

# Cheltenham Borough Council

## Report of Internal Audit Activity

Plan Progress 2019/2020

March 2020

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## Internal Audit Plan Progress 2019/2020

### 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 Internal Audit Plan. This is approved by the Section 151 Officer (Executive Director – Finance and Assets), following consultation with the Council's Management Team. The 2019/20 Audit Plan was reported to, and approved by, Audit Committee at its meeting in April 2019.

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

## Internal Audit Plan Progress 2019/2020

### 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 Annual Internal Audit Plan 2019/20. 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, are 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 (priority 1s and 2s) that have been identified during our audit reviews. These will be updated when the follow-up audit has been completed.

**Appendix E** summarises all recommendations made and the progress that has been made against these.

## Internal Audit Plan Progress 2019/2020

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 2019/20 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 (Executive Director – Finance and Assets).

The following changes have been made to the plan:

The planned audit of Management and Monitoring of Contracts has been deferred, due to the delay in the finalising of the procurement audits. The audit, as originally planned, will be included in the 2020/21 audit plan.

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

<b>No Assurance</b>	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.
<b>Partial</b>	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.
<b>Reasonable</b>	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.
<b>Substantial</b>	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.

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.

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

### Definitions of Risk

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

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
						2018/19 Audits in Draft / In Progress at Annual Opinion			
Operational	Procurement and Contract Management		Final Report	Reasonable	1		1		Reported at January Meeting
Key Financial Control	Systems Admin		Final Report	Reasonable	7		2	5	Reported at September Meeting
Key Financial Control	Human Resources		Final Report	Reasonable	2		1	1	Reported at January Meeting
Key Financial Control	Procurement		Final Report	Partial	10		7	3	Reported at January Meeting
ICT	Cyber Security		Draft Report						
Operational	Integrity of Data		Final Report	Reasonable	5		4	1	See Appendices C & E
Advice and Consultancy	Benefits Realisation		Position Statement						



# Internal Audit Work Plan Progress 2019/2020

## APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
2019/20 Audit Plan									
Governance	Annual Governance Statement	1	Final Report	Substantial	2			2	Reported at January Meeting
Operational	Management and Monitoring of Contracts	1	Deferred						
Operational	Asset Management	1	In Progress						
Operational	Commercial Property / Investment Property	1	In Progress						
Operational	Safer Recruitment	1	Draft Report						
Operational	Remote Workers	1	Final Report	Substantial	2			2	Reported at January Meeting
Operational	Commissioning (2018/19)	1	Audit Removed						
ICT	Software as a Service – Cloud Provision	1	ToE Issued						
ICT	Software as a Service – Dataset Management	1	ToE Issued						
Follow-Up	Ubico Financials	1	Final Report	Substantial	1			1	Reported at September Meeting
Follow-Up	Business Continuity Management	1	In Progress						
Operational	(NEW) Property (Use of Contractors)	1	Final Report	Partial	5		5		Reported at January Meeting

# Internal Audit Work Plan Progress 2019/2020

## APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
Operational	Affordable Housing	2	Final Report	Substantial	0				See Appendix C
Operational	Business Rates Reset	2	Deferred						
Operational	Apprenticeship Scheme	2	Final Report	Substantial	1		1		Reported at January Meeting
ICT	Cyber Security – Incident Management	2	In Progress						
ICT	Cyber Security – High Risk Area (defined from 2018/19 audit)	2							
Grant Certification	Disabled Facilities Grant Certification	2	Complete						
Operational	(NEW) Planning Process and Complaints Procedure	2	Draft Report						
Key Financial Control	Revenues and Benefits	3							
	• National Non-Domestic Rates		Final Report	Substantial	1			1	Reported at January Meeting
	• Council Tax								
	• Council Tax Benefit		Final Report	Substantial	0				Reported at January Meeting
Key Financial Control	Core Financials	3							
	• Accounts Payable		Final Report	Substantial	0				Reported at January Meeting

# Internal Audit Work Plan Progress 2019/2020

## APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
	• Accounts Receivable		In Progress						
	• Main Accounting								
	• Payroll		In Progress						
	• Treasury Management and Bank Reconciliation		In Progress						
Key Financial Control	Systems Administration	3	Final Report	N/A					See Appendix C
Key Financial Control	Human Resources – Use of Volunteers	3	Final Report	Reasonable	7		3	4	Reported at January Meeting
Key Financial Control	Other Support Service provided by Publica • Health and Safety	3	In Progress						
ICT	Management of Service Provision	3							
ICT	ICT Business Continuity	3	In Progress						
Grant Certification	Disabled Facilities Grant Certification – Additional Grant	3	Complete						
Governance	Risk Management	4							
Governance	Performance Management	4							
Operational	Planning Applications	4							

# Internal Audit Work Plan Progress 2019/2020

## APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
Operational	Publica Transformation Benefits Realisation	4							
Operational	Corporate Culture	4							
Follow- Up	Procurement Audit	4	In Progress						
Follow-Up	Procurement and Contract Management	4	In Progress						
Follow-Up	Follow-Up of Recommendations made in Substantial and Reasonable Audits	1 – 4	On Going						
Follow-Up	Follow-Up of Control Weaknesses identified by the Counter Fraud Unit	3 – 4	On Going						
Advice and Consultancy	Workforce Strategy	1 – 4							
Advice and Consultancy	Support to the Publica Transformation Programme	1 – 4	On Going						
Advice and Consultancy	Assurance to the Partner Councils in respect of the Publica Transformation Programme	1 – 4							

# Internal Audit Work Plan Progress 2019/2020

## APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Priority			Comments
						1	2	3	
Advice and Consultancy	Support for any emerging groups / programmes / projects • Town Centre Team Project Board	1 – 4	On Going						
Advice and Consultancy	Support to the service responsible for Recyclates	1 – 4	On Going						
Other Audit Involvement	Working with the Counter Fraud Unit	1 – 4	On Going						
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								

**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.

**2019/20 – Affordable Housing – Substantial Assurance****Background**

Cheltenham Borough Council submitted its Local Plan 2011-2031 for examination in October 2018. A six-week public consultation period closed on the 16th December 2019 during which people were asked to consider modifications to a previous draft plan. In the interim the Council's strategy is driven by the Joint Core Strategy (JCS) 2011-2031 (adopted in December 2017). The Joint Core Strategy was developed in collaboration with Gloucester City Council and Tewkesbury Borough Council. Affordable housing obligations are covered within Policy SD12, which states:

The JCS authorities will seek, through negotiation, for new development to deliver new affordable housing on a sliding scale approach as set out below:

- i. Within the Strategic Allocation sites a minimum of 35% affordable housing will be sought;
- ii. Outside of the Strategic Allocation sites, on sites of 11 dwellings or more, or sites with a maximum combined gross floor space of greater than 1000m<sup>2</sup>; a minimum of 20% affordable housing will be sought on developments within the Gloucester City administrative area and a minimum of 40% will be sought within the Cheltenham Borough and Tewkesbury Borough administrative areas;
- iii. On sites of 10 dwellings or less, which have a maximum combined floorspace of no more than 1,000m<sup>2</sup>, no contribution towards affordable housing will be sought;
- iv. Notwithstanding the above, affordable housing policy for sites of 10 dwellings or less may be applied under policies set out within District plans.

According to the latest Strategic Housing Market Assessment (2015) Cheltenham will require 3,696 additional affordable homes between 2015-2031. Cheltenham's potential supply of affordable homes (determined through planning commitments, district plans and strategic allocation assumptions) during this period is up to 2,654, resulting in a shortfall of at least 1,042. The Council therefore developed a Housing & Homelessness Strategy (2018-2023) which looks to address this shortfall by providing additional affordable outside of planning commitments or reduce housing need.

Below shows the actual and expected number of affordable houses delivered between 2014/15 and 2020/21:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Affordable Housing delivered	24	32	35	106	86	67	106

### **Audit Conclusion / Findings**

We are pleased to offer substantial assurance over the management of affordable housing provision at Cheltenham Borough Council. All areas set out within the scope were reviewed and no control weaknesses were found that could impact on the Council. One suggestion has been made concerning the affordable housing supplementary planning guidance, currently available on the Council's website, which is significantly out of date and could lead to confusion and frustration for developers. Revising this document is already within the service's workplan. We have suggested the old document is removed, to be replaced when the new document is approved (following the adoption of the Council's Local plan).

### **2018/19 – Integrity of Data – Reasonable Assurance**

#### **Background**

Publica Group (Support) Ltd is a council owned company which delivers services, including HR and Payroll for Cheltenham (CBC) and Cotswold (CDC), Forest of Dean (FoDDC) and West Oxfordshire (WODC) District Councils. The HR and Payroll team based at the Municipal Offices are responsible for maintaining CBC HR data and providing management information to publish in accordance with the Equality Act 2010. Information on CBC's responsibility as a local authority within the Equality Act 2010 can be found on the CBC Website.

The Equality Act 2010 defines 9 protected characteristics and are; age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion and belief, sex and sexual orientation.

Publica HR complete an annual Gender Pay Gap Report on behalf of CBC. The annual publication of the gender pay gap is a requirement of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 for local authorities with over 250 employees.

CBC's headcount at the end of the 2018/19 Quarter 4, was 232 employees. CBC publish the gender pay gap report on a voluntary basis for transparency.



Business World is the system used for managing HR and Payroll processing and stores the personal information of all employees across the Partner Councils. CDC, FoDDC and WODC use Business World Self-Service functionality for payroll related processes including sickness recording. However, processing for Cheltenham Borough Council requires manual input by Payroll personnel.

**Audit Conclusion / Findings**

Cheltenham Borough Council (CBC) have responsibility under the Public Sector Equality Duty under the Equality Act 2010 to be able to consider how best to publish information that could include but is not limited to; the makeup of the overall workforce, the gender pay gap and recruitment and retention rates for staff with different protected characteristics. Therefore, it is important that accurate and up to date employee information is maintained. We were advised that a project to collect and update employee personal information has been identified. We would suggest CBC clearly defines the scope of the data they require as part of the project.

At CBC, the reporting of sickness absence is a manual process and requires completion and return of sickness forms to Payroll which are then input into the payroll system so that employees' pay is adjusted accordingly. The Business World system offers the functionality, via Self-Service to enable managers and employees to enter sickness into the system directly, removing manual intervention which could result in input errors or processing delays. A recommendation is made for CBC to consider onboarding to the 'Self-Service' system.

New job applicants are not advised of personal data collection and processing responsibility under the Data Protection Act 2018, we noted there is no HR or Recruitment privacy notice on the CBC website. A recommendation is made to update the CBC website to ensure compliance with the requirements of the act.

Finally, an annual gender pay-gap report that CBC publish as part of the Equality Act, and quarterly management information reports are produced by the HR and Payroll service. Our testing found some inconsistencies and identified areas where improvements can be made; we recommend full work instructions are documented to enable future reports to be completed consistently should responsibility for their completion change.

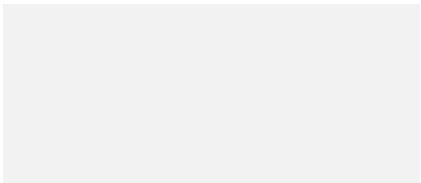
Priority	Recommendation	Management Response	Due Date
2	<p>As stated by Publica HR, we recommend that a project be initiated to review and bring up to date CBC employee's personal data. HR Processes should also ensure that required data is captured and recorded accurately.</p> <p>CBC should work with the HR service to determine the information they require to be collected as part of the refresh project and ongoing collection.</p> <p>Availability of Self-Service functionality to empower employees to view and update their own personal information should be investigated.</p> <p>Personal data collection and use should be completed in line with the Data Protection legislation, including the deletion of records that are no longer necessary.</p>	<p>We will commence work to update the emergency contact data for CBC employees by end of Feb 2020.</p> <p>We have shared the data that we could collect with CBC and we are investigating with ICT how we can develop self-service so that employees can view and update their personal information – we will provide a plan on how this could be undertaken this by 31st March 2020</p>	31 <sup>st</sup> March 2020
2	<p>We recommend that precise work instructions to complete MI reports are documented so that personnel responsible for producing MI reports, are able to gather and report on the information in a consistent and accurate manner, especially as the process is only undertaken once every three months. We also recommend that, peer review is completed on management information to</p>	<p>Work has commenced to gather, store and utilise MI data centrally. The work is being overseen by the Contract Manager.</p>	31 <sup>st</sup> March 2020

	verify its accuracy.		
2	We recommend that CBC consider onboarding to the Business World Self-Service functionality for sickness reporting. This will enable line managers to enter sickness periods immediately, or as soon as practically possible, and also provides Payroll with up to date absence information. This would then reduce potential delays encountered due to manual forms being requested, delivered and sometimes chased by Payroll. It would also reduce any risk of mistakes being made with the additional manual input of sickness data.	This project has commenced and will be completed early next year.	30 <sup>th</sup> June 2020
2	We recommend that a data privacy statement for recruitment and employment is added to the CBC website, and new applicants advised of this at the application stage.	Agree – the recruitment team will complete by the end of December.	31 <sup>st</sup> December 2019

#### **2019/20 – Systems Admin – Follow Up of 2018/19 Audit Background**

Seven recommendations were made in the 2018/19 review of Systems Admin to put controls in place or strengthen existing controls. Due to the number of recommendations made, the 2019/20 audit has concentrated on following-up these recommendations and documenting progress made.

Three of the recommendations are complete and therefore can be closed. At the time of testing three of the recommendations have not been actioned by the implementation date, and therefore we have agreed to extend this date to ensure the recommendations can be fully actioned and one has not commenced as it will be incorporated into a larger piece of work (Data Audit).



A further Follow-Up will be planned to be undertaken once the revised target dates have been reached for the outstanding recommendations.

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2018/19 Business Continuity Management	2	Consideration could be given to aligning the BCP with the international standard ISO22301, as this provides a framework to plan, establish, implement, operate, monitor, review, maintain and continually improve a business continuity management system.	Consideration will be given to aligning the BCP with the international standard ISO22301 following the review of the Business Continuity Planning process which will be undertaken by the Civil Protection Team after April 2019.	30/06/19	Follow up in progress
2018/19 Business Continuity Management	2	Consideration should be given to the clarity of the existing template and its ability to guide an officer in difficult and stressful times, and adopting an existing template, to better meet the authority's responsibilities.	An independent review of the CBC BCPs has been agreed with the Civil Protection Team this will commence after April 2019 when resources become available. The Corporate BCP will be identified as the first plan to be reviewed.	30/06/19	Follow up in progress
2018/19 Business Continuity Management	2	Consideration could be given to the utilising the out of hours automated phone system, already in place, as an emergency information line for providing information to staff and / or the public if other methods of communication are down.	Consideration will be given to utilising the out of hours automated phone system already in place as an emergency information line after the review of the Business Continuity Plans.	30/06/19	Follow up in progress
2018/19 Accounts Receivable	2	A review of all active subscriptions should be carried out, on behalf of each client, to identify any other duplicate subscriptions and these should all be corrected.	Agreed. This will be carried out. Additional training will also be provided to AR officers to prevent this occurring again in the future.	31/03/19	As part of this year's AR audit subscription errors have been notified and addressed by the service.  Recommendation closed.

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2018/19 Members' and Officers' Gifts, Hospitality and Declarations of Interest	2	We recommend that consideration is given to work between CBC and the Counter Fraud Unit (CFU) to refresh the approach to the declarations process as part of their planned work discuss the introduction of a risk-based approach to conflict of interest forms in 2019/20. Priority	The CFU manager agrees to review this with the support of SWAP and Governance Group as part of the 2019/2020 work plan.  The Programme Manager agrees to work with the CFU to review their risk-based approach and see if this is appropriate for implementation at CBC.	31/03/20	Work ongoing
2018/19 Members' and Officers' Gifts, Hospitality and Declarations of Interest	2	We recommend that actions are taken to increase officer awareness on the responsibility to declare interests, gifts and hospitality. This may include (but not be limited to): - Regular reminders posted on the staff intranet - Sending out email reminders - Periodic training	The Programme Manager agrees to increase officer awareness through reminders on a quarterly basis and ensure periodic training is undertaken.	30/04/19	We were advised that this recommendation will be actioned via a new learning & development system that has been purchased. Agreed to extend implementation date to 30/06/20.

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2018/19 Systems Admin	2	<p>We recommend a principal Identity and Access Management process detailing requirements for 'Joiners, Movers and Leavers' is developed and documented and that complies with the requirements set out in the Information Security and Access Control Policy. The overarching process should apply to and embrace all systems that may not be included within the standard ICT team scope and should be available for all employees to view and follow.</p> <p>System administrators should then document or update local processes and procedures that should be in alignment with the overarching policy and process requirements. and documented on a quarterly basis as per the requirements of the Risk Management Policy</p>	Our team ICT Administrators are now updating and documenting our Access Management system process for joiners, Movers and Leavers. A change control process will be introduced that will document significant changes to the ICT infrastructure which will also align to our ICT User Policies and guidance.	31/03/20	<p>Flowcharts have been produced for the starters / leavers / variation processes.</p> <p>The ICT Audit and Compliance Manager will refresh the ICT Policies following the completion of the Cyber Security audit report. He is aiming to have drafted policies by March 2020 for circulation / consultation at CGG and JMT.</p> <p>Further follow-up has been included in the 2020/21 audit plan</p>



## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2018/19 Systems Admin	2	We recommend that officers with systems administration responsibilities are requested to review the Security Policy and its requirements, perform a gap analysis on their current system settings and processes and devise a plan to implement those changes to ensure continued compliance with the Policy. Should it not be possible to make changes for any reason, they should be risk assessed and documented on the ICT risk register or policy exception register.	We agree with the password setting findings and risks with on systems Business World and Civica applications. However, at present these risks are mitigated by the Active Directory (AD) password settings. Both Business world and Civica systems users only access these systems via the AD. We also comply with the HMG National Cyber Security Centre (NCSC) password guidance on our network. However, we will seek to review all passwords policy setting on both applications. Our ICT Risk register will be updated to reflect these security risks and mitigations.	31/12/19	<p>Grant Thornton raised issues around weak passwords in their IT General Controls audit of 2017/18</p> <p>All passwords have been updated to comply, except Business World (BW), which has weak passwords, and these won't be changed by the supplier.</p> <p>Active Directory (AD) passwords are compliant and subsequently enhance BW passwords, as officers need to log-in via AD prior to logging in to BW.</p> <p>Recommendation closed.</p>
2018/19 Human Resources (Sickness Absence Reporting)	2	We recommend that the Publica Sickness and Absence Policy is finalised, approved and implemented without delay. The partner councils' Sickness and Absence Policies should also be reviewed and updated to ensure they meet the ongoing needs of the Councils and their retained staff.	The Policy is now complete and will be rolled out to managers after the summer break 2019. We will review the council policies. These will be brought in line with the new Publica policy if and when the partner Councils adopt the new Publica terms and conditions.	30/11/19	

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2018/19 Procurement and Contract Management	2	Assurance is sought from Publica that the Procurement and Contract Management Strategy is reviewed and updated to ensure it meets the needs of Publica and the partner Councils.	Agreed	30/06/20	
2018/19 Procurement		A copy of the approved contract must be held on In-Tend for all contracts over £5,000, as well as the quotes used during the tendering process, to demonstrate best value and ensure there is a complete central record.	Agreed, subject to a review of the contract value requirements.	31/12/19	Follow-Up in Progress
2018/19 Procurement		Budget Holders should regularly undertake monitoring of expected contract spend to actual contract spend as part of contract monitoring, to ensure contracts are managed in accordance with strategy, and inform Procurement of any changes to contract values to ensure the values recorded on the Contract Register are correct.	Agreed	31/12/19	Follow-Up in Progress
2018/19 Procurement		To ensure there is an audit trail to support all contract payments, the introduction of "No PO, no payment" policy should be considered to assist with the efficient monitoring of contract spend.	This will be considered	31/12/19	Follow-Up in Progress
2018/19 Procurement		To ensure there is a central record, when a waiver has been applied, this must be logged on the Waiver register once it has been implemented, for transparency purposes.	Agreed	31/12/19	Follow-Up in Progress

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2018/19 Procurement		All Officers should be informed during Procurement Process training of the following to ensure when applicable; <ul style="list-style-type: none"> <li>Procurement are consulted on all contracts over £5,000 so all approved contracts are entered onto the Contract Register, and waiver details can be accurately recorded when appropriate</li> </ul>	Agreed	31/12/19	Follow-Up in Progress
2018/19 Procurement		To ensure all transactions are raised and approved appropriately and in line with the current organisational structure, all requisitioning and approval permissions should be reviewed in BWO.	Following the recent organisation changes, the approvals permissions will be reviewed to ensure they are aligned with new roles and implemented accordingly on the ABW system.	31/12/19	Follow-Up in Progress
2018/19 Procurement		CBC must liaise with One Legal to ensure all waivers approved by Cabinet are also retained by the Council's Solicitor, in accordance with the Council's Contract Rules.	Waivers granted by Cabinet would form part of the committee report which are held by democratic services. In order to prevent multiple copies being held, the contract rules will be amended to reflect this action.	31/12/19	Follow-Up in Progress
2019/20 Property Use of Contractors	2	We recommend: i. that unless specialist skills are required to complete specific works, only approved framework contractors are used for general building works.  ii. that the progress of updating the contractor framework is pursued and if necessary escalated through Publica/One Legal Client Officers and Senior Management to ensure focus on this requirement is maintained.	Now using only framework contractors or obtaining waivers for non-specialist works.  Additional frameworks are being pursued through One Legal for use of the GCC framework and Publica Procurement for additional frameworks.	31/03/20	Follow-Up audit has been included in 2020/21 audit plan

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2019/20 Property Use of Contractors	2	<p>We recommend</p> <p>i. that process documents and associated procedures, aligned with CBC's Contract and Financial Rules, are documented and put in place so that a consistent approach to tasks can be followed and undertaken within the team as soon as possible.</p> <p>ii. A review of the service design should be undertaken to ensure that appropriate and effective processes and structures are in place.</p>	<p>Develop flow charts and sub processes to be agreed and signed off by section 151 officer.</p> <p>Started and talked already with Director and Publica Procurement to produce report on options going forward for strategic procurement of building related needs.</p>	31/03/20	Follow-Up audit has been included in 2020/21 audit plan
2019/20 Property Use of Contractors	2	<p>We recommend</p> <p>i. that the frequency of budget monitoring and reconciliation between the Council's financial system and the Uniform system is undertaken in accordance with the Financial Rules so that any issues related to budgets and expenditure are identified at an early stage. Regular management information reporting should be implemented to ensure transparency of the situation.</p> <p>ii. Consideration should be given to investigating whether the Uniform and Business World systems can be linked to aid budget monitoring processes.</p>	<p>Publica Finance has now appointed an accountant to liaise with and we will reconcile the Uniform and Agresso figures quarterly. Reviews are set up to feed into the financial reporting cycle.</p> <p>A brainstorming session has been set up to review the way Uniform and Agresso are used and explore what functionality and data can to be shared across systems. Once this is determined, we will liaise with Publica IT to progress further.</p>	31/03/20	Follow-Up audit has been included in 2020/21 audit plan

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2019/20 Property Use of Contractors	2	We recommend that the Property Services team, return any invoice that does not contain detailed information on the works completed, including materials and labour costs and ensure only sufficiently detailed invoices are approved for payment.	We have contacted the contractors and requested that a breakdown of invoices are provided in all cases. All staff have been instructed to return invoice if they are not adequately broken down.	31/03/20	Follow-Up audit has been included in 2020/21 audit plan
2019/20 Apprenticeship Scheme		We recommend that a reconciliation process is implemented for Apprenticeship Levy payments.	<p>Reconciliation is now carried out monthly between the Finance spreadsheet, the General Ledger and the online apprenticeship levy portal. Support will be requested from Finance to ensure reconciliation is being done correctly in the initial stages.</p> <p>The internal apprentice recruitment form has also been amended to ensure that the recruiting manager consults with the Finance Department to ensure there is appropriate levy funding available in the online account before the post goes for approval at the Resource Managers Group.</p>	Implemented & ongoing (to be followed up Feb 2020)	
2019/20 Human Resources (Use of Volunteers)		We recommend that a copy of a constituted group's Safeguarding Policy is received and reviewed by CBC officers before the group is allowed to participate in voluntary work on behalf of the Council.	Participation and Engagement Team leaders to review Safeguarding policy process with CBC Partnership Team Leader to agree on appropriate approach.	31/03/20	

## High Priority Recommendation Follow-Up

## APPENDIX D

Audit Name	Priority	Recommendation	Management Response	Due Date	Update March 2020
2019/20 Human Resources (Use of Volunteers)		We recommend that a link is included within the Volunteer Privacy Statement to the 'Your Data' page on the Cheltenham Borough Council website to ensure that volunteers have access to all information on their personal data required by the EU General Data Protection Regulations	To include a link within the Volunteer Privacy Statement to the 'Your Data' page on the CBC website.	31/12/19	
2019/20 Human Resources (Use of Volunteers)		We recommend that all volunteers that have signed historic version of the application form are asked to sign their consent to the current data protection arrangements and retention period. The current Volunteer Privacy Statement should also be brought to the attention of all volunteers who have not previously been made aware of it.	To strive to ensure that volunteers with historic consent forms are signed up to the 5-year data protection arrangements and retention period.	31/03/20	

