INTERNAL AUDIT FOLLOW UP OF RECOMMENDATIONS REPORT

OXFORD CITY COUNCIL

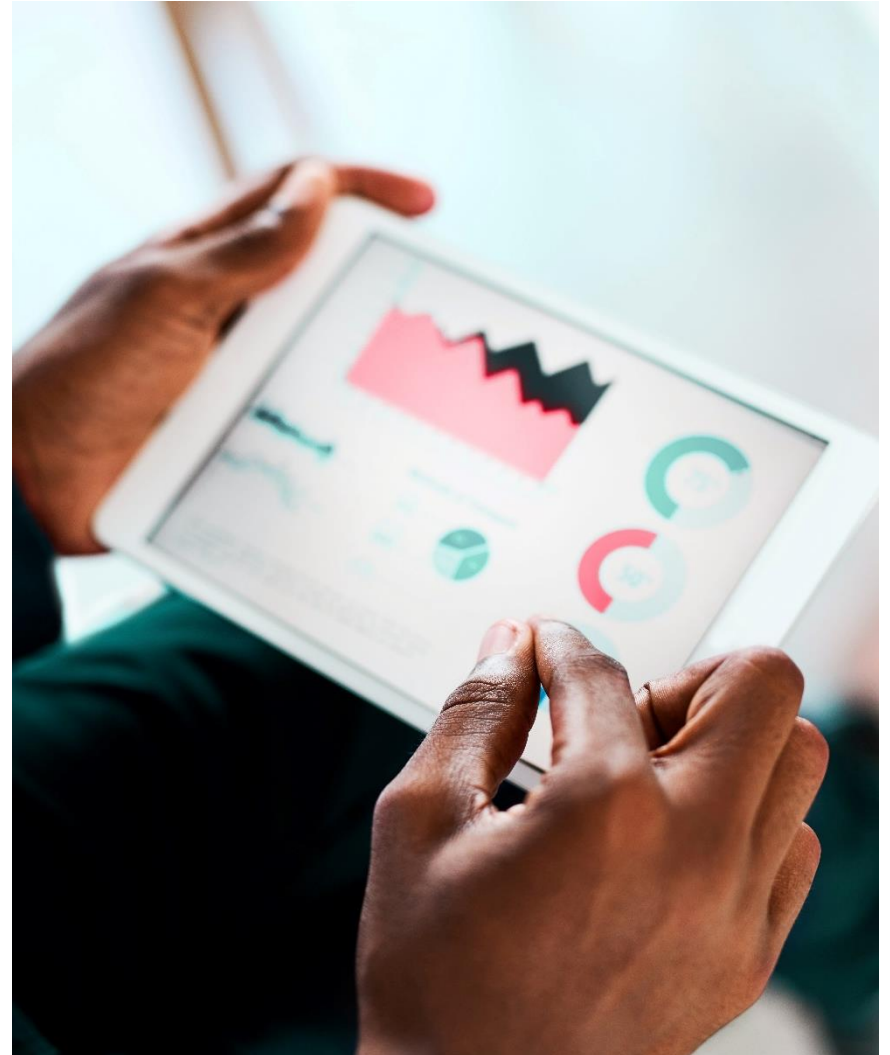2023/2024

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SUMMARY

2021/2022 2022 2023/2024	Total Recs to follow up this Quarter	H	M	Complete		Incomplete	
				H	M	H	M
Business Continuity & Disaster Recovery	1	-	1	-	-	-	1
Environment	11	2	9	1	6	1	3
Total	12	2	10	1	6	1	4

2022/2023	Total Recs to follow up this Quarter	H	M	Complete		Incomplete	
				H	M	H	M
Change Programme	3	-	3	-	3	-	-
Housing Rents	1	-	1	-	-	-	1
Enforcement Restructure	1	-	1	-	-	-	1
Procurement & Contract Management	2	-	2	-	1	-	1
Cyber Security	5	2	3	-	-	2	3
Total	12	2	10	-	4	2	6

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SUMMARY

2021/2022

Please find below a summary of the status of implementation of recommendations arising from reports issued in 2023/2024 and 2022/23

▶ One high and six medium recommendations have been completed since the last Audit and Governance Committee and removed from the follow up tracker (Environment).

▶ One high and three medium recommendations remain incomplete for Environment. Of these, one medium recommendation will be discussed with the Head of Finance as a revised recommendation may be required to reflect the changes in practice (please see recommendation reference 1.1 Environment). Albeit, these recommendations have been long overdue and are concerning. We have requested the Environment Lead to attend the Audit and Governance Committee to provide a verbal update on recommendations overdue, a majority of the Environment recommendations are now on their fourth revised due date.

▶ One medium recommendation for Business Continuity & Disaster Recovery is currently on its second revised due date this recommendation will continue to be followed up as part of the follow up process.

2022/2023

▶ Three medium recommendations (Change Programme and Procurement & Contract Management) have been completed since the last Audit and Governance Committee and removed from the follow up tracker.

▶ One medium recommendation (Change Programme) has been downgraded from a medium to a low priority as adequate action has been undertaken to mitigate the risk.

▶ Two high and six medium recommendations remain incomplete and will continue to be followed up as part of the follow process, revised due dates have been issued for Housing Rents, Enforcement Restructure, Procurement & Contract Management and Cyber Security. Please note the Cyber Security recommendations have not been detailed below and will be presented as a confidential paper.

▶ 12 recommendations were reported at the September 2023 Audit and Governance Committee of those, seven recommendations were implemented reporting a 58% completion rate. In comparison, 24 recommendations were reviewed for this Audit and Governance Committee of those, 11 recommendations were implemented, a 46% completion rate. Overall, the Council have performed worse in December 2023 resulting in a 21% decline on the implementation of internal audit recommendations.

REQUIRED AUDIT AND GOVERNANCE COMMITTEE ACTION:

We ask the Audit and Governance Committee to note the progress against the 24 recommendations due for the January 2024 Audit and Governance Committee.
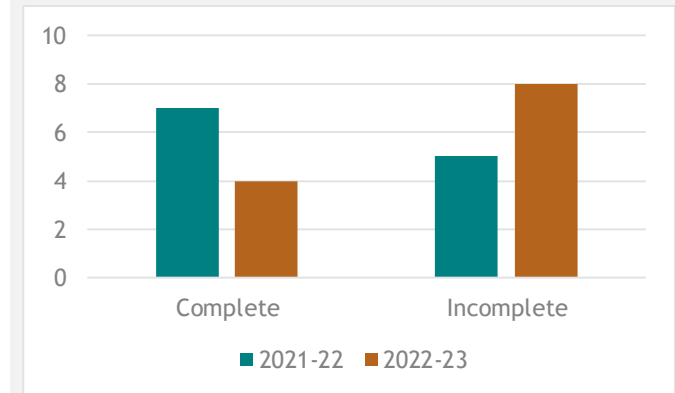
RECOMMENDATIONS: COMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 Environment	1.2)[1] Discussions between the Environmental Sustainability (ES) team and relevant heads of service across the Council should be held to assign action owners to the actions set out in the plans. Where action requires joint action owners all involved should be noted however, one action owner should take responsibility for progressing and reporting on the action to the SG.	Medium 🟠	Head of Corporate Strategy	~~31/12/2022~~ ~~30/06/2023~~ 30/09/2023	**Management Comments:** The Net Zero Action tracker provides this service. Each action has an owner and is responsible for progression and reporting on that action. *Internal Audit Comments:* We reviewed the Net Zero Action Tracker which contained sufficient details on the action owners who is responsible for reporting on the actions we deem this recommendation as complete.
2021/22 Environment	1.3) Quarterly reports on the progress of the NZOAP and CMP should be made to the SG by the action owners.	Medium 🟠	Head of Corporate Strategy	~~31/12/2022~~ ~~30/06/2023~~ 30/09/2023	**Management Comments:** Quarterly reports are published to the Councils Climate and Environment Panel. *Internal Audit Comments:* We reviewed the last two quarterly reports published in 2023 and were satisfied that the progress were adequately highlighted within the reports we deem this recommendation as complete.
2021/22 Environment	2.7) The SG should maintain a log of all related external funding received and applied for in relation to net zero carbon activities.	High 🔴	Head of Corporate Strategy/Head of Finance	~~28/02/2023~~ ~~30/06/2023~~ ~~30/09/2023~~ 31/12/2023	**Management Comments:** A record is currently made of all discretionary grants received into the authority and this is regularly reported through the monthly monitoring report to CMT and the quarterly report to Cabinet. It doesn't specifically split out funding in respect of Net Zero but will be adapted to provide this. *Internal Audit Comments:* We are satisfied with the management response whilst the funding of net zero is included in the report it is currently not split out in the report. This poses a relatively low risk as the net zero funding is reported. Therefore, we deem this recommendation as complete

[1] The reference numbers for each action are as per the original internal audit report.

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2021/22 Environment	3.1) The net zero target date should be consistently and clearly articulated in all corporate documents.	Medium	Head of Corporate Strategy	~~31/12/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ 29/02/2024	**Management Comments:** The Carbon and Environmental Considerations in Projects and Programmes: Guidance for Project Designers sets out for the reader to consider their proposal within the context of the question: • Will this proposal bring us closer to or further away from our commitment to achieving net zero carbon emissions as a council by 2030? • Will this proposal bring us closer to or further away from our commitment to achieving net zero carbon emissions as a city by 2040? These questions are included in the Project Initiation Document and Project Management Outline Business Case. *Internal Audit Comments:* We reviewed evidence and the above questions and noted that we are satisfied with the way in which the questions above are worded and included within the corporate documents. The outline Business Case includes this question which will ensure readers consider targets.
2021/22 Environment	4.1) The Council should review its governance arrangements and identify a feasible solution to ensure that decisions taken by the Development Board, Housing Supply Programme Group, ODG and CMT do not contravene the opinions of the SG in relation to achieving net zero carbon by 2030. Where activities are geared towards the zero carbon Oxford by 2040 as opposed to the net zero carbon Council 2030 target, it should be made clear that this is the case.	Medium	Executive Director of Development	~~31/12/2022~~ 31/12/2023	**Management Comments :** The Net Zero Steering Group is an advisory body has an advisory, not a decision-making function. Development Board and its own sub-groups have both representatives on the NZSG and representatives from the NZSG, and the Chair of NZSG is also on CMT. This ensures all considerations including environmental factors are taken into account - but these have to be balanced in the round against other inevitably competing corporate priorities as set out in our corporate strategy. Project Initiation Documentation and Business Cases now require the inclusion of information in respect of whether a particular initiative would support either the Council's 2030 or 2040 net zero target. *Internal Audit Comments:* There is a clear distinction within PID documentation and Business cases whether a project supports the Councils 2030 Net Zero drive or the 2040 net zero target. We were satisfied with the evidence provided and deem this action as complete.
2021/22 Environment	5.1) The principle of taking further action to improve Environmental Impact Assessments in Cabinet reports is agreed. Dedicated officer support is provided through the Environmental Sustainability team to deliver this. How the	Medium	Head of Corporate Strategy	~~31/12/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ 29/02/2024	**Management Comments:** Environmental impact is considered within the Project Initiation Document, Cabinet report template, project management business case and Guidance for project designers. An Officer from Committee services issues email to the Cabinet report authors ahead of the Cabinet report writing

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	Cabinet report template is structured and decisions on the wording of guidance on EIAs will need further consideration.				deadline that all Cabinet reports must include a section on Carbon and Environmental Considerations. *Internal Audit Comments:* We reviewed the project initiation document and noted that the Environment impact was considered as part the PID document we deem this recommendation as complete.
2021/22 **Environment**	8.2) Recruitment to roles that intersect with the ES team should be discussed with relevant staff and clarity over roles and responsibilities and the interface with ES should be detailed prior to recruitment. The Council should be mindful of any potential disparities in grades.	Medium 🟠	Head of Corporate Strategy	~~30/11/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ 31/12/2023	**Management Comments:** Recruitment of roles that intersect with the ES is discussed with Managers to provide clarity on roles and responsibilities. In addition, senior officers from Regen and from Property have sat on interview panels for ES roles. Evidence for this has been provided to the auditors. *Internal Audit Comments: We noted that senior officers were present at interview panels for ES roles providing the relevant insight into the ES role therefore we have closed this action.*
2022/23 **Procurement and Contract Management**	1) To develop a list of standard KPIs that Contract Managers can use as a template to reenforce the important of KPIs. Contract Managers should be informed that KPIs are not optional via department managers restating the message and sharing the contract handover form.	Medium 🟠	Procurement Manager	31/12/2023	**Management Comments:** The Invitation to Tender document and contract handover form contain a list of standard KPIs for Contract Managers to use. The Contact Handover form is available on the intranet for Managers to use as a tool. *Internal Audit Comments:* We reviewed evidence and noted that KPIs for contract managers were sufficient and included within the contact handover form we therefore deem this recommendation as complete.
2022/23 **Change Programme**	2.1) Financial savings and efficiency targets should be recorded for each project, where applicable, on the Benefits Tracker, showing the contribution of savings towards the workstreams and the Fit for the Future Programme. We would expect that for projects that have been developed to achieve financial savings, the following information would be reported to the Change Board: • Target Completion Date. • RAG Status of each saving/efficiency to identify whether it is on target. • Updates on the progress/implementation of the project. • Financial efficiencies obtained from the project compared to the business case	Medium 🟠	Senior Business Analyst	~~31/07/2022~~ 31/12/2023	**Management Comments:** A. The Benefits tracker captures all information identified within the recommendation. B. A live interaction report has been developed from the Benefits Tracker data and is reported to the Organisational Change Board every Quarter. The report displays the non-cashable cost benefits and financial spend for the FY 23/24. *Internal Audit Comments:* We reviewed the benefits tracker and noted for each project a target completion date, rag status, progress up date and financial savings identified. We reviewed the Quarterly report to the Organisational Board which identified the non-cashable benefits and financial spend for the FY 23/24 and therefore we deem this recommendation as complete.

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- Details of non-financial efficiencies from the project.

2.1b) The financial savings from each work stream should be calculated and reported to the Change Board to identify whether the workstreams are meeting the savings targets.

2022/23 **Change Programme**	3.1a) Critical success measures should be developed for each workstream by the workstream lead to monitor the effectiveness of projects in delivering efficiencies and financial savings. These critical success measures should be SMART. 3.1b). The critical success measures from each workstream should be reported to the Change Board quarterly to oversee the impact of project on the overarching critical success measures and escalate any issues where projects benefits have not materialised as expected.	Medium 🟠 ↓ 🟢 Low	Head of Business Improvement	~~31/07/2022~~ 31/12/2023	**Management Comments:** A. Senior Business Analyst agreed with the Stream Leads to update the Benefit trackers with dates when the benefits would be realised. The dates provided are used to populate the 'Benefit Enabler target completion date field in the benefits tracker'. The tracker is reviewed by the Organisational Change Board on a quarterly basis and last reviewed on 28/11/2023. B. The critical success measures report and template is set up and workstream lead are expected to record progress and we have agreed these will be reported on each month. *Internal Audit Comments:* We reviewed correspondence between the Senior Business Analysts to Stream Leads informing them of the requirement to develop critical success factors within their stream. The Council have also commenced reporting to the Change Board in November 2023 however, we cannot assess the impact the overarching critical success measures have on each project. We have downgraded this recommendation to a low as a majority of this recommendation is completed and the risk has been adequately mitigated.
2022/23 **Change Programme**	4) The Change Board should liaise with Change Agents to identify further training opportunities and/or guidance on their roles and responsibilities, including expectations around time that they should commit to the role. This should be undertaken after it has been agreed on how Change Agents will be deployed on projects. The Change Team should consider whether to introduce additional meetings for Change	Medium 🟠	Head of Business Improvement	~~31/07/2022~~ ~~31/12/2022~~ 30/09/2023	**Management Comments:** A. The Council have updated the intranet page to recruit further Change Agents. The intranet page provides details of the following: - What do change agents do? - What will I be working on? - How much time will being an agent take? - What is in it for me? To further clarify the change agent role, the ' Council Weekly newsletter' is used to promote change along.

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Agents as a cohort. The agenda for the meetings should include:

- Best practice on promoting change across the organisation.
- Feedback from staff on the impact of change.
- Staff morale and potential concerns.

Following the change in role of the Change Agents, they should be invited onto the relevant project boards or similar to raise any issues and feedback from across the organisation.

B. The Change Agents meet on a regular basis with the group being managed by two members from the Fit for the Future Programme. The meeting allows Change Agents to raise concerns, issues and feedback from across the organisation.

C. Change Agents are currently working on corporate projects and not working with individual project boards.

Internal Audit Comments: We reviewed the Change Agents intranet page, the November 2023 Connected Council newsletter and the Teams meeting which display the Change Agents have been recruited with clear defined roles and responsibilities. We deep this recommendation as complete.

RECOMMENDATIONS: INCOMPLETE

AUDIT	ACTIONS AGREED	PRIORITY LEVEL	MANAGER RESPONSIBLE	DUE DATE	CURRENT PROGRESS
2021/22 Business Continuity & Disaster Recovery	2) 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 ●	Chief Technology and Information Officer	~~30/04/2023~~ ~~31/12/2023~~ 29/02/2024	**Management Comments:** The Team are in the process of identifying the servers in scope and are due to carry out the Disaster Recovery test in January 2024. *Internal Audit Comments:* We have revised the due date for this recommendation and will follow up for the next Audit and Governance Committee.
2021/22 Environment	3.4) Action plans resulting from corporate documents should ensure alignment with the NZOAP/CMP as far as possible. For example, we noted that an action plan for the Asset Management Strategy is currently being developed, and it would be beneficial to ensure that actions detailed in this are aligned to those in the CMP.	Medium ●	Head of Corporate Strategy	~~31/12/2022~~ ~~30/06/2023~~ ~~30/09/2023~~ 29/02/2024	**Management Comments:** This will be highlighted, and outcomes agreed with Corporate Property by the new ES Business Lead and Decarbonisation Team Manager. The due date for the recommendation will be revised for February 2024. *Internal Audit Comments:* We have revised the due date for this recommendation and will follow up for the next Audit and Governance Committee.
2021/22 Environment	1.1) Progress to document further costing detail for the CMP should be made It would be useful to compile these into one document to try and get an overview of what the realistic costs (money and time), and future benefits of each of the actions are. From our benchmarking we noted that the City of Edinburgh Council has taken a useful approach that the Council may wish to emulate. It codes its actions (resource secured; costs known; costs unknown) and includes a full list of potential	Medium ●	Head of Finance	~~28/02/2023~~ ~~30/09/2023~~ TBC – To discuss alternative recommendations on this finding	**Management Comments**: This is a major piece of work for which the council does not have the capacity to undertake at present. Additionally, given the unknowns especially around the different evolving technologies, the value of a costings document at a single point in time versus the work required to get to that position would appear unwarranted. We will discuss this position further with the auditors **Internal audit comments:** We will arrange a separate meeting with the Head of Finance to understand whether this recommendation can be revised to better reflect current practices.

	funding streams. It also indicates the level of staff time as a resource.				
2021/22 Environment	2.8) The SG should receive regular finance reports covering a high level overview of Council budget commitments to CMP actions, related external funding received and current bids for external funding, and the Net Zero Transition Fund.	High 🔴	Head of Corporate Strategy/ Head of Finance	28/02/2023 30/09/2023 29/02/2024	**Management Comments**: Information is available on the Financial Management System (Agresso) on the amount of spend which can be combined with information from the Carbon Management Team on grants applied for. Reports will be presented on a quarterly basis to the Steering Group *Internal Audit Comments:* We have revised the due date for this recommendation and will follow up for the next Audit and Governance Committee.
2021/22 Environment	6.2) The Head of Environmental Quality Team is provided with the necessary resources to help her continue the work she has started in mapping out the Council's land and biodiversity space and options.	Medium 🟠	Head of Finance (supported by Head of Corporate Strategy and Head of Corporate Property)	28/02/2023 30/09/2023 30/06/2024	**Management Comments:** Progress in taking this forward had been delayed by capacity challenges within Corporate Property. Resource has now been committed to take this work forward. *Internal Audit Comments: We have agreed a revised due date for June 2024 to give the Council adequate time to arrange resources for this action.*
2022/23 Enforcement Restructure	1.1a) The corporate KPI procedures should be updated to reflect the current target, then shared with relevant members of the team. 1.1b) Other team members should be trained to run the relevant reports and calculate the KPI.	Medium 🟠	Head of Regulatory Services and Community Safety	30/04/2023 31/12/2023 29/02/2024	**Management Comments:** KPIs have been established and are currently in place. *Internal Audit Comments:* We were not provided with evidence to support the completion. Recommendation will be followed up at the next Audit and Governance Committee meeting.
2022/23 Housing Rents	1.1) The Council should ensure a robust policy is in place in cases of succession of tenancies, clear guidelines should be established on this including an inspection of the property should this fall in the above category.	Medium 🟠	Landlord Services Manager	31/07/2023 31/12/2023 29/02/2024	**Management Comments:** A robust process map has been created which outlines the process of succession of tenancies, with clear timeframes outlined for each stage. The map is due to be finalised in January 2024. *Internal Audit Comments:* We revised the due date of the recommendation to February 2023 to obtain evidence of the sign off.
2022/23	2) To identify key live contracts without KPIs and for the relevant Contract Managers to work with suppliers to	Medium 🟠	Procurement Manager	01/09/2023 29/07/2024	**Management Comments:** Once a contract is awarded the Council are unable to add KPIs as this was not included in the tendering

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Procurement & Contract Management	establish KPIs and ensure upon renewal these are added to the contract.	process. The Council will integrate KPIs during the tendering process.
		Internal Audit Comments: We revised the due date of the recommendation to July 2024 to confirm new contracts contain established KPIs which are monitored by the Contract Manager.

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