



# **Internal Audit Progress Report**

November 2019





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# 1. Activity and progress

The 2019/20 internal audit plan was approved by the Audit Committee in July 2019. A summary of the plan is included in Appendix 2. We monitor progress against the plan during the year and advise the Audit Committee of any changes.

## 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 |
| Digital Contact Team | Low          | Oct 19               | -  | -  | -  | 3   |

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

The full reports are attached in Appendix 3 and summarised below:

### Digital Contact Team

This report is classified as low risk and we identified three low risk findings.

The Digital Contact Team assist with a variety of requests, including those relating to Waste, Environmental Health, Housing, Parking and Customer Fulfilment. The Housing Benefits and Rates and Recovery teams have their own contact teams, however the Digital Contact Team can provide support during particularly busy periods.

Our findings are summarised as follows:

- There is not a mechanism in place for analysing customer engagement data and reporting common themes, trends and problems to the Council's departments (Low)
- Our sample testing identified one case where the agent did not promote self-serve through the Council's website or 'My Account' and we found that there is not a structured and consistent approach in place for reviewing, supervising and monitoring customer engagement (Low)
- The Council's website includes the Digital Contact Team's direct telephone number alongside the main switchboard number (Low).

This audit has not covered other customer contact routes outside of the Digital Contact Team, however there is an opportunity to apply these findings to other customer contact teams.

## **Good Practice Noted**

A number of areas of good practice were noted during our review as set out below, these have been reflected in the overall “low” risk classification of this report:

- The Council has a defined Customer Charter in place, which sets out a series of corporate standards for dealing with the Council’s customers and forms the basis of the Council’s induction, ongoing training and performance management for all staff in Customer Fulfilment.
- The Digital Contact Team, in conjunction with other Council departments, have developed detailed technical and specialist guidance which is used for addressing customer queries.
- Our sample testing found customer engagement to be in line with the Customer Charter. Our testing confirmed that agents avoided jargon and abbreviations that the customers would not understand; used precise and simple questions to quickly identify customer needs; used phrases to describe actions to prevent customers feeling ignored; and provided the answer first and added detail later if needed.
- For the 10 phone calls included in the sample, the agents verified who the customers were before giving any information, checked that the customers had fully understood what they had been told and, where applicable, identified appropriate contacts and transferred the customers or arranged to call them back if further information was required.
- Our sample testing also indicated that the Digital Contact Team are consistent and professional in their approach to communicating with customers. Our testing confirmed that agents were friendly, polite and helpful while remaining professional in all circumstances; responded to calls professionally and greeted customers appropriately; allowed the customers to fully outline the reason for contact without interruption; and ended the interaction with a short closing and thanked the customers.
- All social media posts included in the sample were found to have been responded to within the 4-hour target from the time they had been assigned to the Digital Contact Team from the Council’s Communications Team.
- There is good overall awareness within the Digital Contact Team of the various Council areas, services and key contacts across the Council’s departments.
- The Digital Contact Team has defined Key Performance Indicators and there are arrangements in place for collating and analysing team performance results. The Key Performance Indicators are reviewed and reported to Senior Management on a quarterly basis.

## **Summary of changes to the 2019/20 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.

There have been no changes to the 2019/20 plan since it was approved in July 2019.

## ***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.

An exercise was performed during September/October to assess the status of the actions that were due for completion. 63 individual actions were due; of which 5 related to high risk findings, 22 to medium risk and 36 low risk findings. The 5 high risk actions all relate to the General Ledger audit report and reconciliations between the TechOne finance system and various feeder systems.

For a large number of the actions, including the high risk ones mentioned above, the action as set out in the original audit report is no longer considered appropriate in the context of transition to a unitary authority. A full review of all outstanding audit actions, and the risks they were designed to mitigate, will be undertaken by the end of the year. This will consider whether the associated systems, processes and policies will remain post vesting day, and whether or not the level of resource required to complete is proportionate to the risk being addressed. At the end of this exercise, we will have a clear view as to which actions:

- will be completed by 31 March 2020
- will be handed over to the new authority to assess and deliver
- should be closed, as no longer relevant or appropriate.

The results of this exercise will be reported to the Audit Committee in January 2020.

### **Update on safeguarding training action:**

In July the Audit Committee requested an update on the completion of Safeguarding Training for those staff working in level 2, 3, and 4 categories.





*Bespoke face to face level 2 and level 3 training* - Two events have been held (August and October); 50 individuals have completed level 2 and 19 have completed level 3. There are 9 employees who are yet to complete the training, as they were unable to attend on the previous dates. A third session has been arranged for February to capture these and any new employees since October 2019.

*Level 4 training* - 3 members of the Safeguarding Board have completed Level 4 training provided by Buckinghamshire County Council. The remaining Board members have attended the level 3 training, bar 1, who will complete it in February.

# 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 2019/20 Annual Internal Audit Plan was approved by members of the Audit Committee in July 2019.

The plan reflects the changing nature of AVDC's objectives and risks during the period of transition to the new Buckinghamshire Council. Reviews have been identified where they will directly add value to the objectives of achieving an orderly transition, balanced against the desire not to place additional burden on already stretched teams. Contingency days have been built in to allow for additional reviews should the need arise during the period. It is important the plan remains flexible to adapt to changing risks and priorities.

A summary of progress on completion of the plan and changes is reported below.

| Review                                      | Description  | Status/Comment   | Overall Risk Rating |
|---|--|--|---------------------|
| <b>Finance – Fraud Risk Assessment</b>      | Focus on fraud risk across council operations and services. The review will identify any areas of risk and make recommendations as appropriate.  | In progress.<br>Report to January Audit Committee meeting.                                     |                     |
| <b>People &amp; Culture – HR Management</b> | Review of HR Management processes using "checklist" approach to ensure orderly transition of staff and accurate, complete employment information | Report drafted and being finalised with Management. Report to January Audit Committee meeting. |                     |
| <b>Section 106 Agreements</b>               | Conclude and report on the review that started in 2018/19.   | To be reviewed.  |                     |
| <b>Council Tax and Business Rates</b>       | Controls and processes will continue into Unitary. Review to focus on changes to discount arrangements.  | Report drafted and being finalised with Management. Report to January Audit Committee meeting. |                     |
| <b>Digital Contact Team</b>                 | Review of customer contact processes. Actions identified will feed into the Unitary Customer Workstream  | Complete   | Low                 |
| <b>Taxi Licensing</b>                       | Focus on processes post implementation of RegService   | Report drafted and being finalised with Management. Report to January Audit Committee meeting. |                     |
| <b>Pembroke Road Redevelopment</b>          | Advisory review of the governance of the programme (Capital Projects and Operations)   | In progress.<br>Report to January Audit Committee meeting.                                     |                     |
| <b>Follow up of audit actions</b>           | Validation that agreed internal audit actions have been implemented.   | Ongoing  | n/a                 |
| <b>Disabled Facilities Grant</b>            | Grant compliance requirements  | Complete   | No issues           |

## ***Appendix 3: Internal audit reports***

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

1. Digital Contact Team