



Watford Borough Council  
Audit Committee Progress Report  
17 September 2020

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 4 September 2020
- Agree the change to the implementation date for 2 recommendations (paragraph 2.5) for the reasons set out in Appendix C
- Agree removal of implemented audit recommendations (Appendix C)
- Note the status of the audit recommendations from the Hertfordshire Home Improvement Agency audit (Appendix D)

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# 1. Introduction and Background

## Purpose of Report

- 1.1 This report details:
- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Audit Plan for 2020/21 as at 4 September 2020.
  - b) Proposed amendments to the approved 2020/21 Annual Audit Plan.
  - c) Implementation status of all outstanding previously agreed audit recommendations from 2016/17 onwards.
  - d) An update on performance management information as at 4 September 2020.

## Background

- 1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.
- 1.3 The 2020/21 Annual Audit Plan was approved by Audit Committee on 12 March 2020.
- 1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 30 July 2020.

# 2. Audit Plan Update

## Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 4 September 2020, 17% of the 2020/21 Audit Plan days had been delivered for the combined WBC and Shared Services plans (calculation excludes 'To Be Allocated' days). Appendix A provides a status update on each individual deliverable within the audit plan.
- 2.2 No 2020/21 audit reports have yet been finalised.

## Status of Audit Recommendations

- 2.3 Members will be aware that a Final Audit Report is issued when it has been agreed by management and includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of all audit

recommendations. It is the responsibility of officers to implement recommendations by the agreed date.

- 2.4 The table below summarises progress in implementation of all outstanding internal audit recommendations as at August 2020, with full details given in Appendix C:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time or no update received	Percentage implemented %
2016/17	35	34	0	1	97%
2017/18	29	29	0	0	100%
2018/19	30	28	1	1	93%
2019/20	24	11	2	11	46%

- 2.5 Since July 2020 Audit Committee, extension to implementation dates have been requested by action owners for two recommendations as follows:

a) Two from the 2019/20 Development Management (pre-app process) audit.

- 2.6 In respect of nine recommendations, no progress update was received from action owners as follows:

a) One from the 2016/17 Trees audit,  
 b) Seven from the 2019/20 Play Safety Inspections audit, and  
 c) One from the 2019/20 Debtors audit.

- 2.7 Hertfordshire County Council lead on the implementation of the Hertfordshire Home Improvement Agency audit recommendations and as a contributing partner, an update on the status of the outstanding recommendations is brought before this committee. A follow-up of the recommendations made in the original report commenced in February 2020 and completion of this work was delayed in view of the impact of COVID-19. The final report was, however, issued in August and concluded that thirteen of the original eighteen recommendations have been fully implemented, with the remaining five still in progress. Details are included in Appendix D.

#### Proposed Audit Plan Amendments

- 2.8 There are no changes to the 2020/21 WBC or Shared Services Audit Plans to bring before this meeting of Audit Committee.

#### Performance Management

#### Reporting of Audit Plan Delivery Progress

2.9 To help the Committee assess the current situation in terms of progress against the projects in the 2020/21 Audit Plan, we have provided an analysis of agreed start dates at Appendix B. These dates have been agreed with management and resources allocated accordingly.

2.10 Annual performance indicators and associated targets were approved by the SIAS Board in March 2020. Actual performance for Watford Borough Council against the targets that can be monitored for 2020/21 is shown in the table below.

<b>Performance Indicator</b>	<b>Annual Target</b>	<b>Profiled Target to 4 September 2020</b>	<b>Actual to 4 September 2020</b>
<b>1. Planned Days</b> – percentage of actual billable days against planned chargeable days completed (excluding unused contingency).	95%	19% (45/241 days)	17% (40/241 days)
<b>2. Planned Projects</b> – percentage of actual completed projects to draft report stage against planned completed projects.	95%	0% (0/20 projects to draft)	0% (0/20 projects to draft)
<b>3. Client Satisfaction</b> – percentage of client satisfaction questionnaires returned at 'satisfactory' level.	100%	100%	N/A (none received)
<b>4. Number of Critical / High Priority Audit Recommendations agreed</b>	95%	95%	N/A (None yet made in 2020/21)

2.11 In addition, the performance targets listed below are annual in nature. Performance against these targets will be reported on in the 2020/21 Head of Assurance's Annual Report:

- **5. Annual Plan** – prepared in time to present to the March meeting of each Audit Committee. If there is no March meeting, then the plan should be prepared for the first meeting of the civic year.
- **6. Head of Assurance's Annual Report** – presented at the Audit Committee's first meeting of the civic year.

**APPENDIX A - PROGRESS AGAINST THE 2020/21 AUDIT PLAN AT 4 SEPTEMBER 2020**

**2020/21 SIAS Audit Plan**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
<b>Key Financial Systems</b>									
Benefits (shared services plan)						12	Yes	0	
Budget Monitoring (shared services plan)						6	Yes	0	
Council Tax (shared services plan)						10	Yes	0	
Creditors (shared services plan)						9	Yes	0	
Debtors (shared services plan)						10	Yes	0	
Main Accounting (shared services plan)						8	Yes	0	
NDR (shared services plan)						10	Yes	0	
Payroll (shared services plan)						12	Yes	0	
Revenues and Benefits Parameter Testing (shared services plan)	-	-	-	-	-	0	-	0	Cancelled
Treasury Management (shared services plan)						6	Yes	0	
<b>Operational Audits</b>									
Revenues and Benefits Payments (shared services plan)						10	Yes	1	In Planning
Climate Change						7	BDO	0	
Communications (including social media)						8	Yes	4	In Fieldwork
Customer Services - Digitalisation						12	BDO	5	In Fieldwork
Freedom of Information						8	Yes	0	

**APPENDIX A - PROGRESS AGAINST THE 2020/21 AUDIT PLAN AT 4 SEPTEMBER 2020**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Neighbourhood Forums						5	Yes	0	
Parking Contract						7	Yes	0	
Section 106						10	Yes	0.5	In Planning
Sports Development						8	Yes	0	
<b>Contract Management, Project Management &amp; Procurement</b>									
SLM Subsidy Payments						8	Yes	0	
Veolia Contract Payments	-	-	-	-	-	0	-	0	Cancelled
<b>IT Audits</b>									
Cyber Security (shared services plan)						12	BDO	0	
IT Policies and Procedures (shared services plan)	-	-	-	-	-	0	-	0	Cancelled
<b>Shared Learning / Joint Reviews</b>									
Joint Reviews						2		0	
Shared Learning						3		0	
<b>Ad Hoc Advice</b>									
Ad Hoc Advice						2		0	
<b>Follow Ups</b>									
Follow up of Audit Recommendations						10		5	Through Year

**APPENDIX A - PROGRESS AGAINST THE 2020/21 AUDIT PLAN AT 4 SEPTEMBER 2020**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
<b>To Be Allocated</b>									
Unused Contingency (shared services plan)						0		0	
<b>Strategic Support</b>									
2021/22 Audit Planning						7		0	
Annual Governance Statement						3		3	Complete
Audit Committee						10		4	Through Year
External Audit Liaison						1		0.5	
Head of Audit Opinion 2019/20						3		3	Complete
Monitoring & Client Meetings						10		3	Through Year
SIAS Development						3		3	Complete
<b>Completion of 2019/20 audits</b>									
Time required to complete work commenced in 2019/20 (5 days shared plan; 4 days WBC)						9		8	In Progress
<b>WBC TOTAL</b>						<b>131</b>		<b>35</b>	
<b>SHARED SERVICES TOTAL</b>						<b>110</b>		<b>5</b>	
<b>COMBINED TOTAL</b>						<b>241</b>		<b>40</b>	

Key to recommendation priority levels:  
 C = Critical; H = High; M = Medium; L = Low / Advisory.



**APPENDIX B – 2020/21 AUDIT PLAN PROJECTED START DATES**

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Apr	May	June	July	August	September
				Revenues and Benefits Payments (shared services plan) <b>In Planning</b>	NDR (shared services plan)
				Communications <b>In Fieldwork</b>	
				Customer Services – Digitalisation <b>In Fieldwork</b>	

**APPENDIX B – 2020/21 AUDIT PLAN PROJECTED START DATES**

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October	November	December	January	February	March
Debtors (shared services plan)	Council Tax (shared services plan)	Benefits (shared services plan)	Main Accounting (shared services plan)	Budget Monitoring (shared services plan)	
Section 106 <b>In Planning</b>	Payroll (shared services plan)	Creditors (shared services plan)	Treasury Management (shared services plan)	Neighbourhood Forums	
SLM Subsidy Payments	Sports Development	FOI	Climate Change		
		Parking	Cyber Security (shared services plan)		

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

**Audit Plan 2016/17**

<b>Tree Surveying 2016/17</b> <b>Final report issued April 2017</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that during the review process to finalise the Woodland and Tree Strategy, the Council ensures that the strategy addresses the following:</p> <p>a) Measurement of the aims and objectives contained within the strategy;</p> <p>b) Frequency of inspections to be completed, both routine and high risk trees; and</p> <p>Detail of the maintenance programmes to be adopted.</p>	Merits Attention	<p>The strategy is meant to be an overview of trees and woodlands and intended to take a more strategic overview of tree and woodland management in the Borough. However, what this has raised is that the specification in the Parks and Open Spaces contract documentation, detailing what is required of Veolia does not cover enough detail in relation to planned maintenance and there is a clear emphasis on reactive management rather than proactive management. A review of the specification needs to be undertaken and ensure that the Strategy is aligned with this.</p> <p>Position – June 2017 As above.</p> <p>Position – September 2017 As above but delayed due to Cassiobury Park operational issues.</p> <p>Position – November 2017 No update received.</p> <p>Position – February 2018 The overarching Green Spaces Strategy is currently being reviewed as part of the Local Plan 2 work and this has the wider view of Trees and Woodlands. An action plan will be updated within this to ensure trees, woodlands and biodiversity are included and the need to update the Tree and Woodland Strategy. This will eventually be approved by PFH or Cabinet.</p> <p>Position – July 2018 The review of the Green Spaces Strategy is still underway and is tied up with the Local</p>	Section Head Parks, Open Spaces and Projects	30 September 2017 and to be presented to Strategic Partnership Board.	*	<p>31 December 2017</p> <p>31 May 2018</p> <p>31 July 2019</p> <p>30 Sept 2019</p> <p>31 January 2020</p> <p>31 March 2020</p>

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Tree Surveying 2016/17</b> Final report issued April 2017							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Plan 2 amends. The extension for the Veolia Contract is now currently being negotiated and this will be an opportune time to a) amend and agree the strategy and b) update the specification.</p> <p>Position – September 2018 / November 2018 / February 2019 In progress.</p> <p>Position – July 2019 The Tree and Woodland Strategy has been completed and is due at Cabinet in September 2019 and highlights a number of actions within.</p> <p>Position – September 2019 As above.</p> <p>Position – November 2019 The strategy is out for consultation and will go to Cabinet when that is completed. This may be either December or January.</p> <p>Position – February 2020 The Tree and Woodland Strategy is complete along with the review of the Green Spaces Strategy and is on the Agenda for March 2020 Cabinet for adoption.</p> <p>Position – July 2020 No update provided.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>				

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

**Audit Plan 2018/19**

<b>Cyber Security 2018/19</b> Final report issued January 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	<p>There should be a mechanism to restrict any non-complying devices to connect to the Council's IT network.</p> <p>Additionally, there should be continuous monitoring in place for all devices connected on the network to be fully antivirus protected.</p>	Medium	<p>Review current AV and VPN solution and viability to restrict devices with no up to date protection from connecting to the network fully. Ensure that daily reports for AV protection are monitored against asset register and this is reported to the ICT Section Head.</p> <p>Position – February 2019 Reporting mechanism from Infrastructure monitoring through to desktop services is in place. Mechanism to ensure that desktop services remediate the gaps sufficiently is currently underway.</p> <p>Replacement VPN, for all homeworking, is within scope for replacement Wide Area Network. New VPN solution will review ability to ensure that all connected devices have up to date AV.</p> <p>Position – July 2019 The following management update was received on 30 July:</p> <p>“Continuous AV monitoring in place. Daily reports reviewed to ensure all connected devices have the most recent signatures. Where the signature has not been applied this is flagged and remediated by an engineer.</p> <p>New remote working solution has AV checker within Enterprise Management module. Request to extend the new remote working solution roll out to December 2019. The rollout will have commenced in August 2019 but needs to be deployed to all users across all sites, in line with the deployment of new</p>	ICT Section Head	30 September 2019	<p><input type="checkbox"/></p> <p>Part resolved.</p> <p>Extension requested to deploy new remote working solution.</p>	<p>31 December 2019</p> <p>31 January 2020</p> <p>31 May 2020</p> <p>31 December 2020</p>

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Cyber Security 2018/19</b> Final report issued January 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			personal IT kit and Unified Communications.”  Position – September 2019 As above  Position – November 2019 This is in progress, and a key issue/dependency resolved. Slight delay in roll out means that this is likely to completed mid-end of January 2020.  Position – February 2020 The solution is ready to deploy. This has been tested. The deployment has been paused due to the coronavirus outbreak. Migration to a new home working solution during a period where there is a high possibility of large-scale home working required has meant a decision to pause.  I have made a request to extend to the end of May to accommodate other business risk also, elections and revenues and benefits year end processing.  Position – July 2020 Request made to extend the deployment to December 2020. The deployment has been delayed due to ongoing COVID work and the requirement to continue to maintain and support all Officers to work from home. Partial deployment in place, approx. 70 staff are using the new solution, but this solution is now being reviewed with reference to the likely increase on an ongoing basis of an increasing volume of remote working.  <b>Position – September 2020</b> <b>Review of product undertaken. Transition to new product underway.</b>				

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Benefits 2018/19</b>							
<b>Final report issued April 2019</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	We recommend that testing of the module is carried out to reinstate the ability to delete obsolete data.	Medium	<p>The Retention and Destruction module is currently suspended from use as it has been destroying documents incorrectly that we are still relying on to support 'live' housing benefit claims.</p> <p>We have reported this to the system supplier (Northgate) and have requested their assistance with correcting the issue so that we can start using the module again and remain GDPR compliant.</p> <p>During a meeting with Northgate on 21.03.19 we agreed we needed a Retention &amp; Destruction refresher training day during which they would help us set up the system so that the system does not destroy documents we still need. We are now awaiting a date for the training to take place.</p> <p>Position – July 2019 No management update received.</p> <p>Position – 21 August 2019 The system is designed to destroy all documents that are older than 6 years plus current. We discovered that the system was not working properly and has destroyed some documents that are still required to support live Benefit claims and therefore we need to retain. Clearly we could not allow that to continue so the system was been suspended. We have sought advice on how to fix this issue from the system provider and are awaiting their response. I have chased this today and have also now asked if it's possible to use the system in part so that we can carry on destroying old documents that we no longer require for Council Tax and Business Rates</p>	Benefits Manager	31 May 2019	*	<p>31 October 2019</p> <p>30 June 2020</p> <p>30 Sept 2020</p>

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Benefits 2018/19</b> Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>and unsuspend the Benefits part of the system once we have fixed the problem. I will escalate this issue in a week if I have not had a response.</p> <p>Position – September 2019 (Based on conversation with the Head of Revenues &amp; Benefits) Issue has now been escalated with Northgate.</p> <p>Position – November 2019 No update provided by management.</p> <p>Position – February 2020 The Northgate system is currently being upgraded. The upgrade is now available in test and the live upgrade is due to take place 1<sup>st</sup> and 2<sup>nd</sup> May 2020. We will test this module of the system as part of the overall testing. If this module works, we will be able to run scripts which will 'back archive' documents that would have been due to be archived since it was discovered the system was not working properly.</p> <p>Position – July 2020 The required Northgate system upgrade was due to be live now but has been delayed as a result of COVID-19. Northgate have currently rescheduled the upgrade for 8-9 September 2020 and when this takes place, we will test the module and if this is working as expected, run the necessary scripts to archive the data that should have been deleted.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>				



## APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020

<b>Agency Staffing 2018/19</b> <b>Final report issued December 2019</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	We recommend that an HR led workforce strategy for the use of agency staff is formally established, jointly agreed and implemented by both Councils. It should cover the financial, administration and overall control benefits of using providers such as Comensura as well as providing clarity about the circumstances when it is appropriate / necessary to consider alternative suppliers. It should also include clearly defined responsibilities for overseeing and monitoring the overall use of agency staff and for carrying out periodic reviews of agency staff.	Medium	<p>Work has commenced on producing a guide for managers in both Watford and Three Rivers regarding compliance with agency worker regulations and IR 35. This guide once agreed will be provided to Audit for information.</p> <p><b>Position – February 2020</b> The guidelines have been drafted and will be available on the intranet shortly. The action will be completed in accordance with the original timescale.</p> <p><b>Position – July 2020</b> The situation is that the guide has been written however, unfortunately with Covid-19 it has not been shared with the appropriate management teams or adopted as yet. We do, however, have it planned to go to Operational Leadership Team on 28 July.</p> <p><b>Position – September 2020</b> <b>The guide was approved at Operational Leadership Team on 25 August 2020 and is now live on the Intranet.</b></p>	Group Head of Human Resources & Organisational Development	1 April 2020	✓	31 July 2020
02	<p>We recommend that appropriate corporate policies and procedures are established, formally agreed and then implemented in both Councils regarding the use of agency staff.</p> <p>This should provide clarity about the engagement process and the use of Comensura or alternative suppliers. Also, it should provide confirmation of the key roles and responsibilities of the local Service Areas, the shared HR Service, and for financial</p>	Medium	<p>As above, we believe the guide will cover the requirements for both councils.</p> <p><b>Position – February 2020</b> The guidelines have been drafted and will be available on the intranet shortly. The action will be completed in accordance with the original timescale.</p> <p><b>Position – July 2020</b> The situation is that the guide has been written however, unfortunately with Covid-19 it has not been shared with the appropriate management</p>	Group Head of Human Resources & Organisational Development	1 April 2020	✓	31 July 2020

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Agency Staffing 2018/19</b> Final report issued December 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	administration, including appropriate coding, in relation to the use of agency staff.		teams or adopted as yet. We do, however, have it planned to go to Operational Leadership Team on 28 July.  <b>Position – September 2020</b> <b>The guide was approved at Operational Leadership Team on 25 August 2020 and is now live on the Intranet.</b>				

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

**Audit Plan 2019/20**

<b>Development Management (pre-app process) 2019/20</b>							
<b>Final report issued October 2019</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>Management should produce written guidance to inform the minimum acceptable retention requirements for major and minor pre-application enquiries. This should make to clear to planning officers if meetings, telephone conversations and emails with potential applicants during the advisory period need to be documented and stored on case files for information request and auditing purposes.</p> <p>Management should periodically spot check a sample of case files for major pre-applications as a way to ensure that the minimum acceptable retention requirements are being adhered to in practice.</p>	Medium	<p>Agreed. The whole pre-application process will be reviewed so that there is clear guidance.</p> <p>Position – November 2019 In progress in accordance with original timescale.</p> <p>Position – February 2020 Delayed as the Interim Head of Development Management was replaced by a permanent appointment at the beginning of February. Revised deadline of 30 April 2020.</p> <p>Position – July 2020 I've conducted the review consisting of interviews with staff across the team. I have started drafting the guidance and hope to issue to staff later this month.</p> <p><b>Position – September 2020 In progress but slightly delayed.</b></p>	Interim Head of Development Management	31 December 2019	*	<p><del>31 August 2020</del></p> <p><b>30 Sept 2020</b></p>
02	<p>The pre-application guidance for should advise that meetings are not minuted by the Council, and if a record of what is discussed and agreed by the parties during a meeting is required then the onus is on potential applicants rather than the lead planning officer to provide the administrative support for this.</p> <p>Planning officers should attach a copy of any minutes provided by potential applicants to the relevant case file for information request and audit purposes.</p>	Medium	<p>Agreed. The whole pre-application process will be reviewed so that there is clear guidance.</p> <p>Position – November 2019 In progress in accordance with original timescale.</p> <p>Position – February 2020 Delayed as the Interim Head of Development Management was replaced by a permanent appointment at the beginning of February. Revised deadline of 30 April 2020.</p> <p>Position – July 2020 I've conducted the review consisting of</p>	Interim Head of Development Management	31 December 2019	*	<p><del>31 August 2020</del></p> <p><b>30 Sept 2020</b></p>

## APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020

<b>Development Management (pre-app process) 2019/20</b>							
Final report issued October 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	Planning officers should ensure that after each meeting with a potential applicant (for a major project proposal) the relevant case file is updated with the date and main outcomes for information request and auditing purposes.		interviews with staff across the team. I have started drafting the guidance and hope to issue to staff later this month.  <b>Position – September 2020 In progress but slightly delayed.</b>				

<b>Financial Account Reconciliations 2019/20</b>							
Final report issued December 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	We recommend that all identified reasons for differences are carried forward and clearly shown in the next periods explained comments column where unresolved or action is pending.  In addition, a date be detailed in the reason / comment column to provide a time trail leading back to the original date the difference occurred.	Low	A review of financial procedures is currently underway that will ensure a consistent approach is taken.  Position – February 2020 We are currently working on the financial regulations and we are on target to implement a consistent approach for all reconciliations.  Position – July 2020 Due to the impact of Covid-19 this has been delayed and will be reported back in September.  <b>Position – September 2020 The action is complete now. We have a reconciliation tracker which monitors all the financial account reconciliations and is reported monthly to the Head of Finance.</b>	Section Head - Financial Accounting and Technical	31 March 2020	✓	30 Sept 2020

## APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020

<b>Play Safety Inspections 2019/20</b> <b>Final report issued December 2019</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that the Contractor maintains a complete list of all play areas detailing the agreed inspection regime in place for each site in accordance with the Contract Service Specification - Play Areas.</p> <p>The Council should complete regular spot checks of the records to ensure compliance with the agreed inspection regime and that they are sufficient to provide an overview of the current status of all play areas for which the council has responsibility.</p> <p>The Council should request that an agenda item be added to the monthly contract meetings in order to summarise actual inspections being completed and receipt of appropriate operational and annual inspection reports.</p>	High	<p>Noted and this will be discussed with Veolia and added to the monthly ops meetings as an agenda item. Random inspections by the Contract Manager (Parks and Streets) will be carried out quarterly.</p> <p>Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.</p> <p>Position – July 2020 No update received.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.
02	<p>We recommend that operational inspections are completed 3 times per year for all play areas and reports of each inspection should be submitted to the Council.</p> <p>As for the daily/weekly inspections, all repairs and maintenance identified by the 'operational' inspections should be recorded in a spreadsheet and be used to prioritise and monitor completion of works in a timely manner.</p> <p>In addition, at the monthly contract meetings, assurance should be</p>	High	<p>This will be discussed with Veolia and the Contract Manager (Parks and Streets) to ask for all records to be updated and will be checked quarterly - this will also feature as a part of the monthly ops meetings.</p> <p>Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.</p> <p>Position – July 2020 No update received.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.

## APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020

<b>Play Safety Inspections 2019/20</b> Final report issued December 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	gained on the completion of the remedial works required from the operational inspections.						
03	<p>We recommend that annual inspection reports are revised to include details of the company, inspectors name (initials only) and their qualifications or registration.</p> <p>In addition, the presentation and clarity of the inspection and risk assessment information be improved to make a clear distinction and relative link between the equipment inspection scores and risk assessment score. A key to the scoring and expected actions should be provided.</p> <p>The Council to ensure it receives the annual inspection reports for all play areas within the expected timeframes.</p>	Medium	<p>This will be discussed with Veolia and the Contract Manager (Parks and Streets) to ask for all records to be updated and will be checked annually.</p> <p>Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.</p> <p>Position – July 2020 No update received.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.
04	<p>We recommend that an agreed accident reporting protocol should be documented and implemented to ensure accidents and reports relevant to play areas are investigated appropriately and outcomes stored in a database available to the Council.</p> <p>Any agreed protocol should include when the Council should see any draft responses / communications prior to being sent to the persons (public) involved in reporting the accident.</p> <p>It is recommended that any accident</p>	Medium	<p>Noted and will be discussed with Veolia and a protocol developed.</p> <p>Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.</p> <p>Position – July 2020 No update received.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.

## APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020

<b>Play Safety Inspections 2019/20</b> <b>Final report issued December 2019</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	<p>reported to the contractor is immediately notified to the Council for awareness and monitoring purposes.</p> <p>All accident inspection outcomes should be reviewed by the Council and the inspection regime adjusted as appropriate.</p> <p>Any lessons learned could form part of the monthly contract meeting.</p>						
05	<p>The Contractor should be required to maintain an overview spreadsheet of all inspections completed to include the following:</p> <ul style="list-style-type: none"> <li>• details of all works required,</li> <li>• priority of works,</li> <li>• date works order passed to sub-contractor or completed in house, and</li> <li>• any equipment taken out of use pending assessment or repair.</li> </ul> <p>This spreadsheet should be used to monitor completion of works in a timely manner.</p> <p>We also recommend that the various templates in use for inspections are standardised to ensure a consistent approach for all inspections.</p>	Medium	<p>Noted and will be discussed with Veolia and a protocol developed.</p> <p>Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.</p> <p>Position – July 2020 No update received.</p> <p><b>Position – September 2020 No update received.</b></p>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.
06	<p>We recommend that upon receipt of the annual reports a programme of works required is completed which is prioritised and planned. The timely completion of works should be monitored, and appropriate action taken if necessary.</p>	Medium	<p>To be discussed with Veolia and a programme developed.</p> <p>Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.</p>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Play Safety Inspections 2019/20</b>							
Final report issued December 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	Where items of equipment are considered at risk, these should be reassessed and reported at the next contract meeting.		Position – July 2020 No update received.  <b>Position – September 2020</b> <b>No update received.</b>				
07	We recommend that a planned maintenance / service schedule be created for all play equipment as per the manufacturer's instructions.	Medium	To be discussed with Veolia and a programme developed.  Position – February 2020 Currently working with Veolia on this. Processes being reviewed and clarified.  Position – July 2020 No update received.  <b>Position – September 2020</b> <b>No update received.</b>	Head of Parks, Open Spaces & Projects	Jan 2020 onwards	*	Not yet ascertained.

<b>Cyber Security 2019/20</b>							
Final report issued January 2020							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	Furthermore, there should be requirement to have a process to perform a full scan on the end point devices and servers on a regular basis.	Medium	Agreed  Position – February 2020 No action as yet.  Position – July 2020 No action as yet.  <b>Position – September 2020</b> <b>In progress, trialling of a monthly user end point full scan and a monthly server</b>	Head of ICT	30 September 2020		



## APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020

<b>Cyber Security 2019/20</b>							
Final report issued January 2020							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<b>endpoint full scan. Will be resolved by 30 September.</b>				
03	The Councils should determine an appropriate percentage of staff that should complete the cyber security training – best practice would be 100%. Performance against this target should be monitored and reported.	Medium	<p>Agreed</p> <p>Position – February 2020 In progress. Security awareness training in the process of being updated prior to being circulated to all staff for completion.</p> <p>Position – July 2020 Security training updated, but yet to be confirmed to all staff. Delayed due to COVID related activities.</p> <p><b>Position – September 2020 Cyber Security training module reminder to all staff as a mandatory module will be emailed through September 2020.</b></p>	Head of ICT	30 April 2020		31 December 2020

<b>Debtors 2019/20</b>							
Final report issued June 2020							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that:</p> <ul style="list-style-type: none"> <li>A check is undertaken for all cases that are on hold (this should be a routine task undertaken at suitable intervals to be determined by management);</li> <li>Reminders are produced and sent in a timely manner;</li> </ul>	Medium	<p>Work has already begun on this recommendation as it forms part of the bigger Recovery Review. We have requested some different reports from the Efin system to help us better monitor s/debts. In terms of the bullet point about ensuring instalments are correctly applied, I would like it noted that we are not always responsible for applying instalments. Some of this work is done by the services themselves. As part of the Recovery review I</p>	Revenues Manager	30 June 2020		

**APPENDIX C – INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP - SEPTEMBER 2020**

<b>Debtors 2019/20</b> <b>Final report issued June 2020</b>							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	<ul style="list-style-type: none"> <li>Instalment reminder lists should be checked and reviewed to ensure that instalments are correctly applied and are being adhered with (this should be a routine task undertaken at suitable intervals to be determined by management).</li> </ul>		<p>will be meeting with all services to remind them to set up instalments plans that are reasonable etc. and we will be terminating instalment plans that currently see the arrangement going on into 2045 and beyond! As a recovery team we will then monitor the arrangement plans and chase for missing payments etc.</p> <p>Position – July 2020 No update received.</p> <p><b>Position – September 2020</b> <b>No update received.</b></p>				

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
1.	Herts Home Improvement Agency 2018/19. <i>These recommendations and their implementation status are overseen and monitored by Hertfordshire County Council as the lead authority but are included here for Member information.</i>	<p><u>High Priority</u></p> <p>The HHIA should review the current business continuity and succession planning arrangements in place to ensure that the service can continue to function in the absence of key officers.</p> <p>Given the existing recruitment difficulties, the Board should critically review whether the existing pay grading structure is sufficient, or indeed whether recruitment difficulties relate to underlying issues in respect of the structure, job roles and responsibilities within the Agency.</p> <p>The above recommendation is critical as whilst the HHIA may be able to secure sufficient staff capacity through the use of temporary staff, this is not financially sustainable within the business model, nor does</p>	<p>New Senior Management structure in place:</p> <p>Head of Service reporting to Head of Hertfordshire Equipment Service. Longer term continuity to be reviewed as part of the review project.</p> <p>Put in place staffing to support the service whilst review is undertaken:</p> <ul style="list-style-type: none"> <li>- MA overseeing Operations team but not undertaking operations tasks</li> <li>- Operations Manager replaced by Senior Technical Officer (Agency) with sole focus on progressing projects</li> <li>- SE acts as cover/support for MA</li> <li>- Business Development Manager resigned – to be replaced by Business</li> </ul>	Head of HHIA and Head of Hertfordshire Equipment Service (HES).	<p>In place.</p> <p>In place / in progress.</p>	<p><u>August 2019</u></p> <p>New Senior Management team in place and recruitment for Business Analyst will be complete August 2019. Senior Technical Officer role re-graded and out to advert August 2019. In discussion with HR to create a career grade for Technical roles to improve ability to attract staff. Quality Improvement plan under discussion but may be a long-term project. Quality Improvement Plan target subject to review.</p> <p><u>October 2019</u></p> <p>Standard Operating Procedures are being developed and are nearing completion.</p> <p>The new Business Analyst is now in post and will provide both</p>	Implemented

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
		it provide the required workforce stability that the HHIA requires to provide a consistent level of service and drive through key business change activities.	<p>Analyst (fixed term 1 year)</p> <p>Work with HR colleagues to review current structure, with particular focus on technical roles, although there needs to be an acceptance that there will be short-term reliance on agency staff in technical roles until these can be reviewed.</p> <p>Undertake Financial Analysis to understand potential to grow staffing with revenue</p> <p>Review of processes to improve productivity and stop blockages. To be incorporated in recovery plan.</p>		<p>Oct/Nov 2019</p> <p>Oct/Nov 2019</p> <p>In progress</p>	<p>strategic and operational statistics alongside case monitoring infrastructure. A new caseworker started in November and technical officer have been recruited and due to start on 9 Dec 19. Senior Technical Officer role was re-graded and interviews are taking place this month for the second time. A review of the HIA team structure is due to take place in early 2020. As the HIA moves towards a client centred approach.</p> <p><u>February 2020</u> HHIA follow-up audit in progress.</p> <p><u>August 2020</u> The recommendation has been implemented.</p>	
2.	Herts Home Improvement	<u>High Priority</u> Further training should be	Undertaking review of CMS system	Head of HHIA and	In progress completion by	<u>August 2019</u> Review and process	Implemented

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
	<p>Agency 2018/19. <i>As above.</i></p>	<p>provided to HHIA staff to ensure that the case management system is completed and updated in line with expectations. Regular data quality checks should be performed on the case management system to obtain assurance that records are updated in an accurate and timely manner (including a review of data exceptions – e.g. blank fields). A mapping exercise should be performed to identify the key fields within the case management system that support key monitoring and KPI routines, with data quality checks focusing in particular on these areas. We also recommend that HCC Finance is provided with access to a reporting suite within the case management system, sufficient to support the production of financial</p>	<p>Process mapping exercise completed to understand how staff currently use the system and where changes need to be made Identification of training needs for staff and resource to undertake these. Training to include inputting and quality of data. Super-user / system manager to be identified to oversee data checks, develop the system e.g. for mobile working, and work with Finance to develop reporting suite. Review access to CMS/ other reporting suites for Finance to allow for improved financial reporting or define how this will be achieved e.g. Business Analyst to report on non-SAP data.</p>	<p>Business Improvement Manager.</p>	<p>August 2019. Mapping complete. Further recommendation by Aug 2019. By August 2019 Training by Oct 2019.  Autumn 2019 (funding and resource dependent)  Autumn 2019</p>	<p>mapping complete. Some training completed July 2019 and Business Analyst (when in post) to oversee superusers and work with Finance to develop reporting protocols. Due to issues raised in review, a meeting is to be held with Foundations and systems developer in August 2019 to raise issues around outstanding development of the system. Report will be made to HHIA Board regarding potential options which could include replacing the system when the current contract ends (Sept 2020)  <u>October 2019</u> A full review of the CMS system has now been completed. Report is available - with recommendations now being incorporated</p>	

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

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		monitoring / Board reports.				<p>into the audit tracker for monitoring.</p> <p>All current HIA staff will undertake " Ferret Training" in January 2019 to ensure all staff are "up skilled" and we are resilient as a team.</p> <p>The new Business Analyst will be the Super user of the team, followed by Senior Business Support after training. The Business Analyst has begun working with finance to align CMS and SAP reporting. The Business analyst starting from November to undertake random monthly "spot check" audits.</p> <p><u>February 2020.</u> HHIA follow-up audit in progress.</p> <p><u>August 2020</u> The recommendation has been implemented.</p>	

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
3.	Herts Home Improvement Agency 2018/19. <i>As above.</i>	<p><u>High Priority</u></p> <p>A formal review of the current format, approach and underlying information to support reporting of financial position of the HHIA should be undertaken. This should include:</p> <ul style="list-style-type: none"> <li>- Review of the structure of financial performance reports, in particular ensuring that financial projections are clearly linked to performance and other key information (such as staff capacity, job over-runs etc).</li> <li>- Where assumptions are being included, in particular significant increases in activity, appropriate identification of key risks to their achievement should be included.</li> <li>- Clearer evidence should be provided of existing performance of the HHIA against anticipated performance profiles</li> </ul>	<p>Review Finance reporting with the Finance team. Utilise Finance Graduate capacity to put in place systems to capture staff capacity.</p> <p>Review 2018/19 data to identify activity trends and predict for 2019/20. Identify current risks and report on those to Board.</p> <p>Develop KPI projections and report to Board where action is being taken to address issues or meet/exceed projections.</p>	Head of HHIA, Head of HES and Head of Accountancy Services.	<p>September 2019</p> <p>September 2019</p> <p>November 2019</p>	<p><u>August 2019</u> No update as actions not yet due.</p> <p><u>October 2019</u> A review is taking place to build a more cost effective structure. A business case is being developed and will be presented early 2020.</p> <p>The new Business Analyst is now in post and beginning to provide strategic and operational statistical analysis and case monitoring infrastructure.</p> <p>A new caseworker has been recruited and started on the 4 Nov 2019. A Technical Officer has been appointed and due to start in Dec 19.</p> <p>The Business Analyst has developed a set of Key Performance</p>	<p>Partially Implemented</p> <p>Revised Implementation Date: June 2021</p>

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		<p>(financial and non-financial), with clear statements provided of corrective actions being taken where targets are not being met.</p> <ul style="list-style-type: none"> <li>- A mapping process should be considered between the financial information required to populate Board Reports and the sources where this could be derived from, with an assessment also made on the reliability of that information.</li> <li>- Finally, further clarity should be provided on the respective roles and responsibilities of HCC Finance and HHIA management in relation to creating financial / performance reports for the HHIA Board. Should reports continue to be substantially prepared by Finance, these should be subject to final authorisation by the Head of Service or relevant Assistant Director to</li> </ul>	<p>Finance Graduate to work with CMS Project Manager to look at financial reporting within both CMS and SAP to improve accuracy and reliability of reporting.</p> <p>Review of above actions when complete to agree on future reporting protocol. Consider potential options such as preparation of reports by Business Analyst or Finance having access to CMS/ financial spreadsheets.</p>		<p>September 2019</p> <p>December 2019</p>	<p>Indicators and will present to HHIA Board in November 2019.</p> <p>The financial reporting review has now been completed. Improvements which were introduced have resulted in the HHIA finance reporting now being delegated to an accountancy officer.</p> <p><u>February 2020</u> HHIA follow-up audit in progress.</p> <p><u>August 2020</u> The HIA have completed considerable work to improve financial monitoring procedures for the HIA partners and overall. However, further work is required to ensure that financial projections are made robustly, and the roles and responsibilities of the HIA and Finance</p>	



**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
		reduce the risks of a lack of future ownership.				are clearly defined. Therefore, the status of this recommendation remains in progress.	
4.	Herts Home Improvement Agency 2018/19. <i>As above.</i>	<p><u>Medium Priority</u> Acknowledging that the Board are currently developing a revised suite of key performance indicators for the HHIA, we recommend that this review includes consideration of:</p> <ul style="list-style-type: none"> <li>- Whether, given the activity-based model, the suite of proposed indicators is sufficiently wide to provide assurance over the robustness of outturn estimates. For example, indicators on areas such as capacity, productivity and contribution margins (per job) would assist the Board in gaining assurance that the use of resources is on track to achieve targets.</li> </ul>	Revised suite of KPIs to be agreed with HHIA Board – this needs to include finance and non-finance.	Head of HHIA	Sept 2019	<p><u>August 2019</u> Due to identified issues with CMS system, new KPIs cannot be agreed as it is unclear what data the system will provide. Contractor KPIs awaiting implementation but delayed due to issues with Framework concerning VAT queries.</p> <p><u>October 2019</u> No update sourced.</p> <p><u>February 2020</u> HHIA follow-up audit in progress.</p> <p><u>August 2020</u> While the KPIs for the HIA and for contractors have been created, specific threshold targets have not been</p>	Partially Implemented  Revised Implementation Date: May 2021

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
		<p>- In relation to quality measures, the Board should also ensure that these provide sufficient assurance over both contractor performance and also internal processes designed to embed quality.</p>	<p>Quality KPIs for contractors to be developed and reported to Board.</p>		<p>1<sup>st</sup> report Nov'19 for period Jun-Sept 19</p>	<p>formalised. Performance is being reported on rather than compared to a pre-established target. Therefore, this recommendation has been assessed as partially implemented. HHIA will set targets against the indicators for 2020/21 and this will be presented to HHIA partnership board going forward and once agreed.</p>	
5.	<p>Herts Home Improvement Agency 2018/19. <i>As above.</i></p>	<p><u>Medium Priority</u> As part of the development of the final business plan for 2018 to 2021, consideration should be given to further expanding the document to address the comments included within the audit finding.</p> <p>Prior to approving the revised Business Plan, the Board should ensure objectives and financial</p>	<p>Management Team and project support to revise business plan once recovery project plan in place Support will be sought from Finance team to assist with financial projections. Board to approve.</p> <p>Project work to include review of Discretionary Policy and potential demand its full</p>	<p>Head of HHIA and Head of HES</p>	<p>Dec 2019</p> <p>Dec 2019</p>	<p><u>August 2019</u> No update as actions not yet due.</p> <p><u>October 2019</u> No update sourced.</p> <p><u>February 2020</u> Financial business case has been prepared. This will then be used to develop a full business case for Spring 2020.</p>	<p>Partially Implemented</p> <p>Revised Implementation Date: May 2021</p>

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		projections included are sufficiently evidence based and achievable, as opposed to aspirations that without significant additional resource would not be achievable.	implementation may create to help map any increased staffing need.			<u>August 2020</u> A business case for the HIA has been approved, but this has not yet been developed into a full business plan as a result of disruption due to COVID-19.	
6.	Herts Home Improvement Agency 2018/19. <i>As above.</i>	<u>Medium Priority</u> The HHIA should revise existing systems to ensure that post work inspection and sign-off are completed and documented in all cases, with this also being recorded within the case management system.	Pre and post-works schedules for inspection to be developed and implemented and to be included on CMS as part of the DFG process. Periodic checks to be performed by MA or Business Analyst to ensure processes are being followed.	Head of HHIA	January 2020	<u>August 2019</u> No update as actions not yet due.  <u>October 2019</u> No update sourced.  <u>February 2020</u> There is now a Technical Officer who conducts all pre-starts and Practical Completions Sign off independent of the Trusted Assessor and other technical officers.  The Business Analyst has now started and performance reporting has now begun.  Regular spot check	Implemented

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

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						<p>audits are taking place now by the Business Analysts to ensure that all documents are uploaded.</p> <p><u>August 2020</u> Standard sign off sheets have been created that must be completed and uploaded to the CMS. There is one instance where the post-work sign-off sheet has not been uploaded to the system. This has required a change in culture, and a lack of time for the new processes to be fully embedded prior to the follow up audit taking place.</p> <p>As the standard sign-off procedures are in place, we are satisfied that the agreed management actions have been implemented.</p>	

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
7.	Herts Home Improvement Agency 2018/19. <i>As above.</i>	<p><u>High Priority</u> We recommend that the HHIA seeks further clarification (in writing) from the relevant government department in relation to the restrictions on recovering overheads from the DFG. This should include the position on whether:</p> <ul style="list-style-type: none"> <li>- It is permissible to recover general staff costs that are relevant to delivering the service, but which cannot be attributed to a specific project;</li> <li>- The current design and project management fee charges, which by their nature are set at a level to recover overheads, are permissible within the grant conditions; and</li> <li>- The cost of extended warranties can be funded through the</li> </ul>	<p>Meet with Foundations to seek relevant advice and understand where written assurances can be sought in relation to staff costs and fees.</p> <p>Use information obtained to inform project plan e.g. develop policy concerning warranties.</p> <p>Project support to work with SE/MA and Business Intelligence to develop timesheet tracker system for staff activities, similar to those in use by SIAS and HCC HR. These will more accurately track how resources are utilised.</p> <p>Review charges for works that are aborted – currently no costs are recovered so charging scheme to be put in place (if deemed permissible)</p>	Head of HHIA and Head of HES	<p>July 2019</p> <p>Oct/Nov 2019</p> <p>October 2019</p> <p>October 2019</p>	<p><u>August 2019</u> Advice sought from Foundations was contradictory but further investigation around warranties is in progress. Fees and charges and abortive works are being reviewed with a view to implementation and a time tracker for staff is in preparation (finance looking at costings to be input prior to development of tracker). Revenue model to be reviewed at end of financial year once changes made to discretionary policy, charges etc.</p> <p><u>October 2019</u> The director of ACS Iain MacBeath wrote to MHCLG in June.</p> <p>There has on-going conversation with finance regarding capitalisation of staff</p>	<p>Partially Implemented</p> <p>Revised implementation Date: May 2021</p>

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		<p>DFG, given the wider value for money implications if this not permissible.</p> <p>Given the above comment on staff overhead costs, we also recommend that the HHIA introduce more formal systems to evidence and monitor the chargeable activities performed by staff. We highlight that the implementation of a timesheet system would also ensure that appropriate evidence is available to support claims made against the DFG and will allow an increased level of management information to be produced on staff productivity.</p> <p>Should the HHIA not be financially viable without 100% recovery of all staff costs or overheads through the DFG, consideration should be given as to whether this</p>	<p>Review viability of revenue model after the above actions have been taken and analysis made. Also consider potential revenue in light of review of discretionary policy/ resources needed.</p>		<p>End 2019/20 financial year</p>	<p>overheads. The head of service has completed analysis of capitalised staff activity. This has been agreed with finance.</p> <p>We are currently investigation the possibilities of incorporating maintenance agreements into applications of specific adaptations</p> <p>We are currently looking at a supervision system to evidence/support the head of service analyse staffing time against capitalisation.</p> <p><u>February 2020</u> HHIA follow-up audit in progress.</p> <p><u>August 2020</u> The HHIA have completed considerable work to begin assessing the methods</p>	

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
		<p>issue could be resolved through DFG funding being retained by the individual partners, allowing the HHIA to invoice as a third party, although further legal and finance advice would be required.</p> <p>Alternatively, the HHIA would need to investigate whether it is viable to increase the volume of non-DFG funded adaptations, thereby providing a separate income route to address any shortfalls in costs that are recoverable from the DFG.</p>				<p>of cost recovery available to the Service. A project plan has been created to outline when costs can be recovered in respect of warrantees, and where works are aborted. A timesheet system has been implemented, with further developments scheduled when the IT resource can be made available.</p> <p>While all of the above actions have been completed, the overall status of the recommendation remains as in progress as work to assess the viability of the revenue model has currently not been completed.</p>	
8.	Herts Home Improvement Agency 2018/19. <i>As above.</i>	<u>Medium Priority</u> Should the contractor referred to in the audit finding still be required to complete any outstanding	Contractor suspended from working with HHIA	Head of HHIA, Head of HES and Head of Accountancy	Complete	<u>August 2019</u> No update as actions not yet due.  <u>October 2019</u>	Partially Implemented  Revised implementation

**APPENDIX D – IMPLEMENTATION STATUS OF HIGH AND MEDIUM PRIORITY RECOMMENDATIONS FROM THE HERTS HOME IMPROVEMENT AGENCY AUDIT**

No.	Report Title	Recommendation	Management Response	Responsible Officer	Implementation Date	History of Management Comments	SIAS Comment (August 2020)
		<p>works for legacy projects, the HHIA should consider undertaking a full Dun and Bradstreet financial report to provide assurance over the company structure and financial stability, given the potentially confusing company structures that appear to be in place.</p> <p>In addition, further advice should be sought from Legal to confirm that the contracts in place for the works (which may have originally been assigned to Eco Friendly) are still valid based on the company structure.</p> <p>The HHIA should investigate the two duplicate payments referred to in the audit finding, seeking additional support from Finance and Legal to identify if the overpayments have been</p>	<p>Specific credit checks to be made in the event that works are felt to be either sensitive or high value. Procedure to be developed. Otherwise, yearly check made of all contractors</p> <p>Review of 2018/19 payments to identify any duplicates with aim to recover with Finance and Legal</p> <p>Agreement with client</p>	Services	<p>End Financial Year 19/20</p> <p>September 2019</p>	<p>Contractor has been suspended from our use and credit checks will occur when high value or sensitive. No further duplicate payments outstanding and remedial works being completed. All actions completed aside from sign off on remedial works.</p> <p><u>August 2020</u> The contractor in question has been suspended from all work and contractors are required to provide proof of liability insurance annually.</p> <p>While all remedial works for the client are now practically complete, these are not yet formally signed off by the client and the HIA; therefore, the status of this recommendation remains as in progress.</p>	date: May 2021



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		<p>recovered, and if not, how these may be able to be recovered (i.e. if Eco Friendly is no longer a trading entity).</p> <p>Finally, the HHIA should confirm that the client for the works (referred to in audit finding) received appropriate compensation for the damage to property during the project.</p>	<p>that remedial works are to be undertaken and contractor moved from site rather than offer of compensation paid. Matter has not been raised as a formal complaint by client, who wants works rectified.</p>		<p>In progress</p>	<p>HHIA will use HCC's SAP vender numbers that are unique to each contractor on the CMS system and use these on invoice submissions so payments can be clearly checked.</p>	