

Waverley Borough Council

Report to: Audit Committee

Date: 20th June 2023

Ward(s) affected: All

Report of Director: Ian Doyle, Transformation & Governance

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Audit Committee Chairman: Cllr Spence

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Report Status: Open

Progress on the implementation of Agreed Internal Audit Actions

1. Executive Summary

- 1.1 The Committee's Terms of Reference include provision for the Committee to monitor and comment on the progress made in the achievement of the Agreed Internal Audit Actions.
- 1.2 An update on the current position of the Agreed Internal Audit Actions is presented for the Audit Committee to note progress being made on their implementation..

2. Recommendation to Audit Committee

- 2.1 It is recommended that the Audit Committee considers the information contained in **Appendix 1** and, following discussion at the Audit Committee meeting identifies any action it wishes to be taken on the 10 actions that are overdue.
- 2.2 It is recommended that the Audit Committee considers the Executive Head(s) of Service justification for a request for a change in the agreed target date for the Management Action (s) listed in **Appendix 2** and agree an appropriate implementation date(s).
- 2.3 It is recommended that the Audit Committee discuss the items in **Exempt Appendix 3** as those actions will be discussed in exempt due to their content re safeguarding the security of the council.

3. Reason(s) for Recommendations:

- 3 To enable the Audit Committee to be informed of the status of agreed audit actions accepted by the Executive Head(s) of Service but not yet implemented or insufficient progress made to implement by the agreed target date, enabling the Committee to be aware of the current position of the audit actions.

4. Exemption from publication

- 4.1. N/A

5. Purpose of Report

- 5.1 These To inform the Audit Committee of Senior Management's progress in implementing the agreed actions raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the original agreed implementation date.

6. Strategic Priorities

- 6.1. A financially sound Waverley, with infrastructure and services fit for the future.

7. Background

7.1 This report provides the Audit Committee with the latest position regarding the implementation of Internal Audit agreed audit actions.

8. Consultations

8.1 Consultation with Executive Heads of Service and the Joint Management Team were completed re the content of this report and the results.

9. Key Risks

9.1 If the authority did not monitor the achievement of the agreed audit actions could leave the council vulnerable to the risks identified during each audit completed.

10. Financial Implications

10.1. Internal Audit work helps management to ensure that internal controls are in place to minimise the risk of loss, including financial, to the council.

11. Legal Implications

11.1 There are no direct legal implications, although good governance and probity are strengthened by attending to matters raised within the audit agreed actions. Our arrangements comply with public sector Internal Audit Standards.

12. Human Resource Implications

12.1. N/A

13. Equality and Diversity Implications

13.1 There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

14. Climate Change/Sustainability Implications

14.1. There are no direct implications in the report.

15. Conclusion

15.1 The contents of the report informs the Audit Committee of the recovery of properties from those not using them in accordance with the tenancy agreement and the financial and reputational value of completing this work to safeguard the councils assets.

16. Background Papers

16.1 There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

17. Appendices

17.1 Appendix 1 – Internal Audit Agreed Actions due for implementation by 30 June 2023.

17.2 Appendix 2 – Internal Audit Actions request for an extension.

18. Governance Journey

18.1 The minutes of the meeting will be included on the next Council agenda.

Please ensure the following service areas have signed off your report. Please complete this box, and do not delete.






Service	Sign off date
Finance / S.151 Officer (Rosie Plaistowe Melham)	25/05/2023
Legal / Governance (Ian Hunt)	23/05/2023
HR (Jon Formby)	26/05/2023
Equalities (Louise Norie)	18/05/2023
Lead Councillor	N/A

CMB	23/05/2023
Executive Briefing/Liaison	N/A
Committee Services	25/05/2023


Agreed Internal Audit Actions overdue or due by 30 June 2023



Generated on: 31 May 2023

Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed



Joint Executive Head of Organisational Development – Robin Taylor
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IA23/06.004.1 Notification of movers			
Action Code & Description	We sought to test that IT are notified of internal role changes so that the appropriate changes to a user's AD account can be made in order to ensure that only the minimum necessary access and privileges are maintained. We contacted the WBC HR team and requested a list of recent internal role changes from within the previous 12 months which we used to select a random sample of ten role changes. We then asked our contacts to provide evidence that IT had been notified of the change by HR so that IT can process any required access changes. Our contacts informed us that they had only been able to locate service desk tickets for five of the ten (50%) role changes in our sample, however, each of these had been actioned accordingly.	Exit Meeting Date	26-Apr-2023
		Due Date	30-Jun-2023
Risk Level	Medium Priority	Risk RAG	
Audit Report Code and Description	IA23/06 Cyber Security		
Agreed Action	HR and Managers to ensure that all staff who move roles within the organisation are notified to IT.		

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Status		In Progress	Progress	0%	Head of Service	Nicola Haymes; Robin Taylor
All Notes						



Joint Executive Head of Finance – Peter Vickers

IA22/16.001.1 Procedure Notes						
Action Code & Description	There are currently no procedure notes relating to cash and card payment taking (PDQ payments).				Exit Meeting Date	13-Oct-2022
	Additionally, other documented procedures that have been provided for audit purposes, are not dated, or version controlled, and it is not clear who is responsible for their ongoing maintenance.				Due Date	31-May-2023
Risk Level	Low Priority				Risk RAG	
Audit Report Code and Description	IA22/16 Fees and Charges					
Agreed Action	1.1 Produce procedure notes for taking cash and card payments (PDQ payments)					
Status		Overdue	Progress	50%	Head of Service	Peter Vickers
All Notes	Extended to 31 May 2023 as agreed by the Audit Committee on 13 March 2023.					14-Mar-2023
	Procedure notes for the new Adelante income system has been produced but implementation of the upgrade is being delayed until after yearend. This will also reduce risk with more time for testing before implementation.					03-Mar-2023



IA22/16.001.2 Version Control						
Action Code & Description	There are currently no procedure notes relating to cash and card payment taking (PDQ payments).				Exit Meeting Date	13-Oct-2022
	Additionally, other documented procedures that have been provided for audit purposes, are not dated, or version controlled, and it is not clear who is responsible for their ongoing maintenance.				Due Date	31-May-2023



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Risk Level	Low Priority				Risk RAG	
Audit Report Code and Description	IA22/16 Fees and Charges					
Agreed Action	1.2 Update and current procedure notes and include version control and include ownership					
Status		Overdue	Progress	50%	Head of Service	Peter Vickers
All Notes	Extended to 31 May 2023 as agreed by the Audit Committee on 13 March 2023.					14-Mar-2023
	Procedure notes for the new Adelante income system has been produced but implementation of the upgrade is being delayed until after year end. This will also reduce risk with more time for testing before implementation.					03-Mar-2023

Action Code & Description	IA23/02.001.2 Automated work items					
	The tax and business rates services now delivered as self-service on the OpenPortal used to be provided through email sent via forms from the website, directly to the Revenues Team or by phone. The OpenPortal was implemented in January 2022 and due to the current influx of new business processes related to the cost of life crisis, such as energy rebates, data is not currently monitored to analyse and report on business efficiency benefits.				Exit Meeting Date	10-Oct-2022
	However, the service is at the time of audit actively looking at the system parameters from the experience of the use of the OpenPortal so far. Those parameters are being corrected in order to improve the service, in advance of an assessment of the business efficiencies brought by the system, planned to take place in a year from September 2022.				Due Date	30-Jun-2023
Risk Level	Low Priority				Risk RAG	
Audit Report Code and Description	IA23/02 Revenues Open Portal					
Agreed Action	Review volume of work items automated over the past year and calculate return on investment due to the reduction in officer time/cost.					
Status		Neglected	Progress	50%	Head of Service	Peter Vickers


All Notes		
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Action Code & Description	IA23/02.002.1 Inbox review					
	<p>We were provided with a report showing that between 04/06/2022 and 28/08/2022, 20 emails were received: Five emails received a response and did so within the stated 14 days, and three messages were forwarded to a different department. However,</p> <ul style="list-style-type: none"> • 12 of them had not been responded to, of which three were marked as unread. • two of the above 12 emails had not been responded to after a second email query. <p>Multiple users across different teams have access to the inbox, however no task allocation for the triage process of emails is in place. Consequently, some emails are not read, some are not replied to even after a second query, and some have been read but it is unknown whether a replied has been sent.</p>				Exit Meeting Date	10-Oct-2022
					Due Date	30-Jun-2023
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/02 Revenues Open Portal					
Agreed Action	Allocate responsibility to officers to review inbox and respond to emails daily and keep record of communication and response time. Ideally investigate possibility of implementing a triage system (online form) that will enable more effective management and capture of data to record effectiveness.					
Status		Neglected	Progress	20%	Head of Service	Peter Vickers
All Notes	A new staff member to join and a review to be taken. Expected to be completed later in year, therefore an extension to the 30 th September 2023 is requested.					24-May-2023
	Extension Agreed by Audit Committee on 13 March 2023 to 30 June 2023.					14-Mar-2023
	The team has been under significant pressure to deliver on central governments grants and reliefs. This was followed by delivering of the annual billing. The outstanding action will be actioned in Q1 of 2023.					03-Mar-2023

Action Code & Description	IA23/02.003.1 Remove response times of 14 days					
	The target for responses to emails received via the OpenPortal is 14 days. We acknowledge that the OpenPortal is a recent implementation and the system and processes around it are still in a period of adjustment. However, surveys and customer feedback across private and public sector services report that optimal customer satisfaction is attained when replies to email queries take between one and 24 hours.				Exit Meeting Date	10-Oct-2022
				Due Date	30-Jun-2023	
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/02 Revenues Open Portal					
Agreed Action	Remove the response time of 14 days from the email response and allocate responsibility to officers to review inbox and respond to emails daily and keep record of communication and response time. Ideally investigate possibility of implementing a triage system (online form) that will enable more effective management and capture of data to record effectiveness.					
Status		Neglected	Progress	30%	Head of Service	Peter Vickers
All Notes	Extension Agreed by Audit Committee on 13 March 2023 to 30 June 2023.					14-Mar-2023
	The team has been under significant pressure to deliver on central governments grants and reliefs. This was followed by delivering of the annual billing. The outstanding action will be actioned in Q1 of 2023.					03-Mar-2023


Action Code & Description	IA23/05.002.1 Procedure Notes					
	During our testing we were advised that there are different authorisation levels in place for refunds of Council Tax and NNDR (Business Rates), although these levels are not configured within the Civica system.				Exit Meeting Date	27 April 2023
Taxation Officers create refunds for CTAX & NNDR, any refund less than £2,500 does not require any authorisation. Refunds over £2,500 should be sent to a Team Leader who, as discussed within Observation 1 will add a diary note to say approved. If a refund is over £15,000 then Team Leader will ask the Revenues Manager for a secondary check/ approval. Again, Revenues Manager should add a diary note to say checked.				Due Date	30-Jun-2023	

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	<p>If a refund is over £50k then an email is also sent to the Head of Service/ Director and cc to the Finance Accountant.</p> <p>This delegation of authority is not documented within any policy or procedure.</p> <p>It was also found during our testing of a sample of refunds that notes of approval on the accounts were missing for three out of ten.</p>					
Risk Level	Medium Priority				Risk RAG	■
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Update procedure notes with approval levels and remind to officers.					
Status		Assigned	Progress	50%	Head of Service	Peter Vickers
All Notes	On track for completion re WS, who will update status before AC papers go out.					24-May-2023



	IA23/05.003.1 Verification of Bank Details					
Action Code & Description	<p>Testing found that evidence is held on the EDM system to support refunds. In the event that a bank account is closed, and an account is in credit it still requires refunding. WBC make the effort to find the individual and request account details to make the refund to. However, this process is not documented and is currently based on staff experience and awareness of knowing the risks of fraud and theft in the process of refunding.</p> <p>Testing found that Solicitor Letters could be provided to the council to confirm the bank account details of an individual that the money can be refunded to. However, the procedure does not require any independent verification of the solicitors, or the bank account details prior to processing the refund.</p>				Exit Meeting Date	27 April 2023
					Due Date	30-Jun-2023
Risk Level	Medium Priority				Risk RAG	■
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Procedure notes will be amended to include a step process to verify bank details and note on account.					
Status		In Progress	Progress	0%	Head of Service	Peter Vickers


All Notes	On track for completion re WS.	24-May-2023
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IA23/05.004.1 Target Days						
Action Code & Description	<p>There are no set expectations for the timeliness of processing refunds for Council Tax and NNDR. There is also no management overview for the time taken by staff to investigate and then process refunds.</p> <p>We reviewed a sample of ten NNDR accounts which had been in credit during 2022/23 and found that three refunds were paid within a month of the credit being created, and five refunds had been paid within four months. Two refunds from within our sample had been processed within four months but were still awaiting management approval for more than a month.</p> <p>The notes available to us at the time of testing were not always comprehensive enough for us to undertake detailed analysis of why there was a delay, from the date of notification to the date of the refund being processed.</p> <p>Our testing found no significant delays with our sample for the processing of Council Tax refunds, where there had been a delay there were notes on the system explaining why.</p>				Exit Meeting Date	27 April 2023
					Due Date	30-Jun-2023
Risk Level	Low Priority				Risk RAG	■
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Agree the target days to make a refunds and include in procedure.					
Status		In Progress	Progress	0%	Head of Service	Peter Vickers
All Notes	On track for completion re WS.					24-May-2023

IA23/05.004.2 Review report for target days				
Action Code & Description	<p>There are no set expectations for the timeliness of processing refunds for Council Tax and NNDR. There is also no management overview for the time taken by staff to investigate and then process refunds.</p> <p>We reviewed a sample of ten NNDR accounts which had been in credit during 2022/23 and found that three refunds were paid within a month of the credit being created, and five refunds had been paid within four months. Two refunds from</p>		Exit Meeting Date	27 April 2023
			Due Date	30-Jun-2023



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	<p>within our sample had been processed within four months but were still awaiting management approval for more than a month.</p> <p>The notes available to us at the time of testing were not always comprehensive enough for us to undertake detailed analysis of why there was a delay, from the date of notification to the date of the refund being processed.</p> <p>Our testing found no significant delays with our sample for the processing of Council Tax refunds, where there had been a delay there were notes on the system explaining why.</p>					
Risk Level	Low Priority				Risk RAG	
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Review if a report can be done to update revenue and benefit manager on the performance against targeted days.					
Status		In progress	Progress	0%	Head of Service	Peter Vickers
All Notes	On track for completion.					24-May-2023

	IA23/05.005.1 Documenting Refund Actions and Authorisations					
Action Code & Description	<p>The audit trail/note log on each account provides brief detail on what actions and authorisations have taken place. However, our sample testing found notes were not all clear and were missing some information.</p> <ul style="list-style-type: none"> . One out of the ten in the Council Tax refunds sample did not have explanatory notes related to why the credit had occurred. . One out of eight NNDR refunds payments tested were found not to have been documented as authorised. . One refund that had been requested via the “Portal” of the sample of five tested, required a manual check but there was no way of determining who had done this because the checker had not noted their initials or title. 				Exit Meeting Date	27 April 2023
					Due Date	30-Jun-2023
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Update procedure notes and remind officer in team meeting of the need to document reasons for refund.					



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Status		In Progress	Progress	0%	Head of Service	Peter Vickers
All Notes	On track for completion.					24-May-2023

IA23/05.006.1 Procedure review dates						
Action Code & Description	Testing found that while procedures are in place and reviewed to reflect current working practices, there was no documented review or reviewer noted in the procedure documentation.				Exit Meeting Date	27 April 2023
	Therefore, WBC were unable to demonstrate that the procedures are assigned to an individual, or job position, for review. Ensuring such responsibilities are assigned would give some assurance around the likelihood of timely update.				Due Date	30-Jun-2023
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Procedure notes will be updated with review dates and actions.					
Status		In Progress	Progress	0%	Head of Service	Peter Vickers
All Notes	On track for completion.					24-May-2023



IA23/05.007.1 Policy Review						
Action Code & Description	We were provided with a Refund Policy on 02/09/2022 which details Council Tax. The Policy does not include NNDR. Testing found that the Policy was authorised by a Revenues and Benefits Team Leader on 02/09/2022. There was no evidence that this policy had been officially reviewed and authorised in line with the scheme of delegation. The Policy was found not to have been documented on official Waverley Borough Council papers.				Exit Meeting Date	27-Apr-2023
	The council currently has no policy relating to writing back those credits deemed to be unlikely to be refunded. Unclaimed credits could be an opportunity for maladministration or Fraud, as well as incorrectly showing as a liability within accounting records.				Due Date	30-Jun-2023

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	<p>The Policy could not be located on the Waverley Borough Council website pages and is therefore not accessible to the public to view.</p> <p>To create greater transparency with the public on the Council's policies, it may be beneficial to have the refund policy as well as other policies on NNDR and Council Tax on the website allowing greater accessibility and understanding on the policy in place for Refunds.</p>					
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Policy not appropriately reviewed and authorised. If the policy is unavailable on the website, then it the council is not being fully transparent around refunds to the public. If the council has no policy relating to writing back un-refundable credits, then the opportunity for fraud or maladministration is increased.					
Status		Assigned	Progress	0%	Head of Service	Peter Vickers
All Notes	On track for completion re WS.					24-May-2023

	IA23/05.007.2 Procedures published on the website					
Action Code & Description	<p>We were provided with a Refund Policy on 02/09/2022 which details Council Tax. The Policy does not include NNDR. Testing found that the Policy was authorised by a Revenues and Benefits Team Leader on 02/09/2022. There was no evidence that this policy had been officially reviewed and authorised in line with the scheme of delegation. The Policy was found not to have been documented on official Waverley Borough Council papers.</p> <p>The council currently has no policy relating to writing back those credits deemed to be unlikely to be refunded. Unclaimed credits could be an opportunity for maladministration or Fraud, as well as incorrectly showing as a liability within accounting records.</p> <p>The Policy could not be located on the Waverley Borough Council website pages and is therefore not accessible to the public to view.</p> <p>To create greater transparency with the public on the Council's policies, it may be beneficial to have the refund policy as well as other policies on NNDR and Council Tax on the website</p>				Exit Meeting Date	27-Apr-2023
					Due Date	30-Jun-2023

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	allowing greater accessibility and understanding on the policy in place for Refunds.					
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA23/05 Refunds Process Revenues					
Agreed Action	Policy will be updated with procedures and published on the website.					
Status		In Progress	Progress	0%	Head of Service	Peter Vickers
All Notes	On track for completion.					24-May-2023

Joint Executive Head of Environmental Services – Chris Wheeler

Action Code & Description	IA22/08.001.2 Develop and adopt a digital end to end solution					
	We confirmed with the Biffa Performance, Quality & Information Manager that bin stock controls are simply based on a weekly count of stock each week.				Exit Meeting Date	25-Jan-2022
	During the week drivers are provided with a delivery address list and bin type required generated from the Council's Civica system. The drivers simply take the stock required from the storage area within the depot. There are no contemporaneous records held for each line of stock to record items of stock issued and balance remaining.				Due Date	03-Apr-2023
Risk Level	Medium Priority				Risk RAG	
Audit Report Code and Description	IA22/08 Waste Management (Bins)					
Agreed Action	Longer term plan is to develop / adopt a digital end to end solution for this.					
Status		Overdue	Progress	50%	Head of Service	Chris Wheeler
All Notes	Additional reconciliation and checking is now being undertaken between Biffa, Environmental Services and Finance to ensure that correct bins are issued and any discrepancies are identified. A liberty solution to digitise bin ordering, stock control and the reconciliation process is viable and being considered, however future					12-May-2023

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	<p>Liberty development projects and resource still need to be prioritised at a managerial level.</p> <p>Our current plan is to start looking at this late 2023 and early 2024, therefore extension to the original target date to April 2024 is requested by the Executive Head of Environmental Service. (C Wheeler email 11/05/2023)</p>	
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Requests for extension/s to previously agreed actions date/s

Recommendation Ref No/s	IA23/02.002.1 & IA23/02.003
Justification for an extension	A new staff member to join and a review to be completed. Expected to be completed later in year, therefore an extension to the 30 th September 2023 is requested.
Joint Executive Head of Finance	Peter Vickers

Recommendation Ref No/s	IA22/008.001.2 re Digital End to End Solution
Justification for an extension	<p>Additional reconciliation and checking is now being undertaken between Biffa, Environmental Services and Finance to ensure that correct bins are issued and any discrepancies are identified.</p> <p>A liberty solution to digitise bin ordering, stock control and the reconciliation process is viable and being considered, however future Liberty development projects and resource still need to be prioritised at a managerial level.</p> <p>Our current plan is to start looking at this late 2023 and early 2024, therefore extension to the original target date to 01 April 2024 is requested by the Executive Head of Environmental Service. (C Wheeler email 11/05/2023)</p>
Joint Executive Head of Environmental Services	Chris Wheeler