7 The business administration team were able to provide to the auditor an additional report breaking the calls into hours and including additional data such as length of calls and time before calls are abandoned. A report was run for the Month of October 2020. October was chosen as the restrictions in place at that point were the most relaxed they had been since the pandemic began so it was felt that the data would have been the closest to a 'normal' month.
- 4.2.8 Analysis of the report showed that there was an average of 147 calls per week with a queuing time ranging from one minute to 58 minutes with the average wait being 22 minutes. The average number of calls abandoned across the month was 8%, although this varied across the shifts with some shifts having almost 30% of calls abandoned. The average number of calls per shift ranged from 12 to 27 with Monday and Wednesday morning receiving the most calls and Tuesday and Friday afternoons the least.
- 4.2.9 Analysis of both the monthly and weekly call reports show that the phone duty system in place is not working as efficiently as it could and perhaps requires a review of the procedure.

Risk

The Council's reputation may be affected adversely by calls not being answered or customers waiting online for an excessive amount of time.

Recommendation

A review should be completed of the phone duty rota and procedure to ensure busier shifts are covered and so calls abandoned are kept to a minimum. Call waiting messages could be played reminding customers of the other ways to make contact, encouraging a channel shift towards using the website or email.

- 4.2.10 There are a number of acts in place for the provision of housing services, the most relevant act used is the 1983 Housing Act, along with updates including the Housing and Homelessness Act 2020. All the officers interviewed for the audit were aware of the Acts and which parts of their roles were most affected by them.
- 4.3 **Lone working and safeguarding**
- 4.3.1 There is a safeguarding policy in place, updated July 2020, which states "in line with the Council's recruitment and selection policy, Disclosure and Barring Service (DBS), checks will be carried out on all staff involved in regulated activity relating to children and adults with needs for care and support." A review of the recruitment and selection policy covering guidance on DBS checks and regulated activity noted that there was no relevant

guidance available for the vetting of employees. It was also noted there was no vetting guidance available within the HR pages on the intranet.

- 4.3.2 DBS checks have not been carried out on Housing officers for a number of years. Government guidance, available at gov.uk, has a form available which guides the employer to the level of DBS check they can request the employee to complete.

Advisory

Review whether some of the housing roles require a DBS check using guidance on the gov.uk website and advice from HR.

A review has been completed since the first draft of this report was issued. It has been confirmed that the housing staff do not need DBS checks to carry out their roles.

- 4.3.3 The Council's safeguarding policy contains enough guidance for staff to use it as a top-up training tool. It details the relevant procedures and identifies the safeguarding representatives for each service area. The staff interviewed as part of the audit were aware of their role in safeguarding and were able to explain the process followed when reporting concerns. Safeguarding is also included as part of the Housing staff appraisals.
- 4.3.4 Housing staff receive a wide range of training appropriate to their role in addition to the mandatory staff training. This includes safeguarding training which is completed every 3 years to ensure the guidance and information is current. Extra top-up and refresher training is available for staff to complete using Wilma (training system). Safeguarding training for housing staff was last completed in 2019.
- 4.3.5 Additional training on County Lines, which included trafficking and a number of safeguarding elements, was completed in early March 2020. No other physical safeguarding training has been able to be provided since the first lockdown in March 2020.
- 4.3.6 New starters receive 'conflict management and lone working' training at the start of their employment, along with other mandatory courses such as 'fraud awareness' and 'health and safety'. There is other opt-in training available for staff which could be beneficial for those staff working with tenants and carrying out home visits. These include 'basic substance misuse awareness', 'disability confident' and 'LGBT+ inclusion awareness' courses.
- 4.3.7 The Intranet site gives staff access to the 'staff alert list', a list of members of the public where caution should be taken when carrying out visits to them. The list is easy to find and use. Before completing a search there is a reminder that searches should be for legitimate reasons and the user should abide by the data protection act.
- 4.3.8 The alert list is kept up-to-date using intel provided by the police and WDC staff. Reports of concerns are passed to the alert list team who review the information and, where appropriate, add the person to the list. Relevant

information is also shared with contractors to reduce their risk when entering properties.

- 4.3.9 There are various risk assessments and supporting policies in place relevant to the duties that Housing staff carry out. These cover lone working, using a mobile phone when driving and carrying out generic visits. The risk assessments and policies are available on Assessnet (software which manages the Council's risk assessments) and on the intranet. The service area risk register also includes relevant risks and signposts policies, procedures and risk assessments.
- 4.3.10 There are a number of Covid-related risk assessments, policies and procedures in place to help keep staff safe when working in the office and visiting properties. These include hand sanitising stations, Covid-safe working and procedures to follow when the staff member has been exposed to the virus. The generic visit risk assessment has been updated to ensure Covid-safe working and PPE is available to staff when carrying out visits.

4.4 **Tenancy visits**

- 4.4.1 Tenancy update visits (TUVs) are completed once every three years apart from high rise properties which are completed annually. The process for completing these visits is to send a letter to the tenant with an appointment, giving them the opportunity to rearrange it if needed. A copy of the letter should be stored in the tenants file. When the visit is completed a note with the details should be added to ActiveH. This process is not documented so could only be confirmed verbally with the Senior Housing Officers. TUVs allow the opportunity to check the condition of the asset, ensure contact details are up-to-date and that the details of tenant are still valid.
- 4.4.2 As well as the TUVs there are additional visits completed as part of tenancy management. New tenants should be visited within four to six weeks to see how they are settling in. An additional visit is then completed at twelve months when the tenant will sign a secure tenancy and receive the accompanying document pack. When tenants complete a mutual exchange application, a visit must be completed within 42 days (Housing Act; Mutual Exchanges).
- 4.4.3 A report can be run and accessed through Ripplestone (report viewing software) which shows the status of visits completed and due. This only works if TUVs are recorded correctly on ActiveH through the visit log and not through diary entries. The report only shows TUVs recorded since 2016 as this is when the method of recording them was implemented.
- 4.4.4 The report showing the status of TUVs was reviewed. The report displayed the asset ID, tenant name, asset address, last TUV date, outcome and next TUV due date. The report shows that 36% of properties do not have a TUV recorded on the system, 26% have had a visit previously but are now overdue their next one, 2% have a visit due within the next four weeks and 36% have had visits within the last three years (one year for high rise).

- 4.4.5 A sample of 20 current tenancies were reviewed. The sample included ten randomly selected new tenancies from within the last 24 months. The other ten were older tenancy agreements where the TUV report confirmed a visit had been completed. Nine of the ten newer tenancies showed no visits having been completed in the diary notes or in the visits section of the system. The other one from this range had a diary note in place to say that a settling-in visit had been carried out over the phone. All of the older tenancies in place had visits recorded on the visit section seven had the TUV document on file; only two had the settling-in visit document saved. One from the sample of 20 had a visit appointment letter saved to their file. Fourteen of the 20 had a signed tenancy agreement on file. The lack of information and documents stored does not provide sufficient evidence to support the visits carried out or to show that 24 hours' notice is being provided.

Risk

There may be a risk of the Council breaching the tenancy agreement in place and visits being ineffective.

Recommendation

All relevant documentation should be stored and recorded correctly to show that the Council is compliant with the tenancy agreement.

- 4.4.6 The location of document storage depends on which system was in place at the time of storage. More recent documents (2016 onwards) should be available on ActiveH; documents previous to this are saved to shared housing drives.
- 4.4.7 There is no documented procedure in place for visits and the TUV reporting facility is not used to its potential. Instead, Housing officers rely on monitoring their own patch from the moment the lettings team hand over the tenant details to them.

Risk

Without a documented procedure in place the recording of visits and saving documents may be completed differently by each Housing officer.

Recommendation

There should be a procedure in place for Housing officers to follow to ensure the same process is followed when logging visits and saving relevant documentation.

4.5 Tenancy Management

- 4.5.1 The secure tenancy agreement booklet sets out the terms and conditions of the tenancy for both the Council and the tenant. The booklet is well set out,

clear and easy to understand and available in other formats and languages on request.

- 4.5.2 The service area plan for housing includes a number of measures, most of which are covered in other audits. The measures relevant to this audit are: percentage of tenancies failed within 18 months; number of evictions (not through rent arrears); ASB cases closed within six months; and gas safety checks completed within the last 12 months.
- 4.5.3 Gas checks must be carried out at all active Council properties on an annual basis. There is a nine-week window where the checks must be completed. Gas checks are carried out by the appointed contractor, D&K Heating, on behalf of the Council. They are provided with a list of current tenants and the relevant address so they can organise the checks. It is believed that D&K Heating contact the tenant to offer an appointment with an option to re-arrange. No evidence of this was found on ActiveH but D&K Heating are likely to issue and manage the initial letter themselves. If they fail to gain access to the property when an appointment has been arranged D&K Heating contact the Housing officer who will then make contact with the tenant to re-arrange it.
- 4.5.4 A report was run for the auditor showing the status of gas checks completed and outstanding. The report showed 30 outstanding, ten of which were reviewed on ActiveH to see what steps had been taken. It was noted that only two had records of communication with the tenant regarding the gas check needing to be completed. When reviewing the information, it appeared that the tenant had been in touch to raise an issue and had been reminded at that point.
- 4.5.5 When a TUV is completed all tenants listed at the property are checked. This helps in succession cases as it helps to evidence succession rights. Succession rights are established when evidence shows that the successor has used the property as their main address for a minimum of twelve months. When the evidence supports this the tenancy is signed over to them.
- 4.5.6 Through discussions with the Senior Housing Officers and Housing Officers it was made clear that there was no way to find and review where succession cases had been carried out other than asking individual officers to signpost to cases they could remember. Due to the difficulty in obtaining the information required, testing could not be completed to show that the checks had been carried out correctly and that supporting documentation had been retained.
- 4.5.7 As mentioned in para. 4.5.6, above, it was confirmed that there was no way of identifying cases where tenants had been evicted. This meant that testing could not be completed to review the documentation stored to support the eviction.
- 4.5.8 Similarly, as there was no way of identifying cases where the tenancy had ended within 18 months, testing in this area could not be undertaken.
- 4.5.9 Antisocial Behaviour is covered in section 4.8, below.

- 4.5.10 There would have been a recommendation made for paragraphs 4.5.6 – 8 however, discussions with the business administration team established that reports for the KPIs included in the service area plan could be produced to allow a review of the information. It would require the information for each case to be stored accurately so the system could identify it within the parameters set. The Landlord Operations Manager has begun reviewing the information required and working with the business administration team to set up appropriate reports for future use.

4.6 **Mutual exchanges**

- 4.6.1 Checks must take place before a mutual exchange can complete. The checks have to be completed within 49 days of an application being received (Housing Act). This involves a visit to review the condition of the property and any issues that would need to be resolved for the exchange to complete. The current tenant signs a copy of this to show they agree to any changes.
- 4.6.2 Mutual exchanges are not logged onto ActiveH until both parties are ready to complete. They are managed by the Housing officer from when the application to exchange is received. Once all checks have been completed and the exchange is ready to complete, the property is put on manual void and the documents are uploaded.
- 4.6.3 A sample of twelve mutual exchanges completed since April 2019 were reviewed. Two of the twelve had application forms saved to the file. Although eight had the signed exchange document, only one had a pre-exchange check document stored. Three of the sample had had a TUV completed during the application process with documents saved to support the visit. None of the sample had diary notes to show a pre-exchange visit had been completed. With so little data available to review it is not possible to say whether pre-exchange visits have been completed within the time frame set out in legislation.

Risk

The lack of available documentation may result in the Council breaching legislation.

Recommendation

The application for the mutual exchange together with other relevant documents should be saved to the tenants or house file. A formal procedure for officers to follow when processing applications for mutual exchanges, should be produced.

4.7 **Garage management**

- 4.7.1 The garage rental agreement clearly sets out the terms and conditions of garage rental, identifying the tenant as responsible for the internal maintenance and the Council responsible for the exterior.

- 4.7.2 The Senior Housing Officers confirmed that garage checks should be completed monthly. This is an external check only so the tenant does not need to be contacted. Although visits by Housing officers have not been undertaken due to the ongoing pandemic it was confirmed that there was no reason why garages could not be visited. However, interviews with Housing Officers revealed that monthly checks had not been completed for a long time as the officers were unsure of what they were able to do whilst the pandemic was ongoing.
- 4.7.3 Although there have been new starters taken on specifically to cover garage tenancy management they have not yet started work on them. This is due to staff not knowing what tasks need to be completed and how they are to be completed. There are no written processes or procedures in place. The knowledge of the garage tenancy management role was lost when the staff member who carried it out sadly passed away.

Risk

The Council could be in breach of the tenancy agreement and could incur a loss of income where garage management is ineffective.

Recommendation

The duties for garage tenancy management should be agreed and documented in a formal procedure to ensure the Council's assets are maintained and rent is collected as due.

- 4.7.4 A sample of 24 active garage accounts were reviewed. Thirteen of the sample had signed agreements saved to ActiveH. These were all recent lets where the new tenant had posted or emailed the document in. Two of the signed agreements had not been completed correctly; although they had been signed they had not completed the accept/decline section correctly. Thirteen of the sample had no arrears at the time of checking with the remaining eleven only having minor arrears of a month or less. Only one had an inspection logged within the last two years - this was due to an officer meeting a previous tenant to provide access where locks had been changed.
- 4.7.5 Additional active garage accounts were checked at random to find cases where diary notes had been added. These checks revealed a lack of external checks being completed as a number of the notes were from tenants calling the Council to request that bushes and brambles be cut back to allow access to the sites, or that rubbish be removed or to request other external maintenance activities.

Risk

Lack of site visits could result in garages being used inappropriately and provide an opportunity for vacant sites to be used for antisocial activities.

Recommendation

To help ensure garages are used as intended and looked after by tenants, site checks on the external environment of the garages should be completed and logged onto the relevant file. A formal procedure detailing how officers should manage garages will need to be produced.

4.8 Complaints and Antisocial Behaviour

- 4.8.1 The Council has an Antisocial Behaviour Policy in place which was approved in 2017. The policy is available publically on the Council's website within the housing pages.
- 4.8.2 Complaints (including ASB) come in to the Council via telephone calls or emails to the generic housing email address. The complaint is passed directly to the relevant Housing Officer who is then responsible for logging the complaint and managing it.
- 4.8.3 There is no central record to monitor the number of complaints received, outcome or timeliness of resolving the complaint. The Senior Housing Officer advised that each Housing Officer would need to be asked for this information. One of the KPIs in the service area plan measures the percentage of ASB cases closed within six months. However, the lack of a central register prevents easy review and monitoring of complaints.
- 4.8.4 Access to the complaints module was not provided to the auditor so full testing could not be completed. The Landlord Operations Manager reviewed a selection of cases on the auditor's behalf and found there to be insufficient information stored for a number of the cases reviewed. In some cases, this made it difficult to identify what the complaint was about and what actions had been taken. In general, there was limited evidence of correspondence with the complainant.
- 4.8.5 There is no written procedure in place setting out the process to follow in respect of the recording of complaints. This could account for the varied quality of data and information stored on the system.

Risk

The absence of a written procedure for the recording of complaints and the consequent variation in the quality of data held on the system could result in complaints being misunderstood or left unmanaged. Also a lack of robust management information means that any necessary remedial action cannot be undertaken.

Recommendation

A written procedure to guide staff on the recording of complaints should be established.

5 Summary & Conclusion

- 5.1 When reviewing the various aspects of the tenancy management function it is apparent that the Housing Officers follow different process with no standard way of working in place. The implementation of a manual with documented procedures will help to streamline the processes resulting in a more effective service. Discussions between the Landlord Operations Manager and the business administration team will help to set up and schedule reports that are useful, relevant and in line with the KPIs and measures set in the service area plan.
- 5.2 Following our review, we are able to give a MODERATE degree of assurance that the systems and controls that are currently in place in respect of Tenancy Management are appropriate and are working effectively.
- 5.3 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

- 5.4 There were issues identified during the course of the audit relating to:
- Coverage of the phone system.
 - Potential for the Council to breach tenancy agreements and for visits to be ineffective.
 - Absence of a procedure for the recording of visits and saving of related documents.
 - Lack of supporting documentation to show that mutual exchanges are completed in compliance with legislation.
 - Management of garage tenancies and monitoring of the sites.
 - Lack of written procedures and document Storage regarding complaints.

6 Management Action

- 6.1 Recommendations to address the issues set out above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr
Audit and Risk Manager

Action Plan

Internal Audit of Tenancy Management – March 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.9	A review should be completed of the phone duty rota and procedure to ensure busier shifts are covered and so calls abandoned are kept to a minimum. Call waiting messages could be played reminding customers of the other ways to make contact, encouraging a channel shift towards using the website or email.	The Council's reputation may be affected adversely by calls not being answered or customers waiting online for an excessive amount of time.	Low	Landlord Services Manager and Landlord Operations Manager	A review of the phone rota's in line with housing officers' duties of been on patch will be undertaken in April. Opportunities to move more services on line will be explored and comparisons of telephone performance will be undertaken.	30 April 2021
4.4.5	All relevant documentation should be stored and recorded correctly to show that the Council is compliant with the tenancy agreement.	There may be a risk of the Council breaching the tenancy agreement in place and visits being ineffective.	Medium	Landlord Operations Manager Senior Housing Officer	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. These procedures will include storing of documents. Housing Services will review the use of IT equipment which could save straight to Active H using whilst on site, using devices such as iPads.	July 2021 September 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.4.7	There should be a procedure in place for Housing officers to follow to ensure the same process is followed when logging visits and saving relevant documentation.	Without a documented procedure in place the recording of visits and saving documents may be completed differently by each Housing officer.	Low	Landlord Operations Manager	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include Tenancy Visits and saving of relevant documentation.	June 2021
4.6.3	The application for the mutual exchange together with other relevant documents should be saved to the tenants or house file. A formal procedure for officers to follow when processing applications for mutual exchanges, should be produced.	The lack of available documentation may result in the Council breaching legislation.	Medium	Landlord Services Manager	The Landlord Services Management Team are working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on handling applications for Mutual Exchanges on HPM.	July 2021
4.7.3	The duties for garage tenancy management should be agreed and documented in a formal procedure to ensure the Council's assets are maintained and rent is collected as due.	The Council could be in breach of the tenancy agreement and could incur a loss of income where garage management is ineffective.	Medium	Landlord Services Manager	The Landlord Services Management Team are working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on managing garages.	June 2021

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.7.5	To help ensure garages are used as intended and looked after by tenants, site checks on the external environment of the garages should be completed and logged onto the relevant file. A formal procedure detailing how officers should manage garages will need to be produced.	Lack of site visits could result in garages being used inappropriately and provide an opportunity for vacant sites to be used for antisocial activities.	Medium	Landlord Operations Manager	The Landlord Operations Manager is working on a set of procedures for Officer's to follow, relating to all functions of the Landlord Operations Team. This will include a guide on managing garages to include site checks.	June 2021
4.8.5	A written procedure to guide staff on the recording of complaints should be established. Also a lack of robust management information means that any necessary remedial action cannot be undertaken.	The absence of a written procedure for the recording of complaints and the consequent variation in the quality of data held on the system could result in complaints being misunderstood or left unmanaged.	Medium	Landlord Operations Manager	A procedure for managing complaint so Anti-Social Behaviour has been written. It is awaiting sign off by Landlord Services Manager. Training on the new procedure is arranged for 9 March 2021.	March 2021

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

Finance and Audit Scrutiny Committee
26 May 2021

Title: Internal Audit Annual Report 2020/21

Lead Officer: Richard Barr

Portfolio Holders: Councillor Noone

Public report / Confidential report: Public report

Wards of the District directly affected: Not applicable

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: No

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Consultation with line management and SMT. None with community.

Checked for Accessibility: Yes

Final Decision: Yes.

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4 May 2021	Chris Elliott/Andrew Jones
Head of Service	4 May 2021	Mike Snow
CMT	4 May 2021	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	4 May 2021	Mike Snow
Monitoring Officer	4 May 2021	Andrew Jones
Finance	4 May 2021	Mike Snow
Portfolio Holder(s)	13 May 2021	Councillor Noone

1 Summary

- 1.1 Forming part of the evidence for the Annual Governance Statement, the Internal Audit Annual Report presents a summary of the internal work undertaken during 2020/21 and provides a conclusion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

2 Recommendation

- 2.1 That this Committee considers the Annual Report of Internal Audit for the year ended 31 March 2021 as part of its consideration and approval of the Annual Governance Statement 2020/21.

3 Reason for the Recommendations

- 3.1 The Public Sector Internal Audit Standards require that "The 'chief audit executive' must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement."

4 Policy Framework

4.1 Fit for the Future (FFF)

- 4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.
- 4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.2.2 Internal impacts of the proposal(s)

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.3 Supporting Strategies

- 4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.4 Changes to Existing Policies

- 4.4.1 This section is not applicable.

4.5 Impact Assessments

- 4.5.1 This section is not applicable.

5 Budgetary Framework

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 Risks

- 6.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 6.2 It is impractical to provide a commentary on risks as the report is concerned with the outcome of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with the issues raised within the Internal Audit reports (these risks were highlighted within the reports). There is also an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

7 Alternative Options Considered

- 7.1 This report does not involve option analysis leading to recommending a particular option in preference to others so this section is not applicable.

8 Background to the Annual Governance Statement & Requirement for Internal Audit Annual Report

- 8.1 The Public Sector Internal Audit Standards state:

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

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The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

- 8.2 The Annual Report, in the format and comprising the topics prescribed by the Public Sector Internal Audit Standards, is set out as Appendix 1.

**Head of Internal Audit's Annual Report and Presentation of
Audit Opinion 2020/21**

Introduction

This report is produced to satisfy the Public Sector Internal Audit Standards which requires that:

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must incorporate:

- *the opinion;*
- *a summary of the work that supports the opinion; and*
- *a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.*

Opinion on the overall adequacy and effectiveness of the Council's control environment

The Public Sector Internal Audit Standards state that "*The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. Consulting services are advisory.*"

Based on internal audit assignments undertaken as part of the Audit Plan, together with the general views of the internal audit team gained from ancillary exposure to the Council's operations, it must be concluded that the Council has an adequate and effective governance, risk management and control framework to address relevant risks with controls being applied consistently.

Inevitably, there were some instances of non-compliance that were identified by Internal Audit, as detailed in reports that were issued during the year. These were reported to Finance & Audit Scrutiny Committee each quarter and, in the case of audit assignments receiving less than 'substantial' assurance opinions, the full reports being brought expressly to the Committee's attention. Action to address these issues has been confirmed by management in all cases, with urgent action being taken where those issues were regarded as major.

There are no qualifications to that opinion, although clearly it can only be based on the audits undertaken during that year and on information garnered more informally by the internal audit team; it has to be acknowledged that not everything is subject to an audit within a 12-month time frame. The Council's external auditors form their own opinion based on their own work and the Annual Governance Statement provides an overall judgement on the control environment, derived from many sources, one of which is this Internal Audit Annual Report.

The Public Sector Internal Audit Standards states that *"Where the chief audit executive believes that the level of agreed resources will impact adversely on the provision of the annual internal audit opinion, the consequences must be brought to the attention of the board."*

The Audit and Risk Manager can confirm that that the level of agreed resources has not impacted adversely on the provision of the annual internal audit opinion.

Summary of the internal work undertaken during 2020/21 from which the opinion on the internal control environment is derived

The audits which form the basis of the opinion are listed in Appendix 1A. The results of these audits have been communicated to the Finance and Audit Scrutiny Committee in quarterly reports and are therefore not reproduced here. Each audit report, however, gives an overall opinion on the level of assurance provided by the controls within the area audited and this is set out in the table. The bands of assurance are set out at the bottom of Appendix 1A.

Appendix 1A indicates that internal controls were in the main found to be operating satisfactorily, giving an overall confidence in the internal control system operating in relation to these systems. Although most reports that were issued during the year contained recommendations to rectify control deficiencies it is important to stress that the issues raised in respect of these audits have since been addressed or, in the case of more recent audits, are in the process of being addressed. As part of Internal Audit's quarterly reporting, Members receive scheduled updates on the state of implementation of recommendations in order to provide assurance that recommendations are actioned.

The Covid Pandemic impacted on Internal Audit's work in three distinct ways:

1. Team members were involved in corporate Covid-related activities such as distributing food parcels to people shielding
2. Team members were involved in processing Covid grant claims and one team member was responsible for fraud-related work in respect of claims - reviewing claims and submitting detailed returns to the appropriate Government department.
3. Working from home created sub-optimal working conditions – for Internal Audit Team Members and for the staff being audited. Obviously the impact of this lessened as the year progressed and working arrangements improved.

This led to a revised Plan comprising slightly fewer audits – approval of which was obtained from Finance and Audit Scrutiny Committee partway through the year. The scope of the audits that were carried out was not affected significantly.

Just 4 audits undertaken during the year were awarded a less than substantial level of assurance – all receiving a moderate level of assurance, the middle ranking.

The list of audits in Appendix 1A comprises audit reviews and consultancy-based reviews.

Issues particularly relevant to the Annual Governance Statement

Issues particularly relevant to the Annual Governance Statement (AGS) have been identified from the process involved in its production. This includes compilation of

the Service Assurance Assessments by services and the review of the draft AGS by the Senior Management Team and by the Leader of the Council and the chairs of the Scrutiny and Standards Committees. Some of these issues had been highlighted by Internal Audit during the year.

Comparison of the work undertaken with the work that was planned and summary of the performance of the internal audit function against its performance measures and targets

This is set out as Appendix 1B.

Compliance with the Public Sector Internal Audit Standards

The Public Sector Internal Audit Standards state that:

"Chief audit executives are expected to report conformance on the Public Sector Internal Audit Standards in their annual report."

"To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance."

A review by an external consultant, undertaken towards the end of the year, highlighted non-compliance with some elements of the Public Sector Internal Audit Standards. The Public Sector Internal Audit Standards require such external reviews to be undertaken at least once in a five-year period. The previous review was completed in 2016. An action plan was produced to address those areas of non-compliance and this was reported to Finance & Audit Scrutiny Committee in March, together with the full results of the review.

Separately, the Public Sector Internal Audit Standards requires that *"The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity."*

The Audit & Risk Manager is able to confirm that Internal Audit is organisationally independent.

Communication of the results of the internal audit quality assurance & improvement programme

The Public Sector Internal Audit Standards states that *"The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report."*

The Internal Audit quality assurance programme includes reviews of audit files by the Audit and Risk Manager before issue of final reports and external audit reviews of Internal Audit's work. It also includes monitoring by the Section 151 Officer and ongoing scrutiny of its work by Finance & Audit Scrutiny Committee.

The Internal Audit quality assurance programme also comprises completion by auditees, post audit, of questionnaires for audits. Appendix 1C sets out the questionnaire that is used.

The results of the Internal Audit quality assurance programme are used to improve the service provided by Internal Audit.

In terms of the post audit questionnaires, no auditees awarded less than full marks (5) in their assessment of the audit that they had received. Obviously this indicates very broad satisfaction with the audits undertaken.

An improvement plan was produced to address the areas of non-compliance highlighted in the review of the Internal Audit Service mentioned earlier. Finally, the Internal Audit quality assurance programme will, from 2021/22, include ongoing in-house reviews of compliance with the Standards as recommended by the external consultant. Time for this has been set aside in the Audit Plan and the first year of these have been scheduled.

Summary of Audits Undertaken 2020/21

Assignment	Client Service Area	Level of Assurance	No. of Recs.
Local Elections (Follow-up Review)	Chief Executive's Office	Substantial	2
Corporate Governance	Chief Executive's Office	Substantial	1
Corporate Procurement	Finance	Substantial	0 + 1 advisory
Management of Contracts	Finance	Substantial	7 + 1 advisory
Shared Legal Services	Chief Executive's Office	Substantial	5
Local Land Charges	Development Services	Substantial	1
Corporate Training	HR	Substantial	1
Housing Rent Collection	Housing Services	Substantial	2
Catering Concessions	Cultural Services	Moderate	0 + 1 advisory
Building Cleaning Services	Neighbourhood Services	Substantial	3 + 2 advisories
Information Governance	Chief Executive's Office	Moderate	4 + 1 advisory
Cyber Security	ICT	Substantial	4 + 1 advisory
Council Tax	Finance*	Substantial	0
National Non-Domestic Rates	Finance*	Substantial	2
Digital Transformation – Consultancy Review	ICT	Substantial	9 suggestions
Web Applications: HomeChoice and WasteWeb	ICT	Moderate	3
Income Receipting and Document Management	Chief Executive's Office	Substantial	2 + 1 advisory
Development Management	Development Services	Substantial	5 + 2 advisories
Community Infrastructure Levy and Section 106 Agreements	Development Services	Substantial	0
Rural and Urban Capital Improvement Schemes	Finance*	Substantial	0 + 1 advisory
Purchasing Cards	Finance*	Substantial	0
Crime and Disorder	Health and Community Protection	Substantial	0 + 1 advisory

Assignment	Client Service Area	Level of Assurance	No. of Recs.
Nuisance and Other Protection Duties: Public Health Funerals	Health and Community Protection	Substantial	1
Business Applications: MIS Housing and Corporate Property	ICT	Substantial	3 + 1 advisory
Tenancy Management	Housing Services	Moderate	7 + 1 advisory
Communications	HR	Substantial	6 + 1 advisory
Staff Health and Wellbeing	HR	Substantial	7 + 1 advisory

*These audits, previously based in Finance, now fall under the new joint WDC/SUA service area - Revenues, Benefits & Customer Services.

Key to Level of Assurance:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and, where there are controls, these are often not complied with.

Summary of Internal Audit Performance 2020/21

Performance Indicator	In-house Team	External Contractors	Overall for Service
Number of planned audits assigned	22	4	26
Number of planned audits completed	23	4	27
% assigned audits completed	104.5%	100.0%	103.8%
Number of audits completed within time allocation	13	N/A	13
% audits completed within time allocation	56.5	N/A	56.5
Number of audit days – planned	252.4	N/A	252.4
Number of audit days – actual	248.9	N/A	248.9
Productive time as % of available time – target	72.5%	N/A	72.5%
Productive time as % of available time – actual	62.5%	N/A	62.5%
Number of audit recommendations issued	56	10	66
Number of audit recommendations agreed	54	10	64
% audit recommendations agreed	96.4	100.0	97.0
Number of High Priority audit recommendations issued	0	0	0
Number of High Priority audit recommendations implemented	0	0	0
% High Priority audit recommendations implemented	N/A	N/A	N/A

Post Audit Questionnaire

Audit:

Date of report:

Auditor:

Manager:

In order to help us improve our service we would be grateful if you would spend a few moments answering the questions below.

Question	Yes	No	Comments (if applicable)
Pre-audit consultation			
Were you given adequate notification of the audit?			
Were the scope and objectives of the audit discussed with you?			
Was the audit process explained to you adequately?			
The audit			
Was the audit work undertaken at an agreed and convenient time?			
Was the audit conducted in a proficient manner?			
Were the appropriate staff interviewed for the audit areas covered?			
Were interviews conducted in a professional manner?			
Were the findings discussed with the right staff?			
Was the audit completed within a reasonable timescale?			
Audit reporting			
Was the draft report produced within a reasonable timescale?			

Question	Yes	No	Comments (if applicable)
Were you given the opportunity to discuss the report with the auditor?			
If so, did you find the discussion useful?			
Was the discussion conducted in a professional manner?			
Were your views and comments presented adequately in the final report?			
Were the recommendations in the report practical and realistic?			
Was the report produced to a professional standard?			
Did the audit reveal any unknown weakness in the system?			
Do you feel that the audit was worthwhile and has added value to your work?			

On a scale of 1 to 5, 1 being "very dissatisfied" and 5 representing "very satisfied", please score your level of satisfaction with the audit in overall terms:

If you have any other comments that you wish to make about the audit please record them below:

Manager: _____

Date: _____

Please return the form to Richard Barr, Audit and Risk Manager, Finance.

Finance and Audit Scrutiny Committee
26 May 2021

Title: Annual Governance Statement 2020/21

Lead Officer: Richard Barr

Portfolio Holders: Councillor Noone

Public report / Confidential report: Public report

Wards of the District directly affected: Not applicable

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Consultation with line management and SMT. None with community.

Checked for Accessibility: Yes

Final Decision: Yes.

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	4 May 2021	Chris Elliott/Andrew Jones
Head of Service	4 May 2021	Mike Snow
CMT	4 May 2021	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	4 May 2021	Mike Snow
Monitoring Officer	4 May 2021	Andrew Jones
Finance	4 May 2021	Mike Snow
Portfolio Holder(s)	13 May 2021	Councillor Noone

1 Summary

- 1.1 This report sets out the Council's Annual Governance Statement for 2020/21 describing the governance arrangements that were in place during the financial year. The Statement will accompany the Council's Statement of Accounts.

2 Recommendations

- 2.1 That Committee should approve the Annual Governance Statement for 2020/21 for Warwick District Council as set out at Appendix A.

3 Reason for the Recommendations

- 3.1 Regulation 6 of the Accounts and Audit (England) Regulations 2015 requires that "A relevant authority must, each financial year...prepare (and approve) an annual governance statement."

4 Policy Framework

4.1 Fit for the Future (FFF)

- 4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

- 4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

Although there are no direct policy implications, the Annual Governance Statement is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.2.2 Internal impacts of the proposal(s)

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Although there are no direct policy implications, the Annual Governance Statement is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.3 **Supporting Strategies**

- 4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.4 **Changes to Existing Policies**

- 4.4.1 This section is not applicable.

4.5 **Impact Assessments**

- 4.5.1 This section is not applicable.

5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, an effective Budgetary Framework is a key element of corporate governance. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 **Risks**

- 6.1 Risk management is an intrinsic element of corporate governance and the Annual Governance Statement describes the Council's risk environment.

7 **Alternative Options Considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8 **Background to the Annual Governance Statement**

- 8.1 The production of an Annual Governance Statement is a statutory requirement for local authorities.
- 8.2 Regulation 6 of The Accounts and Audit (England) Regulations 2015 states:

Review of internal control system

6.—(1) A relevant authority must, each financial year—

- (a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and
- (b) prepare an annual governance statement;

(2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must—

- (a) consider the findings of the review required by paragraph (1)(a)—
 - (i) by a committee; or
 - (ii) by members of the authority meeting as a whole; and

- (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of—
 - (i) a committee; or
 - (ii) members of the authority meeting as a whole.
- (3) If the relevant authority referred to in paragraph (1) is a Category 2 authority, following the review it must—
 - (a) consider the findings of the review by members of the authority meeting as a whole; and
 - (b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of members of the authority meeting as a whole.
- (4) The annual governance statement, referred to in paragraph (1)(b) must be—
 - (a) approved in advance of the relevant authority approving the statement of accounts in accordance with regulations 9(2)(b) or 12(2)(b) (as the case may be); and
 - (b) prepared in accordance with proper practices in relation to accounts(a).

- 8.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) emphasise that corporate governance is everyone's business and define it as:

"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities." CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

9 **Process for Completion of the Annual Governance Statement**

- 9.1 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the seven core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law
- B. Ensuring openness and comprehensive stakeholder engagement
- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management

- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these seven themes.

- 9.2 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.
- 9.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it reflects accurately the governance framework for which they are responsible. In order to achieve this, they will rely on many sources of assurance, such as that from:
- Deputy Chief Executives and Service Area Managers
 - the Responsible Financial Officer
 - the Monitoring Officer
 - Members
 - the Audit and Risk Manager
 - performance and risk management systems
 - third parties, e.g. partnerships
 - external audit and other review agencies.
- 9.4 'The Annual Governance Statement – Rough Guide for Practitioners' by CIPFA sets out the following stages in producing the Annual Governance Statement:

Objective 1, ESTABLISHING PRINCIPAL STATUTORY OBLIGATIONS AND ORGANISATIONAL OBJECTIVES

Step 1: Mechanisms established to identify principal statutory obligations

Step 2: Mechanisms in place to establish organisational objectives

Step 3: Effective Corporate Governance arrangements are embedded within the authority

Step 4: Performance management arrangements are in place

THEN apply the CIPFA/SOLACE Core Principles

Objective 2, IDENTIFY PRINCIPAL RISKS TO ACHIEVEMENT OF OBJECTIVES

Step 1: The authority has robust systems and processes in place for the identification and management of strategic and operational risk

Objective 3, IDENTIFY AND EVALUATE KEY CONTROLS TO MANAGE PRINCIPAL RISKS

Step 1 - The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

Objective 4, OBTAIN ASSURANCES ON THE EFFECTIVENESS OF KEY CONTROLS

Step 1: Appropriate assurance statements are received from specified internal and external assurance providers

Objective 5, EVALUATE ASSURANCES AND IDENTIFY GAPS IN CONTROL/ASSURANCES

Step 1: Make adequate arrangements to identify, review and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls

Objective 6, ACTION PLAN TO ADDRESS WEAKNESSES AND ENSURE CONTINUOUS IMPROVEMENT OF THE SYSTEM OF CORPORATE GOVERNANCE

Step 1: Robust mechanism to ensure that an appropriate action plan is agreed to address the identified control weaknesses and is implemented and monitored

Objective 7, ANNUAL GOVERNANCE STATEMENT

Step 1: Governance statement is drafted in accordance with regulations and timescales

Objective 8, REPORT TO CABINET / EXECUTIVE COMMITTEE

Step 1: Report in accordance with pro-forma

- 9.5 The Council's Annual Governance Statement has been produced in accordance with these stages.
- 9.6 Evidence sources collated for drafting the AGS were as follows:
- (a) Consultation with senior and key officers.
 - (b) Assurances provided by Service Area Managers through the completion of Service Assurance Statements.
 - (c) Consultation with a cross-party member review group comprising the Leader of the Council and the Committee Chairs.
 - (d) Work undertaken during the year by Internal Audit and other inspection bodies.
 - (e) Consultation with the council's External Auditors.
 - (f) Review of progress against the previous year's AGS action plan, which was reported quarterly to the Finance & Audit Scrutiny Committee.
- 9.7 The process for drafting the AGS itself, and the systems of challenge and review were as follows (overleaf):
- (a) The information described above was collated and an early draft Statement was circulated to relevant officers for comment and for suggestions on issues to be reflected in the AGS.
 - (b) The draft Statement was issued to the Council's Senior Management Team and debated at a meeting, with discussions on whether the Council was facing any significant governance issues for inclusion in section 5 of the Statement.

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- (c) A cross party member review group considered and provided comment on the final draft AGS.
- (d) The draft AGS issued to the Council's External Auditors for their views.
- (e) Presentation to the Finance & Audit Scrutiny Committee for approval.

WARWICK DISTRICT COUNCIL**ANNUAL GOVERNANCE STATEMENT 2020/21****1 INTRODUCTION**

- 1.1 The Accounts and Audit Regulations 2015 require the Council to prepare an annual governance statement.
- 1.2 Governance is about how an organisation is directed and controlled in order to achieve its objectives. It therefore comprises the systems, structures and values that an organisation has in place to achieve those objectives. Good governance requires that objectives be achieved not only efficiently and effectively but also ethically and in compliance with laws and recognised standards of conduct.
- 1.3 Good governance comprises robust systems and sound structures together with effective leadership and high standards of behaviour.
- 1.4 In short, governance is "Doing the right things, in the right way."

2 THE PURPOSE OF THE ANNUAL GOVERNANCE STATEMENT

- 2.1 This Statement provides a summarised account of how Warwick District Council's management arrangements are set up to meet the principles of good governance set out in the Council's Constitution and how assurance is obtained that these are both effective and appropriate. It is written to provide the reader with a clear and straightforward assessment of how the governance framework has operated over the past financial year (but also up to the time of approval of the financial statements) and to identify any weaknesses or gaps in our arrangements that need to be addressed.
- 2.2 The format and scope of this Statement follows that prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3 THE COUNCIL'S GOVERNANCE FRAMEWORK

- 3.1 Warwick District Council must operate in accordance with the law and appropriate standards and ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 3.2 Warwick District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.
- 3.3 In discharging these responsibilities Warwick District Council is responsible for putting in place suitable governance arrangements, including provisions for the management of risk.
- 3.4 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled as well as its activities through which it accounts to, engages with and leads its communities. It

enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

- 3.5 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore provide only reasonable, not absolute, assurance of effectiveness.
- 3.6 Warwick District Council has approved and adopted a Local Code of Corporate Governance that is consistent with the principles of the latest CIPFA/SOLACE¹ Framework for Delivering Good Governance in Local Government (2016).
- 3.7 The Council's corporate strategy is set out in its Fit for the Future (FFF) programme which draws together a shared vision, setting out the Council's objectives and priorities for the District and how these are to be achieved. The FFF programme is the key planning instrument for the Council. In February 2020 the Council adopted a new Business Strategy. The Strategy is based around five themes and will be used to identify and prioritise the work programme over the next three years.
- 3.8 Delivery of the Council's change programme is through the Service Area Plans in which the corporate objectives are translated into more specific aims and objectives. These are then fed down into individual performance development reviews through the Council's performance appraisal system. These include agreed expectations and, where appropriate, service standards against which service quality and improvement can be judged. Performance is monitored by individual services and reported to the Overview & Scrutiny Committee. During the course of 2019/20, a new approach to performance management oversight was in development. Additional officer resource was recruited and 2020/21 saw a full roll-out of the revised approach.
- 3.9 Effective performance management oversight has not been fully-resolved, however, and the range and content of performance data that councillors receive is under review. In terms of governance, the scrutiny committees previously undertook programmed reviews of contract registers, service risk registers and performance data. This was discontinued due to the pressure on committees' workload. Scrutiny of these key governance mechanisms will form part of the review.
- 3.10 Warwick District Council has adopted a Constitution that establishes the roles and responsibilities for members of the Executive, Finance & Audit Scrutiny Committee, Overview & Scrutiny Committee and Standard Committee, together with officer functions. It includes details of delegation arrangements, the Councillors' Codes of Conduct and protocols for councillor/officer relations. The Constitution is kept under review to ensure that it continues to be fit for purpose. The Council has adopted a Standards regime pursuant to the Localism Act 2011 and appointed a Standards Committee. Conduct of officers is governed through the Employee Code of Conduct and through the values and behaviours which are part of the Council's individual performance appraisal system.

¹ Chartered Institute of Public Finance & Accountancy / Society of Local Authority Chief Executives
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- 3.11 The Constitution contains procedures, rules and financial regulations that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by post-holders' membership (whether permanent or 'as required') of the Corporate Management Team² (CMT).
- 3.12 In 2010 CIPFA published a statement on the Role of the Chief Financial Officer (CFO) in local government, setting out core principles and standards relating to the role of the CFO and how it fits into the organisation's governance arrangements.
- 3.13 A specific statement is required to be reported in the Annual Governance Statement on whether the authority's financial management arrangements conform to the governance requirements of the CIPFA Statement.
- 3.14 The governance requirements in the CIPFA Statement are that the CFO should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team³, with a status at least equivalent to other members. The Statement requires that if different organisational arrangements are adopted the reasons should be explained publicly in the Council's Annual Governance Report, together with how these deliver the same impact.
- 3.15 The Head of Finance has confirmed that the Council's financial management arrangements conform to the CIPFA Statement other than in three specific aspects:
- Head of Finance reporting directly to Chief Executive.
 - Head of Finance being a member of Leadership Team.
 - Head of Finance having responsibility for Asset Management.
- 3.16 The Council's view is that the way it operates – the Head of Finance's regular attendance at Corporate Management Team/Executive meetings, budget planning meetings, and numerous ad-hoc meetings – enables the officer to have unhindered access to the most senior officer as well as senior councillors. The Head of Finance reports to the Deputy Chief Executive/Monitoring Officer. This approach has been in place for several years without any apparent problems; consequently, the Council considers that the risk of there being any detriment to the authority is low. These arrangements were confirmed within the review of the Senior Management Team⁴ (SMT) during 2021.
- 3.17 With regard to asset management, responsibility for this comes under the post of Head of Assets. As with all heads of services, the Head of Assets reports to one of the Deputy Chief Executives and is a member of the Senior Management Team.

² The Corporate Management Team comprises the Chief Executive and the two Deputy Chief Executives.

³ In the Council's case, this is likely to be the Corporate Management Team.

⁴ The Senior Management Team comprises heads of services together with the members of CMT.

- 3.18 The Executive provides the strategic direction for the Council, ensuring that the Council's priorities are established and that corporate objectives are set and achieved.
- 3.19 The primary counterbalances to the Executive are the Finance & Audit Scrutiny and the Overview & Scrutiny Committees. The roles of these committees include the opportunity to provide a robust challenge to the Executive.
- 3.20 The Finance & Audit Scrutiny Committee monitors the performance of the Council, fulfilling the core functions of a typical 'audit committee' in respect of External Audit, Internal Audit and Risk Management. The Committee seeks assurance from the relevant Executive councillor (Portfolio Holder) and/or senior manager when it has concerns or queries in respect of matters relating to particular service areas.
- 3.21 'Task and Finish' Groups, comprising solely councillors, are appointed by the Scrutiny Committees to examine various issues in detail. These Groups report back to their respective Scrutiny Committees with recommendations on improvements which are, when approved, taken forward.
- 3.22 The Council has a formal complaints procedure which allows the public or other stakeholders to make a complaint regarding the service received from the Council or the conduct of councillors. The Standards Committee has responsibility for overseeing the investigation of complaints against councillors.
- 3.23 The Council has policies to help safeguard the organisation and its staff when making decisions. An Anti-Fraud and Corruption Strategy and set of Policies and Procedures, including a Fraud Response Plan, Whistleblowing Policy and Procedure, Money Laundering Policy and Procedure and Bribery Act 2010 Policy and Procedure, have been developed and communicated to all staff via the intranet and as part of the Staff Induction process. The Anti-Fraud and Corruption Strategy and the Whistleblowing Policy are reviewed by councillors annually.
- 3.24 The Council has embedded Risk Management throughout its arrangements with the Significant Business Risk Register (in effect, the Council's corporate and strategic risk register) being reviewed and updated each quarter, firstly by the Senior Management Team and then by the Finance & Audit Scrutiny Committee before being considered by the Executive who assumes overall responsibility for it.
- 3.25 Council services are delivered by staff with the appropriate skills, training and level of experience. Job Descriptions and Person Specifications are in place for all posts and together with a rigorous recruitment and selection process this helps to ensure that the best candidates are appointed into each position. A significant commitment has also been made towards retaining good staff, by offering numerous 'work friendly' schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost. Training needs are identified through the performance appraisal system.
- 3.26 The individual performance appraisal system has been operated in the Council for a number of years, having been reviewed and subsequently refined on

several occasions. Staff are measured against operational objectives that derive from the Business Strategy. The performance appraisal system also identifies learning and developmental needs to ensure that appropriate training is made available to staff to ensure that they are able to undertake their role effectively and have the opportunity to develop.

- 3.27 Following the Local Elections in May 2019, it was agreed by the Executive, after discussions with all Group Leaders, to review the Democratic Structure of the Council. A Governance Working Party was set up within the Council (comprising Group Leaders plus an extra Member from each of the Conservative, Liberal Democrat and Green Groups) and a series of workshops led by the Centre for Public Scrutiny (CfPS) was run. As a result of the review, the Council has discontinued the majority of its working parties. These have been replaced by six Programme Advisory Boards (PABs). The PABs act in an advisory capacity, or providing guidance, in developing the projects/policies of Warwick District Council and in doing so, enabling backbench members to have greater involvement in shaping the Executive decisions of the Council, particularly on services, key projects and programmes (but not day to day operations). This also helps to utilise the skills, knowledge and talent of all Councillors in a more effective way.
- 3.28 The Council has also established a joint advisory group of Councillors and a Joint Cabinet/Executive Committee with Stratford-on-Avon District Council in respect of the South Warwickshire Local Plan. The latter had its first meeting in April 2021.
- 3.29 The two Scrutiny Committees have continued to reflect and develop their core areas of work. They have revised how they select areas for scrutiny, having developed and tested a method for selecting areas to look at. This was considered for formal adoption at the scrutiny meetings in April 2021.
- 3.30 The Council strives to be open and accessible to the community. All Council committee meetings are open to the public except where confidential matters are discussed. Due to the Coronavirus pandemic, significant changes had to be made to how Council meetings are held, details of which can be found in section 5 – The impact of the Coronavirus Pandemic. All agendas and minutes are placed on-line, along with the Council's policies and strategies. All Council meetings that are held in the Council Chamber, such as the meetings of the Council's Executive, are recorded. When identifying the priorities and objectives for Council strategies, the views of stakeholders and the wider community are sought through a number of consultation mechanisms, and are taken into account.
- 3.31 There are terms of reference and constitutions set up for key partnerships which ensure that partners act lawfully throughout the decision-making process. Key partnerships include the Coventry and Warwickshire Local Enterprise Partnership and South Warwickshire Crime and Disorder Partnership. Warwick District Council also works closely with several other councils and operate shared services for Building Control, Business Rates, Corporate Fraud and Legal Services.
- 3.32 At the end of 2019, the Council introduced the position of Performance Management Officer. Part of the role is to monitor the information published on the website to ensure it meets the 2015 Local Government Transparency

Code. The Council strives to publish information that is accessible and understandable to Councillors and the public, and continues to seek to make improvements in this. An example of this is achievement of the required Website Content Accessibility Guidelines (WCAG).

- 3.33 Also, the Council's Scrutiny Committees looked at various areas of Council decision-making and service delivery, with their Annual reports submitted to Council. This included the establishment of a Task & Finish Group to look at Equality and Diversity, with an emphasis on race.
- 3.34 Internal Audit reviews were undertaken during 2020/21 on a specific and pre-determined aspect of governance, namely the 'exempt' reports, and delegated decisions taken under the Chief Executive's 'emergency powers'.

4 REVIEW OF EFFECTIVENESS

- 4.1 Warwick District Council is required legally to conduct an annual review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the authority who have responsibility for the development and maintenance of the governance environment, the Audit & Risk Manager's annual report, annual service assurance statements completed by heads of services and by the findings and reports issued by the external auditors and other review agencies and inspectorates.
- 4.2 More information on the arrangements that provide this assurance is set out below.
- 4.3 The Council's Monitoring Officer (one of the two Deputy Chief Executives) has responsibility for overseeing the implementation and operation of the Code of Corporate Governance, maintaining and updating the Code in the light of latest guidance on best practice, contemplating any changes that may be necessary to maintain it and ensure its effectiveness. All reports to Executive, Committees and Council are seen by the Monitoring Officer to ensure compliance with legal requirements.
- 4.4 The Council's Section 151 Officer has responsibility for the proper administration of the Council's finances. This includes responsibility for maintaining and reviewing the Code of Financial Practice and Code of Procurement Practice to ensure they remain fit for purpose, and submitting any additions or changes necessary to the full Council for approval. An updated Code of Procurement Practice was agreed by Council in December 2018. The Section 151 Officer is also responsible for reporting any significant breaches of the Codes to the Executive and/or the Council. All reports to Executive, Committees and Council are seen by appropriate staff within the Finance Department to ensure compliance with financial requirements.
- 4.5 The CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations requires the head of internal audit to give an opinion annually to the Authority on its risk management, governance and control environment and that this should be used as a primary source of evidence for the annual governance statement. In regard to this, the Audit and Risk

Manager's Annual Report and Opinion for 2020/21 has concluded that, in overall terms, the areas audited were adequately managed and controlled.

- 4.6 In addition to the above, the Council has conducted a formal review of its internal control environment and collated evidence and assurance from a variety of sources. This has included assurances, set out on "service assurance statements", from heads of services on the effectiveness of the internal control environment. The Statements did not reveal any issues of significant concern.
- 4.7 The work of the Council's Internal Audit function is governed by the UK Public Sector Internal Audit Standards (PSIAS). The PSIAS are mandatory for all internal auditors working in the UK public sector. The Standards require an external and independent assessment at least every five years of the performance of public sector internal audit units and their conformance with the PSIAS. In Warwick District Council's case a review was undertaken during 2020/21. Some areas for improvement were identified with the principal one being that the service should undertake a more risk-based approach, particularly in regard to compilation of the Audit Plan. An essential element of the assessment is to confirm that the annual audit opinion issued by Internal Audit may be relied upon as a key source of evidence and assurance and this was found to be the case. The findings of this review together with an action plan to address the issues raised were reported to the Finance and Audit Scrutiny Committee on 17 March 2021.
- 4.8 Grant Thornton was appointed as the Council's External Auditor for five years from 2018/19 to 2022/23 and is responsible for reviewing the Council's Statements of Accounts. In addition to reviewing the 2020/21 Statement of Accounts, Grant Thornton issued a formal opinion on the Council's arrangements for securing Value for Money, concluding that the Council had made proper arrangements in all significant respects to secure economy, efficiency and effectiveness in its use of resources.

5 THE IMPACT OF THE CORONAVIRUS PANDEMIC

- 5.1 On 23 March 2020, the Prime Minister made an unprecedented broadcast to the nation which, in effect, triggered a "lockdown" to limit the spread of coronavirus. An element of the lockdown instruction was that people would only be able to travel to work if it was necessary and the individual was unable to work from home. This had an immediate impact on the business of the Council; for both officers and Councillors.
- 5.2 In order to continue the delivery of services upon which our communities rely, a roll-out plan was developed to enable as many officers as possible to work from home and, where site visits were required, clear guidance was provided to staff to enable them to continue to provide essential services in a safe way that complies with social distancing guidance. In tandem with this, arrangements were made to enable the Council's Executive, Group Leaders and most senior officers to meet 'remotely' each Monday afternoon to provide the strategic oversight and direction for the Council at this most challenging of times. Meetings later moved to a monthly frequency as the national situation eased. Eventually, such meetings returned to those held to consider draft Executive reports and other Council business.

- 5.3 Arrangements were quickly put in place to enable the Chief Executive, in consultation with the Group Leaders, to make decisions on matters deemed to be an emergency. Shortly after this, Parliament put into law the Coronavirus Act 2020 which provided authority for the Secretary of State to make Regulations enabling Council committees to meet virtually. During the interim period, a temporary scheme of delegation was also put in place to enable decisions relating to key services to be made, including planning decisions that would otherwise have been determined by the Planning Committee.
- 5.4 Initially, the Senior Management Team met weekly to oversee the Council's response and ensure services were being delivered effectively. Later on in the year, it met fortnightly. The Portfolio Holder for Finance and Business – one of the Councillors on the Executive – was briefed regularly on the financial implications of the pandemic.
- 5.5 Another consequence of the pandemic has been that the Council has been unable to hold Council, Executive and Committee meetings in a physical setting. Initially, for the first couple of the months of the pandemic impacting on the Council and the provision of services, committee meetings were suspended with a Leadership Coordination Group being established to make decisions. In addition, the Chief Executive was given delegated powers to make decisions that normally would have to be made by the Executive.
- 5.6 Eventually, regulations were introduced by the Government that enabled committee meetings to take place remotely, under specific conditions. In response to this, the Democratic Services Team worked with ICT to deliver the Council's meetings via 'Microsoft Teams', with a live broadcast linked through to YouTube. While it was a priority to get meetings functioning again, it was also important that procedures were in place to ensure that the meetings were run effectively in order to avoid some of the problems that occurred at certain other councils.
- 5.7 Democratic Services developed a rollout programme of meetings with testing and increased complexity. The Council now has a robust procedure in place for remote meetings, which has led to widespread positive feedback from officers, councillors and residents. With broadcasting via YouTube, the Council has significantly increased its presence on social media as well, with over 350 new subscribers to the channel and tens of thousands of views across the numerous committee meetings that have been broadcast.
- 5.8 The August meeting of the Overview & Scrutiny Committee established a 'Task and Finish' Group comprising six Councillors to undertake a 'Step Back Review' of the Council's response to the pandemic and identify learning points. The Group covered the following five areas:
1. Initial response to move council from HQ based to working from home
 2. Liaising and working with other authorities
 3. Change in service delivery (for example green bins)
 4. Communications to the wider community
 5. How the business of the Council (as opposed to day to day services) was managed, specifically on how decisions made during the hiatus were open to scrutiny.

- 5.9 The Group identified eight broad findings and made six comprehensive recommendations. Through the Overview & Scrutiny Committee, the Group reported its findings and recommendations to Executive on 18 March 2021. These were wholly adopted by Executive.
- 5.10 In general terms, the pandemic has revealed many issues the Council will need to reflect on once business returns to a steady state. It is already clear that the possibilities provided by new technology need to be fully harnessed to improve factors such as: work/life balance; equality, diversity, and inclusion; environmental impact; and health and well-being of both officers and Members.
- 5.11 A consequence for the Council of the pandemic has been the reduction in income from sources such as parking charges, planning fees and rent and service charges. Whilst it is not the remit of Annual Governance Statement to go into the detail of the impact, there will be issues of financial governance to reflect upon which must cover management, monitoring, review and scrutiny.
- 5.12 The financial implications fall broadly into the following areas:
- Additional costs relating to the crisis.
 - Reduced service income as service provision and demand has reduced.
 - Impact upon 2021/22 Budget and Medium Term Financial Strategy, and Housing Revenue Account Business Plan.
 - Significant sums of additional Government funding for business to be administered by the Council by way of additional business rate relief and business grants.
 - Impact on individual Council projects and the capacity of the Council to undertake those projects in the short and medium term.
- 5.13 In order to help to mitigate the financial impacts of the pandemic upon local authorities, the Government has issued various ring-fenced and non-ring-fenced grants. Whilst this has significantly assisted the Council's finances in 2020/21, it did not fully compensate for the financial losses. With the impacts of the pandemic continuing into 2021/22, the Council's finances remain at risk as a result of the pandemic.
- 5.14 The on-going financial implications need to continue to be assessed by officers throughout 2021/22 and be reported to members to help to inform the decision-making process.

6 JOINT WORKING WITH STRATFORD-ON-AVON DISTRICT COUNCIL

- 6.1 At the start of the year, Warwick District Council and Stratford-on-Avon District Council agreed to work more closely together to obtain various operational benefits. Later, a report went to Warwick District Council's Executive in July 2020 setting out a number of reasons for further integration with Stratford-on-Avon District Council, as follows:
- A strong political relationship between the two organisations
 - Recognised sense of place
 - Consistent geography already established for the South Warwickshire Community Safety Partnership, Shakespeare's England, and South Warwickshire Health Partnership

- Single economic geography with significant number of residents, living in one district and working in the other
- Increased effectiveness, efficiency and ability to deliver value for money by the two authorities
- Ability to produce a joint spatial plan for South Warwickshire, which would set a clear footprint for the area and result in reductions in the cost of producing such a plan
- Ability to have some further influence in relation to the Coventry & Warwickshire Local Enterprise Partnership through having an enhanced voice
- Take advantage of current vacancies in management teams at both Councils
- Ability to jointly commission contracts to obtain increased economies of scale and improve services.

- 6.2 Since this meeting further work has continued in relation to the sharing of management team positions. As at 31 March 2021, there are five joint roles across the two authorities, including the Head of Financial Services (£151k Officer). It is expected that the remainder of the Management Team posts will be shared by the middle to end of 2021 subject to the necessary consultation and approvals at that time.
- 6.3 As a prelude to further staff integration the following policies have now been aligned:
- Joint Organisational Change Policy Statement
 - Joint Redeployment Policy and Procedure
 - Joint Redundancy Policy and Procedure.
- 6.4 In relation to joint contracts and arrangements, the Waste Management Contract was procured jointly and both authorities have agreed a more detailed paper on preparing a Local Plan for South Warwickshire. A joint SDC/WDC Cabinet/Executive meeting considered this matter at its inaugural meeting in April 2021.
- 6.5 In order to learn lessons from their experiences, both councils are now benchmarking with other councils that have recently formed 'super districts'.
- 6.6 The international accountancy and consultancy firm, Deloitte, was commissioned to undertake a review of the financial and non-financial benefits of further integration, up to and including the possibility of a full merger between the organisations.
- 6.7 The recommendation from Deloitte was that in order to achieve the maximum potential financial and non-financial benefits for the residents of South Warwickshire a full merger of the two councils should be considered.
- 6.8 Alongside the potential benefits the report also identified the risks and disbenefits that may arise from a merger of the two authorities. However, Deloitte contend that "the risks can be mitigated and so the very clear benefits outweigh the potential risks given the opportunity for mitigation."
- 6.9 The overall conclusion of the report was:

"This high-level business case has found a strong strategic, financial and operational case for merging the two Councils. Such an initiative would have risks that could lead to dis-benefits, but these risks could be managed through an effective implementation approach.

Should the two Councils decide to proceed with this initiative, substantial further planning and due diligence should be undertaken to establish a detailed implementation plan."

- 6.10 The report can be viewed by clicking on the following link: [Deloitte Report](#)
- 6.11 In February 2021 both Councils committed to seeking a full merger to create a new single statutory council for South Warwickshire by 2024.
- 6.12 The Local Government and Public Involvement in Health Act 2007 permits councils to merge. Although it is clear from public statements that the Minister of Housing, Communities and Local Government (MHCLG) is supportive of the concept of district councils merging it would still be necessary for a formal submission to be made from the two authorities to central government and for this to command local support.
- 6.13 The Council proposes to expand the risk register set out in the Deloitte Report to provide a much more detailed risk register. This will be an important part of moving forward with the proposal to merge.
- 6.14 In terms of scrutiny of the proposed merger and the joint Local Plan, the approach is being developed at the time of producing this Statement. The latest thinking is set out in the following paragraphs.
- 6.15 The Chairs of the two Scrutiny Committees have identified five broad themes to guide the process of scrutiny of the proposed merger:
1. Impact on services to residents
 2. Democratic Representation
 3. Impact on Strategic Priorities
 4. Finance and Council Tax
 5. Communication and Consultation
- 6.16 Additional focus would be given to specific services (e.g. Neighbourhood Services, Green Spaces) and the importance of understanding the interrelation with Parish & Town Councils.
- 6.17 The Chairs of the two Scrutiny Committees agreed the following recommendations:
- Scrutiny for the merger should continue to be done separately by the two Scrutiny Committees but that the Chairs should consult frequently to ensure that there is good synergy between the work of the committees.
 - Scrutiny be conducted in line with the five themes identified, with specific service areas as identified being covered in the 'Impact on Services to Residents' theme, and the impact on Town and Parish Councils should become a cross-cutting theme.
 - Committee Services be asked to prepare a scrutiny plan which outlines a timetable for Scrutiny Committees to consider these themes (the timetable

giving sufficient scope for the Committees to influence the development of policy rather than simply reviewing it).

- The Council should seek additional resource to support the scrutiny of this programme, both in terms of support from officers and from the Centre for Governance and Scrutiny.

6.18 In regard to the joint Local Plan, the Chairs agree with the Executive that joint scrutiny with Stratford-on-Avon District Council is appropriate. The Chairs of the Scrutiny Committees are to meet with relevant officers and agree an approach in the new Council year.

7 SIGNIFICANT GOVERNANCE ISSUES

7.1 There are clearly major risks associated with the proposal to merge Warwick District Council and Stratford-on-Avon District Council. A comprehensive joint Risk Register in relation to this project needs to be prepared and monitored.

7.2 Business Continuity Plans have been neglected during the pandemic. In the light of extensive homeworking service business continuity plans need to be reviewed and updated.

7.3 The range and content of performance data that councillors receive is under review. As part of this, the review needs to consider how best Councillors can fulfil their scrutiny role of contract registers, service risk registers and performance data to ensure that the information can be accessed by Councillors and brought forward for detailed scrutiny as deemed necessary.

8 CERTIFICATION

8.1 The governance framework has been in place at Warwick District Council for the year ended 31 March 2021 and up to the date of approval of the annual statement of accounts.

Signed:



Councillor Andrew Day
Leader of the Council



Christopher Elliott
Chief Executive

Dated:

13 May 2021

13 May 2021

Finance and Audit Scrutiny Committee
26 May 2021

Title: Progress Report on Replacement IT Systems

Lead Officer: Keith Eales

Portfolio Holder: Councillor Hales (Transformation), Councillor Falp (Health and Community Protection), Councillor Noone (Resources)

Public report / Confidential report

Wards of the District directly affected: None

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not Applicable

Consultation & Community Engagement: Not Applicable

Final Decision: No

Accessibility checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	04/05/2021	Andrew Jones
Head of Service	12/05/2021	Mike Snow
Head of Service	30/04/2021	Marianne Rolfe
CMT	04/05/2021	Andrew Jones
Section 151 Officer	12/05/2021	Mike Snow
Monitoring Officer	04/05/2021	Andrew Jones
Finance	12/05/2021	Andrew Rollins
Portfolio Holder - Transformation		Councillor Hales
Portfolio Holder - Health and Community Protection		Councillor Falp
Portfolio Holder - Resources		Councillor Noone

1. Summary

- 1.1. This report provides a progress update on two large scale IT projects:
- the replacement of the corporate financial management system (Total FMS) and
 - the replacement of the regulatory case management and waste services system (CivicaAPP) used by Health and Community Protection, Private Sector Housing and Neighbourhood Services.

2. Recommendation

- 2.1. Members of the Finance and Audit Scrutiny Committee are recommended to note the detail of the progress on both projects.

3. Reasons for the Recommendation

- 3.1. The two projects represent key activities in the Business Strategy (2019/2023) to transform the Councils working practices and business processes, utilising technology and digital services to improve the customer experience and reduce costs.

4. Policy Framework

4.1. Fit for the Future (FFF)

- 4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.
- 4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2. FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities – The two projects in this report include objectives to provide residents with improved levels of access to information and contact with services through 24/7 self-service.

Services - Green, Clean, Safe – The two projects in this report are implementing 'cloud computing' IT solutions which should enable a reduction in IT server room infrastructure energy usage. There is a growing level of research that confirms cloud computing reduces energy consumption, waste and carbon emissions.

Money- Infrastructure, Enterprise, Employment - None

4.2.2. Internal impacts of the proposal(s)

People - Effective Staff – The two projects in this report will make changes in both the use of technology and the related business processes. The implementation of new technology will enable staff to work more efficiently, including improved access to systems and information when working remotely. In due course, alongside working more efficiently, it is expected that a level of staff savings will be made. All staff will be appropriately trained to ensure the full benefits of modern technology are realised.

Services - Maintain or Improve Services – The projects covered by this report will extend use of modern digital platforms and will improve the efficiency of services. Systems are being implemented with the resident at the heart of system design, enabling improved access to information for making reports, requesting or making applications, or raising concerns.

Money - Firm Financial Footing over the Longer Term – The improved quality and presentation of data, will enable improved budgetary management and decision making.

4.3. Supporting Strategies

4.3.1. Each strand of the FFF Strategy has several supporting strategies and the projects in this report support the Digital and Customer Access strategies.

4.4. Changes to Existing Policies

4.4.1. There are no changes to the policies in the current Council's policy framework arising from the two projects in this report.

4.5. Impact Assessments

4.5.1. Neither the finance system replacement project or the regulatory services and waste management project raises new or changed equality implications.

5. Budgetary Framework

5.1. There is approved funding in place for both project implementations (one off expenditure), agreed in the 2020 budget setting process. These are summarised with an updated expenditure position in table 1.

Table 1. Project Implementation Budget Detail	Finance System Replacement		Regulatory Services and Waste Management
	£		£
(Actual) Spend to 31 March 2021	135,000		80,400
Forecast Spend to complete	<u>260,000</u>		<u>89,600</u>
Total Project Forecast Spend	395,000		170,000
Approved Implementation Budget	<u>600,000</u>		<u>170,000</u>
Projected underspend	205,000		

Budget Adjustment 2021/22	<u>-205,000</u>		
Projected Net Surplus/(Deficit)	<u>0</u>		<u>0</u>

- 5.2. The annual (recurring) costs of the two IT systems are based on forecast usage levels calculated from the number of system users and size of local population. This is a new subscription based approach and different to traditional IT annual charges which typically are a fixed fee based on a percentage of the original license cost. Approved funding is in place to provide for the forecast level of usage.

Table 2. Annual (Recurring) Budget Detail (for the full contract term of 4 years)	Finance System		Regulatory Services and Waste Management
	£		£
Year 1 – 2020/21	0		32,225
Year 2 – 2021/22	95,556		52,528
Year 3 – 2022/23	98,422		52,528
Year 4 – 2023/24	<u>101,375</u>		<u>52,528</u>
	295,353		189,809
Approved Budget	<u>291,827</u>		<u>195,000</u>
Budget Surplus/(Deficit) after 4 years	<u>(3,526)</u>		<u>5,191</u>

- 5.3 Both systems should release operational efficiencies and savings following implementation as part of the Council's Digital Transformation agenda. Savings from the Digital Transformation Programme have been included within the Council's savings plan agreed as part of the 2021/22 Budget.

6. Risks

- 6.1. Both projects are routinely managed from a risk perspective to minimise the likelihood or impact of an 'event' that would add cost, negatively impact on quality or planned outputs or delay progress. The Project Manager reviews risks continually, takes appropriate risk management actions and for governance purposes, highlights the key risks at the time of the Project Board meeting to the members of each Project Board.
- 6.2. Managing the risk of disruption to services is paramount. The respective Project Boards will satisfy themselves that risks have been appropriately mitigated before formally approving changes from the projects which would present risks to service disruption.
- 6.3. There are risks that have to be managed outside of each project. These relate to 'events' which might prevent the benefits and efficiency

opportunities enabled by the implementation of new technology, to be fully optimised and/or realised. Benefits management and the assignment of responsibility for delivery of benefits within service areas will mitigate this risk.

7. Alternative Option(s) considered

7.1. This section is not applicable.

8. Background

- 8.1. Executive approved the **Financial Management System Replacement Project** at its meeting in December 2019. An extensive procurement exercise launched early in 2020 ended with an award of contract to Technology One Ltd on 1 July 2020 and a finance system called Ci Anywhere.
- 8.2. Governance arrangements included the establishment of a Project Board under the lead of Andrew Jones, Deputy Chief Executive and sponsor of the project. On the request of the Finance and Audit Scrutiny Committee, Councillors Hales and Syson were invited onto the Project Board and have been fully engaged in progress reviews from the outset.
- 8.3. To support project performance monitoring, the Project Board receive and review a monthly project highlight report with a project status update. The highlight report is also shared on the Intranet to increase awareness of project progress.
- 8.4. The implementation project has made good progress despite the challenges of remote working, with all workshops and other meetings between the Council project team, service teams and the supplier team carried out via video conferencing. Initial transition challenges to the new ways of working were quickly overcome and the relationship between the project and supplier teams has proven very positive and productive.
- 8.5. The initial (design) phase of the implementation project reviewed long established financial business processes at Warwick District Council, identifying which processes could be developed to take advantage of modern technology, removing areas of duplicated data entry and streamlining or automating other activities to reduce overall workloads. This includes changes to how supplier purchase orders are raised, how supplier invoices are validated and paid, and how customer invoices are created.
- 8.6. These changes will reduce workloads and create opportunities for contributing to the efficiency savings targets included in the medium term financial strategy from digital projects. Progress to identify potential efficiencies and how these will be realised once the new system is live are a key performance tracker that the Project Board review regularly.
- 8.7. Configuration of the system to align with new ways of working was completed in January 2021, launching the initial loading of data from legacy systems. This has as anticipated, proven a complex and time consuming area which has undergone several iterations at April 2021. This area is nearing completion but will undergo a further iteration or upload of data that

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will be reconciled to the legacy system (based on financial year end balances at 31 March 2021) during May 2021.

- 8.8. An important phase of the implementation project which determines readiness for going live is user acceptance testing. At April 2021, testing was progressing well with no major concerns identified. Testing will be scaled up through May and June, increasing the breadth and volume of testing to lower the risk of issues emerging after go live. Users of finance systems throughout the council will participate in user acceptance testing from May, increasing the number of people with familiarity of the new system and business processes.
- 8.9. The Project Board are meeting in May 2021 to review testing and other project updates to determine a preferred go live target date. This will be a timeline from July 2021 that ensures risks of disruption to financial management at the council is avoided.
- 8.10. The target date for going live with the new system to be agreed by the Project Board at their meeting in May, will provide a timeline for the delivery of user training and user support arrangements.
- 8.11. The procurement of a **Regulatory Services and Waste Management** system replacement for CivicaAPP concluded in December 2020 with a contract award to Arcus Ltd, with the implementation project underway from February 2021.
- 8.12. Governance for the project is provided through a Project Board with Andrew Jones as lead and sponsor for the project. At April 2021, regular monthly meetings of the Project Board were underway, attended by supplier representatives.
- 8.13. The project will replace legacy back office case management system and files in several services areas (Health & Community Protection, Housing and Neighbourhood Services) and additionally provide a front-end self-service portal where residents will be able to contact the council on a range of matters such as licence applications or reports of fly tipping or missed bins.
- 8.14. Once established and in use by residents, the volumes of enquiries received by telephone or email should reduce, reducing the level of council officer time engaged with enquiries and in creating the application or new process. At April 2021, it is too early to determine the scope and scale of efficiencies from the project. Identifying and evidencing efficiency opportunities will be a performance monitoring process within the Project Board governance.
- 8.15. Unlike the replacement of the finance system which is based on moving from one system to another at a single point in time (commonly referred to a "big bang" approach in IT implementation projects), planning for the implementation of the regulatory services and waste management system is based on a phased go live approach.
- 8.16. The approach is to create multiple go lives, with a group of related processes bundled into one of several go lives. This approach will provide a smoother transition into new ways of working and should enable efficiency

Agenda Item 8

opportunities much sooner than the big bang approach and delaying go live until all processes have been migrated to the new technology.

- 8.17. The rationale and detail for the mini go lives will be reviewed by the Project Board at their meeting in May 2021. At April 2021, the draft proposal indicated all service area processes in scope of the project, will have been migrated to the new system by the end of 2021.

Finance and Audit Scrutiny Committee
26 May 2021

Title: Review of Work Programme and Forward Plan & Comments from the Executive

Lead Officer: Graham Leach

(T. 01926 456114 or E. committee@warwickdc.gov.uk)

Portfolio Holder: Not Applicable

Public report

Wards of the District directly affected: N/A

Accessibility checked: yes

1. Summary

- 1.1. This report informs the Committee of its work programme for 2021/2022 Municipal Year (Appendix 1) and of the current [Forward Plan](#).

2. Recommendation

- 2.1. The Committee to consider the work programme attached as Appendix 1 to the report and make any changes as required.
- 2.2. The Committee to identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and
- 2.3. The Committee to consider its workload for the coming months, specifically how it can accommodate the work within their scheduled meetings;

3. Reasons for the Recommendation

- 3.1. The work programme as attached at Appendix 1 to the report should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2. Two of the five main roles of overview and scrutiny in local government are to undertake pre-decision scrutiny of Executive decisions and to feed into policy development.
- 3.3. If the Committee has an interest in a future decision to be made by the Executive, or policy to be implemented, it is within the Committee's remit to feed into the process.
- 3.4. The Forward Plan is actually the future work programme for the Executive. If a non-executive Member highlighted a decision(s) which is to be taken by the Executive which they would like to be involved in, that Member(s) could then provide useful background to the Committee when the report is submitted to the Executive and they are passing comment on it.

- 3.5. The proposed addition to Scrutiny Procedure rules is brought forward by Councillors Milton and Nicholls following several months of informal testing which has worked well.
- 3.6. At its meeting in September, the Committee asked for an update at each meeting on the revised Audit Plan so they are aware of progress. This has been appended to this report for information.

4. Background

- 4.1. The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.
- 4.2. The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 4.3. The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve-month period to give a clearer picture of how and when the Council will be making important decisions. A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 4.4. The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions. There may also be policies identified on the Forward Plan, either as key or non-key decisions, which the Committee could pre-scrutinise and have an impact upon how these are formulated.
- 4.5. The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan.
- 4.6. At each meeting, the Committee will consider their work programme and make amendments where necessary, and also make comments on specific Executive items, where notice has been given by 9am on the day of the Finance & Audit Scrutiny Committee meeting. The Committee will also receive a report detailing the response from the Executive, on the comments the Committee made on the Executive agenda in the previous cycle.
- 4.7. The Forward Plan is considered at each meeting and allows the Committee to look at future items and become involved in those Executive decisions to be taken, if members so wish.
- 4.8. As part of the scrutiny process, the Committee is not considering the whole of the Executive agenda. On the day of publication of the Executive agenda, all Councillors are sent an e-mail asking them to contact Committee Services, by 9.00am on the day of the Committee meeting to advise which Executive items they would like the Committee to consider.

- 4.9. If the Committee made a comment on an Executive report, a response will be provided to the Committee at its next meeting (Appendix 2). In reviewing these responses, the Committee can identify any issues for which it would like a progress report. A future report, for example, on how the decision has been implemented, would then be submitted to the Committee at an agreed date which would then be incorporated within the Work Programme.

Finance and Audit Scrutiny Committee WORK PROGRAMME

7 July 2021

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Risk Register, Contracts and Budgets Review - Finance	Audit	Written report followed by Q&A	Mike Snow and Councillor Day
Annual Fraud and Corruption Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Anti Fraud and Corruption Strategy	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Final accounts 2020/2021	Scrutiny	Written report followed by Q&A	Andrew Rollins and Councillor Hales
Review of Significant Business Risk Register	Scrutiny	Written report followed by Q&A	Richard Barr and Councillor Day
Fraud Aspects of Covid Business Grants	Audit	Written Report followed by Q&A	Ian Davy and Councillor Hales

Appendix 1

Corporate Fraud Update	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
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28 July 2021

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor

11 August 2021

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Treasury Management Annual Report & TM Half Year Review (October to March 2021)	Audit	Written report followed by Q&A	Richard Wilson and Councillor Hales
Risk Management Annual Report	Scrutiny	Written report followed by Q&A	Richard Barr and Councillor Day
Budget Review Quarter 1	Scrutiny	Written report followed by Q&A	Tony Sidhu and Councillor Day

22 September 2021

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
External Audit Findings Report	Audit	Written report followed by Q&A	Mike Snow and Councillor Hales

Appendix 1

Statement of Accounts 2020/2021	Audit	Written report followed by Q&A	Andrew Rollins and Councillor Hales
IA Quarter 1 Progress Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Annual Governance Statement Quarter 1 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Day

3 November 2021

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
National Fraud Initiative Update	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Treasury Management Half Year Review	Audit	Written report followed by Q&A	Richard Wilson and Councillor Hales
Use of Parent Companies Update Report	Audit	Written report followed by Q&A	Mike Snow and Councillor Hales
Review of Significant Risk Register	Scrutiny	Written report followed by Q&A	Richard Barr and Councillor Day

Appendix 1**15 December 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor

9 February 2022

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor

9 March 2022

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
IA Quarter 3 Progress Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
AGS Quarter 3 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
IA Strategic Plan (2022/22 3to 2024/25 plan)	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales

Appendix 1

External Review of Internal Audit Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
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13 April 2022

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
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Date to be confirmed

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
A follow up report looking into the progress made by Just-Inspire in terms of their recovery	Audit	Written report followed by Q&A	Rose Winship/David Guilding