



INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

101
OXFORD CITY COUNCIL
2022/2023

Agenda Item 7

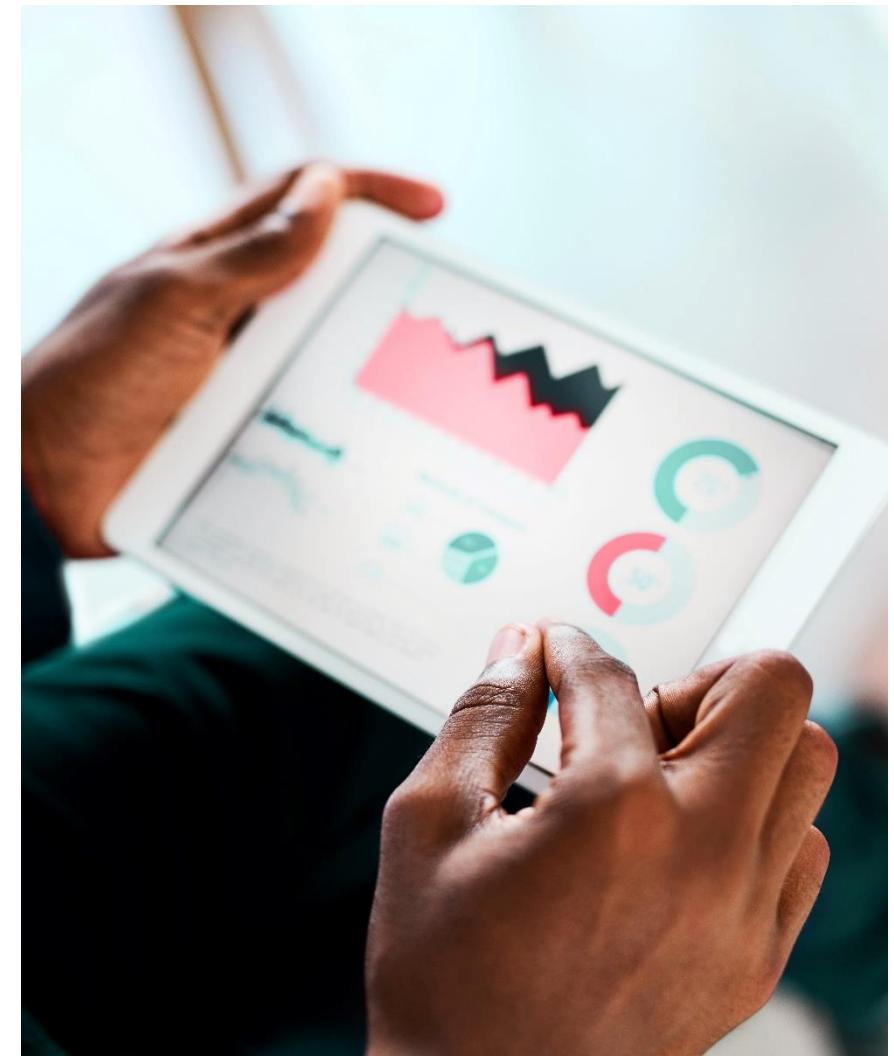
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SUMMARY OF RECOMMENDATIONS

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2022/2023	Total Recs	H		M		L		To follow up	Complete		In progress		Overdue		Not Due	
		H	M	H	M	L	H		H	M	H	M	H	M	H	M
Insurance	3	-		2	1		2		-	2	-	-	-	-	-	-
Accounts Payable	13	-		9	4		1		-	1	-	-	-	-	-	-
Environment	37	10		23	4		2		1	1	-	-	-	-	9	22
Private Rented Sector	21	17		4	-		21		9	2	8	2	-	-	-	-
Project Management	11	-		11	-		11		-	3	-	8				
Total	85	27		49	9		37		10	9	8	10	-	-	9	22

SUMMARY OF IMPLEMENTATION PROGRESS

2021/2022

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

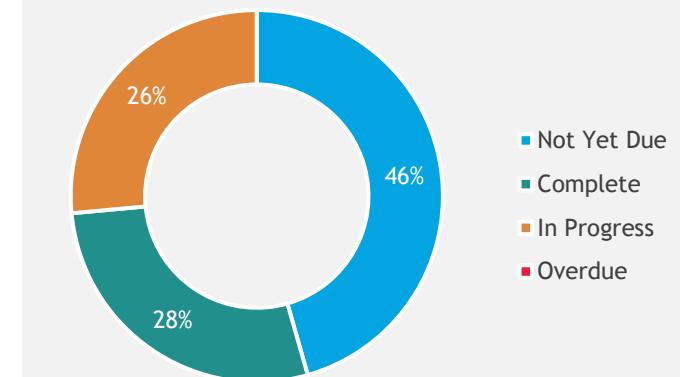
- ▶ 10 High recommendations have been implemented, including nine from the Private Sector Rented review, have been completed. However, there remains eight High and two Medium recommendations that were not completed and have had a revised due date from that review
- ▶ Nine Medium recommendations have been implemented, including all recommendations that have now been completed for the Insurance and Accounts Payable reviews.
- ▶ All recommendations that have a revised due date or not due will be followed up as they fall due at subsequent Audit & Governance Committee meetings.

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REQUIRED AUDIT COMMITTEE ACTION:

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

2022/2023 Recommendation Implementation



RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUUE DATE	CURRENT PROGRESS
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	31/05/2022 31/08/2022	Management Comments: The KPI report has been run with a KPI to identify transactions where GRN's have not been receipted for over 30 days and this will continue to be run monthly. Internal Audit Comments: We reviewed the latest KPI report for payments and confirmed that the new GRN KPI was included and it was circulated with the Head of Financial Services.
2021/22. Insurance	The Council should create an insurance risk strategy which outlines the following areas: <ul style="list-style-type: none">• Council's Insurance arrangements• The Council's approach to insurance risk appetite and risk tolerance• 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	HIGH 	Alison Nash, Insurance Officer	30/04/2022 31/08/2022	Management Comments: The Insurance Strategy has been updated to include all aspects required by the recommendation. Internal Audit Comments: We reviewed the draft Insurance Strategy and confirmed that it incorporated all aspects of this recommendation.
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	30/04/2022 31/08/2022	Management Comments: The Head of Finance has agreed the content of the Insurance Strategy and it is included in the Audit & Governance Committee papers for approval on 28 September 2022. Internal Audit Comments: We confirmed that the Insurance Strategy had been approved accordingly and included in the Audit & Governance Committee papers.
2021/22. Environment	The SG should apply one name consistently and all subsequent	MEDIUM 	Mish Tullar, Head of	31/07/2022	Management Comments: The Steering Group is now consistently referred to as the Net Zero Steering Group.

	communications about the group should use that name		Corporate Strategy		Internal Audit Comments: We reviewed the group's terms of reference to confirm that it was referred to as the Net Zero Steering Group.
2021/22. Environment	The issue over staffing costs should be clarified and communicated to staff	MEDIUM 	Mish Tullar, Head of Corporate Strategy	31/07/2022	Management Comments: This issue over staffing costs has been discussed and clarified at various meetings. Internal Audit Comments: We consider this recommendation to have been completed.
2021/22. Private Rented Sector	Reasons for making both rent in advance and deposit payments should be established and this should be deemed as satisfactory prior to payments being made to landlords	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: All staff have received refresher training recording rent in advance and deposits on QL, including explanation of the reasons why these should be recorded. Internal Audit Comments: We reviewed the Private Rented Sector team meeting notes and confirmed that staff received verbal training on ensuring rent in advance and deposit are recorded in QL.
2021/22. Private Rented Sector	The Private Rented Sector policies and the terms of the landlord management agreement should be updated to reflect the matter on recovering RIA and Deposit payments should a tenant not reside in the property in accordance with their tenancy term	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: The management agreement has been updated to clearly express requirement for repayment of any rent post-tenancy. Internal Audit Comments: We reviewed the revised landlord management agreement and noted that this recommendation had been completed.
2021/22. Private Rented Sector	There should be evidence of negotiation before RIA and deposit payments are made regardless of this being a Rent Guarantee service	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: Staff have been reminded that evidence of rental negotiation should be included within the case notes detailing why payment the subsequent payment was made. Internal Audit Comments: We reviewed the Private Rented Sector team meeting notes and confirmed that staff received a verbal reminder to document evidence of rental negotiations.
2021/22. Private Rented Sector	If RIA are paid for more than two months a reason for this should be established and authorised prior to arranging the payment	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: On the rare occasions when an RIA of more than two months is required prior approval from a senior manager will be sought and documented in the case notes. Internal Audit Comments: We reviewed the Rent Negotiation Matrix detailing this authorisation process for early-rent in advance and noted that it was clear for staff to follow.
2021/22. Private Rented Sector	Deposit payment agreements should be signed and dated by the tenant for all Home Choice Scheme tenants before the	HIGH 	James Pickering, Welfare	30/06/2022	Management Comments: All applications for assistance require a loan agreement approval to be signed by the tenant. Internal Audit Comments: We reviewed the Rent Negotiation Matrix which outlines the requirement for all payment

	deposit payment is made to the landlord. The agreement should be retained on file		Reform Manager		<i>agreements to be retained on file and the Private Rented Sector team meeting notes and noted that this requirement was communicated to staff.</i>
2021/22. Private Rented Sector	Written confirmation of 'no fault eviction' should be recorded on file for all finder fee incentive payments	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: The QL workplan includes a request for an exception report to identify cases ended after 18 months where finder's fee paid was paid in order to seek repayment if the tenancy cessation appeared to be due to a no fault eviction. Internal Audit Comments: We reviewed an email from the QL Project Coordinator confirming that the exception report has been included in the QL Workplan.
2021/22. Private Rented Sector	There should be clear reasons retained on file if finder fees are paid on discretionary terms	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: Staff have received refresher training on the Incentive Policy (which includes Finders Fees) including recording reasons on QL/enterprise document system. Internal Audit Comments: We reviewed Private Rented Sector team meeting notes and confirmed that staff received verbal refresher training which includes recording reasons on QL for managing the Finders Fees.
2021/22. Private Rented Sector	There should be an enquiry made on whether efforts were made by the Private Rented Sector team to regain the £2000 finder fee and if this was not the case sufficient reasons should be established	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: An investigation has taken place but as the tenancy failed and was not the responsibility of the broker we cannot reclaim the money. This was a known case of a very challenging customer during the pandemic. Internal Audit Comments: We were informed by the Welfare Reform Manager that a case review was conducted by the Private Rented Sector team to discuss the details of the case however, this review was not documented. They confirmed that this was the only case they could recall in the past nine years and that the team were aware of it prior to the audit review.
2021/22. Private Rented Sector	There should be monthly reports which enable the Private Rented Sector team to monitor the volume and value of finder's fee paid to landlords	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: Monthly checks for finders fees are made on QL and recorded as part of the KPI suite. Internal Audit Comments: We reviewed performance management dashboard and confirmed that the monthly checks are included in the report. The Welfare Reform Manager confirmed that this report is reviewed by managers in the Private Rented Sector team.
2021/22. Private Rented Sector	The Private Rented Sector team should create a tracker of all bank detail change requests made. These should be approved	MEDIUM 	James Pickering, Welfare	30/06/2022	Management Comments: A process has been agreed with the Treasury/Payments team that any bank detail changes need prior approval by Private Rented Sector officer and are recorded in central file marked 'bank change payment request'.

	prior to being changed by the Finance team		Reform Manager		Internal Audit Comments: We reviewed the Bank Change Payment Request tracker and confirmed the recommendation has been implemented.
2021/22. Private Rented Sector	Frequency of changes and reasons for bank details should be monitored and all back detail changes should be subject to a written request by the landlord and retained on file.	MEDIUM 	James Pickering, Welfare Reform Manager	30/06/2022	Management Comments: The Payments team have agreed to check all bank changes with original account holder prior to any amendments. Internal Audit Comments: We reviewed communications with the Payment team to confirm that they have agreed to obtain the requisite approval.
2021/22. Project Management	To remind all Project Managers that the completion of all sections of the Smartsheets is mandatory and should be populated in thorough detail	MEDIUM 	James Marriott, PMO Lead	31/07/2022	Management Comments: A number of meetings with Project Managers and Service Managers have taken place to reinforce the importance of completion, and the audit findings have been widely shared. The underlying process is currently unchanged with Project Managers receiving a monthly update request highlighting the importance of completing information, and a monthly report is then sent to Heads of Service for review each month, providing an opportunity to chase missing information. Further reinforcement of the importance will take place through training. Internal Audit Comments: We reviewed the copy of the most recent monthly managers update and the most recent Head of Service report and confirmed that the recommendation had been implemented.
2021/22. Project Management	The PMO Team should implement an escalation process which involves notifying Project Sponsors where Project Managers repeatedly submit incomplete Smartsheets	MEDIUM 	James Marriott, PMO Lead	31/07/2022	Management Comments: Head of Service reports now make it clearer where no update has been provided and when comments were last updated. Improved automated reminders have been implemented in Q1 to support an improved response rate. Escalation and chase up with Head of Service to be more robust by a reminder being sent to the Head of Service around what is expected for quality assurance, plus implement improved follow up. Further clarity around roles and responsibilities will be provided in the training sessions. Internal Audit Comments: We reviewed the Head of Service report and noted that it is clearly documented where no updates are needed. We also reviewed the reminders to Heads of Services clarifying expectations on quality assurance and confirmed the recommendation has been completed.

2021/22. Project Management	The Council's Capital Strategy should be amended to include a risk scoring matrix to ensure	MEDIUM 	James Marriott, PMO Lead	31/07/2022	<p>Management Comments: The revised risk register template has been circulated to project managers which includes a built-in matrix. Some minor changes to the template have been agreed by Risk Management Group.</p> <p>Whilst the Capital Strategy can be expanded in future, it was not considered an ideal place to sign-post project managers to risk management guidance, so we have included links to templates in the Project's intranet pages. The risk scoring matrix is now built into the corporate template.</p> <p><i>Internal Audit Comments: We reviewed the revised risk register and the email to all Project Managers noting that it directed them towards using the updated risk register. This revised version includes a risk scoring matrix.</i></p>
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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	DUUE DATE	CURRENT PROGRESS
2021/22. Private Rented Sector	A file should be created for each letting within a centralised location on the Private Rented Sector network and all checks undertaken per property including the assessment of the landlord should be retained on file (subject to relevant retention policies).	HIGH	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: Centralised files, on the M Drive, have been created for all property lets from January 2021 and the team are now rolling out to upload all files for January 2020 and prior years for all 977 cases held. As it can take up to one hour per case to check this process is taking longer than originally expected.
2021/22. Private Rented Sector	The file should retain the following documents as a minimum: <ul style="list-style-type: none"> • Confirmation that a prosecution check was completed • Declaration/approval that the landlord is fit and proper • Signed and dated Code of management • Completed property conditions checklist • Tenancy agreement • Approval to register the landlord within Private Rented Sector 	HIGH	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: All 129 lets from January 2021 have been checked with 62 cases being compliant. The Code of Management has been suspended pending a review by the Environmental Health team so is not being sent out at the moment. <p>The diligence gaps revealed that there were 24 cases where no deposit protection certificate has been returned by the landlord, 12 electrical checks not completed, eight gas certificates not obtained, six energy performance certificates and nine loan repayment agreements have not been filed. All missing evidence has been requested and is being collected as a matter of urgency.</p>
2021/22. Private Rented Sector	Existing landlords on the Private Rented Sector register should complete a self-declaration confirmation annually this should be signed, dated by the landlord and checked by an appropriate officer prior to being retained on file	HIGH	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: Since January 2021, 17 procured homes do not have fit and proper landlord self-declaration forms. Five of these were classed as self-find and we only support clients moving to licensed HMO's that already have self-declared and have a licence number recorded. We have arranged a check with the Licence Applications team for November 2022 to verify existing landlords.
2021/22. Private Rented Sector	SharePoint access should be created between the Private Rented Sector team and HMO enforcement (Post the Office 365 implementation) team whereby the HMO team publish a list of rogue landlords and those	HIGH	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: Licences are required to access environmental health enforcement action records. Three licences have been obtained for the Private Rented Sector team however, they are awaiting training from the Environmental Health team on how to use its system.

	subject to financial penalties monthly. Subsequently, the Private Rented Sector team should check the listing against their current landlords.					
2021/22. Private Rented Sector	Tenancy agreements should be signed by both parties and retained on the property file	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: Of the 129 checks completed to date, two cases were identified where a signed tenancy agreement was not held. These documents have been requested.	
2021/22. Private Rented Sector	Landlord payments reports should be extracted via the relevant systems (Agresso or QL) and checked quarterly to ensure they are in line with the payments outlined on the tenancy agreement	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: All payments made in 2022 have been checked and verified that they agree to the tenancy agreement. The Private Rented Sector team are now working through payments made in 2021.	
2021/22. Private Rented Sector	There should be an automated process where the Private Rented Sector team are alerted when the tenant is no longer residing within the property prior to reaching the end of their tenancy agreement term	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: QL is being updated to create an alert task two months before the tenancy ends (usually on the 10 th month) allowing officers to proactively contact both the landlord and the tenant.	
2021/22. Private Rented Sector	Up to date tenancy agreements should be retained on file for all occupancies made	HIGH 	James Pickering, Welfare Reform Manager	30/06/2022 31/10/2022	Management Comments: A check of all tenancy agreements on record found that two tenancies did not have an agreement in the Council's records but these have been requested. Additionally, the automatic alerts in QL will prompt checks of tenancy agreements for all occupancies to be completed.	
2021/22. Private Rented Sector	The guidance should be reviewed for duplication and ensure there are consistent messages throughout all guidance available. The guidance notes should be aggregated to form consistency and one overarching guidance on the private rented sector schemes	MEDIUM 	James Pickering, Welfare Reform Manager	30/06/2022 31/12/2022	Management Comments: A desktop policy review is in progress. Following the team's restructure the Private Rented Sector team will no longer exist in its current format. It will be split into specific areas in relation tenancy sustainment and property procurement. Therefore, the policy review is in its early phases and cannot be completed until the restructure has been done.	
2021/22. Private Rented Sector	The Council should update the guidance ensuring it reflects current practices and policies should be reviewed annually	MEDIUM 	James Pickering, Welfare Reform Manager	30/06/2022 31/12/2022	Management Comments: As above	
2021/22.	The PMO Team should provide refresher training or arrange a workshop to inform staff	MEDIUM 	James Marriott, PMO Lead	31/07/2022 30/11/2022	Management Comments: Roles and responsibilities and reporting requirements will be included in training sessions but these are yet to be arranged.	

	Project Management of the reporting requirements including variance analysis on the project					However, several 'How to Guides' have been piloted with the Regeneration team and are now accessible via the Projects SharePoint pages. The intranet has also been updated with improved guidance and clearer information on process to support training roll out. Other sections of the intranet require updates to provide greater clarity, for example, the feasibility funding process and risk register template/guidance. The business case template also requires attention.
18	2021/22. Project Management The onus should be placed on the Project Managers to review variances and ask questions where they are unsure on how to narrate these	MEDIUM	James Marriott, PMO Lead	31/07/2022 30/11/2022	Management Comments: A specific exercise to look at budget profiling is currently taking place and this will remind Project Managers of the need to report variances. Project Managers are required to forecast as part of their monthly project updates but reporting of variances has been limited to date for the financial year suggesting more work needs to be done in this area. Roles and responsibilities and reporting requirements will be included in training sessions but these have not yet been arranged. Training will include guidance on expected approach to budget forecasting, as well as accessing financial reporting information.	
	2021/22. Project Management To formalise and better promote a lessons learnt process, which involves the PMO Team to report the lessons learnt log to the Development Review Group on a quarterly basis. The PMO Team should consolidate the lessons learnt into a report and distribute to Project Managers for wider learning. The Development Review Group should monitor the lessons learnt and ensure that actions are taken to mitigate the issues from occurring in the future	MEDIUM	James Marriott, PMO Lead	31/07/2022 30/11/2022	Management Comments: The existing process and web-form will be promoted through training sessions as it continues to be under utilised, however, these have not yet been arranged. Lessons Learned are regularly discussed at DRG and DB meetings in the context of monitoring individual projects and discussing the response to issues arising. Lessons learned from specific projects like Decarbonisation (PSDS), and Bullingdon Cost Pressures have been presented to DRG or DB at particular intervals. General lessons learned continue to inform future approach.	
	2021/22. Project Management To amend the lessons learnt log to include an action, a responsible Officer, and a date for the completion of actions where applicable for monitoring purposes.	MEDIUM	James Marriott, PMO Lead	31/07/2022 31/03/2023	Management Comments: An online Lessons Learned Log requires promotion through training sessions. Lessons learned raised by DRG and ARG through business as usual will be formerly captured going forward. Actions from lessons will be allocated where appropriate and overseen by DRG with lessons are grouped by theme. However, it needs to be recognised that not all lessons will require an action plan as there will be duplication and reoccurring themes.	

2021/22. Project Management	To routinely send closure reports to the development board. The development board should review whether project objectives were successfully met and or lessons learned can be drawn for wider learning	MEDIUM 	James Marriott, PMO Lead	31/07/2022 31/03/2023	Management Comments: The existing closure form process will be enforced and reported to DB when the form is completed. The number of projects reaching the closure stage at any given time can be limited but the aim is to embed a culture of following the closure process and sharing of lessons learned. The process to assess whether major capital projects have met their objectives can only take place over a long period of time, ie. understanding utilisation and income generation can takes some time to accumulate and evaluate.
2021/22. Project Management	The PMO Team should provide refresher training or arrange a workshop to inform staff of reporting requirements	MEDIUM 	James Marriott, PMO Lead	31/07/2022 30/11/2022	Management Comments: Lessons learned will be covered within project management training sessions but these have not yet been arranged.
2021/22. Project Management	All Project Boards (including programmes of work) should adopt the Council's prescribed risk register as part of their risk monitoring process to achieve a uniform approach. Projects that represent a programme of work should include key risks on the risk register. The risk register is to be updated at the end of each month and significant risk areas should be discussed at Project Boards meetings. The information from the risk register should subsequently feed into the Smartsheets which are completed at beginning of the following month	MEDIUM 	James Marriott, PMO Lead	31/07/2022 30/03/2023	Management Comments: There is work ongoing to move all risk registers to an agreed format by the end of 2022/23. Acknowledged registers for some established projects may not be transferred to new templates providing existing template functions adequately. A cross section of risk registers are reviewed by Corporate Risk Management Group to ensure consistency. There will be a standard terms of reference and agendas for all Project Boards to ensure consistency across projects.
2021/22. Project Management	The PMO Team should design a training session or a workshop which demonstrates how Smartsheets, the Council's main risk register and the lessons learnt web-form should be completed and monitored. Refresher training should be aimed at existing and new staff who complete work for the Capital projects. Training resources should be uploaded onto the Council's intranet for staff to revisit and which should include examples of best practice for guidance.	MEDIUM 	James Marriott, PMO Lead	31/07/2022 30/11/2022	Management Comments: The Council are in the process of updating the Intranet content with improved guidance and good practice examples of project management ahead of the training roll out to Project Managers. Good practice examples have been shared informally at a local level.

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