

**Oxford City Council  
INTERNAL AUDIT  
FOLLOW UP OF RECOMMENDATIONS  
July 2019**

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# 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

- 28 recommendations are due for follow-up with recommendations due prior to the end of **June 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 28 recommendations:
  - 2017/18 - One Medium recommendation has been fully implemented
  - 2017/18 - One Medium recommendation has been moved to a low priority and therefore removed from the follow up process
  - 2018/19 - One High (Retention) and 11 Medium recommendations are fully implemented
  - 2018/19 - Three High (Accounts Receivables and Retention) and 11 Medium recommendations have not been implemented or have been partially implemented and have been provided either a first or second revised due date.

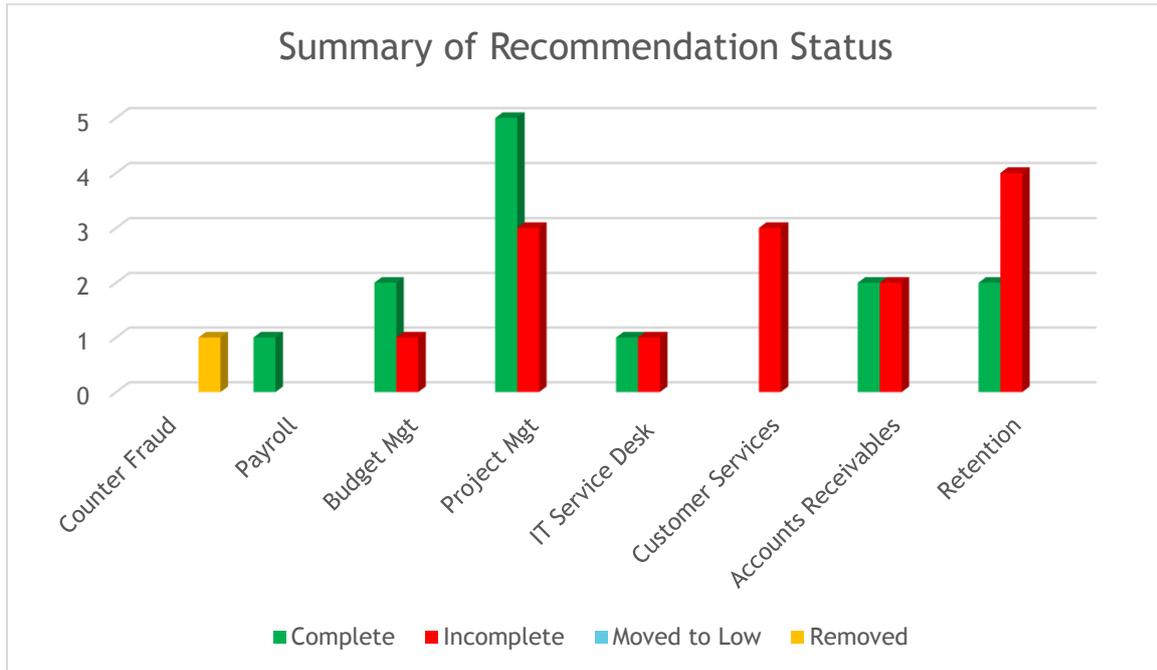
### Follow up Process:

As part of the follow-up process we issued all recommendations due for implementation on or before June 2019 on 22<sup>nd</sup> April 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 May 2019 and presented the follow-up tracker to the Operational Delivery Group (ODG) on 11<sup>th</sup> June 2019. We escalated non responses and/or recommendations with several revised due dates to the ODG. We finalised the follow up report on 5<sup>th</sup> July 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 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
<b>2017/18. Payroll</b>			
Review and update the Payroll Processing Guide with annual reviews put in place to ensure ongoing completeness and accuracy	Medium	Paul Adams Org:31/10/2018 30/04/2019	The Payroll Processing Guide was reviewed and updated to version 1.38 to ensure information is relevant to the current systems.
<b>2018/19. Retention</b>			
The progress of implementing the internal communication framework will be shared with the Business Improvement Team and reported in the monthly Corporate Dashboard Report.	High	Mish Tullar Org:30/04/2019	Internal Communications Framework has been implemented over the past 9 months. From April 2019, an update will be included in the Corporate Dashboard Report. These will be produced monthly in arrears.
The detailed breakdown of staff who failed to complete the appraisals in time should be circulated to the Service Leads who would take full responsibilities in ensuring appraisals are completed in timely manner in all departments. This will be reported in the monthly Dashboard Report to the Executive Board. This should include the appraisal of senior management.	Medium	Chris Harvey Org:31/03/2019 30/06/2019	Following the completion of the end year appraisal process in May 2019, all heads of service were sent an email reminding them appraisals were due for completion and a list of individuals that had not had their appraisal.
<b>2018/19. Budget Management</b>			
<u>Timeliness</u> >The Council should consider sending out the budget proposal in early June to allow management to reflect and develop ideas >Management should take this opportunity to plan ahead and prepare the budget proposal accordingly >Business partners should invest time with management at the start of the budget process to aid discussion.	Medium	Anna Winship Org:31/01/2019 30/06/2019	Budget proposals were sent out in mid-May with details on the proposed budget spending by service area to be discussed at CMT by Heads of Service. These included the mid-term financial plan.
<u>Capital Vs Revenue</u> > The Management Accounting Manager should consider the feasibility of presenting the capital schemes before the revenue expenditure to give service areas time to reflect on capital schemes they will invest in > Alternatively, the onus should be placed on service area managers to ensure adequate time is allocated to reflect on the capital investments and cost savings to be made within the year.	Medium	Anna Winship Org:31/01/2019 30/06/2019	Capital investment schemes are communicated and accessible to all staff on the intranet.
<b>2018/19. Project Management</b>			
a) It should be ensured that lessons are learnt or retrospectives highlighted through the whole of the delivery	Medium	Tim Martin/Tom Bridgeman	A Closure report has been received (within the new process), and reviewed by the Development Board's Review Panel. Lessons,

# Recommendations: Complete

<p>phase of a project. These should be documented and actioned as appropriate. At the conclusion of the project a closure report should be completed and presented to the PMO and signed off by the Development Board.</p>		<p>Org:31/01/2019 30/06/2019</p>	<p>identified in the closure report have been transferred to the Lessons Learned register (maintained by the PMO but visible to and searchable by all via the corporate intranet). We reviewed an example of a Closure Report and was satisfied that there was adequate space to record 'Lessons Learnt'. Furthermore, the Development Board is comprised of officers from across the organisation, including Legal, Finance, Property, Environmental Sustainability, Planning, Communities, ICT and the PMO.</p>
<p>It is recommended that the project management approach is documented and disseminated to appropriate staff. This includes the quality of completed documentation the PMO expects to receive, and the gateways that the project must take in order to proceed to the next stage. The templates to be used should be formalised and communicated in their final form. They include version control to ensure staff are utilising the latest version of the forms. Feedback on ease of use of these templates could be requested at the team meetings that the PMO Manager is attending, to ensure that they are adequate and fit for purpose.</p>	<p>Medium</p>	<p>Tim Martin/Tom Bridgeman Org:31/03/2019 30/06/2019</p>	<p>The Project Management process is documented on the Projects Toolkit and a template form has been produced for project Proposals. This is also on the Projects Toolkit.</p> <p>Proposals template is on the Project Toolkit and information has been relayed to staff via Council Matters and all staff emails in April 2019.</p>
<p>The approach and schemes in operation should be communicated to all staff, regardless of their involvement in project management. This will give staff an overview of the work that is taking place across the city that may impact their work and surrounding area. The Showcase Event which took place in September was particularly well received and it should be assessed whether it would be beneficial to hold another of these in the future.</p>	<p>Medium</p>	<p>Tim Martin/Tom Bridgman Org:31/03/2019 30/06/2019</p>	<p>The project development process is documented, with agreed templates. The information is available within a 'Projects Toolkit' and located on the corporate intranet.</p> <p>New digital tools have been used to ensure the register of projects (Smartsheet) is maintained and is current. Reporting (Microsoft Power BI) has been developed. As this produces a public URL, the report has been made available to all staff, via the corporate intranet. As some of the schemes are of a sensitive nature, a duplicate report has been developed with the commentary removed.</p> <p>Further showcases will be considered. This may include a 'progress update' i.e. what has happened since the last showcase.</p>
<p>Work should be front loaded as detailed by the PMO Manager to ensure the project is feasible before moving on to design and specification which generates the best estimate cost for inclusion in the capital programme schemes bid. This process should commence from July each year in order to meet the constitutionally agreed dates required when submitting capital scheme proposals.</p>	<p>Medium</p>	<p>Tim Martin/Tom Bridgman Org:30/04/2019</p>	<p>The project development process has been widely communicated. This includes how it ties in with the Council's capital budget process.</p> <p>The Development Board's Review Panel reviews all documentation and makes recommendations on the project to Development Board. All recommendations are recorded in a register. Each individual scheme is reviewed against a set of criteria. This review may occur at any time throughout the year. The information is included in the relevant proposal or business case template.</p>

## Recommendations: Complete

<p>Work should continue on reviewing the scoring guidance for capital bids to ensure that budget prioritisation is undertaken efficiently and effectively, only taking forward those schemes that pass the set criteria.</p>	<p>Medium</p>	<p>Tim Martin/Tom Bridgman Org:30/04/2019</p>	<p>A set of numerical scoring/prioritisation criteria will be used to prioritise any approved schemes as part of the Council's budget setting process.</p>
<p>2018/19. Accounts Receivables</p>			
<p>A monthly report should be run to provide a list of all debts overdue by more than 270 days. The Incomes Team will then have the means to assess each overdue debt and the likelihood of the Council recovering the funds - dependent on whether the debt has a payment plan in place. Debts should then be written off as per the Council's current procedure by monthly approval by the Head of Financial Services.</p>	<p>Medium</p>	<p>Neil Markham Org:30/04/2019</p>	<p>Debt reports are run on a monthly basis for Oxford City Council and the companies. These reports show debts across various debt ranges. Although there is not a specific debt range of more than 270 days, there are ranges for 90+ days, 120+ days and &gt;1 year. Key performance indicators are updated monthly to track the levels of aged debt.</p> <p>All debts are not written off as standard when they hit a certain age. Each is assessed upon its own merits and likelihood of collection. The target is to have all debts on an action by the 90th day. Officers are expected to highlight debts suitable for write off in line with the escalation/debt procedure for its area.</p> <p>We reviewed a sample of monthly debt reports for the Council and the companies and were satisfied that the information was included. These were the reports for March, April and May 2019.</p>
<p>i) There should be a minuted agreement between the Council's Section 151 Officer and the Managing Director of ODS to reaffirm the procedures around overdue debts.</p> <p>ii) Transaction listing of overdue debts should be reported at monthly meeting.</p>	<p>Medium</p>	<p>Neil Markham Org:30/04/2019</p>	<p>i) Monthly meeting between S151 and the ODS MD have been requested to supply evidence that overdue debts are discussed.</p> <p>ii) We received a copy of an email reporting all overdue debts sent to staff and managers at ODS.</p>
<p>2018/19. ICT Service Desk</p>			
<p>Management should implement a defined procedure to review and report on the performance tools it maintains, in particular vFire. The procedure should include how to identify, review and communicate problem areas that are reported by multiple users, in order that an action plan can be discussed and established for presentation to CAB.</p>	<p>Medium</p>	<p>Henry Routledge Org: 31/05/2019</p>	<p>Problem Management Guidance document created and approved for distribution outlining process for identifying, reviewing and communicating problems and resolving them. We have reviewed the procedure guidelines and are satisfied that it is adequate to ensure problems experienced by multiple users are raised to the Problem Management Team.</p>

# Recommendations: Incomplete

Recommendation made	Priority Level	Manager Responsible and Date	Current Progress
<b>2018/19. Accounts Receivables</b>			
<p>i) Income officers should be more proactive in following up the aged debt, contacting customers in between the issuing reminder letters until the debt is recovered in full. Particularly after the L7 letters are sent, payment plans should be pursued by Incomes Officers.</p> <p>ii) The issuing of the 14 day, 45 day and L7 reminder letters should be automated to ensure that they are sent to the customer in a timely manner.</p>	High	<p>Neil Markham Org: 30/04/2019 31/12/2019</p>	<p>i) Staff turnover and the introduction of the trading companies had a significant impact in the period the audit sample was taken. The team is now at full strength and all escalation procedures have been reviewed. Newer staff are being mentored to ensure that these procedures are being followed for all invoices.</p> <p>ii) 14 and 45 day reminders are semi-automated. There are no plans to introduce full automation. The Council have stated that they feel the gain would be negligible and is outweighed by the benefit of having some sight/control over what is being produced.</p> <p>However, they are hoping to develop semi-automation for the L7 letters but this will require the support of the external systems support team (Integra) to develop this. Other system developments are currently taking priority.</p>
<p>i) 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> <p>ii). 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> <p>iii). The due diligence box should be a mandatory field to complete when creating a customer to prevent officers side-stepping it.</p>	Medium	<p>Neil Markham Org: 30/04/2019 30/09/2019</p>	<p>i) The incomes team offer guidance on due diligence to service areas. The final decision on what levels are completed lies with the service areas themselves.</p> <p>ii) Although the message of the importance of due diligence has been communicated, formal training sessions have not been held yet. The Council are currently in the planning phase - aim being to establish the most efficient and time effective way to deliver such training.</p> <p>iii) The due diligence box is now a mandatory field and guidance has been issued to all Agresso users.</p> <p>It should be noted that i and iii is complete however, as ii) training is a significant recommendation and remains incomplete we have deemed the whole recommendation as incomplete and will review this again in September 2019.</p>
<b>2018/19. Retention</b>			
<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 Org: 30/04/2019 30/09/2019</p>	<p>An Internal Communications Champions group has been created involving frontline staff from all departments. Internal Communications Framework implementation will be reviewed by this group before an all-staff survey is issued in July 19.</p>
<p>The Council should agree to review and rebrand, if necessary, the values in order to achieve greater staff commitment.</p>	High	<p>Chris Harvey Org: 30/06/2019 TBD</p>	<p>This action has not been progressed. To date there has only been conversations about the re-design of our values with no clear direction that a formal review is yet required. No date has been set for the completion of this as CMT need to decide whether they want to pursue with the re-design.</p>

## Recommendations: Incomplete

<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>Paul Adams Org: <del>30/06/2019</del> 31/07/2019</p>	<p>Information produced by exit interviews will be reported on in the Corporate Dashboard reports on Q1 leaver's data (i.e. April to June 2019) will commence in July 2019 and on an ongoing basis thereafter.</p>
<p>The services should be required to report details of how L&amp;D funding is used in the team and whether alternative opportunities have been sought to fund staff L&amp;D needs.</p>	<p>Medium</p>	<p>Chris Harvey Org: <del>30/06/2019</del> 30/09/2019</p>	<p>No reports have been made on service area L&amp;D budget usage. As a result, this will be reviewed again in September 2019.</p>
<p><b>2018/19. ICT Service Desk</b></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>Henry Routledge Org: <del>31/05/2019</del> 31/08/2019</p>	<p>User Guide is in the process of being updated to include the recommended information and is awaiting approval by the Board before implementation. Therefore, we will revisit this recommendation in August 2019.</p>
<p><b>2018/19. Budget Management</b></p>			
<p>Service area objective and Corporate Objectives &gt; 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>	<p>Medium</p>	<p>Anna Winship Org: <del>31/01/2019</del> <del>30/06/2019</del> 30/09/2019</p>	<p>No training has been undertaken yet but is due to be scheduled once the accounts have been completed and audited. These will tie in with Corporate Communications team. The aim is for the training to be undertaken more widely across the organisation.</p>
<p><b>2018/19. Project Management</b></p>			
<p>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.</p>	<p>Medium</p>	<p>Tim Martin/Tom Bridgman Org: <del>31/01/2019</del> <del>30/06/2019</del> 30/09/2019</p>	<p>There is no evidence of quality expectations on the Project Toolkit which disseminates this information - we were informed by Tim Martin that documentation will improve over time We will revisit this recommendation in Sept 2019 and ensure quality expectations are now embedded into the project toolkit.</p>
<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</p>	<p>Medium</p>	<p>Tim Martin/Tom Bridgman Org: <del>31/03/2019</del> 30/09/2019</p>	<p>A capacity and training analysis is about to begin. This will be complimented with recruitment of appropriate resource, where appropriate.</p>

## Recommendations: Incomplete

involved in projects should also be assessed.			
It is also recommended that the PMO Manager liaises with the task and finish groups set up as a result of the workshops to ensure all issues raised have been addressed.	Medium	Tim Martin/Tom Bridgman Org: 31/03/2019 30/06/2019 30/09/2019	Process matters raised through the task and finish groups are being completed. The last matter outstanding relates to Procurement. This document is currently in draft phase.
<b>2018/19. Customer Services</b>			
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 Org: 30/06/2019 30/09/2019	The Council are still in the process of reviewing the way they manage and record quality within the Contact Centre. They are looking to move to a process where calls will only be monitored for CSOs every two months rather than monthly. In the months where calls are not recorded the TM's/ATMs will be expected to use the time for call coaching either spending time with the CSOs listening to some historical calls and identifying good areas and areas for improvement or undertaking side by side coaching in the live environment.
The Quality Control Process should be updated to define the sample calls selection timeframe and methodologies to ensure the effectiveness of quality control.	Medium	Mark Chandler Org: 30/06/2019 30/09/2019	The Council are also in the process of developing dashboards for CSOs and Managers. Managers can then review the numbers of calls monitored and drill down into the results. CSOs would also have access to their results whenever they needed them. CSO and Manager objectives have already been built into the system and the requirement for CSOs to evidence how they provide a high standard of service to customers and for Managers to work with them to drive improvements. The Council plan to have revised the process and have completed the dashboards within the next couple of months.
The monthly quality control report should include data analysis to confirm the sample selection is reasonable.	Medium	Mark Chandler Org: 30/06/2019 30/09/2019	

## Recommendations: Moved to Low

Recommendation made	Priority Level	Manager Responsible and Date	Current Progress
2017/18. Counter Fraud			
<p>The Investigation Service should undertake a full Fraud Risk Assessment across OCC and use the results to inform the direction and resourcing of its annual work-plan.</p>	<p>Medium</p>	<p>Scott Warner  <del>Org:31/03/2018</del>  <del>30/06/2018</del>  <del>31/12/2018</del>            30/04/2019</p>	<p>A full risk assessment of all service areas in the Council assessed. The document is currently being reviewed by the service heads to ensure there are no control gaps. This is due to be presented to Audit Committee in July 2019. The document has a lead page which identifies the 12 highest inherent risks across all service areas.</p>



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