



Internal Audit

FINAL

Dacorum Borough Council

Summary Internal Controls Assurance (SICA) Report

2021/22

November 2021

Summary Internal Controls Assurance

Introduction

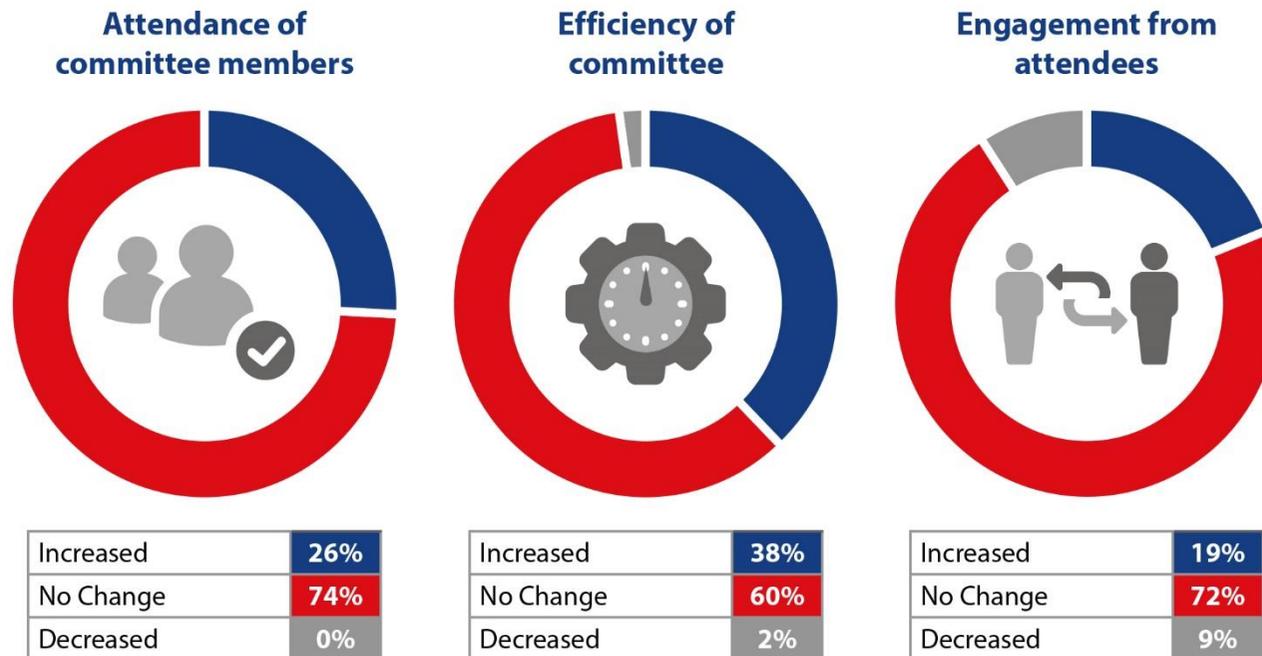
1. This summary internal controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Dacorum Borough Council as at 27th October 2021.

Emerging Governance, Risk and Internal Control Related Issues

2. In our recent 'Post-Lockdown Working Practices Briefing', we explored the results of our survey of clients to ascertain how organisations are planning to deliver some of their functions going forward. We asked a number of questions regarding Audit Committee meetings and their effectiveness since the pandemic started and gained thoughts on how these will take place once restrictions are eased.

The experience of remotely held Audit Committees meetings has been positive with the majority of respondents recording no change in or increased attendance, efficiency and engagement at meetings.

How our clients would like their organisation's assurance services provided



Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Customer Services	Substantial	October 2021	October 2021	October 2021	0	1	2	0

4. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2021/22 Annual Plan

5. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.

Changes to the Annual Plan 2021/22

6. There a number of areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2021/22. These are summarised below.

COVID assurance review work

Review	Rationale
Governance Arrangements	This is a crucial area in order to be able to support that assurances are being received and evaluated fully in order to mitigate against risk and support the direction of the Council.
Business Continuity (incl Covid-19)	This is flagged as a high risk area on the risk evaluation and requires specific mitigation in order to provide day to day services.
Core Financial Controls	This is essential in providing assurances to support going concern.

Progress in actioning priority 1 & 2 recommendations

7. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix C.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1			Priority 2		
2019/20 Governance	Mazars	0	0	0	1	0	0
2019/20 Disaster Recovery	Mazars	0	0	0	1	0	0
2020/21 Cyber Security	Sept 2020	0	0	0	1	0	0
2020/21 GDPR	April 2021	0	0	0	2	0	0
2020/21 NNDR	January 2021	0	0	0	1	0	0

Frauds/Irregularities

8. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Responsibility/Disclaimer

9. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Customer Services	Substantial

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

An organisation's contact centre/ call centre, represents the personality of the organisation. More importantly, good call handling improves relationships, and relationships strengthen businesses.

SCOPE

The audit reviewed the processes operating in relation to the processing, monitoring and reporting of Customer Services call handling.

KEY STRATEGIC FINDINGS



The Council has performance targets in place relating to call handling, however, there was no evidence to support the rationale for the targets set nor whether these had been formally approved.



Training records identified that not all staff had yet received the requisite training in all of the modules relevant to their role.



Errors were noted in the calculation of the cumulative monthly call wait time by the Council's call handling software (Netcall). It was noted that these errors had not impacted on performance reporting, as a result of the Council's own internal monitoring and reporting processes.

GOOD PRACTICE IDENTIFIED



The Service is resilient and was able to continue working seamlessly through the pandemic, with performance targets continuing to be achieved.



Performance is routinely reported to the Housing and Community Overview and Scrutiny Committee.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Delivery	Review of the latest training record identified nine active members of staff who had at least one element of training outstanding. Of these three were new starters. The remaining six, with start dates ranging from September 2018 to November 2020, had between one to five training modules outstanding.	All staff with outstanding training requirements be required to complete these as a priority to ensure their training is up to date and current.	2	<i>Training is an ongoing task and there will always be outstanding training as staff leave and new staff start. Training for a full time CSR in all services can take up to 12 months.</i>	Ongoing	Tracy Lancashire – Team Leader Customer Services
1	Directed	Performance targets are in place for average call wait time (CUS10) and abandoned calls (CUS11), 300 seconds and 20% respectively. The Council was unable to provide evidence to support the rationale for these expected performance levels or were unable to demonstrate how these had been formally considered and approved.	The two performance targets, CSU10 and CSU11, linked to call handling, be formally reviewed and approved.	3	<i>Targets were set based on historical performance measured against demand and resources available at the time. The organisation is undergoing a review of Customer Service delivery, this could form part of this review.</i>	01/04/22	Matt Rawdon/Tracy Lancashire

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Delivery	<p>The performance spreadsheet, which logs daily performance, extracted from the reporting tool, was reviewed. This identified a discrepancy between the cumulative monthly average call wait times calculated internally compared to the cumulative average call wait time calculated by Netcall.</p> <p>Review of the respective data and calculations identified an error in the Netcall calculation. This had not impacted on the accuracy of reporting through the Council's performance management system or reporting to the Housing and Community Overview and Scrutiny Committee.</p>	<p>The calculation error in the Netcall cumulative monthly call waiting time be raised with Netcall and corrected as appropriate.</p>	3	<p><i>Checked the Sept report and this has now been rectified by Netcall, the problem was resolved with the latest upgrade of the system.</i></p>	n/a	<p><i>Tracy Lancashire</i></p>

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Absence Management	1		Final issued July 2021
Payroll (post implementation of iTrent)	1		Final issued August 2021
Business Continuity (including Pandemic Response)	1	Fieldwork in progress	Review was deferred to Q3 by Auditee.
ICT – Network Security (Remote Access)	1		Final issued August 2021
Customer Services	2		Final issued October 2021
Procurement	2	Draft issued 15 th October 2021	Awaiting Management Responses
Freedom of Information	2	Draft issued 22 nd October 2021	Awaiting Management Responses
Corporate Health & Safety	2	Deferred to Quarter 4	Advised by Management to defer the review due to internal pressures.
Waste Management	2	Fieldwork in progress	Draft to be issued 29 th October 2021
Key Financial Controls	3	Planning meeting held with Auditee	Review to commence Early November 2021
Budgetary Control	3	Planning meeting held with Auditee	Review to commence Early November 2021
Council Tax	3	Fieldwork in progress	
NNDR	3	Fieldwork in progress	
Housing Benefits	3	Fieldwork in progress	
Housing Rents	3	Audit Brief agreed	Review to commence Early November 2021
Empty Homes	4		
Planning Enforcement	4		
Safeguarding & Prevention	4		

System	Planned Quarter	Current Status	Comments
Governance & Risk Management	4		
Follow Up	3-4		Commenced Q3

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued
Review deferred			

Priority 1 and 2 Recommendations - Progress update

Follow Up Analysis Table

Priority	Recs Outstanding as at 27/10/2021		Aged Analysis for Overdue Recommendations (past date/revised date as appropriate).				
	Past the Original Implementation Date	Before Imp Date	Greater than 1 year	Greater than 6 months	Greater than 3 Months	Less than 3 months	Less than 1 month
Priority 1	0	0	0	0	0	0	0
Priority 2	5	1	0	3	1	1	0
Priority 3	5	1	0	1	4	0	0

Note: Eighteen recommendations have been confirmed as having been implemented in the year to date.

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
2019/20 Governance Role						
The executive should issue a communication to all Councillors outlining the requirement that mandatory training is to be completed when due. The process for escalating non completion of mandatory training and for dealing with noncompliance should be adhered to and corrective actions be taken where gaps are identified.	2	All Members have been offered the opportunity to attend mandatory training on at least two different dates. One further training session will be made available for councillors who have been unable to attend training and there will be close liaison with Group Leaders to ensure Members attend. If Members still fail to attend a report will be taken to the Council's Standards Committee for consideration	31/12/2020	Corporate Support Team Leader Director – Corporate and Contracted Services	TIAA has been advised that the latest round of Councillor training including finance member training, is all up to date.	
2019/20 Disaster Recovery						

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
The ICT Business Continuity Plan should link with an updated version of the ICT High Level Disaster Recovery (HLDR) Schedule in order for Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) to be included and identified.	2	<i>The BC plan is due for a review in August 2020. This recommendation will form part of the document review.</i>	30/08/2020 Revised date 29/01/2021	Group Manager – Tech & Digital Transformation Team Leader Corp Health, Safety and Resilience	The Business Continuity Plan was updated in September 2020 and now includes the link to an updated HLDR. Will be reviewed during Qtr 4, to confirm implementation.	
2020/21 Cyber Security						
ICT management to ensure that Windows 2008 servers are decommissioned following ongoing work to migrate systems and data.	2	<i>All 12 remaining Windows 2008 servers will be decommissioned by August 2021.</i>	01/08/2021 Revised date 31/08/2021 Revised date 10/12/21	Group Manager – Technology & Digital Transformation	Specific concerns around specialist applications in use by services had made this a more complex goal than anticipated. 4 of the servers have been fully decommissioned with 8 remaining. We are confident this will be completed by 10/12/21.	
2020/21 GDPR/ Information Governance						
The record of processing activity be completed following the completion of the ongoing review of records.	2	<i>This work is on-going and needs a lot of dedicated time. Timetable reflects this.</i>	31/12/2021	Information Security Team Leader	Implementation date not as of yet reached.	
An exercise be undertaken to review e-records and ensure a log of any destruction is appropriately recorded.	2	<i>An on-going objective is to review the Council's e-records across all services to ensure that departments are aware of system records retention and any residual records on network shares. This is part of the Information Security Team Leaders (ISTL) Objectives. This is a major item of work, so the timetable for implementation is adjusted to reflect this.</i>	30/09/2021 Revised date 31/3/2022	Information Security Team Leader	This is going to be done in a slightly different way now (self-assessment questionnaire), be explaining this to SLT at the next meeting on 25/11/21.	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
2019/20 NNDR						
The Revenues section must conduct regular reviews for reliefs/ exemptions awarded to Businesses and in doing so adopt the methodology applied to Council Tax discounts/ exemptions. Thereby maintaining consistency in approach for both services which fall under Revenues.	2	<i>The Revenues team accepts that there is presently no comprehensive risk assessment of the various property reliefs/exemptions, and so it cannot demonstrate that reviews are being carried out to an appropriate degree. We will develop a risk-based schedule for reviewing BR accounts.</i>	31/12/2020 Revised date 30/04/2021 Revised date 31/08/2021 Revised date 31/03/2022	Revenues & Benefits Support Team Leader	Unfortunately, the requirement to dedicate substantial time to grant processing did not ease during April, nor indeed has it yet, and so this task has not yet been completed.	

KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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Risk Mitigation

	CLEARED	Internal audit work confirms action taken addresses the risk exposure.		ON TARGET	Control issue on which action should be taken at the earliest opportunity.		EXPOSED	Target date not met & risk exposure still extant
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