

**OXFORD CITY COUNCIL
INTERNAL AUDIT
FOLLOW UP OF RECOMMENDATIONS**
October 2019

Summary

FOLLOW UP GOING FORWARD - BDO RECOMMENDATIONS

Following the issue of reports, all due high and medium recommendations will be followed up within this report.

RECOMMENDATIONS

- 23 recommendations are due for follow-up with recommendations due prior to the end of **September 2019**
- Previous recommendations may simply have a revised date that is post this Committee and therefore, will be picked up at the next Committee
- Of the 23 recommendations:
 - One High and 16 Medium recommendations are fully implemented
 - Two High (Retention) and Four Medium recommendations are incomplete and have been issued 2nd or 3rd revised due dates.

Follow up Process

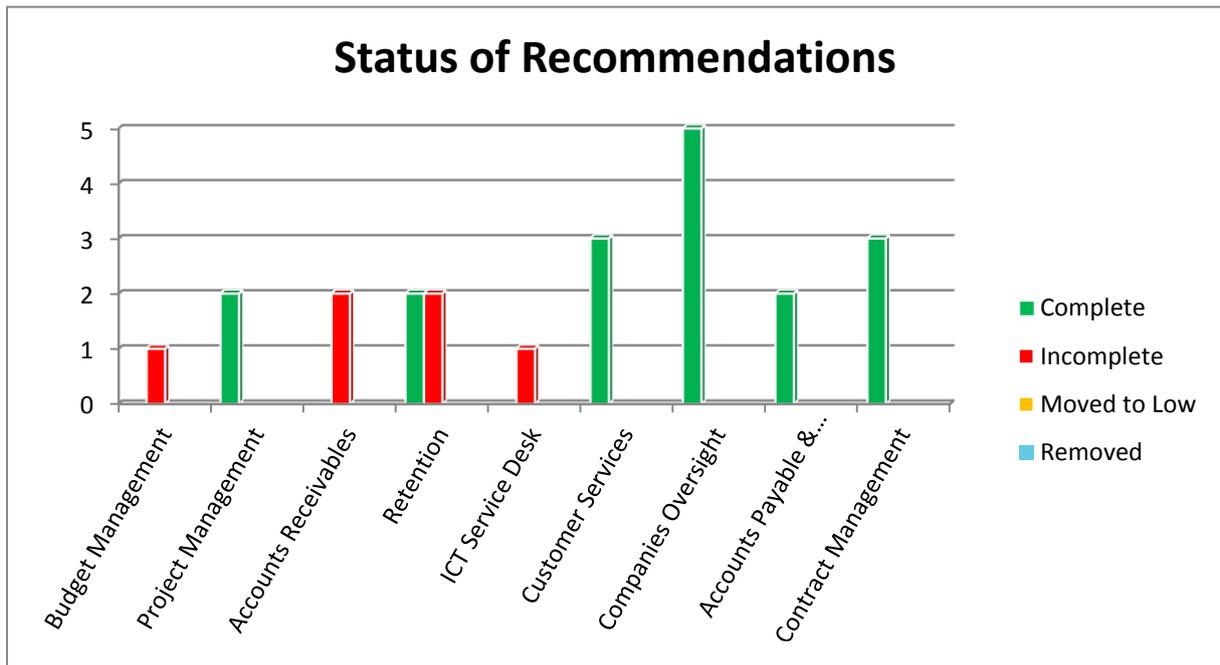
As part of the follow-up process we issued all recommendations due for implementation on or before September 2019 on 6th August 2019. Recommendations due were sent to all responsible officers and the corresponding heads of service. We gave responsible officers 6 weeks to respond. We subsequently chased officers throughout September 2019.

We are required to escalate non responses and/or recommendations with several revised due dates to the Operational Delivery Group (ODG). However, we obtained all responses in a timely manner, issuing a third revised due date to one recommendation (budget management) this recommendation had a feasible explanation and therefore, did not escalate to the ODG this time. We finalised the follow up report on 30th September 2019.

For all incomplete recommendations, we will:

1. Continue to emphasise to staff to be realistic about the implementation dates when completing their management responses at the completion stage of each internal audit review
2. Issue the recommendations tracker to all the relevant Heads of services on a monthly basis from the December audit committee onwards
3. Issue reminder emails 6 weeks prior to the follow up review to ensure timely completion of each recommendation.

Summary



Recommendations: Complete

Recommendation made	Priority Level	Manager Responsible and Date	Current Progress
2018/19. Project Management			
The quality required of the closure reports should be confirmed within the agreed project management approach, and documented within the new Project Management Intranet page (see finding 2) and rejected by the PMO where quality is insufficient. It should be ensured that all project managers are aware that their closure report should be reviewed by the PMO, in particular, as 60% of those surveyed have stated that they always complete one, but only one report has been received by the PMO to date.	Medium	Tom Bridgman 31/01/2019 30/06/2019 30/09/2019	<p>Management Response:</p> <p>Requirement information for the closure report is presented within the toolkit. The intention is to develop the quality standard as closure reports are received, commented on and improved.</p> <p>Auditor Comments:</p> <p>We reviewed screenshots of this on the project toolkit and an example of a closure report was received and reviewed.</p>
A skills gap analysis should be undertaken in order to understand what skills and knowledge are currently in operation across those involved in the entire project management lifecycle. The results of this analysis will help inform the training programme required in order to ensure all appropriate staff have the skills and knowledge to undertake their project in line with the Council's project management framework. The capacity of staff involved in projects should also be assessed.	Medium	Tom Bridgman 31/01/2019 30/06/2019 30/09/2019	<p>Management Response:</p> <p>The Council's Directors and Interim Development Manager considered and consulted on requirements and skills leading to a conclusion that the skills in the team were insufficient to support the delivery of Development Projects. Since four interim development project managers have been recruited and two/three development and regeneration project managers are currently being recruited. The full PMO team going forward, will consist of 10-12 people, the majority of whom will have development or regeneration project experience.</p> <p>Auditor's Comments:</p> <p>We were satisfied that the employment of additional staff was an adequate response to identifying insufficient resources in the team.</p>
2018/19. Customer Services			
The CS team managers should be reminded via email to flag up workforce pressures in early stages whenever they feel the quality monitoring process could not be completed in the month.	Medium	Mark Chandler 30/06/2019 30/09/2019	<p>Management Response:</p> <p>An e-mail has been sent to the Managers. The e-mail sent out to staff on 16.08.2019 noted that 'it should be flagged at an early stage if the call monitoring cannot be completed so the management team can allocate additional resources'.</p> <p>Auditor's Comments:</p> <p>We reviewed the emails sent to CS team managers and were satisfied that they conveyed that the inability to monitor a call should be flagged at an early stage.</p>

Recommendations: Complete

<p>The Quality Control Process should be updated to define the sample calls selection timeframe and methodologies to ensure the effectiveness of quality control.</p>	<p>Medium</p>	<p>Management Response:</p> <p>Existing quality control process has been provided but this process is still under review and there have been some changes made to it this year. A review of the process is ongoing but the recently amended version includes timeframes and methodologies for quality control.</p> <p>Auditor's Comments:</p> <p>We reviewed the current version of the quality control process and was satisfied that it identified time-frames for sample calls.</p>
<p>The monthly quality control report should include data analysis to confirm the sample selection is reasonable.</p>	<p>Medium</p>	<p>Management Response:</p> <p>The Council's customer service policy states 3 calls per CSO will be monitored every other month alongside individual coaching. Analysis and data produced in the call monitoring is presented on the dashboard in various charts against different criteria.</p> <p>Auditor's Comments:</p> <p>The policy stated the number of calls required per month and the analysis was detailed on each individual sampled.</p>
<p>2018/19. Retention</p>		
<p>The services should be required to report details of how L&D funding is used in the team and whether alternative opportunities have been sought to fund staff L&D needs.</p>	<p>Medium</p>	<p>Management Response:</p> <p>L&D budgets and spending for the past two years have been collated to show whether there is a positive or negative variance. Additionally, the Council has promoted the use and access to the Apprenticeship Levy funds and currently have 15 apprentices who are existing staff undertaking a career qualification. Furthermore, others receiving training are monitored on a spreadsheet.</p> <p>Auditor's Comments</p> <p>We reviewed the monitoring spreadsheet of all training and was satisfied that it contained sufficient detail on each of the individuals undertaking training, including the course and supplier of the training.</p>
<p>The exit interview results, together with trend analysis and lessons learnt should be reported periodically in the Corporate Dashboard Report which is presented to the Executive Board.</p>	<p>Medium</p>	<p>Management Response:</p> <p>Exit interview results are now presented within the 'Business Information' section of the Corporate Dashboard Report. These are completed on a quarterly basis in the month following the end of the quarter. The April-June 2019 results were included in the July 2019 Corporate Dashboard Report.</p> <p>Auditor's Comments:</p> <p>Screenshots of the Corporate Dashboard showed that the exit interview analysis had been included.</p>

Recommendations: Complete

2018/19. Companies Oversight			
The Boards of OXWED and Barton Oxford LLP should agree a schedule and templates for reporting appropriate financial and non-financial information to the Council's Shareholder Board.	High	Anita Bradley/Nigel Kennedy 31/07/2019	<p>Management Response:</p> <p>A joint shareholder and joint venture group has been set up for 25th September 2019 and will meet quarterly thereafter. The meeting will include reports from the Council's two wholly owned companies and two joint ventures.</p> <p>Auditor's Comments:</p> <p>The establishment of a joint shareholder group will facilitate consistency in reporting standards.</p>
The Shareholder meeting of May 2019 considered an updated Business Plan for the Company taking into account recommendations of the Cabinet to Council for its HRA to purchase all social housing currently being built within Oxford City Housing (Development) Ltd. Council will consider this recommendation at its meeting on 22nd July. Subject to the approval of this decision the Housing Company were presented with a revised business plan showing the effects of the sales on the Company finances. The Revised Business Plan includes estimates for support services and tax where applicable.	Medium	Nigel Kennedy/David Watt 31/05/2019	<p>Management Response:</p> <p>The Council approved the revisions to its Housing Strategy on 22nd July 2019. The Housing Company approved its revised business plan at its meeting on the 21st August 2019.</p> <p>Auditor's Comments:</p> <p>Approved revisions of the strategies and business plan fulfil the recommendation.</p>
Update the Service Level Agreements for housing and property (landlord) services and major projects to include a 5% margin to ensure the Council is compliant with transfer pricing regulations.	Medium	Nigel Kennedy/David Watt 31/05/2019	<p>Management Response:</p> <p>It was confirmed that the SLAs have been updated to include the 5% margin to ensure compliance with transfer pricing regulations.</p> <p>Auditor's Comments:</p> <p>We were satisfied that the updated SLA with the 5% margin was adequate.</p>
Oxford City Housing Limited and the Council must sign all Service Level Agreements between the Council and the company to ensure they are legally enforceable.	Medium	Nigel Kennedy/David Watt 31/05/2019	<p>Management Response:</p> <p>The Head of Financial Services confirmed that the SLAs between the Council and the company had now been signed.</p> <p>Auditor's Comments:</p> <p>SLAs are signed and now legally enforceable.</p>
Oxford City Housing Limited and Oxford City Council should agree what figure should be charged against each of the SLAs between both parties to cover work delivered during 2018/19. It is acknowledged that this will likely be lower than the charge initially agreed in the SLA.	Medium	Nigel Kennedy/David Watt 31/05/2019	<p>Management Response:</p> <p>The Head of Financial Services confirmed that a figure had been agreed with ODSL for the work delivered in 2018/19.</p> <p>Auditor's Comments:</p> <p>The Council now have clarity on the cost of the work provided by ODSL for 2018/19.</p>
2019/20. Accounts Payable & Procurement			
Supplier amendment procedure notes should be created and circulated within the Payments Team to ensure	Medium	Nicki Pierce 31/08/2019	<p>Management Response:</p>

Recommendations: Complete

<p>consistent processes are being completed.</p>		<p>Supplier amendment procedure notes have been created and circulated amongst staff. They are also saved in a shared drive for staff to access at any time.</p> <p>Auditor's Comments:</p> <p>We reviewed the updated supplier amendment procedure notes and were satisfied that they were clear and detailed enough to ensure staff are all conducting the supplier amendment process consistently.</p>
<p>A separation of duties should be introduced to amend supplier details i.e. information of a change request should be received by one officer and actioned by another officer.</p>	<p>Medium</p>	<p>Nicki Pierce 30/09/2019</p> <p>Management Response:</p> <p>Automation of separating duties has not been implemented but staff are currently checking supplier amendments (financial) and being checked by another staff member. There is no automatic workflow but staff are initiating their own separation of duties.</p> <p>Auditor's Comments:</p> <p>Whilst the Council have been unable to incorporate this into the automatic workflow within Agresso, a separation of duties ensures one individual is not able to complete an amendment from start to finish.</p>
<p>2019/20. Contract Management</p>		
<p>All contract managers should be reminded that they are required to maintain copies of the contract, any contract managers who do not have copies of contracts they are managing should obtain them from the procurement team</p>	<p>Medium</p>	<p>Procurement Team 31/08/2019</p> <p>Management Response:</p> <p>Where the contract manager did not have a copy of the contract, they have since completed a Contract Handover form.</p> <p>Auditor's Comments:</p> <p>We reviewed to of the Contract Handover forms which were complete and confirmed that a copy of the contract had been handed over to the contract manager.</p>
<p>Supplier signatures should be obtained for the two contracts where this is missing</p>	<p>Medium</p>	<p>Procurement Team 31/08/2019</p> <p>Management Response:</p> <p>The two contracts that were unsigned during the audit have now been signed. These were for the provision of the Oxford lottery and the lift services contracts.</p> <p>Auditor's Comments:</p> <p>We reviewed both of the unsigned contracts and saw that they were now signed.</p>
<p>The corresponding Contract Managers should ensure all contracts are checked for signatures before they are uploaded to Agresso.</p>	<p>Medium</p>	<p>Procurement Team 31/08/2019</p> <p>Management Response:</p> <p>Procurement manage the contracts register and a log is kept of whether a contract is awaiting a signature and includes a hyperlink to the signed contract. If procurement are involved in the process the contract handover procedure is only carried out once a signed contract is received. Therefore each contract manager should be in possession of a signed contract.</p> <p>Auditor's Comments:</p>

Recommendations: Complete

		<p>We were satisfied that the Contract Handover forms confirmed that they are signed before given to the contract manager to upload onto Agresso.</p>
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Recommendations: Incomplete

Recommendation made	Priority Level	Manager Responsible and Date	Current Progress
2018/19. Budget Management			
<p><u>Service area objective and Corporate Objectives</u></p> <p>a) Business partners should organise a training programme to educate management on how an operational decision within the budget proposal will impact the corporate objectives.</p>	Medium	<p>Anna Winship 31/01/2019 30/06/2019 30/09/2019 31/03/2020</p>	<p>Management Response:</p> <p>The production and delivery of the training programme has been delayed due to the delays in the year end closedown caused by the late completion of the audit. The management accountants will be speaking directly to budget managers regarding their budget proposals over the autumn 2019, which will help inform where there are gaps in the organisational knowledge and awareness. This will then be followed up with more formal training which will be tailored based on the understanding achieved during budget setting.</p> <p>Auditor's Comments:</p> <p>We will follow this up in the nearest Audit Committee after the revised due date.</p>
2018/19. Accounts Receivables			
<p>The Council should provide adequate levels of training/guidance on levels of due diligence required based on the value of services provided for the customer or the type of organisation they are.</p>	Medium	<p>Neil Markham 30/04/2019 30/09/2019 31/12/2019</p>	<p>Management Response:</p> <p>The incomes team gives guidance to service areas on due diligence which via the Council Matters newsletter and an email/user guide sent out to all Agresso users on how to conduct due diligence. Sundry Debtors Guide currently in draft due to be complete by the end of the year but significant work has gone towards completing this recommendation.</p> <p>Auditor's Comments:</p> <p>We will follow this up at the next Audit Committee.</p>
<p>All departments across the Council should be given adequate levels of training on the importance of due diligence, how to successfully carry out due diligence, and the consequences for the Council of the failure to complete due diligence.</p>	Medium	<p>Neil Markham 30/04/2019 30/09/2019 31/12/2019</p>	<p>Management Response:</p> <p>Training programmes and sessions are yet to be held - still being planned. The Council are currently investigating a 'one size fits all' type approach. This seems the only viable solution due to the variety of services that use sundry invoicing.</p> <p>Auditor's Comments:</p> <p>We will follow this up at the next Audit Committee.</p>
2018/19. Retention			
<p>The Communication Team should conduct the staff survey again in 2019 to review the effectiveness of the communication framework (planned in April 2019)</p>	High	<p>Mish Tullar 30/04/2019 30/09/2019 31/01/2020</p>	<p>Management Response:</p> <p>A Communications Champions group has been established by the Internal Communications Officer, which is providing useful insight in how we further develop and implement our internal communications strategy. The strategy is currently being updated to take into account the significant new workstream on</p>

Recommendations: Incomplete

		<p>New Ways of Working, which will involve a big communications programme next calendar year. Beyond engaging the Communications Champions group, it will consider if a wider survey of staff re internal communications would be useful for this to determine effectiveness</p> <p>The Organisation Development team will be implementing an all-staff engagement survey before Christmas. This provides a timely and relevant tool for measuring the effectiveness of communications to staff</p> <p>Auditor's Comments:</p> <p>We will follow this up at the next Audit Committee.</p>
<p>We will submit the proposal to CMT to obtain approval on revisiting/redesigning the values of the Council to align with the Council's present vision.</p>	<p>High</p>	<p>Management Response:</p> <p>The Council is reviewing its organisational priorities, values and ambition during 2019/2020 with a view to developing them or creating new ones. Therefore, they have decided that it will not be relevant to consider reviewing the current values until this work has been completed. It is envisaged that the priorities will be complete in readiness for the 2020 service planning process.</p> <p>Auditor's Comments:</p> <p>We will follow this up in the nearest Audit Committee after the revised due date.</p>
<p>2018/19. ICT Service Desk</p>		
<p>Management should review the Access Control Guide and update as necessary, regarding the approval of system access requests and the requirement and responsibility for periodically reviewing access controls. All users and managers should be aware and accountable for their responsibilities in user's access control.</p>	<p>Medium</p>	<p>Management Response</p> <p>User Guide is currently in draft phase ICT department are currently working towards finalising this as a result this recommendation will be revisited in January 2020</p> <p>Auditor's Comments:</p> <p>We will follow this up in the nearest Audit Committee after the revised due date.</p>



FOR MORE INFORMATION:

GREG RUBINS

Partner, Public Sector
0238 088 1892 (DDI)

07710 703441 (Mobile)
greg.rubins@bdo.co.uk

Gurpreet Dulay

Senior Manager, Public Sector
0121 265 7214 (DDI)
0787 055 5214 (Mobile)
gurpreet.dulay@bdo.co.uk

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