

Runnymede Borough Council

Internal Audit Progress Report for Outstanding
Recommendations

25 January 2022 - Standards and Audit Committee
2021/22

January 2022

Executive Summary

Introduction

1. This summary report provides the Standards and Audit Committee with an update on the progress in implementing the priority 1, 2 and 3 recommendations arising in previous internal audit reports.
2. This follow up review was carried out in December 2021. Since the previous follow up review was carried out (October 2021), five recommendations have reached their initial or revised target implementation date, and a further five recommendations remain outstanding as previously reported.

Key Findings & Action Points

3. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	0
Outstanding	10
No Longer Applicable	0
Not Implemented	0

4. For the ten recommendations classified as Outstanding, these will continue to be periodically monitored, and details relating to the specific recommendations in these cases have been included in the Detailed Findings section below. Of these recommendations, in two cases a revised implementation date has been set.
5. Two of the recommendations relate to the previous Internal Communications audit; this area is subject to a separate, full follow up review during Quarter 4 2021/22 and therefore these recommendations will be considered as part of that review.
6. Four of the recommendations relate to the previous Depot audit. It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore these recommendations will be considered as part of that review.
7. As previously reported to Committee, two recommendations relate to the previous Safeguarding audit. Following the departure of the lead officer for Safeguarding, some of the actions agreed following the last audit remain incomplete and with restructuring of the Community Development Business Unit currently taking place, future responsibility for Safeguarding has yet to be finalised. Once complete it is proposed that a meeting with the Corporate Head and any identified Safeguarding lead will take place, to review the audit report presented and the actions required to determine what is now appropriate, following which steps will be taken to address the actions agreed.

Scope and Limitations of the Review

8. The review considers the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
9. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
10. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

Release of Report

11. The table below sets out the history of this report.

Date final report issued:	6 th January 2022
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Detailed Findings

Follow Up

12. Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:

13. Depot

Audit title	Depot	Audit year	2020/21	Priority	1
Recommendation	The Depot create its own risk register to identify the key risks associated with the Depot and how these are being controlled and managed.				
Initial management response	The recommendation raised in the previous report was for a separate risk register for the depot be 'considered'. This was then agreed by the then DSO manager with a target date of 1 July 2018. Follow up of this in Oct 2019 found this remained outstanding and it was subsequently brought to the attention of the new DSO manager in Dec 2019 with a revised date for action being agreed with the CHoES of April 2020. Revised further to April 2021 as a direct impact of Covid and awaiting the outcome of the 'depot feasibility study' commenced in Feb 2020 but also delayed for the same reason. New implementation date set to allow for outcome of on-going H&S risk assessments report.				
Responsible Officer/s	DSO Manager /CHoES	Original implementation date	30/09/21	Revised implementation date	TBC
Latest Update	It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

Audit title	Depot	Audit year	2020/21	Priority	2
Recommendation	The security at the Depot be reviewed and appropriate action taken to keep the site secure by use of both physical security measures (a working gate) and via adequate surveillance.				
Initial management response	These are both longstanding issues and indicative of a lack of regular maintenance and investment by the authority into what are ailing facilities. Both are included in the current depot feasibility study and require financial investment to rectify.				
Responsible Officer/s	DSO Manager / Corporate Head of Environmental Services	Original implementation date	Long term remedy dependent of the outcome of the feasibility study due to report in Sept 2021.	Revised implementation date	TBC
Latest Update	It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

Audit title	Depot	Audit year	2020/21	Priority	3
Recommendation	Consideration be given to the purchase of the optimisation route package.				
Initial management response	Agreed. Finance was sought for this upgrade by the DSO but not forthcoming due to present financial pressures. A report to be made to the relevant committee requesting funding to upgrade the system.				
Responsible Officer/s	DSO Manager /CHoES	Original implementation date	30/09/21	Revised implementation date	TBC
Latest Update	It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times. The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

Audit title	Depot	Audit year	2020/21	Priority	3
Recommendation	Detailed stock take procedures be documented and a re-order level established, where appropriate.				
Initial management response	Noted.				
Responsible Officer/s	DSO Manager /CHoES	Original implementation date	30/09/21	Revised implementation date	TBC
Latest Update	<p>It was advised by the Depot Manager that there have been no further developments since the previous audit due to unfilled vacancies (nearly 1/3 of the staff) within the office staff at the depot. Due to the limited amount of staff available to run and deliver the daily operations all the staff time has been devoted to ensuring the operations are run and delivered in continually difficult times.</p> <p>The Depot is subject to a separate, full follow up review during 2022/23 and therefore this recommendation will be considered as part of that review.</p>				
Status	Outstanding				

14. GDPR Preparedness

Audit title	GDPR Preparedness	Audit year	2017/18	Priority	2
Recommendation	A review of all contracts and agreements with third parties be undertaken to ensure all content is GDPR compliant.				
Initial management response	Meeting on 26/09/18. With CHL&G and Legal Services Mgr to discuss.				
Responsible Officer/s	Corporate Head of Law & Governance	Original implementation date	28/02/19 (subsequently March 2020, October 2020, July 2021, December 2021)	Revised implementation date	31/03/22
Latest Update	<p>During the previous follow up review in October 2021 it was advised that the impact of Covid was longer than anticipated. With a clearer path out of Covid, work on this project would restart. A completion date of December 2021 was subsequently envisaged and a revised target date set.</p> <p>During this follow up review, it was advised by the Corporate Head of Law and Governance that work is in progress, with completion envisaged by 31st March 2022. Delays have been experienced due to carrying out this work alongside business as usual activities and therefore having to prioritise other tasks on occasions.</p>				
Status	Outstanding				
	A revised target date has been set.				

15. Income – Cash and Bank

Audit title	Income – Cash and Bank	Audit year	2020/21	Priority	2
Recommendation	Action be taken to ensure that cashbook reconciliations are frequently carried out in order to promptly identify any discrepancies, with training provided at the earliest opportunity to allow for greater resilience across the service area.				
Initial management response	The last year has been incredibly challenging for a whole host of reasons. The new Accountancy Assistant started the week of the first lockdown, and being mainly a manual paper based exercise it was not possible to train them up remotely. Whilst reconciliations of expenditure have been undertaken monthly during the year, only partial income reconciliations have been achieved in a timely manner. This was in part due to the need to fully understand the new Civica Income Management System (which was implemented in stages, meaning that for a majority of the year two systems were in operation), additional Covid related responsibilities being undertaken by the Finance team and, an incredibly protracted and time consuming external audit, leaving resources stretched.				
Responsible Officer/s	Housing Accountant	Original implementation date	30/11/21	Revised implementation date	31/03/22
Latest Update	<p>It was advised by the Housing Accountant that, to date, there has been little progress this year on the bank reconciliations with no formal reconciliations carried out since April.</p> <p>Following the change to the new Civica system, a number of errors in the processes and systems were identified as part of closing the accounts in April 2021, and it is hoped that this has now largely addressed what is required in order to reconcile, although the formal reconciliations will still be a lengthy process. As part of this process it is also envisaged that a number of the previous procedure notes will have to be re-written. A revised implementation date has been set.</p>				
Status	Outstanding			A revised target date has been set.	

16. Internal Communications

Audit title	Internal Communications	Audit year	2020/21	Priority	2
Recommendation	Internal Communications Strategy be reviewed to include greater clarity over the specific time period for the strategy, roles and responsibilities within the Council, and a detailed action plan.				
Initial management response	The existing draft strategy will be reviewed between January 2021 and March 2021 with a view to being approved by the relevant council committee in April 2021. As explained to the auditor at the start of the process, no previous strategy had existed at the Council. The strategy submitted as part of the audit process was a first draft provided to demonstrate its existence. It had not yet been reviewed by appropriate staff within the Council, or elected members.				
Responsible Officer/s	Communications Manager	Original implementation date	April 2021 (subsequently July 2021 and December 2021)	Revised implementation date	TBC
Latest Update	<p>This had been delayed due to focusing on the Coronavirus response, along with a member of the team who did most of the internal communications work leaving the Council. It was initially advised that the existing draft strategy would be reviewed, with a view to being approved by the relevant council committee in July 2021.</p> <p>It was subsequently advised by the Communications Manager that due to staffing changes within the team, and the longer duration of the Coronavirus pandemic, it was expected that this would be brought to committee before the end of the calendar year. It was likely that a shorter strategy would be produced, accompanied by a policy document. The contents would be informed by the results of a staff survey planned to take place during October. A revised target date of December 2021 was therefore set.</p> <p>It was noted that there is a very small Communications team and therefore the Communications Manager is required to be very hands on in terms of writing news stories, social media content, building websites etc, and this front line work has taken precedence. This has especially been the case during the pandemic, and because of staff changes in the team over the last year which have left gaps between employees which the Communications Manager has had to fill in addition to their own work. The internal communication work has continued throughout however, including the launch of the new Staff Home intranet.</p> <p>Communications is subject to a separate, full follow up review during Q4 21/22 and therefore this recommendation will be considered as part of that review.</p>				
Status	Outstanding			A revised target date has been set.	

Audit title	Internal Communications	Audit year	2020/21	Priority	2
Recommendation	Corporate guidance be developed as to minimum expectations or good practice in terms of both vertical and horizontal communications.				
Initial management response	Guidance will be developed taking into account local conditions in Runnymede. It is generally felt that staff members who have reached the level of a manager or senior manager would have developed communication skills throughout their career and understand how best to communicate with their teams and individual colleagues, hence the light touch approach, as each service area has its own norms. Performance management training for managers and senior managers provided by HR in 2019 implicitly covered some of these types of topics, although it was not intended as communications training. The level of resource available within the Communications team to support internal communication also needs to be taken into account when deciding how formalised an approach to take. That said, baselining and minimum expectations and advice on topics and approaches will be helpful to give a general steer.				
Responsible Officer/s	Communications Manager	Original implementation date	March 2021 (subsequently July 2021 and December 2021)	Revised implementation date	TBC
Latest Update	This is linked to the above recommendation, as guidance will be reviewed as part of the review of the existing draft strategy. During a previous follow up review it was advised by the Communications Manager that this would be included in the strategy and policy likely to come to Members before the end of the calendar year. A revised target date was therefore set. Communications is subject to a separate, full follow up review during Q4 21/22 and therefore this recommendation will be considered as part of that review.				
Status	Outstanding				

17. Safeguarding

Audit title	Safeguarding	Audit year	2020/21	Priority	3
Recommendation	Roles and responsibilities for departmental Safeguarding representatives be formalised, with contact information made readily available to all staff.				
Initial management response	A more formalised process will be introduced for safeguarding leads across the Council.				
Responsible Officer/s	Corporate Head of Community Development	Original implementation date	31/03/21 (subsequently 31/05/21, 01/08/21 and 30/09/21)	Revised implementation date	TBC
Latest Update	During the previous follow up review it was advised that the Corporate Head of Community Development had been in discussions with other authorities and a number had developed a handbook which incorporates the information suggested in the recommendation. The Corporate Head of Community Development was currently drafting this with the aim to have this completed in mid-September at which point it would be circulated to SLT for comment. Following the departure of the lead officer for Safeguarding, some of the actions agreed following the last audit remain incomplete and with restructuring of the Community Development Business Unit currently taking place, future responsibility for Safeguarding has yet to be finalised. Once complete it is proposed that a meeting with the Corporate Head and any identified Safeguarding lead will take place, to review the audit report presented and the actions required to determine what is now appropriate, following which steps will be taken to address the actions agreed.				
Status	Outstanding				

Audit title	Safeguarding	Audit year	2020/21	Priority	3
Recommendation	Policies/procedures be reviewed to incorporate details in relation to (i) processes where safeguarding concerns relate to the conduct of staff or Councillors, and (ii) standard Safeguarding requirements / contract clauses to ensure that organisations acting on behalf of the Council are implementing safe working procedures and sharing information about safeguarding incidents.				
Initial management response	Surrey wide there have been further discussions about reviewing policies and the comments will be picked up as part of this review.				
Responsible Officer/s	Corporate Head of Community Development	Original implementation date	31/03/21 (subsequently 30/09/21)	Revised implementation date	TBC
Latest Update	<p>During the previous follow up review it was advised by the Corporate Head of Community Development that as part of the recent section 11 audit there was no negative feedback on the policy. However, the policy would be reviewed and compared to policies from other local authorities which had recently been updated and praised as being a good benchmark. This was currently a work in progress, with any updated policy due to go to Corporate Management over the summer.</p> <p>Following the departure of the lead officer for Safeguarding, some of the actions agreed following the last audit remain incomplete and with restructuring of the Community Development Business Unit currently taking place, future responsibility for Safeguarding has yet to be finalised. Once complete it is proposed that a meeting with the Corporate Head and any identified Safeguarding lead will take place, to review the audit report presented and the actions required to determine what is now appropriate, following which steps will be taken to address the actions agreed.</p>				
Status	Outstanding				
