

Summaries of Finalised Internal Audits

Appendix A

Assurance level	Significance	Directorate	Audit title
Not Applicable	Extensive	Governance	Management and Control of Freedom of Information Requests Consultancy Review
Limited	Extensive	Corporate	Management of Incidents and Security Breaches
Limited (Directorate Level)	Extensive	Corporate	Management and Control of Agency Workers
Reasonable (Corporate Level)			
Reasonable	Extensive	Resources	NNDR Systems Audit
Reasonable	Extensive	Resources	Governance and Reporting of Efficiency Savings

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
<p>Management and Control of Freedom of Information (FOI) Requests</p> <p>Consultancy Review</p>	<p>January 2022</p>	<p>This was a consultancy review and the objective was to review the systems and procedures for managing FOI requests received by the Council. The FOIA 2000 gives people a general right of access to information held by public authorities. Information held by public authorities should be available and accessible to everyone. The act was introduced to help bring about a culture of openness within the public sector and give the public a better understanding of how authorities carry out their duties. During the review we identified areas of good practice which included the following:</p> <ul style="list-style-type: none"> • The Council maintains a list of common exemptions that are applicable in relation to FOI requests which are published on the Bridge. The list sets out the most commonly applied exemptions against releasing information under the Freedom of Information Act including details on whether a public interest test (PIT) is required. • The ICasework system, which is the IT system used for administration of information requests automatically links the information request to other similar cases published on the Council's Disclosure Log (where there appears to be a link to the current information request. • Testing confirmed that 5/30 (16.7%) FOI/EIR information requests sampled were subject to an exemption and testing confirmed the exemption had been correctly applied 		

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		<p>Our key findings from this review include the following:</p> <ul style="list-style-type: none"> • The Council has published guidance for dealing with information requests which was last reviewed in April 2015 and is therefore out of date. • From our audit testing and interviews with key officers, we identified key issues and weaknesses such as staff not fully using the IT (iCasework) system; information requests not being always assigned to the correct Directorate officers; Directorate officers not dealing with the requests pro-actively and efficiently ; responses to requests not being quality checked adequately and approved in accordance with procedures; IG officers' sign-off not being rigorous enough; internal review procedures not documented and controlled; and outstanding responses and key dates not being monitored centrally. • Our review highlighted some structural issues which could increase the risk of confusion over accountability for some key functions. It was unclear as to when the last structure was systematically reviewed, consulted upon and approved. A review of a sample of job descriptions showed that not all JDs were up to date, adequately reflected officers' current duties and were agreed and signed-off. • The corporate guidance dated 2015, requires all FOI requests to be referred to the FOI Board chaired by a Corporate Director and attended by nominated Directorate Service Heads (now Divisional Directors) for discussion, approval, promoting consistency and oversight. We were informed that the FOI Board's functions had been transferred to the Strategic Information Governance Board. However, as the 2015 guidance notes have not been reviewed 		

		<p>and refreshed, there is no formal documentation as to how FOI/EIRs will be governed and overseen.</p> <ul style="list-style-type: none">• Resulting from various systems weaknesses, there is risk that the Council may not be providing the information requested within the statutory target of 20 working days. For example, there were 12 cases relating to 2020/21 with no audit trail recorded on the system as to what actions were taken.• Testing confirmed that approved officers had not signed off FOI/EIR responses from their portfolio areas in 11/30 (36%) cases sampled. In addition, from audit testing, we have identified the need for additional review and quality check for high-level, high-risk FOI/EIR responses by a manager. However, we noted that quality review and checks is not within officers' JDs.• Testing confirmed that in three cases there was inadequate segregation of duties as the same Information Governance Officer had assessed the information request, prepared the response, approved the response in iCasework system and signed-off the response letter.• Testing of 10 requests for internal review, where the Requestor has the right to request an internal review if they are not satisfied with the handling of the original FOI request . Testing showed that in 5 of these cases, due to various systems weaknesses, average delay of 21 days was encountered in the internal review process with lessons not being learnt.• Although there are clear statutory targets for responding to FOI/EIR request which are reported on to higher level of Management, there is no supporting performance management framework for the service as a whole to ensure that relevant KPIs and performance targets are in place to assess the efficiency and effectiveness of the service.		
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		<ul style="list-style-type: none">• The responsibility and accountability for planning, co-ordinating and publishing the range of publication as required by the ICO Publication Scheme, is not clearly identified and documented. There is risk that information such as creditors payments and other required information is not published at all or published on time, resulting in reputational damage. <p>All findings and issues were agreed with the Director of Customer Services and final report was issued to the Interim Corporate Director, Resources.</p>		
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Management of Incidents and Security Breaches	March 2022	<p>This audit reviewed the arrangements for management of information breaches/incidents and/or cyber security breaches. Responsibility for recording, assessing, investigating and reporting data breaches lies with the Information Governance Team within the Customer Services division. Business continuity is the responsibility of all directors and service heads across the Council and is co-ordinated and supported by the Civil Contingencies Team in the Community Safety Division, part of the Health, Adults & Community Directorate. Assessing information/cyber security events and facilitating the technical response to any information/cyber security events is the responsibility of the Information Security and IT service delivery teams within the IT division in the Resources directorate.</p> <p>During the audit we identified following areas of good practice:</p> <ul style="list-style-type: none"> • The ICT division has appointed a governance and risk manager who regularly reviews the directorate’s risks, including those relating to the management of incidents and cyber-attacks. • Every directorate had a business continuity champion who attend the Civil Contingencies Board <p>The following key findings and issues were raised:</p> <ul style="list-style-type: none"> • Governance and risk management: The current Information Governance Group and Strategic Information Governance Board do not include oversight of cyber security in their terms of reference. This means that the management of this corporate risk may be fragmented, and cyber/information security measures may not be sufficiently controlled to meet the Council’s needs and objectives. 	Extensive	Limited

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Management of Incidents and Security Breaches	March 2022	<ul style="list-style-type: none"> <li data-bbox="674 320 1648 791">• Incident Response Plan: The Council's Information/Cyber Security Incident Response Procedure lacks important elements such as key contacts, escalation criteria and a conference number. Audit was advised that two desk top exercises have been carried out to test the Council's knowledge and preparedness in the event of a cyber-attack. A report on the second exercise in October 2021 was provided to Audit. The report on the exercise is a brief summary of what happened and highlights some areas of weakness that need improvement. It, however, needs to capture clear actions, responsible owners and how progress and improvement is going to be monitored and reported. It is acknowledged that these tabletop exercises are an important first step on which the Council can build up corporate knowledge and preparedness. Future exercises should gradually be more challenging to fully test preparedness. <li data-bbox="674 831 1648 1235">• Compliance with GDPR: the data breaches reported to the Data Protection Officer (DPO) who sits within the Information Governance team, are investigated and, where necessary, notified to the Information Commissioner's Office. We noted that the Information Commissioner complained that not all information they had requested regarding a data breach notified to them had been provided. There is no searchable guidance or signposts on the Council's intranet for staff needing to report a data breach. This increases the risk of underreporting. There is an attempt by the Data Protection Officer to identify lessons learnt from each data breach, but they are not followed up nor currently communicated to the officers with the authority and responsibility to implement any changes. 		

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Management of Incidents and Security Breaches	March 2022	<ul style="list-style-type: none"> Policies and procedures: the data protection policy is dated 2018 and refers to roles that do not now have responsibility for this area policy. New information security policies and procedures were written in November 2020, however, there is no governance function within the Council with the delegated authority to review, scrutinize and approve such policies. We were informed that the information/cyber security policies – in the absence of such a function- were submitted to the Information Governance Group but they have no delegated authority to formally approve these policies. <p>All findings and issues were agreed with the Director of IT, Director of Customer Services and Corporate Director – Health, Adults and Community who is the chair of the Civil Contingency Board. Final report was issued to all Corporate Directors.</p>		

Title	Date of Report	Comments / Findings	Scale of Service	Assurance Level
Management and Control of Agency Workers	Feb. 2022	<p>This audit reviewed the controls for hiring agency workers through a an Agency contract that commenced on 5th February 2021. The average spend per month during 2021/22 Financial Year was approx. £2.058M and on this basis the indicative spend for 2021/22 will be around £24.7M. The following good practices were identified:</p> <ul style="list-style-type: none"> • Flow charts were found on the staff intranet pages to assist Hiring Managers with Interim staff recruitment. Topics, such as market testing, IR35, placement and agency worker extensions, were included. • Testing of 20 agency worker assignments showed that all had end dates defined that complied with the up to 24-week limit rule. End dates also ensure that payments cannot be made after this date without an authorised extension. • Declaration of Interest, forms part of the pre-recruitment checks undertaken by the agency provider and is included within their engagement system. • Where new roles have been created, the IR35 status had been determined with the Agency Contracts Team and/or Senior HRBP using the HMRC Employment Status Indicator tool. • Our review and discussions with the Agency Contract Manager showed that there was a suite of KPI's that were being used to monitor the performance of the provider Matrix. These are discussed at monthly and quarterly contract review meetings. 	Extensive	<p>Limited (Directorate Level)</p> <p>Reasonable (Corporate Level)</p>

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Management and Control of Agency Workers	Feb. 2022	<p>The following Issues and Risks were raised:</p> <ul style="list-style-type: none"> • The hiring and managing agency workers policy and guidance held within the staff intranet pages were dated 2018. The refreshed policy and procedures needed to be put on the intranet. • Prior to engaging an agency worker, corporate policy requires hiring managers to check that suitable resource can be provided from the Council's Redeployee list or from ITRES, the Council's in- House temporary resource bank. Testing found that checks against Redeployee list were not evidenced in 19 cases and checks against ITRES were not evidenced in 14 cases. • Business cases for 2 out of 6 engagements that related to projects were found not to have had the approval of a Director in accordance with the agency hiring procedures. • Pre-recruitment checks and uploading of key documents to support the checks undertaken could not be evidenced in 5 cases. • Where agency assignments had ended, or the assignment period had reached its contractual end date, it was found that in 14 cases, hiring managers had not completed the IT Self Service Leaver forms and hence there was risk that these leavers were active on the Council's IT systems. 		

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Management and Control of Agency Workers	Feb. 2022	<ul style="list-style-type: none"> • Not all agency workers' timesheets submitted for approval were approved within the stipulated timeframe, increasing the risk of the agency worker not being paid on time. We found that 15 of the 20 agency workers in our sample had only one approving officer who could approve the timesheet and hence when the approving officer was absent, there was delay in paying the agency worker. • Those agency workers who choose to be paid on PAYE basis, the Agency provider, did not record within their Invoice spreadsheet the build-up of cost invoiced to the Council so that the actual Pay Rate for each agency worker can be reconciled with the amount charged to the Council. This control enables the Council's nominated Agency Contract Monitoring Officer to check and verify that the charges to the Council for Pensions, Holidays, Bank Holidays, Employers National Insurance Contributions, and Apprenticeship Levy have been calculated and charged correctly. <p>All findings and Issues were discussed with the Agency Contract Manager and agreed. Final report was issued to the Director of HR and WD and all Corporate Directors.</p>		

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NNDR	February 2022	<p><u>Good Practice</u></p> <ul style="list-style-type: none"> • Comprehensive policies and procedures are in place relating to the methodology around setting business rates, business rate collection and the criteria for application of business rate reductions. • We tested a sample of 20 non-domestic properties to assess whether the business rate charged was equal to the rateable value (as confirmed by a notification from the Valuation Office Agency (VOA)) multiplied with the multiplier set by the government. We identified that the rateable value for 19 out of 20 properties had not changed since 1 April 2017, and in one case, where the rateable value was changed, a notification from the VOA was available evidencing it. • We confirmed that the multipliers used to calculate the business rates were accurate based on the occupancy, type of the property and their recorded rateable value. <p><u>Key Findings</u></p> <p>Our key findings from this audit include the following:</p> <ul style="list-style-type: none"> • We reviewed a sample of 20 non-domestic properties which have received either a full or partial reduction to their business rates. The aim of the test was to assess whether the documentation obtained by the Council prior to applying reductions was adequate. We identified the following exceptions across eight non-domestic properties: 	Extensive	Reasonable

		<ul style="list-style-type: none"> - In two cases, the checklist was not signed. The aim of the checklist is to confirm whether the lease records were checked, to record whether the property is wholly or partially occupied and whether the Charities Commission website was checked to verify the status of the business applicant. - In four cases, the checklist was signed as prepared and authorised by the same officer, indicating lack of segregation of duties. - In two cases, the evidence relating to the inspection being carried out prior to the relief award was not available • We reviewed a sample of 20 accounts with credit balances (ranging from £396 to £54,290) for five years. The aim of the test was to identify the reasons for these accounts having a credit balance and to assess whether the Council has undertaken sufficient actions to reduce these balances. We identified the following exceptions: <ul style="list-style-type: none"> - A formal procedure recording the actions staff should take with respect to these accounts in credit is not in place - In 18 cases, the actions undertaken by the Council to reduce the credit balances were inadequate. Since these accounts still have a credit balance and a refund has not been requested for many years, the risk of regular refund requests to facilitate money laundering do not seem to be an issue. 13 out of these 18 accounts are closed accounts whereas five accounts are still live. Out of the 13 closed accounts, four have been refunded and one written-off in the period June to November 2021. The credit balances on three out of five live accounts have been refunded in the period May to July 2021. All the refunds have been made after the audit testing completion in March 2021. 		
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		<ul style="list-style-type: none"> We conducted a walkthrough of the processes around users being added or removed from Civica Open Revenues System, with the Principal Revenues Officer (Technical Support). We identified that a procedure note recording the process of adding or removing a user from the system is not formally documented and a copy of the email requests to remove a leaver's access is not retained. We conducted a follow-up on the recommendations made in 2017/18 audit of NNDR. Out of a total of eight recommendations, we could confirm with reference to evidence that three recommendations had been fully implemented, three recommendations are in progress and two had not been implemented. 		
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Governance and Reporting of Efficiency Savings	March 2022	<p><u>Good Practice</u></p> <p>Medium Term Financial Strategy (MTFS)</p> <ul style="list-style-type: none"> We confirmed that the Council has in place a clear governance and reporting structure with regards to its MTFS, efficiency savings within the MTFS and for communicating and seeking approval of changes in-year. <p>Savings Tracker</p>	Extensive	Reasonable

		<ul style="list-style-type: none"> • We confirmed that the Council has an adequate framework and consistently used system to monitor the savings set out in the MTFFS and to document and review the reasons for targets being off track, and subsequently make and approve adjustments to plans. <p>Budgetary Monitoring & Reporting to the Cabinet and Corporate Leadership Team (CLT)</p> <ul style="list-style-type: none"> • We confirmed that an adequate governance and reporting arrangement is in place for budget monitoring. <p>Write-off of Efficiency Savings</p> <ul style="list-style-type: none"> • We reviewed the Cabinet minutes for February 2020 which presented the 2020/21 budget and Medium-Term Financial Strategy for 2020-23 for approval. We confirmed that in total, four prior year savings were agreed to be written off. <p>Follow Up</p> <p>We followed recommendations raised as part of the Efficiency Savings audit carried out in May 2019. Through our audit fieldwork in addition to holding meetings with key staff, we confirmed the Council implemented recommendations pertaining to the three areas above.</p> <ul style="list-style-type: none"> • Governance – We confirmed that the Council has a Budget Practitioners Guide in place which was last updated in May 2019 and sets out the responsibilities of Individual service areas, divisional directors, budget holders/managers and Finance Business Partners in terms of agreeing saving plans and their 		
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		<p>subsequent monitoring. Additionally, the Council has also updated its savings pro-forma to provide greater clarity and accountability of Divisional Directors over efficiency savings, which we confirmed through our audit testing.</p> <ul style="list-style-type: none">• Monitoring and Reporting – We confirmed that the Council’s saving tracker is reported on a quarterly basis to the Cabinet and on a monthly basis to the CLT and was supported by a Budget Monitoring Report which provided updates and reasons for any slippage or non-delivery. We were also provided with evidence of the Budget Monitoring Reports and Savings Trackers submitted to Place, Resources and Governance DLTs.• Evaluation of Savings Programme – We confirmed through review of e-mail evidence that the Head of Strategic and Corporate finance liaises with Heads of Departments to review proposed efficiency savings and whether they are on track to be delivered, or whether there is any risk of slippage or non-delivery. Additionally, the savings tracker also notes whether any efficiency savings had been delivered in addition to providing a status update in terms of whether desired outcomes were achieved. <p>We have raised two ‘Medium’ priority findings in this report which relates to efficiency saving slippages and proformas. Our review found that whilst there is a strong governance, monitoring and reporting framework in place, a significant level of efficiency savings was not achieved. However, given that the Council did not meet the budgeted efficiency savings during 2019-20 and has needed to further extend the savings into future years, albeit primarily related to the impact of the Covid-19 pandemic, we have provided a Reasonable assurance rather than Substantial assurance opinion. In particular there is a need to continue to closely monitor ongoing, non-Covid-19 related departmental</p>		
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expenditure and ensure savings remain deliverable and that Council reserves are preserved in future years.

Key Findings

Our key findings from this audit include the following:

Delivery & Slippage of Efficiency Savings

- Although reporting to Cabinet is taking place outlining the delivery against proposed efficiency savings, our review of the July 2021 Cabinet Report noted a total savings target of £20.9m for 2020/21, although £10.7m of this related to previous years savings not delivered, whilst £10.2m related to savings agreed in 2020/21. The report to Cabinet noted that only £7.1m savings (i.e., 34% of the target) for 2020/21 were delivered, with £12.3m of savings to be on track, in addition to £6.2m forecast to slip into future years due to timing issues and £2.4m noted as unachievable.
- From our review of the Council's Saving Tracker for Period 8 of 2021/22 financial year, we noted total slippage from previous years (2020/21) of £10.735m, with current year (2021/22) slippage noted as £5.089m. For the 2020/21 outturn, we noted the slippage from Period 8 to fall to £10.661m, with current year slippage increasing to £6.210m. However, for 2021/22, it is forecast that prior year slippage will be £6.210m, with 2021/22 slippage being £941,000. The Council does not have a reserve list of savings in place, however where efficiency savings are slipping, the approach taken by the Council is to identify mitigating actions to offset any short term effects of the slippage, which is done through monitoring of the savings tracker and

		<p>monthly and quarterly budgetary reports and identifying ways to reduce non-essential pay spend to offset slippages. We were provided with evidence from the Head of Corporate and Strategic Finance showing this dialogue held all directorates.</p> <ul style="list-style-type: none">• Although the identification of mitigating actions to lessen the impact of slippage is a viable short-term measure, this does not present a long-term solution in terms of addressing the root cause of any financial challenges resulting in the slippage. <p>Efficiency Savings Pro-Forma</p> <ul style="list-style-type: none">• For all 25 efficiency savings proposals submitted for 2020/21, we confirmed that pro-forma had been completed and appropriately authorised by Cabinet in January 2020 as part of the setting of the 2020-2023 Medium Term Financial Strategy (MTFS), detailing how the savings proposal will be delivered and by whom, in addition to setting out the corresponding risks and mitigations as well as the resources in place to support implementation of the proposal. We did note that the savings proposal pro-formas are not RAG rated, nor do they set out alternative methods of delivering efficiency savings if the original proposal does not succeed.		
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