

APPENDIX A - SUMMARIES OF COMPLETED AUDITS

A. CORPORATE

A1 Executive Officer Decision Making

Decision making is a key activity that lies at the core of the Council. Regulations require officers to produce and publish written records of decisions made in connection with the discharge of executive functions. Bristol City Council has established criteria for making and publishing Executive Officer Decisions as:

- Any decision involving a resource commitment of between £100,000 and £499,999 that has not been deemed to be a key decision by virtue of its significant impact on two or more wards. And/or;
- Any decision that meets the below criteria:
 - Those deemed to have significant impact upon one or more specific communities
 - Those deemed to be of high interest to public or councillors.
 - Those that have involved dispute or where a decision is necessary but the evidence has not supported an outright conclusion (e.g. where one or more options could have been implemented but a decision has been necessary and so one options has had to be selected).

The objective of the audit was to provide an opinion on the arrangements in place to ensure Executive Officer Decisions are correctly recorded in line with regulations. Specifically the audit included coverage of the following:

- Compliance with legislative requirements.
- Management policies procedures and processes.
- Guidance and training available to executive officers on decision making, recording and publication.
- Completeness of documentation, recording and publication of decisions.
- Arrangements for monitoring the timeliness of publication and the quality of published records of decisions.

Based on the completion of the fieldwork, a **Limited Assurance** Audit Opinion was assigned. The key **areas of compliance / good practice** identified during the review are summarised as follows:

- Guidance and information is available on both 'The Source' and BCC's website for BCC staff and the public, which is in line with the legislation; however this needs to be revised and relaunched to give greater clarity and enhanced profile to the requirements.
- Some decisions were appropriately recorded and published in accordance with the process and guidelines; however this was not consistent, including from a sample, only 2/15 relevant decisions were appropriately published on BCC website.

The audit identified the following **areas for improvement**, for which 6 recommendations were made:

- Guidance should be enhanced to provide examples of what decisions are classed as Executive Officer decisions and need to be published. The decision recording form should include the reason the matter is considered an Executive Officer Decision and the monetary value of the decision if relevant.

- The requirement to record and publish Executive Officer Decisions should be effectively communicated to ensure the requirements are complied with and an escalation process should be put in place where officers fail to comply which includes action where managers fail to comply.
- The procurement process should better link to the requirements for Executive Office Decision recording and publication.
- Clarity is required regarding who is responsible for publication of decisions. (It has since been agreed that the Business Support Officers will hold responsibility for ensuring that decisions recorded are published.)
- The timescales within which decisions must be published should be included within the guidance.
- The number of decisions reported and published should be monitored to provide quarterly assurance to the Monitoring Officer that legal requirements are being complied with.

All recommendations were agreed for implementation.

A2 Corporate and IT Business Continuity Planning Follow Up

The objective of the follow up review was to establish the level of implementation in respect of the eight recommendations made as a result of the original audit in March 2016. Of the eight recommendations, the follow up review concluded that 1 recommendation had been fully implemented, 4 where implementation was in progress and 3 where implementation has not yet commenced.

The key findings from the review were:

- Since the previous audit a more robust framework has been introduced to oversee the Council's arrangements for Business Continuity Planning, but is not fully implemented.
- A new Disaster Recovery partner has been appointed which has delayed a Disaster Recover Exercise occurring; it will now take place in October 2018.
- Risk Registers do not yet fully reflect Business Continuity risks.
- A case for additional resource for the Civil Protection Team will be presented in September 2018.

Recommendations Implemented:

- ✓ The Corporate Resilience Group endorsed an Annual Business Continuity Exercise which took place on 25 May 2018.

Recommendations Partially Implemented:

- The issue of mobile IT equipment being left in offices will be addressed in guidance to be issued by the end of September 2018.
- Corporate, Directorate and Service Risk Registers are still to incorporate fall back plans as part of management actions to manage Business Continuity risk.
- The creation of Business Continuity Plans and testing will continue until complete across the Council.
- A more robust framework to oversee the Council's arrangements for Business Continuity Planning will continue to be implemented.

Recommendations Not Implemented:

- A Disaster Recovery Exercise cannot take place until October 2018 due to a change in Disaster Recovery partner.
- Failover testing has not occurred.
- Critical Systems checks have still to be undertaken.
- Fall back plans in risk registers are not yet subject to review and challenge.

Timescales for all outstanding recommendations were agreed, with a further follow up on implementation scheduled for the last quarter of this year.

A3 Contract Waivers to Procurement Regulations - Follow Up

The objective of the follow up review was to establish the level of implementation in respect of the six recommendations made as a result of the original audit in January 2016. The review concluded that four recommendations had been fully implemented, with a further two where implementation is in progress.

The key findings from the review were:

- Three waivers, for contract values in excess of EU thresholds, put the Council at risk of challenge and breach of EU Procurement Regulations, due to insufficient evidence to justify urgency beyond the Council's control.
- The reason relied upon in one of the above EU threshold waivers, where the original contract was procured 15 years ago, was that it was in the Council's best interest to award directly. There is, however, no provision in the Public Procurement Regulations that would justify this.
- A high number of waivers still being 'noted' by the Commissioning and Procurement Group (CPG) as authorised retrospectively.
- A high number of waivers still being requested on the grounds of urgency or sole supplier, with insufficient evidence to justify reasons beyond the Council's control, leaving the Council at risk of challenge.

Recommendations Implemented:

- ✓ Improved CPG tracker evidence trail.
- ✓ Periodic reports of contract review dates produced and due dates discussed with commissioners by the relevant category manager.
- ✓ Mandatory field set within ABW to ensure that requisitions will not be authorised without relevant contract number.
- ✓ Waivers now only progressed if supporting documentation complete.
- ✓ CPG approval number cross referenced to 'ProContract' record.
- ✓ Mandatory Procurement E-Learning is now in place for relevant officers.

Recommendations Partially Implemented:

- Where waivers are being requested as a result of poor contract management, and where the Council is being left open to risk of challenge, there should be a clear escalation process, including sanctions.
- The contract where waiver documentation was unavailable is currently being followed up by the Commercial Development Manager.

Timescales for completing the implementation of the recommendations in progress, have been agreed, and will be subject to a further follow up review in the last quarter of 2018/19.

B. ADULTS, CHILDREN AND EDUCATION

B1 Foster Care Payments – Follow Up

The objective of the follow up review was to establish the level of implementation in respect of the three recommendations made as a result of the original audit in September 2017. The follow up review concluded that none of the recommendations had been fully implemented, however there were two recommendations where implementation was in progress and one where implementation has not been achieved.

The key findings from the review were:

- Delays remain in the production of FOSPAY forms.
- The Individual Placement agreement remains unsigned.
- Progress has been made in producing reports more efficiently.

Recommendations Partially Implemented:

- Signed Individual Placement Agreements (IPAs) should be put in place for each placement.
- More efficient financial reporting (due date April 2018).

Recommendations Not Implemented:

- FOSPAY forms to be completed in a timely manner when a child moves from an in-house foster carer to agency.

Timescales for completing the implementation of the recommendations in progress and those outstanding, have been agreed, and will be subject to a further follow up review in the last quarter of 2018/19.

C. COMMUNITIES

C1 Planned Maintenance

Planned Maintenance is the collective term for major repairs and improvements to BCC's housing stock. This includes improvements such as installation of new central heating, fitted kitchens, windows, wiring, etc. as they reach the end of their useful life, as well as repairs to the outside of the properties. Planned maintenance is a proven and cost-effective way to maximise and retain the value and extend the life cycle of the housing stock and to provide good living conditions for the residents, as part of the Decent Homes standard.

The objective of the assignment was to provide an independent opinion on the adequacy and effectiveness of the policy, procedures and controls in place at BCC to address the key risks in relation to Planned Maintenance arrangement for housing stock. Specifically, the audit reviewed:

- Management policies and procedures and processes
- Existence, approval, completeness and review of the Planned Maintenance Programme
- Implementation of the Planned Maintenance Programme
- Monitoring of delivery of the Planned Maintenance Programme regarding budget and quality
- Reporting to DLT, SLT and members.

Based on the completion of the fieldwork, a **Reasonable Assurance** Audit Opinion was assigned. The key **areas of compliance/good practice** identified during the review are summarised as follows:

- There is a rolling 30 year Housing Planned Maintenance programme.
- There is a Service Plan and policies in place to support the delivery of Planned Maintenance service and business objectives.
- There is a computerised property register/asset management system – Keystone, and a housing management system – Northgate; the two systems are being migrated into one single system, although implementation has been delayed.
- Statutory and Health & Safety inspections (e.g. Gas Servicing, Lift Maintenance, Fire Safety Testing) are regularly undertaken.
- Planned Maintenance capital and revenue performance and budgets are regularly monitored and reported quarterly to the Housing Services Leadership Team (HSLT) and also to the relevant Cabinet member.

The audit also identified **areas for improvement**, for which 12 recommendations were made, including:

- A summary analysis explaining the reasons for non-completion of works is not produced at year end.
- Issues surrounding gaining access to properties to progress repairs need to be reviewed.
- The need for increased monitoring of failed/successful visits.
- No indication that a management report was run on failed visits and the length of time taken to rebook.
- Reliability of quarterly performance reports.
- The need to formalise a risk based approach to properties surveys.
- Inclusion of property maintenance risks in the Communities Risk Register and the lack of a fraud risk register.

All recommendations were agreed for implementation within appropriate timescales.

D. GROWTH AND REGENERATION

D1 Car Parking Income

The Council manages all its own public car parks and on street parking. There are 781 payment machines of which 11 are pay stations in three multi storey car parks that take payments in cash and cashless methods. The Parking Service uses BCC Security Services to collect cash income under a Service Level Agreement (SLA).

The objective of the audit was to provide an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and internal controls regarding the car parking income systems. Specifically, the audit reviewed:

- Governance, including reporting
- Policies and procedures
- Risk management
- Fraud prevention
- Income generation and KPI's
- Internal Controls and Reconciliations
- Collection
- Banking
- Insurance.

Based on the completion of the fieldwork, a **Reasonable Assurance** Audit Opinion was assigned. The key **areas of compliance/good practice** identified during the review are summarised as follows:

- There were generally adequate internal control arrangements; however, the testing did identify that vault tickets that identified the cash collected from the pay stations' cash tins were not always available.
- There were adequate insurance arrangements.

The audit also identified **areas for improvement**, for which 11 recommendations were made, which included:

- Failure to record the risks associated with parking services cash collection, including the identification of fraud risks;
- Service Level Agreements (SLAs) with customers are required to be updated on an annual basis, however this was not the case, additionally the SLAs did not have benchmarking KPIs;
- Failure to investigate income variances;
- Out of Date tariffs, resulting in loss of income;
- Lack of current procedures manual for the collection and reconciliation of parking income.

All recommendations were agreed for implementation within appropriate timescales.

D2 Sale and Disposal of Assets – Follow Up

The objective of the follow up review was to establish the level of implementation in respect of the thirteen recommendations made as a result of a number of audits completed during 2016/17. The follow up review concluded that eight recommendations had been fully implemented, with a further five where implementation is in progress.

The key findings from the review were:

- All recommendations reported as 'Partially Implemented' relate to good practice in sale procedures and maintaining adequate records to establish these have been followed. While these have been evidenced in our sample checks, further action is needed to incorporate the procedures formally in the Corporate Land Policy and revised Scheme of Delegations.
- The reviews highlighted the imperative need of Case management software to hold on record all documents relating to a property sale. Documents relating to negotiations of contract terms, revisions of terms of sale and offers received are considered critical to be able deal with challenges on best consideration and establish the justification of decisions made.

Recommendations Implemented:

- ✓ Authorisation of contract price revisions and deviations on exchanged contracts.
- ✓ Process clarity on contract price revisions.
- ✓ Revaluation of assets beyond six months.
- ✓ Familiarisation with Money-laundering policy.
- ✓ Minutes of meeting not recorded.
- ✓ Recording of Declaration of Interests.
- ✓ Meeting panel and scoring.
- ✓ Recording of bid scores.

Recommendations Partially Implemented:

- Updating of Corporate Land policy and Surplus Land procedures.
- Recording Heads of Terms of Contract.
- Recording of contract negotiations details.
- Demonstrating best practice applied and best consideration received.
- Recording waivers to Procurement regulations.

Timescales for completing the implementation of the recommendations in progress, have been agreed, and will be subject to a further follow up review in the last quarter of 2018/19.

E RESOURCES

E1 Mobile Devices – Follow Up

The object of the follow up review was to establish the level of implementation in respect of the sixteen recommendations made as a result of the original audit in November 2015. The follow up review was completed at a time when the ICT Future State assessment had been undertaken and ICT improvement plans determined. It was confirmed that six of the original recommendations were superseded by the ICT improvement plans which will see them negated or resolved, i.e.:

- Three recommendations to improve IT Asset Management
- Processes around de-commissioning of assets.
- Implementation of security incident and event management solution.
- Consideration of technologies to ensure that non-council devices cannot connect to the network.

Of the remaining ten recommendations, two had been fully implemented, one had been partially implemented but for seven recommendations, implementation had not yet commenced.

Recommendations Implemented:

- ✓ As at April 2018, 99% of online users had completed the ICT Security training.
- ✓ User based certification to authenticate access to the wireless network had been implemented.

Recommendations Partially Implemented at the time of the review:

- Procedural documentation and guidance had been developed to reflect new agile working arrangements however, procedures have yet to be developed to confirm that users are aware of the requirements.

Recommendations Not Implemented:

- Control procedures to be followed when mobile devices are reported lost or stolen had not been developed to ensure the security risk is minimised.
- A goods received process had yet to be developed to ensure that all purchases can be accounted for.
- Procedures which clarify management responsibilities for IT equipment had not been developed.
- The IT Security Guide had yet to receive annual review. Issue of the guide to new users upon issue of equipment to them had not been implemented.
- Procedures for testing of 'wipe' commands (e.g. when equipment is lost/stolen/ decommissioned) had not been developed and implemented.
- IT health checks for laptops and I pads had not been implemented.
- An IT risk register did not reflect the risks identified in this report.

Timescales for all outstanding recommendations were agreed, with a further follow up on implementation scheduled in 2018/19.