

REPORT TO SHEFFIELD CITY COUNCIL AUDIT AND STANDARDS COMMITTEE 23rd Jan 2020

Internal Audit Tracker Report on Progress with Recommendation Implementation

Purpose of the Report

1. The purpose of this 'rolling' report is to present to members of the Audit and Standards Committee progress made against recommendations in audit reports that have been given a high opinion (using the old system), a no assurance opinion, or a limited assurance with high organisational impact opinion (using the new system).
2. As the report tracks recommendations until they have been fully implemented, there will be a period when reports are included that use both the old and new style of internal audit opinion.

Introduction

3. An auditable area receiving one of the above opinions is considered by Internal Audit to be an area where the risk of the activity not achieving objectives is high and sufficient controls were not present at the time of the review. All reports will have been issued in full to members of the Audit and Standards Committee at their time of issue.
4. Where Internal Audit has yet to undertake follow up work, the relevant Portfolio managers were contacted and asked to provide Internal Audit with a response. This work included indicating whether or not the recommendations agreed therein have been implemented to a satisfactory standard. Internal Audit clearly specified that as part of this response, managers were required to provide specific dates for implementation, and that this information was required by the Audit and Standards Committee.
5. This report also details reviews that Internal Audit proposes to remove from future update reports because all agreed recommendations have now been implemented. The Audit and Standards Committee is asked to support their removal.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the report.

EQUAL OPPORTUNITIES IMPLICATIONS

There are no equal opportunities implications arising from the report.

RECOMMENDATIONS

1. That the Audit and Standards Committee notes the content of the report.
2. That the Audit and Standards Committee agrees to the removal of the following reports from the tracker:
 - Training Centres - Recovery Planning and Monitoring (People)
 - The Licensing Service (Place)

Executive Summary

Reports received in full by the Committee

As agreed, the Audit and Standards Committee members will receive, in full, reports with no assurance (regardless of the organisational impact) and limited assurance with a high organisational impact. In addition, limited assurance, medium impact opinion reviews would be reported on a discretionary basis.

Four reviews were added to the Recommendation Tracker report in July 19. These have not yet been the subject of an audit follow-up review due to longer than usual implementation dates and so will be included in the next report.

These reports are:

- Software Licensing (Resources)
- Hardware Asset Management (Resources)
- Early Payment to Care Providers (People)
- Enforcement Agent Review (Resources)

The Assistant Director, ICT Service Delivery is attending the Audit and Standards Committee meeting in January to provide members with an update specifically covering Software Licensing and Hardware Asset Management.

New reports added to the Tracker

For this period, no new reports have been added. There are a number of reports that are progressing through the Internal Audit discussion process and these will be reported to members in due course.

Recommendation implementation

In total, updates have been provided on 10 out of 11 recommendations that are due for implementation. Of these, 3 (30%) have been implemented and 7 (70%) are ongoing, indicating work has been started but not yet fully completed. For one recommendation, no update was provided despite repeated requests.

Items to note

Of two critical recommendations ongoing in the last update report, both remain ongoing. These are contained within the OHMS application review and relate to arrangements for changing the application host and upgrading the system. Progress has been delayed due to the ongoing insourcing of the Capita IT contract, with action now being scheduled for June 2020.

Report to EMT

The tracker report was circulated to the Executive Management Team on the 7th Jan 2020.

UPDATED POSITION ON TRACKED AUDIT REPORTS AS AT JAN 2020

The following table summarises the implementation of recommendations, by priority, in each audit review.

Audit Title	Total				Complete				Ongoing				Outstanding	
	Critical	High	Medium	Ec/eff	Critical	High	Medium	Ec/eff	Critical	High	Medium	Ec/eff	High	Medium
OHMS Application Review	2								2					
Revenues and Benefits Contact Centre		1	1				1			1				
The Licensing Service			1				1							
Training Centres		1				1								
Subject Access Requests		1			No update provided									
Controls in Town Hall Machine Room		1								1				
Appointeeship Service		1								1				
Council Processes for Management Investigations		2								2				
Total	2	7	2			1	2		2	5				

Shaded items to be removed from the tracker

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1. OHMS Application Review (Corporate) (issued to Audit and Standards Committee 24.5.18)

As at July 2018

This report was issued to management on the 4.1.18 with the latest agreed implementation date of 30.4.18. An Internal Audit follow-up review has been completed and the results are included below.

As at Jan 2019

Internal Audit: An update of progress with the 5 recommendations ongoing in the last report is provided below.

As at Jul 2019

Internal Audit: An update on progress with two recommendations ongoing in the last report is included below.

As at Jan 2020

Internal Audit: one of the remaining two recommendations was due to for implementation within the timescales for completion of this report. The result is included below

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Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Service Manager, Systems and Business Information on 17.12.19.
1.1	Discussions should now take place between the systems team and BCIS to determine the likely extent of any outage and the implications of this. An options paper should then be prepared to explore the business continuity arrangements required in the absence of formalised disaster recovery arrangements.	1 - Critical	Maxine Stavrianakos, Head of Neighbourhood Intervention & Tenant Support	April 2018 Revised implementation date: 30.6.2020	<p>Action ongoing</p> <p>It has been agreed by BCIS and HLT to move the hosting of OHMS from Capita to the supplier, Northgate as part of ending the Capita IT contract and the Tech 2020 changes. This was planned for quarter 3 19/20, however for several reasons and issues, the OHMS application will continue to be hosted by Capita until June 2020.</p> <p>This was proposed and agreed between BCIS and Capita.</p>

1.2	Because the system is not currently up to date and considerable expense and effort will be required to enable this, it is recommended that an options review is undertaken to ascertain what the best method is to take the application forward. This should include the do nothing option, update the current version with a view to moving to the new product or to look at other potential solutions. This will need input from the Housing Service to ensure that the solution adopted is the most cost effective in delivering their service requirements.	1 - Critical	Maxine Stavrianakos, Head of Neighbourhood Intervention & Tenant Support	April 2018 Revised implementation date: 30.9.2020	Action ongoing The OHMS application will be upgraded to the latest version after the hosting arrangement has been resolved.
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2. Revenues and Benefits Contact Centre (Resources) (issued to Audit and Standards Committee 24.10.17)

As at Jan 2018
This report was issued to management on the 10.10.17 with the latest agreed implementation date of 31.12.17. Due to the timescales for completion of this report, an update on progress with recommendation implementation will be included in the next tracker report.

As at July 2018
A progress update on the agreed recommendations is included below

As at Jan 2019
Internal Audit: An update of progress with the 4 recommendations ongoing in the last report is provided below.

As at Jul 2019
Internal Audit: An update on progress with recommendation implementation is included below.

As at Jan 2020
Internal Audit: An update on progress with the two remaining recommendations is included below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Revenues and Benefits Client Team 2.1.20.
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2.1	Strategic and operational management in Customer Services and Revenues & Benefits should review Revenues & Benefits contact centre performance and to ensure the KPI is realistic and can be achieved in line with other service pressures and resources.	2 – High	<p>Paul Taylor, Head of Customer Services</p> <p>Andrea Gough, Service Delivery Manager, Customer Services</p> <p>Tim Hardie, Head of Commercial Business Development</p> <p>John Squire, Finance Manager Revenues and Benefits Client Team</p>	<p>31st December 2017</p> <p>Revised implementation date: 28.2.20</p>	<p>Action ongoing</p> <p>Customer Service Management Comments</p> <p>A plan of improvement measures was agreed in late 2017; although some timescales have slipped the areas under discussion are still live. This plan was also shared during Briefing Sessions for the staff team and their input was welcomed.</p> <p>Agreement was given for the Contact Centre to procure a telephony system ahead of the rest of the Council. The new system will be operational by late February 2020. Under this new system callers will either have their call answered or will join a queue where they will be told approximately how long they will be waiting for their call to be answered. This means that callers can make an informed choice as to whether they wish to wait for their call to be answered or to call back at a less busy time.</p> <p>In the longer term the new telephony system also offers the possibility of web chat conversations (real time conversations by text) and the potential for callers to ask to be called back. We are also giving some thought as to whether Revenues and Benefits could make some use of our existing out of hours contact centre.</p> <p>The “back office” (processing) Revenues and Benefits team re-joined Sheffield City Council as part of the insource from Capita on 6th January 2020.</p> <p>In the medium term the expectation is that having both front and back-end operations in-</p>
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					<p>house will give scope for greater flexibility, including e.g. moving more resources onto the telephones at times (e.g. the billing run) when we know that things will be particularly busy.</p> <p>In preparation for the insource a Customer Experience discovery piece was commissioned by BCIS at the request of Resources Leadership Team. The findings of this work are now being channelled into an action plan as well as feeding into the SCC-wide Customer Access/Customer Experience work which is under way.</p> <p>Finally we are seeing a clear impact from the rolling introduction of Universal Credit in Sheffield; as housing costs are paid as part of this benefit we are now seeing a marked decrease in the numbers of housing benefit claimants calling the Revenues and Benefits team.</p>
2.2	Management should ensure that all staff have an appraisal and complete a learning and development plan, as per the corporate requirements.	3 –Medium	Andrea Gough, Service Delivery Manager, Customer Services	30th October 2017 Revised implementation date: 31.8.19	<p>Action complete</p> <p>All staff are now up to date with PDR's.</p>

3. The Licensing Service (Place) (to be issued to Audit and Standards Committee 22.11.17)

As at Jan 2018

This report was issued to management on the 22.11.17 with the latest agreed implementation date of 31.3.18. An update on progress with recommendation implementation will be included in the next tracker report.

As at July 2018

An Internal Audit follow-up review has been completed and the results are included below.

As at Jan 2019

Internal Audit: An update of progress with the 9 recommendations ongoing in the last report is provided below.

As at Jul 2019

Internal Audit: An update on progress with the final recommendation remaining is included below.

As at Jan 2020

Internal Audit: An update on progress with the final recommendation remaining is included below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position taken from Place Sharepoint Tracker 17.12.19
3.1	Deadlines should be set for the prompt development and implementation of the service Business Continuity Plans. Once completed, this should be rolled out to officers as well as members of the Licensing Committee.	Medium	Head of Licensing Service	31/12/17 Revised implementation date: 31/07/19	Action complete Business Continuity Plan for Licensing Service has been completed, signed off by Licensing Management Team and circulated to all staff. After consideration and in consultation with Internal Audit, it has been decided that the BCP is not relevant to the Licensing Committee so this element of the recommendation will not be undertaken.

Internal Audit proposes to remove this item from the tracker.

4. Training Centres - Recovery Planning and Monitoring (People Services) (issued to Audit and Standards Committee 27.6.17)

As at Jan 2018

This report was issued to management on the 13.6.17 with the latest agreed implementation date of 30.9.17. An Internal Audit follow-up review has been completed and the results are included below. 15 of the original 27 recommendations remain outstanding and this is largely linked to the changing context of SCC and the People Portfolio priorities and the refreshed vision for Learning, Skills and Employment. In addition both the previous Director and the Assistant Director have retired.

As at July 2018

SCC – Internal Audit Report

17 recommendations were either on-going or outstanding at the last update. Progress has been made, with 11 recommendations now complete and 6 ongoing.

As at Jan 2019

Internal Audit: An update of progress with the 6 recommendations ongoing in the last report is provided below.

As at Jul 2019

Internal Audit: An update on progress with 2 recommendations ongoing in the last report is provided below.

As at Jan 2020

Internal Audit: An update on progress with the final recommendation remaining is included below.

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Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by the Strategic Support and Development Manager on 29.11.2019
4.1	Management should look to develop a simple, concise 'financial performance dashboard/report' that can be prepared on a more regular/timely basis. If possible the information included should still include a breakdown of the actual expenditure and forecasted outturn position for individual areas of income and expenditure, as this provides useful information that Management can use when evaluating progress against recovery plans, and determining areas where further savings could potentially be made (if necessary).	High	S.Bulman - Strategic Support and Development Manager, LLS	31.7.17 Revised Timescale: 31.12.18	Action Completed The replacement data system is operational and from it we are able to obtain the latest recruitment and income figures for the training sites. Information can be extracted from this system and will be used to populate financial reports presented to SMT. From October 19 these meetings will take place on a monthly basis with reports that show income and expenditure against budget and progress against the yearly recruitment/income forecasts.

Internal Audit proposes to remove this item from the tracker.

5. Subject Access Requests (CYPF) (issued to Audit and Standards Committee 28.4.17)

As at July 2017

SCC – Internal Audit Report

This report was issued to management on the 18.1.17 with the latest agreed implementation date of 31.10.17. Due to the timescales for completion of this report, an update on progress with recommendation implementation will be included in the next tracker report.

As at Jan 2018

A follow-up audit was undertaken in December 2017. The results are reproduced below. Of 7 agreed recommendations, 4 are complete and 3 are ongoing.

As at July 2018

3 recommendations remained ongoing from the previous update. 1 of these has now been actioned, with 2 being linked to the SCC2020 Records Management Project.

As at Jan 2019

Internal Audit: An update of progress with the 2 recommendations ongoing in the last report is provided below.

As at Jul 2019

Internal Audit: An update on progress with 2 recommendations ongoing in the last report is provided below.

As at Jan 2020

Internal Audit: Despite multiple requests, an update on progress with the final recommendation has not been provided to Internal Audit. The statement below is that provided at the last update.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Position statement from last Tracker Report
5.1	A Portfolio data map should now be produced for responding to subject access requests. This should clearly detail the routine information that should be checked when a subject access request is received, where this can be located and who is responsible for this source of information.	2 - High	Elyse Senior-Wadsworth, Service Manager - Business Support	31.10.17 Revised Timescale 30.9.19	Action ongoing Data map draft is now in place but will be kept under review as Records Management work progresses. No further update provided

6. Controls in Town Hall Machine Room (Resources) (issued to Audit and Standards Committee 24.5.17)

As at July 2017

SCC – Internal Audit Report

This report was issued to management on the 27.4.17 with the latest agreed implementation date of 31.12.17. An update on progress with recommendation implementation will be included in the next tracker report.

As at Jan 2018

An update on progress with recommendation implementation was requested. It is acknowledged by Internal Audit that not all the recommendations are due for implementation as at the date of update.

As at July 2018

A progress update on the 2 outstanding recommendations is included below. 1 action has been completed and 1 is now part of the wider SCC2020 programme of work.

As at Jan 2019

Internal Audit: The timescale for implementation of this recommendation is March 2019 and so a further update has not been requested.

As at Jul 2019

Internal Audit: An update on progress with final recommendation ongoing in the last report is provided below.

As at Jan 2020

Internal Audit: The revised implementation date for the final recommendation has not been reached however an IT update is on the agenda for the January Audit and Standards Committee meeting and this will cover the work being undertaken on ICT business continuity.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Assistant Director ICT Service Delivery
6.1	Working in conjunction with the Capita Security Manager, management should ensure that there are appropriate business continuity arrangements in place for the room following a full business impact analysis. This should be completed once the roles and responsibilities in relation to the room have been clearly formalised and documented.	2 - High	Mike Weston, Assistant Director ICT Service Delivery	31.12.17 Revised Timescale 31.1.20	Action Ongoing The equipment in this room will be replaced by AN, the Council's new datacentre provider, as a result of the transition away from Capita. The Corporate Resilience Group has provided feedback on disaster recovery requirements for

					core applications and these are currently being assessed by ANS to determine the costs of building application disaster recovery. However the new arrangements are unlikely to be in place before Capita exit SCC in January 2020.
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7. Appointeeship Service (People) (issued to Audit and Standards Committee 22.7.16)

As at Jan 2017
 This report was issued to management on the 11.7.16 with the latest agreed implementation date of 30.11.16. Due to the timescales for completion of this report, an update on progress with recommendation implementation will be included in the next tracker report.

As at July 2017
 A follow-up audit was undertaken in Feb 2017. Following this review, a number of recommendations were given revised implementation dates which have since passed and so the Head of Service has been contacted. The results reproduced below are a therefore a combination of the outcome of the follow-up review (where an audit opinion is given), and the managers update. Of 36 agreed recommendations, 28 have been completed, 7 are ongoing and 1 is outstanding.

As at Jan 2018
Internal Audit: An update of progress with the 8 recommendations ongoing in the last report was provided by the SCAS Service Manager, the results are reproduced below. It should be noted that the SCAS service has moved to the People Portfolio and is now overseen by the Head of Business Planning, Strategy and Improvement, People Services rather than the Head of Neighbourhood Intervention and Tenant Support. 5 recommendations were stated to have been implemented with 3 remaining as ongoing.

As at July 2018
 An update of progress with the 3 recommendations ongoing in the last report is provided below. All 3 recommendations remain ongoing – 2 recommendations are being addressed through the introduction of the new Whole Case Family Management system, and 1 item relates to the corporate roll-out of the Fraud e-learning package and so is beyond the control of the Service. This item is being actioned by Internal Audit in consultation with the Learning and Development Service.

As at Jan 2019
Internal Audit: An update of progress with the 3 recommendations ongoing in the last report is provided below.

As at Jul 2019
Internal Audit: An update on progress with 3 recommendations ongoing in the last report is provided below.

As at Jan 2020

Internal Audit: An update on progress with the final recommendation remaining is included below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position on 17.12.19
7.1	Fraud awareness training should be undertaken, for all staff, ideally to be completed before the start of the next financial year.	High	Maxine Stavrianakos - Head of Neighbourhood Intervention and Tenant Support, Communities Charles Crowe - SCAS Service Manager, People Services	31.8.16 Revised Timescale 31.8.19	Action ongoing This remains ongoing, awaiting corporate roll out of revised fraud training.

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8. Council Processes for Management Investigations (Corporate) (issued to Audit and Standards Committee 21.11.16)

As at Jan 2017

This report was issued to management on the 20.9.16 with the latest agreed implementation date of 31.12.16. Due to the timescales for completion of this report, an update on progress with recommendation implementation will be included in the next tracker report.

As at July 2017

An update on progress made with the recommendation implementation is included below. Of 16 recommendations agreed, 10 have been implemented and 6 are ongoing.

As at Jan 2018

Internal Audit: An update of progress with the 6 recommendations ongoing in the last report is provided below. 1 has been completed and 5 are ongoing – all of these relate to the same action to refresh and roll-out guidance and training.

As at July 2018

SCC – Internal Audit Report

An update of progress with the 5 recommendations ongoing in the last report is provided below.

As at Jan 2019

Internal Audit: An update of progress with the 3 recommendations ongoing in the last report is provided below.

As at Jul 2019

Internal Audit: An update on progress with 2 recommendations ongoing in the last report is provided below.

As at Jan 2020

Internal Audit: An update on progress with the two remaining recommendations is included below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - provided Finance Manager, Internal Audit 17.12.19.
8.1	Internal Audit should review and update the counter fraud training course on line. There should be a corporate mandate for all employees to undertake this training by the end of the year.	High	Stephen Bower, Finance Manager, Internal Audit	31.12.16 Revised Timescale 31.3.20	Action ongoing Now that the policy and procedure documents have been updated, the e-learning package has been redrafted to tie in with the new/revised policies. This will be submitted to the Learning and Development team to convert into an e-learning module.
8.2	The fraud e-learning should be updated and be mandatory for all service staff to complete. This will ensure that all staff have adequate training and knowledge to identify potential fraud at early stage and take the appropriate action, further aiding consistency across the Council.	High	Lynsey Linton, Head of Human Resources Stephen Bower, Finance Manager, Internal Audit	31.12.16 Revised Timescale 31.3.20	Action ongoing As above Progress has been delayed due to unplanned investigation work taking priority.

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