

**INTERNAL AUDIT FOLLOW UP
OF RECOMMENDATIONS REPORT**

OXFORD CITY COUNCIL

2022/2023

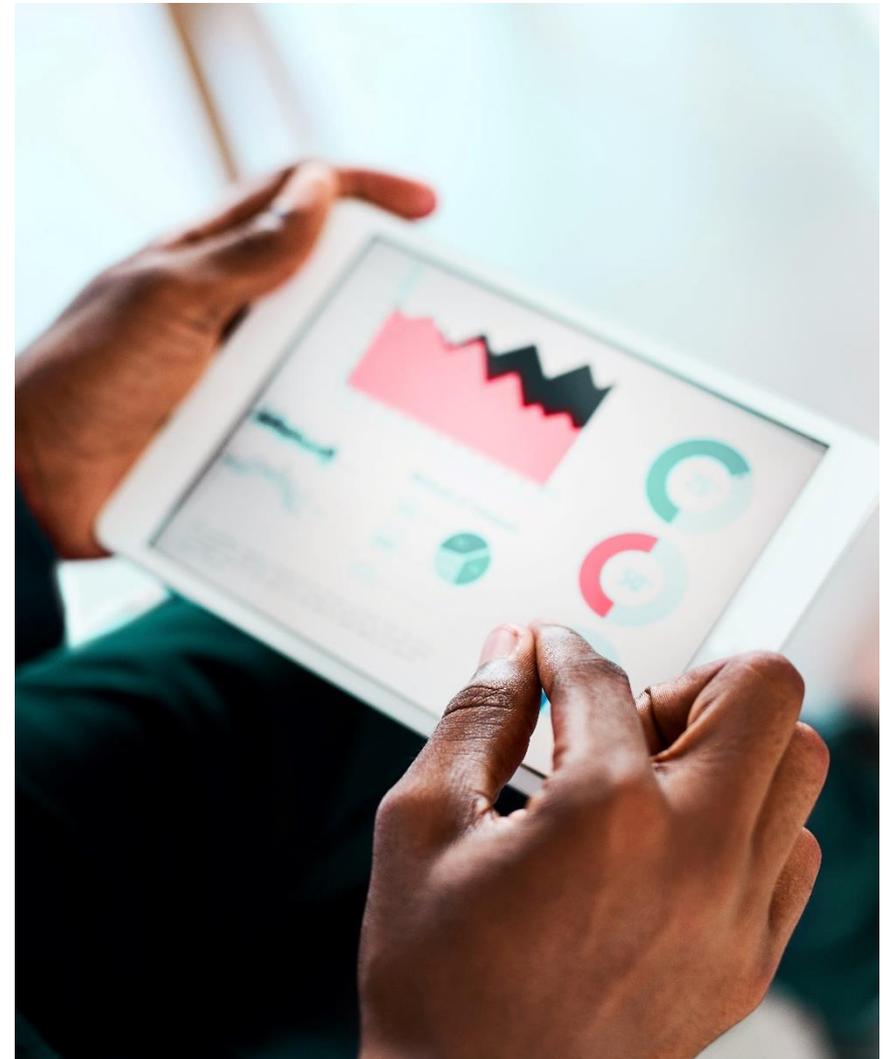
IDEAS | PEOPLE | TRUST

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SUMMARY

2020/2021	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M
Key Financial Systems - Data Analytics	2	-	2	-	1	-	1	-	-	-	-	-	-
Channel Shift	4	-	3	1	1	-	1	-	-	-	-	-	-
Total	6	-	5	1	2	-	2	-	-	-	-	-	-

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2022/2023	Total Recs	H	M	L	To follow up	Complete		In progress		Overdue		Not Due	
						H	M	H	M	H	M	H	M
Business Continuity & Disaster Recovery	4	-	2	2	2	-	-	-	2	-	-	-	-
Insurance	3	-	2	1	2	-	-	-	2	-	-	-	-
Accounts Payable	13	-	9	4	9	-	8	-	1	-	-	-	-
Total	20	-	13	7	13	-	8	-	5	-	-	-	-

SUMMARY

2020/21

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2022/20231.

- ▶ Two Medium recommendations have been implemented from the Channel Shift and Key Financial Systems - Data Analytics review. All recommendations from these reviews have now been fully implemented.

2021/2022

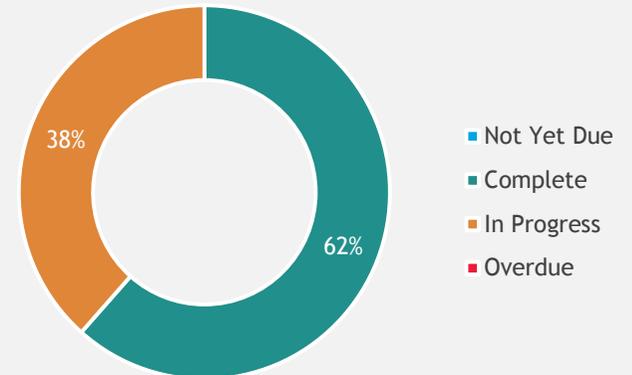
Please find below a summary of the status of implementation of recommendations arising from reports issued in 2022/2023.

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- ▶ Eight Medium recommendations have been implemented in the Accounts Payable review by the first due date
 - ▶ There were five Medium recommendations from the Business Continuity & Disaster Recovery and the Insurance reviews and all have had the first revised due date for implementation and will be followed up by Internal Audit prior to subsequent Audit Committees.

REQUIRED AUDIT COMMITTEE ACTION:

We ask the Audit Committee to note the progress against the recommendations.

2022/2023 Recommendation Implementation



RECOMMENDATIONS: COMPLETE

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AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2020/21 Key Financial Systems Data Analytics	We will undergo a cleansing process and closedown accounts no longer in use however there was no fraudulent activity suspected.	MEDIUM 	Anna Winship, Management Accounting Manager	Feb 21 May 21 Oct 21 Jun 22	Management Comments: Work has been undertaken on this, and it will now be reviewed on a regular or rolling basis. Suppliers that have not been used in the past 12 months have been reviewed and will be closed. Internal Audit Comments: It was confirmed that suppliers accounts have been reviewed and closed where appropriate.
2020/21 Channel Shift	The Council should formalise the KPIs that they will be using to monitor each of the objectives set out in the Customer Experience Strategy. These should be specific, measurable, achievable, realistic and time-bound (SMART). These should be reported regularly to provide management with updates on the progress of the objectives in the strategy	MEDIUM 	Helen Bishop, Head of Business Improvement	Mar 22	Management Comments: Three corporate KPIs to measure the increased opportunity for customers to self-serve have now been formally agreed as part of the 2022/23 Business Improvement Service Plan. They are: (1) Number of online forms completed and submitted as a proportion of total enquiries related to that service for top 10 services; (2) Reduction of call volume into Customer Contact Centre; and (3) Reduction of number of face to face enquiries. Internal Audit Comments: We reviewed the Business Improvement Service Plan and confirmed that the KPIs have been developed and are time limited to the financial year.
2021/22 Accounts Payable	The Payments Team should keep sufficient audit trails to retain records of the notification of change, verification email and response from suppliers verifying the accuracy of information, and supporting evidence on the supplier account on Agresso for consistency in supplier records	MEDIUM 	Sue Allen, Payments Team Leader	Jan 22	Management Comments: This process had commenced during the audit and records are now retained on the supplier's Agresso file. Internal Audit Comments: We confirmed this process has commenced and records are retained on Agresso.
2021/22 Accounts Payable	The Payments Team should complete the amendments requested within a month from the notification of change	MEDIUM 	Sue Allen, Payments Team Leader	Jan 22	Management Comments: This timeline was always the Payments Team's target for completing the amendments within the date of the notification of the change. This has been reinforced to the Team. Internal Audit Comments: We confirmed that the timeline was reinforced to the Payments team.
2021/22 Accounts	The Payments Team should maintain segregation of duties between the person	MEDIUM 	Sue Allen, Payments Team	Jan 22	Management Comments: A spreadsheet has been set up to evidence a separation of duties between the officer processing

	Payable	processing the amendment and the reviewer		Leader		the amendment to supplier details and the officer approving it. <i>Internal Audit Comments: We reviewed the supplier amendment log and confirmed that there are separate columns for the processor and approver of the change.</i>
	2021/22 Accounts Payable	A reconciliation should be completed to identify all staff members that are not listed on the Scheme of Delegations and approval limits should be assigned on QL and embedded within the workflow.	MEDIUM	Graham Eagle, Business Improvement Manager	Apr 22	Management Comments: All QL Users that have access to raise orders now have an Approval Limit of actual value or of 0.01. ICT will add the approval limit as 0.01 by default and managers need to request an update to this spend limit via a vFire service request to ICT. <i>Internal Audit Comments: We reviewed the approval limits to confirm that the recommendation has been implemented.</i>
	2021/22 Accounts Payable	Remind all relevant staff of their approval limits to ensure approvals are actioned in line with the scheme of delegations. A process should be implemented within the system to limit individuals from approving requisitions beyond their delegated limit	MEDIUM	Graham Eagle, Business Improvement Manager	Apr 22	Management Comments: All approval limits have been reviewed and updated where necessary and the approval parameters have been set in QL to use the approval limits. A report has been written to show all orders at 'Awaiting Approval' status. A task has been written to email the relevant business areas in ODS every weekday at 8am showing any orders for their area awaiting approval <i>Internal Audit Comments: We reviewed the approval limits and the current 'awaiting approval' tasks and confirmed that these were hard-coded in to be sent to relevant business areas.</i>
124	2021/22 Accounts Payable	The Accounts Team should ensure that GRN's are actioned correctly on the Key2 system to achieve consistency and attain accurate transactions. Staff members should be reminded that GRN work-flow tasks are mandatory and where it is persistently not completed, this would be escalated with Line Managers. Management reports should be run monthly to identify transactions where GRN's have not been receipted for over 30 days.	MEDIUM	Anna Winship, Management Accounting Manager	May 22	Management Comments: Reminders have been provided across the business, and we are reviewing those that are not doing this. These were presented to the Heads of Service at the Operational Delivery Group meetings. <i>Internal Audit Comments: We confirmed that the recommendations were implemented.</i>
	2021/22 Accounts Payable	To send monthly reminder emails to cardholders reminding them to attach receipts against the transactions on the BCOS system. This should be made as a mandatory action within BCOS	MEDIUM	Sue Allen, Payments Team Leader	Jun 22	Management Comments: There are automated emails in the BCOS system to remind officers to attach the receipts for transactions to evidence credit card spend. <i>Internal Audit Comments: We reviewed the automated email templates and confirmed that these had been set up.</i>

2021/22
Accounts
Payable

Transactions should be reviewed and approved by an appropriate member of staff to confirm the accuracy and the validity of the transactions. The use of the credit cards should be temporarily paused for further transactions where staff members persistently do not complete BCOS tasks

MEDIUM



Sue Allen,
Payments Team
Leader

Jun 22

Management Comments: The responsibility for approving transactions lies with the cardholder's line managers but the Payments Team will be monitoring repeat offenders. The Payments team log into BCOS and review a report which outlines where each transaction is in the process. For transactions which are not approved and are more than one month old, an email is sent to the cardholder or approver reminding to do so. If they still have not done this by the following month, they are emailed again giving them two weeks to do so with failure resulting in their card being blocked.

Internal Audit Comments: *It was confirmed that no credit cards have been blocked yet following the implementation of this process and the automatic emails sent to cardholder's line managers.*

RECOMMENDATIONS: IN PROGRESS

These recommendations have been marked as In Progress as they have not been implemented by their original date; a revised date has been provided.

AUDIT	RECOMMENDATIONS MADE	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 Business Continuity & Disaster Recovery	<p>Management should look to implement a unified Disaster Recovery Plan that is aligned to and supports the Council's priorities and includes, but not limited to:</p> <ul style="list-style-type: none"> The recovery procedures for the Council's IT infrastructure, hardware and systems The procedures for invoking the Council's IT Disaster Recovery plan The contact details for all key members of IT, the Council, Oxford direct Services and Third Party suppliers (to include in the DR plan as well) The location of alternative sites <p>This should also include a unified list of systems which are to be restored in order of priority and should be subject to review on an annual basis in line with the annual review of the business continuity plan.</p>	MEDIUM 	Rocco Labellarte, Chief Technology, and Information Officer	Apr 22 Dec 22	Management Comments: ICT do not own the overarching corporate Disaster Recovery Plan which would include contact details. The matter of alternative sites is being reviewed by the Head of Regeneration & Major Prjects. ICT hold the list of systems and the order of restoration in priority order.
2021/22 Business Continuity & Disaster Recovery	Management should look to arrange a full end-to-end disaster recovery test on one or more business systems with SCC on a regular (annual) basis, in order to ensure that arrangements are feasible and can be effectively relied upon. This should be clearly documented within the disaster recovery plan.	MEDIUM 	Rocco Labellarte, Chief Technology, and Information Officer	Apr 22 Apr 23	Management Comments: We carried out a successful full recovery of the vFire system in April/May 2022. Further annual tests would require wider business engagement.
2021/22 Insurance	<p>The Council should create an insurance risk strategy which outlines the following areas:</p> <ul style="list-style-type: none"> Council's Insurance arrangements The Council's approach to insurance risk 	MEDIUM 	Alison Nash, Insurance Officer	Apr 22 Aug 22	Management Comments: The Insurance Officer has not yet commenced preparing the Insurance Risk Strategy due to limited capacity and a heavy workload on preparing tenders.

	<p>appetite and risk tolerance</p> <ul style="list-style-type: none"> • The Council's approach to risk modelling (including how the Council calculates and maintains its provisions and insurance reserve) • The Council's recharge policy for insurance premiums (including its trading companies) • Insurance claims handling process • Insurance Governance Arrangements. 				
2021/22 Insurance	Once this strategy/guidance has been created, it should be reviewed by the Head of Finance and ratified at the relevant committee/subcommittee prior to being published.	MEDIUM 	Alison Nash, Insurance Officer	Apr 22 Aug 22	Management Comments: The Insurance Officer has not yet commenced preparing the Insurance Risk Strategy due to limited capacity and a heavy workload on preparing tenders.
2021/ 22 Accounts Payable	Management reports should be run monthly to identify transactions where GRN's have not been receipted for over 30 days	MEDIUM 	Anna Winship, Management Accounting Manager	May 22 Aug 22	Management Comments: Reports are run monthly but further work is required on reporting these to senior management.

FOR MORE INFORMATION:**GREG RUBINS**

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