



Watford Borough Council
Audit Committee Progress Report
28 July 2022

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 15 July 2022
- Approve amendments to the Audit Plan as at 15 July 2022
- Agree the change to the implementation date for 6 recommendations (paragraph 2.6) for the reasons set out in Appendix C
- Agree removal of implemented audit recommendations set out in Appendix C

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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 2022/23 as at 15 July 2022.
 - b) Proposed amendments to the approved 2022/23 Annual Audit Plan.
 - c) Implementation status of all outstanding previously agreed audit recommendations from 2018/19 onwards.
 - d) An update on performance management information at 15 July 2022.

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 2022/23 Annual Audit Plan was approved by Audit Committee on 10 March 2022.
- 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 10 March 2022.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 15 July 2022, 20% of the 2022/23 Audit Plan days had been delivered for the combined WBC and Shared Services audit plans (excludes 'To Be Allocated' days). Appendix A provides a status update on each individual deliverable within the audit plan.
- 2.2 The following 2021/22 final reports have been issued since March 2022 Audit Committee):

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Project Management – Oxhey Activity Park	Mar '22	Substantial	One low
Payroll	Apr '22	Substantial	Two low
Main Accounting	Apr '22	Reasonable	Three low
Procurement Cards	Apr '22	Reasonable	Two medium

			One low
Cyber Security	Apr '22	Reasonable	Two medium Two low
Safeguarding	Apr '22	Reasonable	One high One medium One low
Contract Waivers	Jun '22	Reasonable	One medium One low
Creditors	Jul '22	Reasonable	Two medium One low
Benefits	Jul '22	Reasonable	Two medium
Council Tax	Jul '22	Reasonable	One medium

2.3 The following 2022/23 report has been finalised since 1 April 2022.

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Green Homes Grant Certification	Jun '22	Not Assessed	N/A

Status of Audit Recommendations

2.4 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.

2.5 The table below summarises progress in implementation of all outstanding internal audit recommendations as at 15 July 2022, with full details in Appendix C:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & request made for extended time or no update received	Percentage implemented %
2018/19	30	29	0	1	97%
2020/21	28	25	0	3	89%
2021/22	29	15	11	3	52%

2.6 Since 29 March 2022 Audit Committee, extension to implementation dates have been requested by action owners for 6 recommendations as follows:

- a) One from the 2019/19 Benefits audit,
- b) One from the 2020/21 Cyber Security audit,
- c) One from the 2020/21 Communications audit,
- d) One from the 2020/21 Debtors audit, and
- e) Two from the 2021/22 Procurement Cards audit.

2.7 In respect of the one recommendation from the 2021/22 NDR audit (target date 31 March 2022), no response was provided by the action owner.

Proposed Audit Plan Amendments

2.8 The original approved Shared Services 2022/23 Audit Plan included an allocation of 30 days for audits within the Revenues and Benefits Service. Following a meeting with the Head of Revenues and Benefits and agreement with the Director of Finance (Section 151 Officer) the following audits have been agreed for use of this time and are brought to the attention of this Committee:

- Council Tax
- NDR (Business Rates)
- Sundry Debtors

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 2022/23 Audit Plan, we have provided an analysis of agreed start dates at Appendix B. These dates have been agreed with management and resources allocated.

2.10 Annual performance indicators and associated targets were approved by the SIAS Board in March 2022. Actual performance for Watford Borough Council against the targets that can be monitored for 2022/23 is shown in the table below.

Performance Indicator	Annual Target	Profiled Target to 15 July 2022	Actual to 15 July 2022
1. Internal Audit Annual Plan Report – approved by March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	N/A	Yes
2. Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (excludes unused contingency days)	95%	22% (50 / 227 days)	20% (45.5 / 227 days)
3. Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	95%	13% (2 out of 16 projects to draft)	6% (1 out of 16 projects to draft)

Performance Indicator	Annual Target	Profiled Target to 15 July 2022	Actual to 15 July 2022
4. Client Satisfaction* – percentage of client satisfaction questionnaires returned at ‘satisfactory overall’ level (minimum of 39/65 overall)	95%	100%	100% (based on two received)
5. Chief Audit Executive’s Annual Assurance Opinion and Report – presented at the first Audit Committee meeting of the financial year	Yes	N/A	Yes

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 15 JULY 2022

2022/23 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Key Financial Systems									
Council Tax						10		0.5	In Planning
NDR						10	Yes	0.5	In Planning
Sundry Debtors						10	BDO	0.5	In Planning
Finance (shared services plan) – to be allocated						30		0	
Payroll (shared services plan)						12		0	
Operational Audits									
Climate Emergency Follow Up						3		0	
Asset Management System Data						10		0	
Museum						10	Yes	9	In Fieldwork
FOI						8		0	
Trees						8		0	
Website Redesign						8	BDO	0.5	In Planning
Project Management						12		0	
Green Homes Grant	Not Assessed	-	-	-	-	3	Yes	3	Final Report Issued
Contract Management, Project Management & Procurement									
Contract Management						12		0	
Governance									

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 15 JULY 2022

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Corporate Governance						12	BDO	6	In Fieldwork
IT Audits									
Cyber Security (shared services plan)						15		0	
Shared Learning / Joint Reviews									
Shared Learning / Joint Reviews						4		1	Through Year
Follow Ups									
Follow up of Audit Recommendations						8		2	Through Year
To Be Allocated									
Unused Contingency (shared services plan)						5		0	To Be Allocated
Strategic Support									
2023/24 Audit Planning						6		0	Due quarter 4
Annual Governance Statement						3		3	Complete
Audit Committee						10		2	Through Year
Head of Internal Audit Opinion 2021/22						3		3	Complete
Monitoring & Client Meetings						7		2	Through Year
SIAS Development						3		3	Complete
Completion of 2021/22 audits									

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 15 JULY 2022

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Time required to complete work commenced in 2021/22 (7 days shared plan; 3 days WBC)						10	N/A	9.5	In Progress
WBC TOTAL						133		37	
SHARED SERVICES TOTAL						99		8.5	
COMBINED TOTAL						232		45.5	

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

APPENDIX B – 2022/23 AUDIT PLAN PROJECTED START DATES

Apr	May	June	July	August	September
	Museum In Fieldwork	Corporate Governance In Fieldwork	Website Redesign In Planning	Contract Management	Sundry Debtors (Shared services plan) In Planning
		Green Homes Grant Final Report Issued			Finance – scope to be determined (Shared services plan)

October	November	December	January	February	March
Project Management	Asset Management System Data	FOI	Trees	Cyber Security (Shared services plan)	
Climate Emergency Follow Up	Payroll (Shared services plan)				
NDR (Shared services plan) In Planning	Council Tax (Shared services plan) In Planning				

Audit Plan 2018/19

Benefits 2018/19							
Final report issued April 2019							
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>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 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 Issue has now been escalated with Northgate.</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 1st and 2nd 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</p>	Benefits Manager	31 May 2019	*	<p>31 October 2019</p> <p>30 June 2020</p> <p>30 Sept 2020</p> <p>31 March 2021</p> <p>30 Sept 2021</p> <p>30 November 2021</p> <p>31 January 2022</p> <p>15 March 2022</p> <p>31 August 2022</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Benefits 2018/19 Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>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>Position – November 2020 The required system upgrade was planned for the end of October but did not go live due to system performance issues. This is now expected in March 2021. Discussions are however, taking place with Northgate to see if an interim measure is available so that obsolete data can be removed from the system.</p> <p>Position – February 2021 We are on schedule to upgrade the information@work system 19/20 March 2021. Once it's upgraded we can re-test the retention and destruction module.</p> <p>Position – July 2021 The system upgrade planned for March 2021 did not go-ahead as we had limited time to carry out testing and were not in a position to be able to sign off the product. A new go-live date has been set for 7/8 September 2021 and testing has commenced.</p> <p>Position – September 2021 We currently are unable to upgrade due to not having a fully operational Test system. All parties are in communication and are trying to identify the issue so that we can progress with testing.</p>				

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Benefits 2018/19							
Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Position – November 2021 The upgrade to our Document Processing System is now scheduled to take place on 20 & 21 January 2022. Revs and Bens have been working with our IT department and our supplier to overcome the problems we had with the test system. Testing is scheduled to start this month (November 2021).</p> <p>Position – February 2022 The long awaited upgrade took place on 04.02.22. We are now amending the scripts that will destroy the old documents. The scripts are being amended to do two things that they did not do before: 1. To look for claims that have an outstanding housing benefit overpayment but a non-live housing benefit claim, and 2. Live housing benefit claims. Where the script identifies claims under 1 & 2 no documents will be destroyed regardless of their age as they may be required for audit, for fraudulent investigations and for recovery of overpayments.</p> <p>Position – July 2022 Consultancy is being arranged to assist with a complete re-write of the scripts to destroy unwanted documents. Whilst the writing and testing of a new script is in progress which will automate the whole process we will manually start identifying old documents and destroy them.</p>				

Audit Plan 2020/21

Cyber Security 2020/21 Final report issued March 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>Management should ensure that physical network ports are configured to the appropriate authentication control (802.1X).</p> <p>Furthermore, management should establish a network access control to block unknown or unauthorised devices from connecting to the Councils' IT network. This should include restricting the ability to physically connect to the Council's IT network.</p>	Medium	<p>We have an intrusion detection system in place, which would identify any devices connecting to the network. This is a project we will review and look to implement, assuming budget is available to do so.</p> <p>Position – July 2021 Resources are focussed on the Littlefish transition and implementation. This implementation is not yet due until March 2022.</p> <p>Position – September 2021 Resources are focussed on the Littlefish transition and implementation. This implementation is not yet due until March 2022.</p> <p>Position – November 2021 As above.</p> <p>Position – February 2022 Market assessed as to the product options and costs. Products assessed: CISCO and Forescout. Additional budget required in order to go ahead. IT steering group decision. Paper with options and risks for assessment and decision by that board in March 2022.</p> <p>Position – July 2022 ITSG board meeting delayed. This paper is scheduled for decision at the 19 July board. The recommendation from Head of ICT, given the additional budget required is to not proceed with the recommendation at this time and instead consider a solution in line with the refresh of the Councils</p>	Head of ICT	31 March 2022	*	31 July 2022

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Cyber Security 2020/21							
Final report issued March 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			corporate WIFI technology solution in 23/34.				

Communications 2020/21							
Final report issued May 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that the service updates all its policies to ensure that they reflect the current process followed.</p> <p>Going forward, the service should ensure that the policies are updated at regular intervals, and proper version control introduced.</p>	Low	<p>These policies were due to be updated in 2020 but due to the impact of Covid-19 this has been delayed.</p> <p>Position – July 2021 No update received.</p> <p>Position – September 2021 The service has had a very busy summer leading on the communications and engagement for a range of priority council initiatives and projects (e.g. mass vaccination clinics, Sustainable Transport Strategy). An additional resource provided by a Kickstart appointment will be supporting this work.</p> <p>Position – November 2021 Overall guidance on publicity and communications has been updated. The team is still working through additional policies.</p> <p>Position – February 2022 Main policies updated.</p> <p>Position – July 2022 Review of all policies underway for 2022/23.</p>	Head of Communications and Engagement	31 October 2021	*	<p>28 February 2022</p> <p>31 March 2023</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Debtors 2020/21 Final report issued June 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
03	Consideration should be given to an annual review of debtor accounts to identify duplicate or dormant for deletion or deactivation.	Low	<p>Position – July 2021 We will speak to Finance about the best way of doing this.</p> <p>Position – September 2021 A complete review of the entire Sundry Debtor service has recently been commenced and this will be included as part of the review.</p> <p>Position – November 2021 No update received.</p> <p>Position – February 2022 No update received.</p> <p>Position – July 2022 To date we have not been able to resource this review as we have had to prioritise Grant work and more recently the Council Tax Energy Rebates. We will pick up this project towards the end of the calendar year once the Energy rebate work is completed.</p>	Recovery Team Leader, Revenues Manager and Finance.	31 August 2021	*	31 October 2021 31 December 2022

Audit Plan 2021/22

Customer Services - Digitalisation 2021/22							
Final report issued November 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>Management should complete the work required to set the agreed data retention periods against each live process in the system and develop the scripts and processes for data erasure.</p> <p>The defined procedures should be formally documented, tested and communicated to staff and they should be reviewed on a routine basis or following a significant change to the operation of the Council, the Customer Services Department or the FirmStep system.</p>	Low	<p>Position – November 2021 Work is underway to agree, test and communicate data retention periods within the Firmstep system with services and formally document the process for responding to subject access requests.</p> <p>Position – February 2022 Initial work to establish retention periods across the organisation in progress. However, there is an issue with the current version of the data retention module meaning information is not deleted from the back-end database when required. There is an open call with the software company to move to their new real-time reporting module, which will in turn deliver the necessary improvements to the data retention module and allow for successful implementation.</p> <p>Position – July 2022 Data retention periods have now been set within the Firmstep system according to agreed service specific data retention periods.</p> <p>Process for deletion of personal data has been drafted and implemented. Those team members who would administer the process are aware of the process.</p>	Head of Customer Services	30 November 2021	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Project Management – Oxhey Activity Park 2021/22							
Final report issued March 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>For future projects, the approval of the PID should be clearly recorded in the minutes of the relevant meeting.</p> <p>Where approval is subsequently obtained outside of the meeting, then this should be taken to the next meeting to be formally recorded.</p>	Low	<p>Following the implementation of the Enterprise Programme Management Office and associated new governance arrangements in September 2020, which included the formation of the EPMO Assurance Group, the required documents for each project is tracked via the EPMO. This includes a dated key indicating when documents have been received and approved. In the event that documents, such as PIDs are reviewed by the EPMO Assurance Group but not subsequently approved, this is logged on the tracker and the EPMO Coordinator will agree a date with the Project Manager for the document to be resubmitted for approval. The approval of such documents is recorded within the EPMO Assurance Group minutes and reported directly to Leadership Board as part of the 6-weekly reports on programmes and projects. In addition, the new style highlight reports adopted from December 2020 include a decisions log where the approval of any project documentation, along with other key project decisions, are recorded. These decisions are then available within the council's business intelligence platform so that a transparent record is retained.</p> <p>Position – July 2022 Implemented</p>	Head of Enterprise Programme Management Office	Implemented	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

NDR 2021/22							
Final report issued March 2022							
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"> A review of existing NDR cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. <p>Write-offs are conducted at regular intervals going forward (e.g. quarterly).</p>	Medium	<p>In 2022/23 write-offs will be done on a monthly basis.</p> <p>Position – July 2022 No update received.</p>	Revenues Manager	31 March 2022	*	

Safeguarding 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>When temporary staff members are being appointed, the Council should ensure that necessary safeguarding checks have been completed prior to the employee starting work, and that appropriate records are maintained.</p> <p>If there is an expected delay to such checks being performed, a decision should be recorded to delay the start date until completed</p>	High	<p>HR Management will remind Comensura of the pre-employment checks required by Watford prior to someone starting.</p> <p>HR will carry out spot checks of temporary staff and ask Comensura [or any other provider] to provide evidence of the checks undertaken at least annually.</p> <p>HR will ensure the specification for a future agency partner includes all requirements for pre-employment checks to be undertaken and the checking process to be in place to ensure compliance.</p> <p>Recruiting Managers across the council will be reminded of the need to ensure all compliance documentation is received prior to</p>	Head of HR (Operations)	<p>1 June 2022</p> <p>1 April 2023</p> <p>When required.</p> <p>1 June 2022</p>	<p>✓</p> <p>*</p> <p>✓</p> <p>✓</p>	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Safeguarding 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved x or ✓	Revised Deadline
			<p>commencement of staff in post and the different requirements if agency staff come through Comensura or direct through agency to the council.</p> <p>Position – July 2022 Comensura have been reminded of the pre-employment checks required. Their booking system has the requirement for a DBS check as a pre-requisite. The tender specification for the current tender process for future agency partner has included the requirement for DBS checks to be carried out. HRBPs have reminded managers of the compliance documentation required and this will be raised as new bookings are made.</p>				
02	<p>The Leadership Board has set a 3-month deadline for all courses to be completed (31st March 2022). A list of all mandatory e-learning completion rates should be presented to the board periodically to ensure this is achieved.</p> <p>Going forward, mandatory e-learning monitoring reports should be produced on a monthly basis, filtered by department and sent to the respective departmental heads to cascade to line manager.</p>	Medium	<p>Monthly reports to be created and circulated to Heads of Service to enable action.</p> <p>Leadership Board to monitor and managed any areas not meeting training requirements through normal performance routes.</p> <p>Position – July 2022 E-learning reports are being presented to LB on a quarterly basis and more frequently if requested.</p>	HR Business Partner	<p>1 July 2022</p> <p>1 June 2022</p>	<p>✓</p> <p>✓</p>	
03	As per the Project Management Framework, each project should have a risk register which keeps a live log of all project-specific risks, and what measures have been put in place at each stage of the project to mitigate these risks. Safeguarding risks should	Low	<p>1. The project management framework toolkit is being reviewed and updated to ensure sufficient information is included to set out the requirements for a risk register, including safeguarding and that these are monitored.</p>	Head of Enterprise Programme Management Office	1 October 2022	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Safeguarding 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	be a key feature in all project risk registers to ensure they are closely monitored and considered at different stages of the project.		<p>2. Refresher training and direction on managing safeguarding in projects is to be given at the next project managers forum.</p> <p>3. Safeguarding management to be included in annual audit checks planned for development and implementation across all projects managed through the EPMO.</p> <p>Position – July 2022</p> <ol style="list-style-type: none"> 1. Project Management Framework reviewed. 2. Project Manager Forum scheduled for October 2022. 3. Planning underway and included in PDR of EPMO Coordinator. 		<p>1 October 2022</p> <p>1 April 2023</p>		

Main Accounting 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	We recommend that periodic reviews take place of all leavers to ensure that no leavers with systems access have been missed.	Low	<p>A change to the notification process has been implemented and finance now received a notification email about all leavers.</p> <p>A formal periodic review process will be implemented.</p> <p>It is not possible for leavers to access council systems after their employment ends as they</p>	Finance Section Head/Finance Systems Manager	31 May 2022	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Main Accounting 2021/22 Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			would require hardware and logon credentials which are revoked by IT. Position – July 2022 Rather than relying on leavers forms alone we are now comparing to HR records.				
02	We recommend that the reviewer signs off the reconciliation promptly after completion.	Low	We accept the recommendation and will be making changes to our process for tracking completion of reconciliations to better identify reasons for any delay. Position – July 2022 Reminder has been sent to all those doing reconciliations to promptly sign off.	Finance Section Head/Finance Systems Manager	30 June 2022	✓	
03	We recommend that procedure notes are produced for feeder system reconciliations to enable them to be carried out correctly and checked in a timely manner. We also recommend that Benefits system reconciliations are signed and dated by another person in Finance.	Low	Procedure documents will be reviewed and updated/created as required. Timeliness of reconciliation will be monitored and managed as part of the tracking processes referenced in the response recommendation 2, above. Position – July 2022 On target.	Finance Section Head / Finance Systems Manager	31 October 2022	*	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Procurement Cards 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>All transaction logs should be signed off by the card holder and a member of management to ensure that transactions are accurate and that there is a reviewer who can confirm that the transactions are appropriate and in line with Council needs.</p> <p>Receipts for all transactions should be retained to ensure VAT is being accounted for appropriately and there is evidence for the purchases made.</p> <p>VAT should be appropriately accounted for on transaction logs as this can affect the amount of recoverable VAT the Council can claim back, therefore creating unnecessary losses.</p>	Medium	<p>Existing guidance covers the requirement to retain receipts, and to document net/vat split on their transaction logs. Guidance will be re-circulated with a reminder of the importance of observing these requirements.</p> <p>In mitigation we can suspend the use of cards where holders do not comply with the requirements. Transaction logs and receipts are reviewed by Finance Officers do not post VAT element if a receipt is not provided.</p> <p>Position - July 2022 New guidance has been written and will be sent out by the end of July.</p> <p>We are currently evaluating possible system solutions to introduce workflow on card payments. These have the potential to improve the control environment around VAT, Receipts, and authorisations. Any decision will be subject to value for money considerations.</p> <p>Position – July 2022 We did review three systems/solution being Lloyds card management, ExpenseMate and SapConcur solution. We decided that we would tighten our manual processes without the expense of a system. However, we may revisit this.</p>	Finance Manager – Systems Shared Services	20 May 2022	*	1 August 2022
					31 October 2022	✓	
02	<p>Controls should be implemented to mitigate the risk of potential fraud and overspend on budget from multiple people using the same procurement card. This could be in the form of acquiring a finance system to support the use of procurement cards, by</p>	Medium	<p>A reminder of existing rules against the sharing of cards will be circulated.</p> <p>Position – July 2022 New guidance has been written and will be sent out by the end of July.</p>	Finance Manager – Systems Shared Services	20 May 2022	*	1 August 2022

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Procurement Cards 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	providing other card users with their own card or through creating a system with the banks to provide single use e-cards for one-off transactions.		<p>A review of card holders will be undertaken to ensure cards are held at the appropriate level. This will follow the evaluation of potential system solutions for the management of purchasing cards.</p> <p>If a system solution is pursued, it may result in the ability to use an e-card and/or single-use card technologies which will further mitigate the risk of cards being shared.</p> <p>Position – July 2022 We will be sending communications which will cover sharing of cards and the correct people to have cards by the original target date.</p>		31 October 2022		
03	Version control, a table of changes to the policy and details of the author, reviewer and the next review date should be included at the start of the procedure document to ensure the document is up to date and staff are using the current version of the document when needed.	Low	<p>Policy to be reviewed and version control table to be added.</p> <p>Position – July 2022 Resolved.</p>	Finance Manager – Systems Shared Services	30 May 2022	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Cyber Security 2021/22 Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>1.1 Management should ensure that appropriate monitoring controls are in place for the password monitoring and management activities. These should include but not be limited to the following:</p> <ul style="list-style-type: none"> • brute-forcing of account passwords including password spraying, • login attempts from unexpected geographic areas, • unexpected account lockouts • password database for the deny list hashes, • other unusual behaviour from users. <p>1.2 The above proposed controls, once in place, should be actively reported upon, through the periodic cyber security reports, to the senior management.</p>	Medium	<p>01 Mar 2022 the Azure AD Password Protection was implemented. Users will not be able to change passwords to weak passwords nor known passwords nor passwords from our Ban List of password.</p> <p>1.1 – requires a third-party tool and associated funding would be required. The implementation of the password protection for Azure AD lowers the risk.</p> <p>1.2 - this would be dependent on the ability to fund with a third-party tool – 1.1.</p> <p>Position – July 2022 Third party tools currently being reviewed and costed. Item not yet due.</p>	Head of ICT	31 March 2023	*	
02	<p>Management should ensure that the Cyber/IT risks are regularly reported and monitored at the ITSG meetings, evidenced by the meeting minutes. Management should update the ITSG terms of reference (ToR) to ensure that the attendees include SIROs from both the Councils.</p> <p>In line with the updated ToRs, the SIROs from both Councils should</p>	Medium	<p>Agreed.</p> <p>Position – July 2022 SIRO's from both Councils, attend ¼ ITSG meetings. ToR have been updated to reflect this.</p> <p>IT risks are reported to ITSG on a ¼, with changes to risk noted.</p>	Head of ICT	30 April 2022	✓	

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Cyber Security 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	regularly attend the ITSG meetings to ensure they are regularly informed and are accountable for the decisions regarding how essential functions and information systems are protected.						
03	Management should conduct regular monthly vulnerability scans across the entire IT estate including endpoint, to identify and mitigate vulnerabilities including software flaws, missing patches, misconfigurations and malwares.	Low	This would require additional budget and would need a growth item approved, as there are licence implications for the Qualys scanner. Position – July 2022 Extension of current third party tools currently being reviewed and costed. Item not yet due.	Head of ICT	31 March 2023	*	
04	Management should review the domain administrator accounts including generic and service accounts to ensure business reasons for these accounts are documented and formally reported to the Change Advisory Board (CAB) for risk acceptance and approval.	Low	Agreed. Separate starters, leavers and movers, into policy and procedure, ensure this is included within this policy. Documentation of the existing privileged accounts will be submitted to CAB. Position – July 2022 Reviewed and documented and submitted through CAB for approval – approved.	Head of ICT	30 June 2022	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Payroll 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	Evidence of approvals for additional payment claims given by managers should be retained in -the employee's personal file. Overtime claims are made by the employee and authorised by the manager within the iTrent system.	Low	HR will ensure that evidence of approvals for additional payment claims are retained in employee personal files. Position – July 2022 Evidence of approvals for additional payment claims have been saved in the employee's folder and we will ensure future claims are also saved to file. Overtime claim forms are authorised by the manager within the iTrent system.	Head of HR (Operations)	30 April 2022	✓	
02	Policies that explain the processes and procedures that need to be followed for processing new starters or leavers should be put in place to guide managers.	Low	Guidelines for managers in relation to the starters and leavers processes will be restored to the Intranet. Position – July 2022 Starters and Leavers Guidelines have been uploaded to the Intranet.	Head of HR (Operations)	30 September 2022	✓	

Contract Waivers 2021/22							
Final report issued June 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	We recommend Procurement and Legal advice is sought (and recorded on the corporate form) before waivers are raised and sent to management for approval.	Medium	This will need discussion with Leadership Board (WBC) / Corporate Management Team (TRDC) and if agreed amendment to the existing firmstep forms. Position – July 2022 Not yet due.	End of September discussion with Leadership Board / Corporate Management Team	30 September 2022	*	

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Contract Waivers 2021/22							
Final report issued June 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	A tracker should be established to record the waiver process and waivers should remain “open” until all relevant evidence is received from services to demonstrate compliance with the Contract Procedure Rules. An annual waivers report should be produced for senior management and members at both authorities to ensure there is accurate and transparent reporting of waiver activity.	Low	The shared service procurement manager should now receive copies of all exemptions. Agree to prepare an annual waivers report for both authorities. Position – July 2022 Not yet due.	Procurement Manager	31 March 2023	*	

Creditors 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	We recommend the Council completes a review of all supplier's setup on the eFinancials system to identify if any other employees have been setup as a supplier. Any supplier accounts which are found to be employees should be removed from the eFinancials system and the Council must prohibit the use of payment vouchers to make payments to employees.	Medium	Agreed that a review of supplier accounts will take place. Any staff will be removed. Staff identified will be contacted to advise them of correct procurement routes and processes for claiming expenses. Position – July 2022 Not yet due.	Finance Manager (Systems)	31 July 2022	*	
02	We recommend: 1. The Council creates a policy/procedure covering the use of CHAPS and Faster Payments. This	Medium	A process note for CHAPS and Faster Payments will be written along with a scheme of delegation, agreed by S151 Officer and published on the intranet.	Finance Manager (Systems)	26 August 2022	*	

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Creditors 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	<p>will include:</p> <ul style="list-style-type: none"> The criteria which must be met to use CHAPS and Faster payments, The process for requesting and approving these payments, Which officers can request and approve these payments and how delegated limits will be set. <p>2. The Council updates the Payment Voucher request procedure to outline the types of payments which are eligible and ineligible to be made using this method.</p> <p>3. The policy and procedures for CHAPS, Faster Payments and Payment Vouchers are communicated/re-communicated to all relevant staff across the Council (e.g., in a corporate communication) and placed on key staff systems such as the Intranet for reference</p>		<p>Agreed and will be published as per the above.</p> <p>Agreed they will be published on the intranets and a communication to all staff.</p> <p>Position – July 2022 Not yet due.</p>				
03	<p>We recommend a reminder notification (e.g., email) is issued to all officers involved in approving new suppliers. This is to re-iterate that complete backing evidence must be obtained through the paperclip attachment and cross checked against the details in the new supplier request form, prior to approving the supplier.</p> <p>Should any details entered in the new supplier request form not be supported by backing evidence, the request must be rejected, and the</p>	Low	<p>Agreed we will remind the evidence required to raise a supplier and what the correct checks are.</p> <p>Position – July 2022 Not yet due.</p>	Finance Manager (Systems)	31 July 2022	*	

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Creditors 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	approving officer should contact the requestor to ask for full documentation to be provided in a new request.						

Benefits 2021/22							
Final report issued July 2022							
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"> A review of existing housing benefit overpayment cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. Write-offs should be conducted at regular intervals going forward (e.g. quarterly). 	Medium	<p>Agreed.</p> <p>Position – July 2022 Not yet due.</p>	Recovery Team Leader	31 July 2022	*	
02	We recommend that the number of officers with administrator privileges on the Academy system should be restricted to a minimum number of individuals to preserve the integrity and security of the system.	Low	<p>Agreed.</p> <p>Position – July 2022 Not yet due.</p>	Data & Performance Manager	31 July 2022	*	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – JULY 2022

Council Tax 2021/22							
Final report issued July 2022							
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"> • A review of existing Council Tax cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. • Write-offs are conducted at regular intervals going forward (e.g. monthly). 	Medium	<p>Agreed.</p> <p>Position – July 2022 Not yet due.</p>	Revenues Team Leader	<p>31 August 2022 for the review of write-off's pending.</p> <p>Ongoing write off's to be processed monthly starting from July 2022.</p>	*	