Cheltenham Borough Council

Report of Internal Audit Activity

Plan Progress 2018/2019
January 2019

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Contents

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Our audit activity is split between:

- **Governance Audit**
- **Operational Audit**
- **Key Control Audit**
- **IT Audit**
- **Other Reviews**

- ## Role of Internal Audit

The Internal Audit service for Cheltenham Borough Council is provided by SWAP Internal Audit Services (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Governance Audits
- Operational Audits
- Key Financial System Controls
- IT Audits
- Other Special or Unplanned Review

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer, following consultation with the Council's Management Team. The 2018/19 Audit Plan was reported to, and approved by, Audit Committee at its meeting in April 2018.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk.

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Outturn to Date:

We rank our recommendations on a scale of 1 to 3, with 1 being a major area of concern requiring immediate corrective action and 3 being a minor or administrative concern

● **Internal Audit Work**

Each completed assignment includes its respective "assurance opinion" rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit "Audit Framework Definitions" as detailed in **Appendix A** of this document.

The schedule provided at **Appendix B** contains a list of all audits as agreed in the Internal Audit Annual Plan 2018/19. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

As agreed with this Committee where a review has a status of 'Final' we will provide a summary of the work and further details to inform Members of any key issues, if any, identified.

Further information on all the finalised reviews can be found within **Appendix C**.

At **Appendix D** we have included a schedule of the high priority recommendations that were identified during 2017/18. These will be updated when the follow-up audit has been completed.

Appendix E summarises all 2017/18 and 2018/19 recommendations and the progress made against these.

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We keep our audit plans under regular review to ensure that we audit the right things at the right time.

- Approved Changes to the Audit Plan

The audit plan for 2018/19 is detailed in **Appendix B.** Inevitably changes to the plan will be required during the year to reflect changing risks and ensure the audit plan remains relevant to Cheltenham Borough Council. Members will note that where necessary any changes to the plan throughout the year will have been subject to agreement with the appropriate Service Manager and the Audit Client Officer.

No Changes have been made to the plan since the last meeting of this Committee.

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At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- **No Assurance**
- **Partial**
- **Reasonable**
- **Substantial**

- Audit Framework Definitions

Control Assurance Definitions

No Assurance	The areas reviewed were found to be inadequately controlled. Risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The "advice" offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

- Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation 5 = Major ↔ 1 = Minor					Comments
						5	4	3	2	1	
2017/18 Audits – Draft / In Progress at Annual Opinion											
ICT	Protection from Malicious Code		Position Statement								
ICT	ICT Policies		Final Report	Reasonable	1			1			
ICT	Public Services Network Submission (PSN)		Final Report	Reasonable	2			2			
Key Financial Control	Fighting Fraud Locally		Final Report	Reasonable	5		1	4			
Key Financial Control	Serious and Organised Crime Checklist		Final Report	Reasonable	1			1			
Key Financial Control	Serious and Organised Crime Audit		Final Report								
Governance	Audit Committee Effectiveness		Discussion Document								
Follow-Up	Safeguarding		Final Report								10 of the 11 Recommendations have been actioned
Advice and Consultancy	Equalities and Diversity		Complete	Non-Opinion							

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
2018/19 Audit Plan									
Governance	Annual Governance Statement	1	Final Report	Substantial	-				See Appendix C
Operational	Licencing / Planning / Planning Enforcement	1	Position Statement Issued	N/A	-				See Appendix C
ICT	Data Protection Act 2018 (GDPR)	1	Draft Report						
Advice and Consultancy	Workforce Strategy	1	Initial Meeting						
Operational	Procurement and Contract Management	1	In Progress						
Other Audit Involvement	Disabled Facilities Grant Certification	1	Complete	N/A					
ICT	Public Services Network Submission (PSN)	2							
Operational	Members and Officers Gifts and Hospitality and Declarations of Interest	2	In Progress						
Operational	Regulatory Awareness and Compliance	2	In Progress						
Operational	Business Continuity Management	2	Final Report	Reasonable	5	1	3	1	See Appendix C
Follow-Up	Ubico Recyclates	2	In Progress						

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
Follow-Up	Ubico Data Monitoring	2	In Progress						
Advice and Consultancy	Ubico Finance Review (New)	2	Final Report	Position Statement	1			1	See Appendix C
Advice and Consultancy	DFG Process (NEW)	2	In Progress						Day taken from contingency
Advice and Consultancy	P & ED Transformation Project	1 – 2							
Key Financial Control	Revenues and Benefits	3							
	• National Non-Domestic Rates		In Progress						
	• Council Tax		In Progress						
	• Council Tax Benefit		In Progress						
Key Financial Control	Core Financials	3							
	• Accounts Payable		Draft Report						
	• Accounts Receivable		In Progress						
	• Main Accounting		In Progress						
	• Payroll		In Progress						
	• Treasury Management and Bank Reconciliation		Draft Report						

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
Key Financial Control	Systems Administration	3	In Progress						
Key Financial Control	Human Resources	3	In Progress						
Key Financial Control	Other Support Service provided by Publica • Procurement	3	In Progress						
Advice and Consultancy	Commissioning	3							
Governance	Risk Management	4							
Governance	Performance Management	4							
Key Financial Control	Serious and Organised Crime	4							
Operational	Discretionary Housing Payments (DHP)	4	Final Report	Reasonable	5			5	
Operational	Corporate Culture	4							
Advice and Consultancy	CBC Organisational Change Project (Not yet defined)	3 – 4							
Follow-Up Audits	Follow-Ups of Recommendations made in Substantial and Reasonable Audits	1 – 4	On Going						
	• MTFS								All recommendations Actioned

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
	• Grant Payments to Third Parties								1 recommendation complete, 1 waiting further information
	• S106 Agreements and Funds								3 recommendations complete, 2 have revised target dates
Advice and Consultancy	Cemetery and Crematorium Development	1 – 4	On Going						
Advice and Consultancy	Parking Strategy / Cheltenham Task Force	1 – 4	On Going						
Advice and Consultancy	Publica Governance	1 – 4	On Going						
Advice and Consultancy	Change Programmes	1 – 4							
Other Audit Involvement	Provision for Grant Certifications	1 – 4							
Other Audit Involvement	Management of the IA Function and Client Support	1 – 4	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks								
	Other ICT Audits – to be agreed with SWAP ICT Auditor and ICT								
	Leisure and Culture Trust – Days from 2017/18								Scope to be discussed with CFO

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
Adding Value / Benchmarking Reports	Gifts and Hospitality								
	B & B VAT Charges								
	Risk Policy / Strategy								
	Data Protection Policy and Information								
	Business Continuity Management								
	Sickness Management								
	Parking Services								
	Business Rates Maximisation								
	Revenues Debt Recovery								
	Building Control Market Share and Fee Structure								

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Summary of Audit Assignments Finalised since the last Audit Committee

Audit Assignments finalised since the last Audit Committee:

- Summary of Audit Findings and High Priority Service Findings

The following information provides a brief summary of each audit review finalised since the last Committee update.

2018/19 Annual Governance Statement – Substantial Assurance
The Heads of Service and Directors were asked to complete and return a Management Assurance Statement (MAS). The MAS is a declaration that adequate governance measures are in place.

A proportion of the Managers Assurance Statements were examined and were confirmed as completed fully, correctly and in line with the required templates. The MAS are therefore able to be taken as assurance in compiling the Annual Governance Statement.

The Annual Governance Statement was compared to the CIPFA Governance Framework (2016) and was completed in line with the framework's requirements. The statement was drafted, and then considered at the Audit Committee meetings ahead of the deadline of 31st May. The statement is publicly available, within the Annual Statement of Accounts on Cheltenham Borough Council's website.

It is recognised that the Annual Governance Statement is drafted by the Head of Internal Audit based on MAS returns and knowledge of the governance environment gained through audit work carried out during the year. It should be noted that although requested by the Council, consideration should be given to it being completed outside of internal audit to further demonstrate independent assessment.

2018/19 Planning Process – Position Statement
A review of the Planning process was included in the 2018/19 Annual Internal Audit Plan. The scope of the review was to assess that planning applications were being processed in accordance with agreed processes and procedures and

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that officers or elected members were not being unduly influenced in the decisions they make.

A Terms of Reference document was drafted with input from the Director of Planning, but due to the changes being introduced within the Planning service, as part of the Council's Modernisation project, and following discussion with the Interim Head of Planning, we have agreed that an audit at this time will not add any value. We have issued this Position Statement which provides information on where the service is at this current time.

- An Interim Head of Planning was appointed in September 2018 on a fixed term contract until March 2019.
- The appointment focusses on the performance agenda, reviewing operational practices to improve application processing times. We were advised that whilst statutory timeframes with regard to speed of determination of all applications are being met and exceeded, a potential risk does exist with regard to the 10% threshold, set by the Ministry of Housing, Communities and Local Government (MHCLG), as a Quality performance indicator in respect of Major applications. The tolerance is based upon the number of major applications which are allowed at appeal in a 2 year rolling timeframe expressed as a percentage of the total number of major planning applications determined in that timeframe. In the last return published by MHCLG the Council was at 5.1% and therefore uncomfortably close to the threshold. If the authority was designated, the Applicant would have the right to apply directly to the Ministry to determine major applications with the Council relegated to a role of a consultee to the application process as well as losing any fee income associated with the proposed development, which can be significant. Therefore, there is a real risk of both significant reputational and financial harm to the Council should this take place. Whilst, most recent calculations show that this figure is now 0% as a result of the rolling nature of the calculation, given the small number of major applications which the authority deals with in a 2 year rolling period and the fact that there are currently a number of appeals in the system which potentially could be unsuccessful at appeal, this area of the service needs to be carefully monitored to ensure the Council does not again find itself close to the threshold.
- The planning applications allocations process and sign off procedure has been reviewed and changes put in place to ensure fair and equitable workloads which focuses on ensuring that the correct level of work is allocated to each officer based upon experience and seniority. This is driving efficiencies in the service and greater consistency in report writing.
- The pre-application advice and charging regime has recently been reviewed, however, the service considers that a further review is needed to ensure realistic performance targets are set (currently set at 10 days for all responses) as well as reviewing the charging regime to maximise revenue in a commercial context. In addition, the review is also aimed at providing a much more responsive and customer focused service, including fast tracked response (with higher fees) and the introduction of Planning Performance Agreements.

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• A number of access reports have been developed to allow managers and officers to monitor ongoing performance. This has allowed performance management to be put in place by providing meaningful data on individual officer performance as well as a breakdown of service performance at each level of the process. Performance management data is shared openly across all officers and reported at appropriate intervals via the email Member Briefing.

• To help manage the planning application process, a new system 'ENTERPRIS' is being developed. This will remove the paper-based systems currently being used and allow for effective agile working.

• Mobile technology is being introduced which will allow officers to access systems whilst on site/from home thus improving some of the delays currently being experienced. Laptops have now been provided to all officers and mobile phones are in the process of being ordered. There is some delay in the latter due to the corporate renegotiation of the mobile phone contract.

• We were advised that there were no instances where officers had reported being unduly influenced by applicants/developers or where complaints had developed further.

In September 2016 Audit Cotswolds undertook an audit of the Planning Applications process, a 'Satisfactory' level of assurance was given at that time and we can confirm that the recommendations made in that review have been actioned. Once the current re-designing of the service is complete and time given to embed the new ways of working and use of the new technology, a compliance audit may be considered appropriate to provide Members with the assurances they seek.

2018/19 Business Continuity Management – Reasonable Assurance
The Corporate Business Continuity Plan (CBCP) was reviewed and found to have been last updated in 2016. Within the document footer it states the last review was October 2014 as version 3, however there is no provision within the document to record revision history to either confirm the changes made or the review dates they occurred on.

It has been recognised that Cheltenham Borough Council (CBC) have identified the need to review and update both their service Business Continuity Plans (BCPs) and the CBCP. Service areas had been tasked with updating their BC Plans and at the time of the audit this was in process. Service providers had also been requested by CBC to provide copies of their BCP's which, at the time of the audit conclusion, all had done so. Due to the service BCP's being developed, only the CBCP was subject to review as part of this audit.

The ICT service plan last updated in October 2016 had been completed using the same template as the CBCP. This ICT plan has also not been reviewed as an up to date shared ICT service plan has been developed with the partner

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authorities of CDC, FODDC and WODC. This shared plan is currently being provided to Leadership Team within CBC for approval for use by CBC going forward.

The CBCP was assessed for its compliance to the Civil Contingencies Act 2004 and generally complied with the high-level requirements. Recommendations have been made to address the identified weaknesses.

During our comparison exercise we found CBC were the only authority that had developed a text messaging service to alert staff of issues and any actions required. This allows prompt delivery of crucial information to key staff when required.

With the current CBCP in place and a review underway to bring it up to date we can confirm there are controls in place that, in the case of an emergency, would allow CBC to manage the situation and help maintain the expected delivery of services.

2018/19 – Ubico Financial Review
This review has found that Ubico's accounting processes during 2017/18 were unsatisfactory to accurately manage the expenditure incurred while maintaining vehicles at its Cheltenham depot. We identified:
 • Considerable expenditure was allocated to Cheltenham that should have been allocated / coded to other partners
 • Documents used to record which partner expenditure was made on behalf of often lacked sufficient detail to accurately allocate expenditure within the business system;
 • Significant expenditure was made on items used at the Cheltenham depot for the benefit of a number of Ubico's partners but solely charged to Cheltenham.

However, since April 2018, we can confirm substantial improvements have been made to ensure expenditure is correctly allocated to the appropriate partner:
 • The new process for accounting for spare parts was reviewed and appears sound; however, as it had only recently been implemented, there were insufficient transactions to give assurance it was working correctly.
 • Expenditure on new tyres and repairs for 2018/19 to date was tested and found to only consist of expenditure on Cheltenham vehicles.
 • Vehicle hires made on behalf of all partner councils was accurately recorded, however a small amount of expenditure was still allocated to Cheltenham for vehicles hired on behalf of other partner Councils.

Within certain areas (fuel, spare parts and tyres) interservice transfers were carried out to correct some incorrectly charged items. However, our testing identified that at year end Cheltenham Borough Council was overcharged by £72,878 through subsidising expenditure for Ubico's other partner Councils, broken down as follows (please note all values are net VAT):

Partner Council	Amount
Tewkesbury Borough Council	£35,663
Cotswold District Council	£18,873
Stroud District Council	£13,603
West Oxfordshire District Council	£2,019
Forest of Dean District Council	£1,970
Gloucester County Council	£750

In addition, we identified expenditure of £99,519 for items such as hire/repairs of plant vehicles (based at Cheltenham's depot but are used on behalf of Tewkesbury Borough Council as well as Cheltenham), (stock) spare parts and tools used on any Council's vehicle serviced at the Cheltenham depot. A further £100,339 could not accurately be attributed to any council due to insufficient detail or absence of records.

It should be noted that similar testing was not carried out within the other Partner's cost centres to identify if they were charged for expenditure made on behalf of Cheltenham.

Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Ubico Recyclates and Data Monitoring	2	The Lead Commissioner-Housing Services & Waste (LC-HS&W) has agreed to seek assurance, supported by appropriate evidence, from the JWT that CBC is receiving value for money for its recyclates.	This weakness was identified by the JWT CM and since the audit the Council has completed a re-procurement of the materials contracts and included a requirement for the re-processors to show how they calculate the price being offered against the Lets Recycle indices. This calculation is now used by the JWT CM to check the price offered by the individual re-processors at each review point. If the price offered is below that based on the calculation, then the necessary challenge is being completed. In addition, as a result of a long standing arrangement between the CDC/JWT CM and the Salvation Army, an increase in income for the authority on textiles and shoes has been secured as detailed in the Tender Acceptance Report for Textiles & Shoes. A significant reduction in the price paid for the recycling of wood/timber has also been secured resulting in a reduction in cost for the authority as detailed in the Tender Acceptance Report for Wood. The JWT CM is updating the GOSS BPA on a monthly basis of any movement in the material prices and the likely effect that might have on the income being received by the Council. From April 2018 the JWT CM will also present the latest prices to the Cabinet Lead as part of the monthly meeting together with the amount of income received and any variances likely at year end."	30/04/18	Follow-Up in progress

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Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Ubico Recyclates and Data Monitoring	2	Budget Variances The LC-HS&W has agreed to ensure that: - controls are put in place to monitor the Ubico budget to ensure CBC is receiving value for money and realising benefits as new partners join. the KPI's being reviewed provide the Council with meaningful measures, are approved and implemented in a timely manner. Robust information regarding budget variances are discussed at regular intervals and communicated to the ESPB where necessary. Risks of reduced recyclate income is identified and monitored accordingly."	The JWT CM is now discussing budget variances with the GOSS BPA on a monthly basis. Income updates (current income against projected budgets) will be built in as part of the monthly meetings with the Cabinet Member and CL-HS&W. This will be implemented from April 2018 and the update will be recorded in the action notes. This will also be extended to the quarterly ESPB meetings with Ubico in order that a fuller understanding of budget pressures (or otherwise) is available to all relevant parties. The JWT have reviewed the Ubico performance template and revised KPIs have been put forwards which will be used in all ESPB meetings from April 2018 We have agreed with UBICO that there is a requirement for more robust variance reporting so that a narrative is provided to accompany any variances, and that analysis is undertaken by Ubico each quarter to provide the council with greater confidence that the end of year projected variance is as accurate as possible. Ubico have advised that additional resources are required to support their financial reporting, and that they will be looking to provide this from April 2018 at no additional cost to CBC. We will closely monitor how effectively Ubico implement our requirements as we change our conversation at our quarterly monitoring meetings to more strategic discussions from the new financial year. The Client Officer and Customer Relations Manager will attend meetings between JWT Contract manager and finance staff and will be proactively engaging with Ubico Managers so that the budget is managed in a more proactive way. We have built into the Terms of Reference the requirement for Ubico to demonstrate any growth/efficiency opportunities going forward. Contained within the 2018/19 Joint Waste Committee Action Plan is a 'Benchmarking review of current collection services to understand the relative cost and performance of current waste	30/11/18	Follow-Up in Progress

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Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Ubico Recyclates and Data Monitoring	2	Budget data The LC – HS should ensure that a breakdown of each service charge, used to compile the annual budget, is received to ensure it is appropriate and reflects the service being charged to CBC, in comparison to other service users. Furthermore, this will allow CBC to challenge the value for money service."	Each of the services operates differently so direct comparisons from cost information can be misleading. For instance, Tewkesbury council recently introduced a co–mingled collection of recycling in wheeled bins. CBC have introduced a kerbside sort requiring specialist vehicles. This results in staff having to hand pick materials and sort them into relevant compartments in the vehicle. In the more urban areas of Cheltenham, traffic congestion, access issues and servicing flats are likely to slow collections down compared to the other councils. Gloucester City Council and Forest of Dean Council operate similar systems to Cheltenham i.e. kerbside sort on specialist vehicles. It is important that councils operating the same methodology are focussed upon. The consultant is gathering cost date from Gloucester and Forest of Dean. In addition research is being carried out with several councils that use different operational systems provided by both private sector contractors and Direct Service Organisations. Research findings will be reported to the Lead Commissioner – Housing Services and Waste and Managing Director, Place & Economic Development. The findings of this research will determine discussions and any potential actions with Ubico. This work is due to be reported by the end of May 2018. Contained within the 2018/19 Joint Waste Committee Action Plan is a 'Benchmarking review of current collection services to understand the relative cost and performance of current waste and recycling services across Gloucestershire'. The target date for completion is October 2018 and this will give us valuable data in which to further scrutinise the services being provided by Ubico to the Council and challenge any discrepancies going forwards. In addition, the JWT will compile and provide quarterly information, along the lines of Appendix A, to Senior Management Group, which is comprised of Officers from each of the districts, from the new financial year (18/19) onwards.	30/11/18	Follow-Up in Progress

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Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Council Tax	2	Council Tax Completion Notices must be considered during the Council Tax Base calculation and evidenced accordingly.	Estimates will be included in tax base at 3th November for any properties where completion notices have been served but not yet included on valuation list.	30/11/18	Recommendation Actioned

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Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Other GOSS Area Health and Safety	2	GOSS HS should produce a list of duties carried out at each of its clients and document any associated risks. Appropriate policies should then be written on behalf of each client and approved at the appropriate level.	HS policies are already in place at CBC, CDC, FoDDC, Ubico and WODC. These will continue to be reviewed in line with current procedures. The working practices of officers transferring into Publica aren't due to change significantly, therefore existing Council HS policies will be branded for Publica use and approved by the Board. In the interim period until Publica Board can meet to approve these policies, the GOSS HS Manager (in his role as advisor to Publica) has produced a transformation document stating there will be a brief transition period, until all policies have been adopted by Publica, which all Publica employees will be required to comply with Council policies."	30/03/18	Follow-Up Audit Complete Recommendation Complete All HS policies currently still in place for CBC, CDC, FODDC and WODC. Publica adopted a more streamlined approach, retaining a Corporate H&S Policy supported by more user-friendly statements and guidance documents rather than a vast number of policies which may not be relevant to everyone in the organisation. All documents ready to go on the portal. (just waiting for final approval) Same approach will be taken for council retained staff

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Assuring – Improving – Protecting

Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Other GOSS Area Health and Safety	2	The GOSS HS Manager should work with senior management from each of GOSS's clients to ensure each appoints a 'responsible person' in line with the Regulatory Reform (Fire Safety) Order 2005. This should be a senior officer who is made aware of all responsibilities that come with the position.	OSS HS, in consultation with their clients, have identified Responsible Persons at each client (including Publica). Training on the role and responsibilities of the position will be provided to each officer at which time appointment letters will be issued."	31/01/18	Follow-Up Audit Complete Recommendation Complete
2017/18 – IR35	2	To ensure compliance with HMRC guidance, all supplier request forms should be updated to state the service manager from the hiring authority is responsible for completing the ESS to determine employment status.	Revise the new supplier request form to reflect the responsibilities on the public body not sole trader.	31/07/18	Follow-Up Audit Complete Recommendation Complete

Amendments to the form have been made and checked by the relevant teams. |

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Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – IR35	2	An individual / service area should be assigned to oversee and own the IR35 process to ensure accountability.	Each Group Manager should appoint a person responsible for Overseeing the IR35 process and maintaining a register of 'off payroll' workers to avoid delays with recruiting.	31/07/18	Follow-Up Audit Complete Recommendation Complete A register has been created and all Group Managers have been given access to this as well as relevant information / guidance.
2017/18 – Accounts Payable (Creditors)	2	The Accounts Payable Accountancy Manager should ensure that a quarterly review of all payments made during the past four months is undertaken to highlight any duplicate payments made.	We will run this new process for the middle of each quarter, i.e. February, May, etc. This will allow us time to make any necessary adjustments before quarter end.	01/06/18	Follow-Up Audit Complete Recommendation Complete After consideration it was decided we would go back 2 years due to the fact we have had some really late invoices received in the office. Currently we have completed this task for FODDC (G2), CDC (G4), CBH (G5), The Trust (G7) and Publica (P8).

Audit Name	Priority	Recommendation	Management Response	Due Date	Update January 2019
2017/18 – Fighting Fraud and Corruption	2	The CFU should be consulted when the Procurement and Contract Strategy is reviewed to ensure fraud in relation to procurement is fully considered.	CFU Manager to work with Procurement and assist with a revised Strategy"	23/07/18	Will be followed-up during Serious and Organised Crime Audit in quarter 4

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Progress against 2017/18 recommendations (Jan 2019)

■ Outstanding / Revised Target Date   ■ Complete   ■ Follow-up in progress

Progress against 2018/19 Recommendations (Jan 2019)

■ New Recommendations   ■ Complete   ■ Follow-up in progress

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