

Appendix C – Quarterly Report on Internal Audit and Counter Fraud Work

RECOMMENDATIONS FROM AUDIT REPORTS WHICH REMAIN OUTSTANDING AFTER FOLLOW UP

COLOUR KEY

| |
|-------------|
| High Risk |
| Medium Risk |
| Low Risk |

REPORTS ISSUED 20/21

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| Arrears Collection January 2021 | Partial | 2 | 2 | 3 | 07.11.22 | Fourth | Substantial | 0 | 0 | 1 | Jan 24 | An overarching corporate arrears collection strategy must be drawn up and adopted, under which the separate policies for the individual debt streams sit, to ensure council departments responsible for collecting monies are acting in accordance with approved guidelines. (3 months) | Audit Comment Centralised debt collection is due to begin in February 2024. The Lead for Income Maximisation and Welfare has confirmed that writing a Corporate Fair Debt Policy is on the priorities list for 2024/25 |

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REPORTS ISSUED 22/23

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| <p>Construction Industry Scheme February 2022</p> | Partial | 0 | 6 | 0 | 30.01.24 | Third | Substantial | 0 | 1 | 0 | Jul 24 | <p>Procedures for CIS payments must be written up and regularly updated as directives from HMRC change. (6 months)</p> | <p>The Systems and Transactional Manager confirmed that procedure notes for CIS have not been written. Resourcing issues are currently impacting on the team's ability to undertake this work. Target completion date July 24. Training will happen as part of the updating of the procedures.</p> |

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| Casual Workers May 2023 | Partial | 1 | 12 | 0 | 01.02.24 | First | Partial | 0 | 7 | 0 | May 24 | <p>All staff must complete a Close Personal Declaration form at the beginning of their employment. The form must be kept on record and annual reminders sent to update the information if necessary.</p> <p>For Casual Workers the form must be included in the Casual Starter Pack.</p> <p>Managers must be reminded that a form must be completed if a casual workers position regarding close personal relationships changes at any time during the year.</p> <p>(6 months)</p> | <p>The new Starter Pack contains a Close Personal Relationship(CPR) form. The Casual Workers Guidance for Managers contains instructions on the annual reviewing /updating of CPR forms. Whilst the forms are being completed, they are not being routinely saved on D360.</p> <p>Audit comment The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p> |

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| Casual Workers May 2023 continued | Partial | 1 | 12 | 0 | 01.02.24 | First | Partial | 0 | 7 | 0 | May 24 | <p>Managers must be reminded that all casual workers must have a complete copy of the Casual Starter Pack sent to HR.</p> <p>HR must return incomplete Starter Pack to the manager responsible.</p> <p>Consideration must be given to an online version of the form which can be safely completed and delivered without the need for casual workers to attend the office.</p> <p>Hard copies must be destroyed once they have been scanned and delivered to HR and digital copies must not be stored on local devices.</p> <p>(1 month)</p> | <p>Casual Worker Guidance gives instructions on completing Casual Worker Starter Packs for all Casual Workers. The instructions include the directive to send the Starter Packs to both HR and Payroll.</p> <p>Audit comment Testing showed that Starter Packs are, more often than not, being sent to Payroll alone. Payroll extract the Payroll related information and add it to D360, but because the information is not being sent to HR, HR related information is not being saved.</p> <p>It was reported that discussions have been had regarding online Starter Packs, but no decisions were reported. Hard copies are still being retained.</p> <p>The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p> |

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| Casual Workers May 2023 continued | Partial | 1 | 12 | 0 | 01.02.24 | First | Partial | 0 | 7 | 0 | May 24 | <p>Manager's confirmation, signature and date on copies of identity documents must be attached to all Casual Starter Packs and saved on D360. (1 month)</p> | <p>The Casual Workers Guidance for Managers lists the procedures for managing identity documents.</p> <p>Audit comment Testing showed that where identity documents were available on D360 they were nearly always annotated, however many of the samples taken did not have identity documents present on D360.</p> <p>The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p> |

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| Casual Workers May 2023 continued | Partial | 1 | 12 | 0 | 01.02.24 | First | Partial | 0 | 7 | 0 | May 24 | <p>Managers must be reminded that written role duties and expectations must be given to each casual worker and must either form part of the completed Casual Starter Pack or be saved alongside it on D360.</p> <p>(1 month)</p> | <p>Starter Packs containing role duties, as well as more detailed duty descriptions for more senior roles, are regularly being sent to Payroll, but not transferred to D360 in their entirety.</p> <p>Audit comment The Director and HR are aware of this issue and confirmed that a solution to managing Starter Packs through D360 will be found, and the project to move the Starter Pack online will be discussed with IT- online Starter Packs have the potential to resolve all of the outstanding Starter Pack issues.</p> |
| | | | | | | | | | | | | <p>Managers must be reminded that casual workers must have a related wages amendment form for rates that differ from their original payment code.</p> <p>(3 months)</p> | <p>Audit comment Payroll reported that there has been an improvement in this area, but that there are still instances of it happening.</p> <p>Testing supported this position with a number of casual worker pay codes / rates out of date on D360 – some by a number of years.</p> <p>The Director and HR are aware of this issue. Managers will be reminded that staff must have up-to-date rates and payment code on file.</p> |

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| Casual Workers May 2023 continued | Partial | 1 | 12 | 0 | 01.02.24 | First | Partial | 0 | 7 | 0 | May 24 | Managers must be reminded that casual workers must be given Health and Safety training relevant to the roles they are undertaking. (3 months) | <p>Meetings between the Health and Safety Manager and Devonshire Quarter managers are happening frequently, and specific Health and Safety (H&S) related training sessions are being given. The Director confirmed they have been present at a number of H&S inductions carried out by the Events team and that they are comprehensive as far as the specific duties being carried out for the event are concerned.</p> <p>However, H&S training for Casual Workers is not always happening. It was reported that a barrier to providing basic H&S training, especially to casual workers who are taken on at short notice and those working for short periods of time, is the lack of access to OLLE training as this requires a council email address.</p> <p>Audit comment: The Director confirmed they will speak with Health and Safety Manager to help pinpoint H&S shortfalls and discuss potential ways to address them.</p> |

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| Casual Workers May 2023 continued | Partial | 1 | 12 | 0 | 01.02.24 | First | Partial | 0 | 7 | 0 | May 24 | All casual workers that require a qualification and/or a background check to carry out their duties must have the relevant documents retained on their personnel file. (1 month) | Audit comment A review of the DBS checks held by HR for relevant staff was carried out. However, in testing, one sample was found to have no DBS check on file. It was reported that issues regarding the speed at which DBS checks are happening and the relevant documents are being passed onto HR has been identified as a problem. It was confirmed that discussions are already happening with managers and measures put in place to address the ongoing issues. |
| Complaints August 2023 | Partial | 9 | 7 | 0 | 06.12.23 | First | Partial | 9 | 7 | 0 | Apr 24 | An aligned complaint management policy for defining and handling customer complaints must be drafted, implemented, and regularly reviewed. It must meet all complaint management requirements to avoid the need for separate supplementary policies. (6 months) | Head of Business Planning and Performance The draft Complaint Management policy is now written, and we are due to take this for formal sign off by members at February [2024] Cabinet. |

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| Complaints August 2023 continued | Partial | 9 | 7 | 0 | 06.12.23 | First | Partial | 9 | 7 | 0 | Apr 24 | An aligned complaint management procedure for handling customer complaints and the associated record-keeping requirements must be drafted, implemented, and regularly reviewed. It must meet all complaint management requirements to avoid the need for separate supplementary procedures. (6 months) | Head of Customer First Once the policy has been agreed this will be developed. Target completion date March 2024. |
| | | | | | | | | | | | | All council-wide complaint management documents and user guides must be reviewed, updated, and implemented to address inconsistencies and omissions. All documents must have quality assurance cover sheets. (6 months) | Head of Customer First Once policy has been agreed this will be developed. Target completion date March 2024. |
| | | | | | | | | | | | | The support available to those who may otherwise struggle to make a written complaint must be widely and consistently communicated. (3 months) | Head of Customer First The Contact Centre have been reminded as to how they can take complaints verbally. No customer comms has been issued but we can include this when we launch the updated policy. Website is being updated as part of new website project. Target completion date for this action March 2024. |

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| Complaints August 2023 continued | Partial | 9 | 7 | 0 | 06.12.23 | First | Partial | 9 | 7 | 0 | Apl 24 | Consideration must be given to procuring a dedicated complaint management system that meets all complaint management, recording and reporting needs. (6 months) | Head of Customer First Being considered by accelerating change steering group. No current update but will be discussed in January 2024. |
| | | | | | | | | | | | | Complaints management system templates must support good documentation and record keeping practices. (3 months) | Head of Customer First Work not yet started will be started once policy is agreed. Target date for work to start March 2024 |
| | | | | | | | | | | | | Complaints must be handled in line with the documented complaints procedures and the complaint management system must be used as it is intended to be used. Mandatory training programmes must be devised and implemented for both managers responsible for implementing and overseeing the complaints management process, and staff assigned to investigate, respond to, and record complaints. (6 months) | Head of Customer First The OLLE training has been reviewed and is being amended. CMT have been asked to consider making the training mandatory. This has been included in the policy that will go to Cabinet in Feb 24. |

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| Complaints August 2023 continued | Partial | 9 | 7 | 0 | 06.12.23 | First | Partial | 9 | 7 | 0 | Apr 24 | All records supporting a complaint request / complaint must be appropriately stored and retained together. An explanatory file note must be left on the original complaint file for aborted and cancelled complaints. (6 months) | Head of Customer First Will be part of the training package. |
| | | | | | | | | | | | | A process must be implemented to ensure complaints are resolved and closed in a timely manner. (3 months) | Head of Customer First Work not yet started. Target for starting in Jan 24. |
| | | | | | | | | | | | | The complaint alert notification email distribution list must be kept up to date. Change requests to the distribution list must be submitted and processed in a timely manner. The process for updating the distribution list must be reviewed, updated, and implemented. (1 month) | Head of Customer First and Customer First Resolution Team Specialist Advisor (Complaints and Improvement) Specialist Advisor is working with service areas and ICT to update the lists. Going forward service areas will be required to keep us updated on changes. |
| | | | | | | | | | | | | Information on the complaints management process detailed on The Hub and external website, must be reviewed and updated, and aligned with guidance. (1 month) | Audit comment Complaints process contact details on The Hub have been updated. Information on external website not yet updated. |

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| Complaints August 2023 Continued | Partial | 9 | 7 | 0 | 06.12.23 | First | Partial | 9 | 7 | 0 | Apl 24 | Staff must receive alerts when complaints they have been assigned are approaching their target resolution dates and when they have reached their target resolution dates. (6 months) | Head of Customer First Work not yet started will be started once policy is agreed. Target date for work to start March 2024. |
| | | | | | | | | | | | | Customers must be signposted to where they can provide feedback on the way in which their complaint was handled. That feedback must be logged and reviewed, and lessons learnt disseminated and implemented across the councils. (6 months) | Head of Customer First Work not yet started will be started once policy is agreed. Target date for work to start March 2024. |
| | | | | | | | | | | | | Root cause analysis of complaints, and systems and processes to disseminate and implement lessons learnt from root cause analysis, must be extended across the councils. (3 months) | Head of Customer First This is happening within Customer First as a proof of concept and will be rolled out wider as part of the training and comms plan. Seeking support from other service areas. Target for completion by March 2024. |
| | | | | | | | | | | | | Reports must be designed to meet all complaint reporting needs. (6 months) | Head of Customer First Work not yet started will be started once policy is agreed. Target date for work to start March 2024. |

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| Complaints August 2023 Continued | Partial | 9 | 7 | 0 | 06.12.23 | First | Partial | 9 | 7 | 0 | Apl 24 | All service areas must be responsible for monitoring and recording their own complaints data in a standardised format for timely submission to Customer First to meet PI reporting requirements. (6 months) | Head of Customer First The complaints data is taken from D360 so directly linked to 2.4 and 2.7. |

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ANNUAL AUDITS

| AUDIT | Original Assurance Level | High | Medium | Low | Latest Follow Up Date | Number of Follow Up | Assurance Level at Follow Up | High | Medium | Low | Next Follow Up Due | Outstanding recommendations | Update |
|------------------------------------|--------------------------|------|--------|-----|-----------------------|---------------------|------------------------------|------|--------|-----|--------------------|---|--|
| Housing Rents (22/23) July 2023 | Substantial | | | | | | | | | | | <p>Outstanding from 2021/22</p> <p>There must be a review of the users and their permissions for the Housing CX system. To ensure that the users and their permissions are up to date and accurate.</p> <p>This requires IT, HR to work together to find a solution, with input from Finance and Customer First.</p> <p>(3 months)</p> | <p>Head of IT Agreed</p> <p>Head of HR Agreed</p> <p>Deputy Chief Finance Officer Agreed</p> <p>Head of Customer First Agreed</p> |
| Payroll (22/23) December 2023 | Substantial | | | | | | | | | | | <p>2026/17 Outstanding Recommendation</p> <p>An authorised signatories list detailing officers' authorisation rights in respect of Payroll payments or changes to Payroll records, must be drawn up and maintained up to date and in accordance with the various Financial Procedure Rules.</p> <p>(6 months)</p> | <p>Audit Comment</p> <p>No further follow up of this recommendation will be undertaken however a full audit review of authorised signatories across the councils will be undertaken as part of the Audit Plan for 2024/25</p> |

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| <p>Payroll (22/23) December 2023 (continued)</p> | Substantial | | | | | | | | | | | <p>2020/21 Outstanding Recommendation</p> <p>All discretionary pay awards must detail an explanation for why the award is being made.</p> <p>(6 months)</p> | <p>2020/21 and 2021/22 Client Comment HR Business Partners will ensure that payroll are provided with a summary of the additional duties that are being undertaken, how the payment for these has been calculated and the period to which the payment relates, to the best of the information provided to us at the time.</p> <p>HR will also check any calculations provided by managers.</p> <p>2022/23 Head of HR HR will remind managers of the requirement for this.</p> |
| <p>Debtors (22/23) January 2023</p> | Substantial | | | | | | | | | | | <p>2020/21 Recommendation It must be ensured that adequate checking of any amendments made is carried out and any unusual transactions questioned.</p> <p>2021/22 Recommendation Running regular reports on new and amended charge codes must be implemented as the key compensating control for managing risk posed by many users having access to set-up and amend charge codes.</p> <p>(3 months)</p> | <p>2020/21 Systems and Transactional Manager It is not possible to restrict access and allow departments to raise invoices. However, a daily report is produced and checked to pick up any changes.</p> <p>Risk accepted with a compensating control 2022/23 Audit Confirmed as outstanding in 2021/22 debtors Audit follow up.</p> |

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| Debtors (22/23) January 2023 Continued | Substantial | | | | | | | | | | | <p>2019/20 Recommendation Evidence of details for the invoice and the authorisation for raising these must be retained.</p> <p>2020/21 Recommendation No invoice should be raised unless there is an authorisation from an appropriate officer at a senior level.</p> <p>2021/22 Recommendation Heads of Service and managers must be reminded that the authoriser must be specified on the requisition whatever the format the requisition takes (form, spreadsheet, email). Email authorisations must remain attached to requisitions so that both documents are retained together. Invoices must not be raised without authorisation.</p> <p>(3 months)</p> | <p>2021/20 Client Debtors staff have been reminded that they need to do this going forward</p> <p>2020/21 Systems and Transactional Manager We will re-emphasise to all members of the Debtors team that all invoice requests must be adequately authorised by an officer with sufficient authorisation levels.</p> <p>Agreed 2022/23 Audit Confirmed in 2021/22 debtors Audit follow up that steps are being taken to address these recommendations.</p> |

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| <p>Main Accounting (22/23) March 2023</p> | Substantial | | | | | | | | | | | <p>2021-22 Recommendation A decision should be made about whether a reference alone is sufficient a narrative for a journal. The decision should inform procedures to establish consistency across the organisations. (9 months)</p> <p>2021-22 Recommendation A decision must be taken, procedures written, and action verified around whether reconciliations should clearly identify who carries them out and how often, and by whom, they should be checked. (9 months)</p> | <p>DCFO comment: The Chief Finance Officer has identified and discussed with Managers the need to improve policies and procedures across the area, with an emphasis on consistent reporting. The option to mandate a narrative within Civica will be looked at. Pentana is being used by Finance as a way of documenting and monitoring processes and procedures. The workflow currently being trialled:</p> <ul style="list-style-type: none"> • Pentana Alert to task owner • Task owner update and submit evidence. • Pentana update • Notification to Manager to review. |