

## **INTERNAL AUDIT PROGRESS REPORT – JULY 2019**

### **1 Purpose**

1.1 To receive the Internal Audit Progress Report of activity undertaken since April 2018.

### **2 Recommendations**

2.1 The committee is recommended to note the progress report.

### **3 Supporting Information**

3.1 This report provides an update on the progress made against the 2018/19 Internal Audit Plan and includes information on:

- Internal audit reviews completed and in progress
- Changes to the 2018/19 internal audit plan
- Implementation of agreed audit actions

3.2 The Committee requested that all internal audit reports are presented in full. These are included in Appendix 4.

### **4. Reasons for Recommendations**

4.1 Ensuring a proper and effective flow of information to Audit Committee Members enables them to perform their role effectively and is an essential element of the corporate governance arrangements at the Council.

### **5. Resource Implications**

5.1 There are no resource implications to report.

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Background papers: None



# **Internal Audit Progress Report**

July 2019





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# 1. Activity and progress

This is the final progress update on completion of the 2018/19 internal audit plan which was approved by the Audit Committee in June 2018. A summary of the plan is included in Appendix 2.

## Final reports issued since the previous Committee meeting

Name of review	Risk rating*	Date of final report	No of recommendations made*			
			 Critical	 High	 Medium	 Low
Connected Knowledge: Benefits Realisation	n/a	March 19	-	-	-	-
General Ledger Reconciliations & Management Information	Medium	July 19	-	1	1	2
Debt Management	Low	July 19	-	-	1	3

\* See Appendix 1 for the basis for classifying internal audit findings and reports.

The full reports are attached in Appendix 4 and summarised below:

### Connected Knowledge – Benefits Realisation

This review used a sample of three completed Connected Knowledge projects to assess the approach the Council has taken to identifying, measuring and reporting benefits and lesson learning.

The report highlights a number of areas of good practice and, for the projects sampled, the majority of service users stated that the projects have delivered improvements on the previous arrangements. However, the review concludes that, at this stage of the programme, it is hard to form a definitive view on the benefits realised to date, with further improvement needed on the clarity with which anticipated benefits are stated and subsequently reported.

Improvements have been made, but given the level of expenditure on the Connected Knowledge programme, it is essential that the Council puts in place more robust arrangements to monitor the ongoing delivery of financial and non-financial benefits stemming from the programme. This includes being more specific about the expected benefits for projects being developed, increasing specificity retrospectively for projects already completed or 'in flight', and then putting reporting arrangements in place to track

delivery of these benefits at a programme-level, rather than just within service areas as business as usual. In addition, the Council needs to further formalise its arrangements for closing down projects, using a two stage approach.

### **General Ledger Reconciliations and Management Information**

The purpose of the review was to assess the control design and operating effectiveness with regards to AVDC's management of its general ledger particularly in terms of how it interfaces with other systems and the processes for reconciliation. We identified one high, one medium and two low risk findings.

The high risk finding reflects the lack of automated integration between new systems in the Service areas and the General Ledger which has resulted in the need for manual workarounds. It also notes that in some areas there is either inadequate, or no evidence of, reconciliation being performed. There is therefore some risk to the accuracy and completeness of data held on the finance system. This also creates inefficiencies in some of the billing processes.

Our findings are summarised as follows:

- There is a lack of automated integration between some Council systems and the general ledger and some key reconciliations (including Licencing, Environmental Health (RegServe) and Commercial Property) are not taking place to confirm the accuracy and completeness of data held. The lack of integration creates inefficiency in some of the billing processes whereby Services manually provide information from which finance raise invoices; automated interfaces between these systems and the general ledger would improve accuracy, completeness and efficiency of the billing process. (High)
- Reconciliations in the Waste service, including Garden Waste and Trade Waste, are not being undertaken (Medium)
- Other areas for improvement in reconciliation processes were identified including Bulky Waste, Domestic Waste, Land Charges, Planning and Markets (Low)
- Procedures relating to the completion of reconciliations between AVDC's various financial systems are not sufficiently detailed. There is also no documented reconciliation approval form in place for all reconciliations that do take place (Low)
- The Quarterly Digest document is not always reported for formal scrutiny on a timely basis (Advisory)

A number of areas of good practice also were noted during the review and these are reflected in the overall 'medium' risk classification of this report.

## Debt Management

The review assessed the control design and operating effectiveness with regards to the Council's debt management processes. We identified 1 medium risk and 3 low risks findings.

Significant work has been undertaken to improve the management and recovery of debt. This includes creating additional posts in the Corporate Finance team, with specific responsibility for credit control. The functionality of Tech1 has also been considerably improved to enable better review of aged debts and management reporting. The low risk audit report reflects the improvements that have been made to processes and controls in this area and highlights a number of areas of good practice.

Further improvements can be made to address the remaining level of risk in the debt management area in the following areas:

- Credit notes have been raised and approved by the same member of staff with a lack of segregation of duties, increasing the risk of inappropriate credit notes being issued (Medium)
- Actioning of debt write-offs, where necessary, is not consistently carried out on a timely basis (Low)
- There is insufficient evidence of due diligence procedures carried out for new customers for whom the Council provide credit, with insufficient procedures in place to review the appropriateness of existing credit terms provided to current customers (Low)
- There is no documentation to evidence the review of customer account changes has been completed and action taken where necessary (Low)

The scope of this audit also covered review of processes to ensure the accurate and complete billing for Council services. Issues have been identified in this area as result of the lack of integration, automated interface and reconciliation between service systems and the general ledger. These issues have been reported as one high, and one medium risk finding in the *General Ledger Reconciliations and Management Information* internal audit report (see above). The overall 'low' risk rating of this report relates to debt management and recovery procedures only.

## Summary of changes to the 2018/19 internal audit plan

To remain relevant, the annual internal audit plan should be flexible to respond to emerging or changing risks. With budget constraints, there is also a need to ensure prioritisation is given to work which will achieve the greatest value to the organisation. The following changes have been made to the 2018/19 plan since it was approved in June 2018:

<b><i>Name of review</i></b>	<b><i>Comment</i></b>
Accounts Payable	Focus on follow up of prior year outstanding actions.
Payroll	The original plan included a post-implementation review of the new Payroll/HR system, XCD. The implementation was cancelled in November 2018. Existing processes will remain in place and as prior year audits are low risk, no longer considered an area of risk for audit. Days will be reallocated to other reviews.
Tech One	It was intended to review system integration and data transfer controls to ensure the data held in TechOne is complete and accurate. An IT project is underway to look at Council wide data transfers (Uniflow). System integration aspects will be picked up in work on reconciliations as part of GL review and audit days reallocated.
Waste & Recycling - Contracts	The original plan included review of the contracts for Street Cleansing/ Horticulture and Recycling. Street Scene services are coming in-house and the contract will conclude in January 2020. Due to changes in the recycling market, we no longer receive income but pay for waste to be taken to a MRF through a contract with CasePak. For both contracts, management procedures are in place and not considered a high risk for internal audit review. Audit days will be reallocated to allow for more in-depth reviews of Commercial Waste and Parking Services.
Section 106 Agreements	An audit was scoped to assess processes and controls over the allocation, financial management and monitoring of s106 funds. Work was undertaken during December and January by BDO, the contracted service providers, but unfortunately they were unable to complete the review and issue a final report. The status of the review will be further assessed as part of the 2019/20 internal audit plan of work.

## ***2. Implementation of agreed audit actions***

We monitor the implementation of actions and recommendations raised by internal audit reviews to ensure that the control weaknesses identified have been satisfactorily addressed. Actions arising from low risk audit findings are followed up by management and reviewed, but not validated, by internal audit.

In total 58 actions were followed up for the July 2019 Audit Committee. This included an update on all actions due for completion by May 2019 or earlier. 30 out of 58 actions are complete or have been closed and both of the two High rated actions are complete.

A detailed listing of all internal audit actions, together with status update is included in Appendix 3.

### **Aylesbury Vale Broadband Review**

The results of the independent review undertaken by BDO LLP, into the governance arrangements over the Council's investment in Aylesbury Vale Broadband Ltd (AVB) were reported to the Audit Committee in June 2018. This report made a series of 22 separate recommendations; drawing out lessons which could be learned from the Council's experience with AVB and that should be applied to other commercial investments in the future. In January 2019 it was reported that all 22 actions had been implemented and the Audit Committee approved an updated "Guide to Creation and Working with Companies in which AVDC has a Financial Interest"; reflecting the recommendations set out in the AVB report.

In regard to Recommendation 17:

*"If the Council's wider Members are to have greater oversight of the Council's commercial ventures, then the confidentiality requirements of 'yellow papers' must be respected",*





the Council asked that the Monitoring Officer carry out an investigation into the unauthorised disclosure of the confidential information. The results of this investigation are attached in Appendix 5.



# Appendix 1: Internal audit opinion and classification definitions

The overall report classification is determined by allocating points to each of the individual findings included in the report.

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Points
 Critical risk	40 points and over
 High risk	16– 39 points
 Medium risk	7– 15 points
 Low risk	6 points or less

Individual findings are considered against a number of criteria and given a risk rating based on the following:

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Critical</b> impact on operational performance; or</li> <li>• <b>Critical</b> monetary or financial statement impact [quantify if possible = materiality]; or</li> <li>• <b>Critical</b> breach in laws and regulations that could result in material fines or consequences; or</li> <li>• <b>Critical</b> impact on the reputation or brand of the organisation which could threaten its future viability.</li> </ul>
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Significant</b> impact on operational performance; or</li> <li>• <b>Significant</b> monetary or financial statement impact [quantify if possible]; or</li> <li>• <b>Significant</b> breach in laws and regulations resulting in significant fines and consequences; or</li> <li>• <b>Significant</b> impact on the reputation or brand of the organisation.</li> </ul>
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Moderate</b> impact on operational performance; or</li> <li>• <b>Moderate</b> monetary or financial statement impact [quantify if possible]; or</li> <li>• <b>Moderate</b> breach in laws and regulations resulting in fines and consequences; or</li> <li>• <b>Moderate</b> impact on the reputation or brand of the organisation.</li> </ul>
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Minor</b> impact on the organisation’s operational performance; or</li> <li>• <b>Minor</b> monetary or financial statement impact [quantify if possible]; or</li> <li>• <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>• <b>Minor</b> impact on the reputation of the organisation.</li> </ul>
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

## Appendix 2: Internal audit plan and progress tracker




The 2018/19 Annual Internal Audit Plan was approved by members of the Audit Committee in June 2018. A summary of progress on completion of the plan and changes is reported below.

Review	Description	Status/Comment	Overall Risk Rating
General Ledger	Assurance over control design and operating effectiveness of key financial processes.	Terms of reference agreed. Work planned April 2019	Medium
Accounts Payable		Audit removed - focus on follow up of prior year outstanding actions	-
Payroll	Review payroll processes and controls post new system implementation	XCD implementation cancelled. Existing processes will remain in place. Prior year audits are low risk.	-
Billing, debt management and recovery	Review of processes for billing selected income streams (inc. commercial & garden waste, licensing, property), debt management and recovery	Terms of reference agreed. Work planned April 2019	Low
TechOne	Review system integration and data transfer controls to ensure the data held in TechOne is complete and accurate.	Discussed with Dir & Corp Finance Manager. Integration aspects will be picked up in work on reconciliations as part of GL review and audit days reallocated.	-
Contracts & Procurement	Corporate processes	Complete	Medium
Health & Safety	Corporate processes	Complete	Medium
Customer comments, compliments & complaints	Corporate CCC process & new Customer Charter	Complete	Low
Section 106 Agreements	Audit work complete and report was due to come to January audit committee – BDO delays in report finalisation - deferred 2019/20		Deferred
Housing Benefits	Consider impact of Universal Credit	Complete	Medium
Waste & Recycling - Contracts	Original plan included review of the contracts for Street Cleansing/Horticulture and Recycling. Council recently approved the proposal to bring Street Scene services in-house, the contract will conclude in January 2020. Due to changes in the recycling market, we no longer receive income but pay for waste to be taken to a MRF through a contract with CasePak . For both contracts management procedures are in place and not considered a high risk for internal audit review.		-
Waste & Recycling – Commercial Waste	Focus on customer and commercial aspects of trade waste operations.	Complete	High
Parking services	Review of all the parking service	Complete	Medium
Connected Knowledge	Focus on benefits realisation, tracking and reporting	Work complete, report in June 19	Advisory
Company Governance	Assess governance arrangements for the Aylesbury Vale Estates	Complete	Advisory
Follow up audit actions	Validation that agreed internal audit actions have been implemented.	Ongoing	Ongoing
Disabled Facilities Grant	Grant compliance requirements	Complete	No issues

## Appendix 3: Summary of internal audit actions

In total 58 actions were followed up for the July 2019 Audit Committee – this included an update on all actions due for May 2019 or earlier. Where actions are not yet completed, the previous due dates are shown along with the new revised date. 30 out of 58 actions are complete or have been closed which equates to 52%. Both of the 2 High rated actions are complete, this includes the action relating to Safeguarding training which has been in progress since December 2017.

Actions arising from Internal Audit reviews were on the whole being actively progressed. There is however, now a need to recognise the impact the Unitary transition process is having on completion of audit actions. In some cases, progress has been slower due to competing priorities for staff time; in other cases, the original action is no longer practical and/or relevant to complete. In these cases the action has been marked as “Closed”.

Name of review	Agreed actions due	Outstanding			Completed/ Closed
		 H	 M	 L	
Accounts Payable 2017-18	3	-	1	1	1 (1H)
Building Control 2017-18	6	-	-	1	5 (3M, 2L)
Comments, Complaints and Compliments 2018-19	5	-	-	1	4 (4M)
Commercial Waste 2018-19	7	-	5	-	2 (1M, 1L))
Contracts and Procurement 2018-19	3	-	1	2	-
Corporate Health and Safety 2018-19	6	-	5	1	-
Housing Benefits 2018-19	11	-	-	4	7 (3M, 4L)
Parking 2018-19	5	-	-	2	3 (3L)
Payroll 2017-18	4	-	-	-	4 (4M)
Planning & Planning Enforcement 2017-18	3	-	1	2	-
Safeguarding 2016/17	2	-	-	-	2 (1H, 1L)
Taxi Licencing 2017/18	3	-	1	-	2 (2L)
<b>Total</b>	<b>58</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>30 (52%)</b>

## Progress update on overdue/incomplete actions

<i>Name of review</i>	<i>Action</i>	<i>Finding risk</i>	<i>Update</i>	<i>Revised Date</i>
<b>Accounts Payable 2017-18</b>	Review the process for receipting of invoices to automate where possible and avoid duplication, to ensure timely approval and payment.	<b>H → L</b>	Occasionally there are duplicate invoices, this has been raised with T1 and there is a fix in the test system. When testing is complete they will release it in the live environment. In the meantime AVDC have built an ETL to check for duplicate invoices, this has been checked and is regularly run, and business partners are constantly checking the ledger and picking up occasional duplicate invoices.  As this is in progress and manual checks are in place to review duplicate invoices this has been moved from High to Low.	<del>31/12/18</del> <del>30/04/19</del> 31/08/19
<b>Accounts Payable 2017-18</b>	The Finance Team should run the list of PO breaches on monthly basis to identify the most frequent offending department and report to the Finance Business Partner.	<b>H → M</b>	A report is now being shared with AD's and FBP's however this report is not complete. There is work ongoing with the report to pull through PO dates and receipt dates to identify those who are breaching. Other T1 development issues have taken priority over this report. Aim for August 19 completion date.  As this is in progress and manual checks are in place to review this has been moved from High to Medium.	<del>31/12/18</del> <del>30/04/19</del> 31/08/19
<b>Building Control 2017-18</b>	The financial statement should be completed, and signed off by the S151 Officer within six months of the end of the financial year and publicised on the Council's Public Website.	<b>L</b>	This is pending. This relates to the financial accounts of the Council which are delayed due to External Audit (EY) postponing the audit. Therefore this has been moved back until October 2019.	<del>31/03/19</del> 31/10/19
<b>Comments, Complaints and Compliments 2018-19</b>	An e-learning compliance rate should be set and monitored and reported regularly by service area.	<b>L</b>	Customer Fulfilment are to liaise with HR as to who the owner is and how we enable this to be made mandatory or as a minimum to be updated annually. A meeting is scheduled for 09/07/19 to discuss this and then ensure changes happen.	<del>31/03/19</del> 30/09/19

<b>Commercial Waste 2018-19</b>	Report the Site Risk Assessment schedule to every Quarterly Commercial Waste or Operations Board meeting to enable compliance monitoring and action	<b>H → M</b>	All site risk assessments are complete and since the audit breach was identified a new procedure has been implemented between the Business Development Team and the Operational Team to complete a site risk assessment before approving a new customer account. This is now very much BAU.  We have not yet seen evidence of the report so the action remains but the risk reduced.	<del>30/05/19</del> 30/09/19
<b>Commercial Waste 2018-19</b>	Terms of reference should be developed and approved for each of the five governance groups listed in this finding. This needs to specify the remit of the group, expected attendance and where agenda items are escalated, if required	<b>M</b>	No evidence provided	<del>31/01/19</del> <del>30/05/19</del> 30/09/19
<b>Commercial Waste 2018-19</b>	Ongoing review of the effectiveness for the two new meetings needs to be completed to assess if they bring together operational and commercial staff and are an effective forum to take a holistic view of commercial waste activity. These assessments should be reported to the respective meeting with actions then taken to make improvements accordingly	<b>M</b>	This was due to take place on 1/7/19 but no evidence provided	<del>30/04/19</del> 31/08/19
<b>Commercial Waste 2018-19</b>	Operational and commercial teams should speak with their respective Finance Business Partners to agree financial reporting requirements and agree actions over better report formats	<b>M</b>	The Finance Business Partner comes to operations board when required.  No update on agreed reporting requirements.	<del>28/02/19</del> <del>31/03/19</del> 31/08/19

<b>Commercial Waste 2018-19</b>	Develop a schedule which checks the response rate for duty of care responses and report compliance levels to the Quarterly Commercial Waste meeting	<b>M</b>	There is no way of doing this currently - Salesforce cannot report on accounts that have an attachment so this will take longer to achieve as it needs to look into a better way to do this with the systems admin team.	<del>28/02/19</del> <del>30/05/19</del> 31/08/19
<b>Contracts and Procurement 2018-19</b>	Instances of non-compliance with the Contract Procedure Rules identified in this review (sample list provided) should be assessed and appropriate action taken i.e. obtain signed contracts, check contracts are appropriately sealed. N.B See finding 3 around training compliance and finding 4 around finalising the approval of the Contract Procedure Rules, which if actioned would help mitigate instances of non-compliance.	<b>M</b>	<p>There has been a re-distribution of activities in order to seek compliance and update documentation. In the absence of the Corporate Contracts Manager (mat leave), the Contracts and Procurement Manager and the Contracts and Procurement Apprentice have shared responsibility for the council's contract management. The following actions were defined to mitigate the risk:</p> <p>Contracts Expired Over 30 Days Update the Register by 20/05 Send update request to Contract Owner via Smartsheet 21/05 Follow-up Check and escalate if needed on 10/06</p> <p>Contract Register Completion Check if document is on Box by 24/05 If not, ask Contract Owner for a copy of the contract, and suggest they might get it from the Supplier by 31/05 Obtain copy of the contract and fill gaps in the Register</p> <p>Data Protection T&amp;Cs Delegate to "Work Experience" in July 2019</p> <p>Communication Workplace post 16/05 about the Contract Register and alerts Workplace post on 23/05 as follow-up Start Alerts from Smartsheet on 24/05 Presentation to Core Delivery Groups on 04/06</p> <p>As there actions set to complete the register it is not at the stage of assessing compliance and therefore this is deemed incomplete until that is done.</p>	<del>30/11/18</del> <del>30/05/19</del> 31/08/19

<b>Contracts and Procurement 2018-19</b>	<p>A training needs assessment for different roles and agreement of whether it is mandatory should be performed and communicated</p> <p>Appropriate training content then developed in consultation with Learning and Development, including eLearning/face-to-face, as appropriate</p>	<b>L</b>	<p>It was advised by People &amp; Culture (P&amp;C) not to make the Contract Procedure Rules training mandatory, and due to lack of capacity the P&amp;C team will not be able to support training other than e-Learning development. In addition, due to lack of capacity of Contracts and Procurement team, and increased workload to various areas due to unitary, it has been suggested not to carry out f2f training where if low attendance is anticipated.</p> <p>The actions taken to mitigate the risk were:</p> <p>a) Update and implement the e-Learning which will be communicated and available to all staff; and</p> <p>b) Carry out regular Drop-in sessions where the Contracts and Procurement team will be available all day in a meeting room to help staff with queries and provide guidance on the Contract and Procedure Rules.</p> <p>As the above mitigating actions are in progress this will be followed-up later in the year.</p>	<p><del>31/12/18</del>  <del>31/03/19</del>  30/09/19</p>
<b>Contracts and Procurement 2018-19</b>	<p>The compliance rates should be monitored on at least a quarterly basis and reported</p>	<b>L</b>	<p>A report has been agreed and is in development by Finance where spend with/without contract will be shown, highlighting spend over £30k where there has been no tender exercise or there's no contract in place.</p> <p>This action is pending with Finance to develop the report so Contract and Procurement can take actions with internal stakeholders.</p>	<p><del>31/03/19</del>  31/08/19</p>
<b>Corporate Health and Safety 2018-19</b>	<p>A project plan is needed to appropriately resource the completion of Council wide risk assessments. It is recognised the Corporate Health &amp; Safety Manager will need to support Managers with the process in the first instance. Higher risk areas should be prioritised for completion</p>	<b>M</b>	<p>Good progress has been made on completion of risk assessments for higher risk areas eg Waste &amp; Operations.</p> <p>Following the departure of the Corporate Health &amp; Safety Manager in March 2019 work was put on hold.</p> <p>A new Corporate Health &amp; Safety Manager was recruited in June 2019 and they are now recruiting to fill the remaining two vacant posts. This action will be progressed once the team is at capacity.</p>	<p><del>31/10/18</del>  <del>30/04/19</del>  30/09/19</p>

<b>Corporate Health and Safety 2018-19</b>	Once corporate risk assessments have been completed, a corporate monitoring and review process is needed to ensure the risk profile of the organisation is continually reviewed, activities assessed and appropriate action taken. This should be reviewed by the Health and Safety Board	<b>M</b>	As above	<del>31/03/19</del> 30/09/19
<b>Corporate Health and Safety 2018-19</b>	The Corporate Health and Safety Team should develop a programme of training and communication, based on a matrix of requirements for different roles to ensure that staff are aware of the latest health and safety issues	<b>M</b>	A matrix has been developed with the Learning & Development. When the team is recruited, they will review the training materials and launch the programme.	<del>31/12/18</del> <del>31/03/19</del> 30/09/19
<b>Corporate Health and Safety 2018-19</b>	Training material should be developed in consultation with Learning and Development, and signed off by the Corporate Health and Safety Manager	<b>M</b>	As above	<del>31/12/18</del> <del>31/03/19</del> 30/09/19
<b>Corporate Health and Safety 2018-19</b>	Processes need to be developed to ensure training completion can be monitored and reported	<b>M</b>	As above	<del>31/03/19</del> 30/09/19
<b>Corporate Health and Safety 2018-19</b>	Develop a policy review framework to identify all required policies	<b>L</b>	This will be reviewed by the new Corporate Health & Safety Manager	<del>31/12/18</del> <del>30/04/19</del> 30/09/19
<b>Housing Benefits 2018-19</b>	A list of legacy complex cases should be prepared and presented to the Finance Steering Group in March or April 2019. Decision is needed over which cases to reconcile and pursue and which should be written off.	<b>L</b>	The legacy complex cases went to Finance Review Group on 25/04/19 in a recommendations document; the list of over 3,000 unreconciled reduced to 14 landlords and decision made on all except VAHT as Revenues and Benefits asked to complete the reconciliation work on this landlord as they were satisfied further reconciliation was achievable. The deadline to complete this VAHT work is July 2019.	<del>30/04/19</del> 31/07/19



<b>Housing Benefits 2018-19</b>	A review of longstanding overpayment debts on Tech1 should be undertaken to identify those which are not in the process of being recovered so appropriate action can be taken.	L	The recovery team have gone through highest debt downwards. The total is £4.3m. AVDC has now recruited 2 new officers with starts between end of June and early July. They will check on-going recovery. The aim is to have this progressed and completed pre-unitary.	<del>30/05/19</del> 30/11/19
<b>Housing Benefits 2018-19</b>	The reason for the discrepancy between the overpayment report and the values held on Northgate and Tech1 should be investigated, including identifying whether this will have an impact on the reconciliation process.	L	Note – this was one individual case out of a sample of 10. This still needs to be investigated.	<del>30/05/19</del> 31/07/19
<b>Housing Benefits 2018-19</b>	A decision should be documented about whether to apply CRA where high risk cases are identified. The Risk Based Verification Procedure should then be updated, including the actions to be taken if AppCheck is not used	L	It has been agreed that the CRA will be completed on high risk cases and so the Team Manager and Controls and Compliance Officer are rewriting the procedure and are adding this to the checking sheet before the team are trained. It is expected that this will be complete by the end of June 19.	<del>03/04/19</del> 31/07/19
<b>Parking 2018-19</b>	The Council has recently conducted a Council-wide review of devices and whether they are MDM supported. The current devices have not been through this process and should be added to it unless b) happens in the next 3 months	L	The Team are still waiting on new Handhelds from Conduent, until then, the Council cannot install MDM on the old handhelds and software.	<del>31/03/19</del> 31/07/19
<b>Parking 2018-19</b>	A process should be developed which allows regular (at least monthly - TBC) data on chargebacks to be downloaded and reported to the central Parking Team. Appropriate action should then be taken to liaise with the Pay-by-Phone supplier to suspend accounts.	L	This is still being investigated with Finance and debt recovery team.	<del>30/05/19</del> 31/07/19

<b>Planning &amp; Planning Enforcement 2017-18</b>	Proactive planning enforcement needs to be undertaken per the Planning Enforcement Plan. Formal reporting to the Group Manager/Assistant Director on a quarterly basis is needed to assess the effectiveness with action taken thereafter	<b>M</b>	Proactive planning enforcement officer in now place; this is a full time post which commenced in February 2019. The first few months of their role involved a training programme to bring them up to speed. It is expected come August 2019 that information will be available to review on the success of enforcement. Therefore this is in progress.	<del>31/03/18</del> <del>31/08/18</del> <del>31/03/19</del> 31/08/19
<b>Planning &amp; Planning Enforcement 2017-18</b>	Pre application costs need to be substantiated to set out how hourly costs have been calculated and specifically setting out the recovery of any administration costs	<b>L</b>	Fees went up in April 2019 in line with inflation and this was applied. However, the Team have not identified the underlying costs of the service. A unitary work stream has been developed to standardise everything which will cover looking at underlying costs and future fees.	<del>31/03/18</del> <del>31/09/18</del> <del>31/03/19</del> 30/09/19
<b>Planning &amp; Planning Enforcement 2017-18</b>	Pre application costs need to also cover the use of consultants (temporary staff) specifically identifying and applying their costs	<b>L</b>	Per above	<del>31/03/18</del> <del>31/09/18</del> <del>31/03/19</del> 30/09/19
<b>Taxi Licencing 2017/18</b>	Set out standard timeline parameters for processing decisions and protocols for where the Council diverge from these timelines.	<b>M</b>	In May 2019 a new structure was put in place to manage cases. This now involves applications coming into the admin team and once all checks have been performed (data and DBS checks) these are then handed over to the MoT Garage at the Depot. The Garage will then undertake the Enhanced Vehicle Checks and issue plates. This new process is more efficient and started in May 2019.  The aim is to clear cases within two weeks. Due to a new process just being put in place it is too early to monitor this. It is therefore expected that by the end of August good data will be available to monitor timescales and this is the intention of the Team.	<del>30/05/18</del> <del>30/07/18</del> <del>30/11/18</del> <del>31/03/19</del> 31/08/19

## Completed or closed actions

<i><b>Name of review</b></i>	<i><b>Action</b></i>	<i><b>Finding risk</b></i>	<i><b>Update</b></i>
<b>Accounts Payable 2017-18</b>	Produce updated guidance for staff on process and procedures to raise and approve PO and GRNs, including the 'No PO, No Pay' policy.	<b>H</b>	<p>Procedures available to staff is up to date. New users to T1 get links to user guides. New suppliers are advised of No PO , NO pay policy which was a recent introduction. An automated response on the payments@aylesburyvale email is being prepared to state: To assist prompt payment your invoice must quote a valid Purchase Order number. Invoices without POs will be returned unpaid.</p> <p>As sufficient progress has been made and the automated email is being developed this is considered completed.</p>
<b>Building Control 2017-18</b>	Policies and procedures covering all activities undertaken by the Building Control Team should be documented, approved and disseminated to all relevant Officers	<b>M</b>	<p>Salesforce has been adopted and implemented successfully since November 2018. A user guide is in place and is constantly being updated with new ideas of how to improve the process. This was reviewed by Internal Audit and the process for improvement was verified. AVDC continue to make suggestions for improvements through to the Systems Admin team and these are being reviewed on a rolling basis. AVDC have now introduced a Buddy System to ensure that the competency framework is accurate and vetted. This forms part of staff's quarterly REACH meetings and ensures the technical staff are appropriately trained. Policy and procedure will now form part of the unitary workstream, however the "Operation Framework" provides adequate direction.</p>

<b>Building Control 2017-18</b>	The Building Control fees should be reviewed to ensure that they recover all costs incurred	<b>M</b>	<p>Since the decision was taken by central Government to unify the 4 districts and county council to form the Buckinghamshire Council a number of workstreams have been started to look at methods of work. AVDC are working with the neighbouring authorities (Wycombe DC, Chiltern DC and South Bucks DC) to streamline the processes in order to make the merge more fluid. As part of this workstream AVDC shall be looking to unify the price structures. The most recent workstream meeting was on the 5th June and AVDC hope to establish what the pricing module should look like in readiness for unitary.</p> <p>Whilst the fees will not change - the underlying costs have been drafted which takes into account staff costs, admin costs and other costs; so this can be used to inform any future price changes. This was developed in January 2019 and is now a moving final document which may change as unitary discussions progress.</p>
<b>Building Control 2017-18</b>	Any changes in fees should be approved through the appropriate Committee and this should occur on an annual basis ahead of 1 April each year thereafter	<b>M</b>	As above, a review of fees was undertaken at the beginning of the year which led to the creation of underlying costs to inform fees, however the announcement of unitary has pushed this back to 2020 and the launch of the new council.
<b>Building Control 2017-18</b>	The financial position should be reviewed at least annually to ensure that the Building Control Service is breaking even. This break even can be over a rolling period of three years, although five years may be appropriate where unusually large surpluses or deficits have occurred	<b>L</b>	This has not been done. Whilst the underlying costs are now known what this shows is that the service is charging less than neighbouring authorities especially given the fees were last updated in 2013. Therefore the Council are not in breach of rules by generating more than break-even and if anything are incurring greater costs. Per above comments, the financial position is not going to be looked at further other than to identify a consolidated fee for unitary status and therefore no further action will be taken on this.

<b>Building Control 2017-18</b>	A clear marketing strategy should be documented and approved to set out the Council's requirements for increased income generation	<b>L</b>	<p>Now that the review of fees will form part of the workstream review for the move to unitary, there will also need for a holistic approach to marketing. However, there is obviously still an imperative for AVDC to retain customers and gain more revenue in the interim. There is not a clear documented marketing strategy however the following activities have taken place:</p> <ol style="list-style-type: none"> <li>1) The Building Control Team met with the Commercial Team and agreed to have 'open days' in the coming months where agents can attend and AVDC can promote their services</li> <li>2) The Building Control Team have compared the fees of the service to neighbouring councils. They have also anecdotally attempted to understand more about approved inspector fees and may pursue this further to help inform future fee discussions</li> <li>3) Also agreed to try set up a 'demonstration sessions' which may attract builders to develop relationships to drive up future fees.</li> </ol> <p>Overall the current market share held by AVDC is 75% which comes through on a dashboard in Salesforce and is updated daily.</p> <p>With the focus now on Unitary, no further marketing activity will happen over and above those ideas listed above. The action is therefore deemed complete for audit purposes.</p>
<b>Comments, Complaints and Compliments 2018-19</b>	Monitoring of the status of a comment, compliment or a complaint should be undertaken using iCasework by the Service Liaison Officer as per the policy with the relevant investigating manager being contacted for progress. Evidence will be obtained and added to ensure a case is not closed prematurely.	<b>M</b>	<p>On a weekly basis a status report is emailed to Hazel Hutt and Emily Fymruk for outstanding CCC'P's. For any overdue complaints an email reminder is sent to the assigned officer.</p> <p>This process was reviewed by Internal Audit and regular emails started from May 2019 and has taken place each week with chaser emails sent. This evidence is kept in Box.</p>
<b>Comments, Complaints and Compliments 2018-19</b>	Reminders will now be diarised	<b>M</b>	A reminder email is expected to be sent to the officer who the complaint is assigned to on day 12 of a 15 day (15 days is the AVDC complaint turnaround time). Internal Audit tested recent cases and found that this was working: evidence on CCCP cases 1717228, 1719728 and 1734330 was reviewed and found to be working.

<b>Comments, Complaints and Compliments 2018-19</b>	Where there are delays in the concluding of an investigation the customer should be contacted to make them aware of the delay	<b>M</b>	It is expected that a complaint will not be responded to within the 15 days timeframe the customer is notified/updated. Internal Audit tested a recent case on CCCP reference 1719328 of a recent case where this is evidenced.
<b>Comments, Complaints and Compliments 2018-19</b>	The Council should record a next review date for the relevant policies and include the document change history for policies.	<b>M</b>	The next review is due October 2019; to ensure the subsequent review takes place timely a meeting arranged for 01/10/19 to ensure it is done timely. This will then document the correct date. Therefore this is deemed complete as the current plan is still valid and the next one has been set in calendars which Internal Audit reviewed.
<b>Commercial Waste 2018-19</b>	The full costs associated with Commercial Waste should be identified, captured and compared against all income on at least a quarterly basis and reported to the Quarterly Commercial Waste meeting	<b>M</b>	The costs and income have now been set out which is a fuller position. This is due to be reported in June 2019 and will continue thereafter. Therefore as this has been created and due to be reported it is deemed complete.
<b>Commercial Waste 2018-19</b>	A 100% review of customer accounts should be undertaken to ensure customer payment preferences/rates on Bartec match agreements and match what is on Tech1	<b>L</b>	<p>The Team are doing random audit of 10 per month due to no report being available to check against all figures. The Team have informed us however that they reconcile amount billed (Tech 1) .versus amount we expect to bill (Bartec) every month.</p> <p>Our general ledger reconciliation audit in 2018/19 has picked up findings around reconciliations in this area and therefore this has been removed here and picked up in that report.</p>
<b>Housing Benefits 2018-19</b>	Debts should only be written off in line with the agreed approval limits and evidence of authorisation should be retained/referenced.	<b>M</b>	Write off approval going through finance board with the debt size clarified. All but VAHT are subject to write-off; those with VAHT will be pursued. A spreadsheet is sent once a month to relevant delegated authority ( £100 is GW, £1500 ND, £1500 to £5000 AS then £5000+ cabinet). Once the evidence is received, this is stored on Box and then passed to the Accounts Receivable Team who write-off the value in the finance system.
<b>Housing Benefits 2018-19</b>	Once written-off in Northgate, it should be confirmed that corresponding entry has been written-off Tech1.	<b>M</b>	Per above, this takes place and evidence is held in Box.

<b>Housing Benefits 2018-19</b>	The Debt Management Procedures should be reviewed, agreed by Finance Steering Group and appropriately approved and communicated to ensure all teams are aware of the processes to follow – this should include processes for write-offs due to bankruptcy or insolvency	<b>M</b>	The Debt Management Procedures were approved in May 2019 and shared with those involved in the process.
<b>Housing Benefits 2018-19</b>	The mapping exercise should be completed and actions/owners made clear once discussions have been completed	<b>L</b>	Mapping agreed and follow on actions agreed. Benefits, Recovery and Finance meet regularly to update on outstanding actions which are recorded on a central Box folder. These meetings will continue until all actions are complete.
<b>Housing Benefits 2018-19</b>	The invoice checks should be stored centrally (on Box) and include the Hornbill reference so there is an audit trail should the invoice later be queried.	<b>L</b>	These were reviewed as stored on Box and the information was held - Hornbill automatically logs references and these are added to invoice checks.
<b>Housing Benefits 2018-19</b>	The quality checking process should incorporate reviewing WURTI screenshots to confirm this has been completed.	<b>L</b>	The capturing of WURTI screen shots have been added to the checking process for Housing Benefit claims - this has been reviewed.
<b>Housing Benefits 2018-19</b>	Staff should be reminded of the importance of using WuRTI via training/ internal communication	<b>L</b>	This has been relayed verbally to the team in a huddle in May 2019 and has been incorporated in forthcoming benefits training due to be delivered to the whole team in June 2019. As training is planned and communication has been issued, this is deemed complete.
<b>Parking 2018-19</b>	Communicate this example to staff involved in approving PCN appeals and agree expectations regarding expected levels of challenge/evidence expected for appeals.	<b>L</b>	This is being picked up as a regular item on the agenda at Parking Team Meetings which includes Customer Fulfilment and Parking both front office and back.
<b>Parking 2018-19</b>	Correct the error by amending the direct debit amount for upcoming payments for the one exception identified	<b>L</b>	This has been amended and viewed as such on the finance system

<b>Parking 2018-19</b>	Approval of Variances above the Agreed Variance Limit should be documented in emails that are stored so that they can be easily accessed.	<b>L</b>	It was confirmed that these emails and correspondence are now recorded and kept in a stored folder.
<b>Payroll 2017-18</b>	A full review of all HR/Employment policies and procedures is in progress and is due for completion in November 2018. The Travel and Subsistence policy will be reviewed and updated as part of this.	<b>M</b>	A Travel & Subsistence policy was reviewed and launched. Therefore this is complete.
<b>Payroll 2017-18</b>	Guidance documents will be produced including specific requirements for receipts and how to review the reasonableness of claims.	<b>M</b>	The new Unitary Council has determined that all existing Councils will migrate to SAP from 1 April 2020.  In the remaining lifetime of AVDC further changes to the payroll system and processes will not be made. Existing processes are deemed adequate so the action is Closed.
<b>Payroll 2017-18</b>	The new payroll system should be configured to enable the capture of sufficient detail for expenses to be reviewed, reported and monitored.	<b>M</b>	As above - Closed
<b>Payroll 2017-18</b>	A project to develop an automated starter/leaver process involving IT, HR, Finance, Facilities, Admin teams, commenced in May 2018, but has now been put on hold.	<b>M</b>	As above - Closed



<b>Safeguarding 2016/17</b>	<p>The training records for each employee and their safeguarding level should be linked to their profile in the HR system. Moreover monthly reports should be generated and sent to managers to raise awareness of the compliance rate of each unit.</p> <p>Non-compliance with training should be noted in individuals' performance appraisal discussions.</p> <p>Employees in the Level 4 Exposure list are advised to receive refresher trainings on a more frequent basis (every two years)</p>	<p><b>H</b> It was agreed at the 7 March 19 Safeguarding Group Mtg that safeguarding training requirements should be aligned to DBS levels – None, Basic, Standard, and Enhanced. It was agreed that level 2 training will be delivered to all staff who have contact/exposure to vulnerable adults and level 3 training will be delivered to the Line Managers of these employees to ensure they have the necessary support and Managers are competent in the escalation process should this be required.</p> <p>All role profiles have been updated with the DBS and Safeguarding training level requirements.</p> <p>All staff are required to do the safeguarding eLearning, the current level of compliance (3 Jul 19) is 94%. The crew at Pembroke are not registered on e-learning and do not complete their training online. Instead classroom based training has been provided.</p> <p>Safeguarding training has been added to the REACH performance management template, so Manager's are now asking employee's to confirm if they have completed this.</p> <p>A Safeguarding compliance report has now been generated (Jul19) and will be run monthly. The HR Business Partner will notify the Line Manager if training has not been completed. If this is not completed by the following month, it will be escalated to the AD.</p> <p>For those employees who deal with potentially vulnerable adults over the phone, face to face or by other means, more detailed training is required which would be considered level 2. Line Manager's of these employees will require level 3 training to ensure they understand the level of exposure their teams will experience, as well as having a more in depth knowledge of safeguarding. Bespoke Level 2 and 3 training will be delivered by an external provider; CYP:First. The first sessions have been booked for 7th and 9th August.</p> <p>L4 is to be completed by members of the Safeguarding Board. Two have completed the BCC course so far. It has been agreed that this is now considered the best solution given the move to Unitary, and others will now be booked on.</p>
<b>Safeguarding 2016/17</b>	<p>Define the DS/DBS check criteria for a given job role and ensure it is consistently applied in the 'new structure'</p>	<p><b>L</b> Completed – see above</p>

<b>Taxi Licencing 2017/18</b>	Licensing Committee Member training should be reviewed to ensure that all requirements in the Councillors Handbook are sufficiently covered	<b>L</b>	Completed. Training material for Councillors has been updated and delivered following the last Licensing Committee meeting on 28 May 2019 (22 May meeting was postponed).
<b>Taxi Licencing 2017/18</b>	A summarised hand out of training notes should be provided to Members for future reference.	<b>L</b>	Per above

## ***Appendix 4: Internal audit reports***

The Committee requested to see all internal audit reports in full. Those completed since the last meeting are attached below.

1. Connected Knowledge – Benefits Realisation
2. General Ledger Reconciliations and Management Information
3. Debt Management

## ***Appendix 5: Report from the Monitoring Officer***

Aylesbury Vale Broadband review and breach of confidentiality investigation