

Thurrock Council

Standards & Audit Committee

Internal Audit Progress Report 2019/20

Date of Committee: 19th December 2019

Introduction

The internal audit plan for 2019/20 was presented to the Standards & Audit Committee on 14th March 2019. This report provides an update since the last progress report presented to the Committee on 12th September 2019.

Table showing reports issued as Final, in Draft and Work in Progress (WIP)

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Business Continuity Management	Final	Amber/ Green	0	5	1
Trading Standards	Final	Green	0	1	4
Gas Safety Inspections	Final	Green	0	1	0
BSI ISO 9001 - Highways	Final	Consultancy	N/A	N/A	N/A
BSI ISO 9001 – Waste Collection	Final	Consultancy	N/A	N/A	N/A
BSI ISO 9001 – Street Cleaning	Final	Consultancy	N/A	N/A	N/A
BSI ISO 9001 – Quality Management System	Final	Consultancy	N/A	N/A	N/A
Mileage	Draft	N/A	N/A	N/A	N/A
Housing Rents	Draft	N/A	N/A	N/A	N/A
Purchase Cards	Draft	N/A	N/A	N/A	N/A
Accounts Payable	Draft	N/A	N/A	N/A	N/A
Accounts Receivable	Draft	N/A	N/A	N/A	N/A
Extra Care	Draft	N/A	N/A	N/A	N/A
Payroll (including HR)	WIP	N/A	N/A	N/A	N/A
Corporate Health and Safety	WIP	N/A	N/A	N/A	N/A
Housing Allocations	WIP	N/A	N/A	N/A	N/A
Electrical Safety Inspections	WIP	N/A	N/A	N/A	N/A
Council Tax	WIP	N/A	N/A	N/A	N/A

Work and other issues for which no reports are generated

The work around the payment by results funding provided as part of the troubled families programme continues.

The Chief Internal Auditor has completed 2 grievance investigations. 1 investigation is still ongoing.

Audits of 3 grant returns for Bus Subsidy Grant 18/19, Pothole and Flood Resilience Funds 18/19 and Local Resilience Forum Brexit Contingency Grant 2019/20 Financial Year have been carried out to determine that they were spent in accordance with the

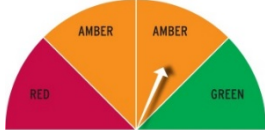
grant requirements. The value of the grants were £45,263, £104,519 and £160,000 respectively and all had been spent and accounted for correctly.

Changes to the Annual Plan

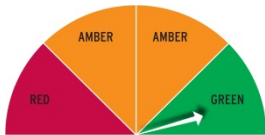
It is anticipated there will continue to be a significant impact on resources due to the additional work being under taken on the troubled family's programme which may result in other audits being deferred or taken out of the plan. However, increased confidence in the process could mean we reduce our sample size. This will be discussed with the Director of Finance, Governance & Property and the service lead officer.

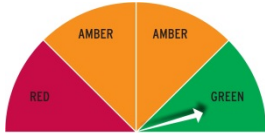
Internal Audit were approached to undertake a series of audits for Environmental Health to enable them to retain their British Standards Institution (BSI) ISO 9001 accreditation. These are ongoing and 4 more of these reviews form part of this progress report. The reviews involve testing the policies, procedures, processes, risk management and quality management arrangements in each of the service areas. Initially, whilst the staff are familiarising themselves with these services, the process is likely to be fairly resource intensive but this will reduce as they gain more knowledge and skills.

Key Findings from Internal Audit Work

Assignment: Business Continuity Management	Opinion: Amber/Green	
<p>Headline Findings: Our review of the Business Continuity Management identified 5 medium and 1 low recommendation around the adequacy of the control framework. Thurrock Council, as a category 1 responder, under the Civil Contingencies Act 2004, is required to maintain plans to ensure they can continue to provide vital services in the event of a full or partial disruption to normal operations. The objective of this audit was to evaluate the effectiveness of the governance, risk management and control processes over business continuity management. The focus of the audit was on the review of control procedures aimed at ensuring the recovery from a partial or total loss of business services in a timely and controlled manner. There has not been an audit in this area for a few years and changes to responsibilities around business continuity meant there were no previous recommendations to follow up on.</p>		
Action and Response	Responsible Officer	Date
<p>Action – The council should develop a training programme for managers with responsibility for Business Continuity Management (BCM) to ensure they have the right skills and knowledge to take ownership and deliver critical elements of the BCM programme such as the Business Impact Assessment (BIA), within their service areas and Performance Board should be empowered to take full control, and not just coordination, of the council's BCM programme. The BIA template and step-by-step guide should be reviewed and updated to make them more user-friendly.</p> <p>Response - Senior Business Continuity Officer recruited to start on 25th November 2019. Three officers within the Emergency Planning & Resilience team to be CBCI accredited. The Emergency Planning College will provide training for key team BC leads. BIA and BC plan templates will be reviewed by the Emergency Planning & Resilience Manager.</p>	<p>Emergency Planning & Resilience Manager</p>	<p>March 2020</p>
<p>Action – A communication programme designed to build and maintain staff awareness of business continuity should be developed and implemented across the council, and managers in critical service areas should ensure that staff are involved in the implementation of the service BCP are kept adequately informed of their roles and responsibilities.</p> <p>Response - This will be incorporated into the training and exercise programme.</p>	<p>Emergency Planning & Resilience Manager</p>	<p>March 2020</p>
<p>Action – An objective process of resource allocation that is based on a business impact assessment and prioritisation of critical services should be developed to ensure that adequate resources are available whenever needed to deal with any event causing disruption to the council's operations. Where mutual agreement for provision of staff, premises or other resources have been made with other organisations these should be documented and regularly reviewed and renewed to keep them up to date.</p> <p>Response - This is part of the planning process so will be captured as part the BIA process and incorporated into all BC plans.</p>	<p>Emergency Planning & Resilience Manager</p>	<p>March 2020</p>
Action and Response	Responsible	Date

	Officer	
<p>Action – A business impact assessment of the council's ICT systems should be undertaken and the results used as a basis for reviewing and updating the current ICT strategic Business Continuity (disaster recovery) Plan to bring it in line with the existing ICT organisational structure</p> <p>Response - Thurrock ICT Strategic Business Continuity Plan- version 4.6 - September 2019 now in place and reflects existing ICT structure.</p>	Service Delivery Manager, ICT and information systems	Complete
<p>Action – A council-wide BCP exercising programme should be developed and implemented to improve staff familiarity with the response and recovery strategies designed to ensure a timely and efficient recovery from a disruption</p> <p>Response - Council wide exercise programme to be developed by Senior Business Continuity Officer & Emergency Planning & Resilience Manager</p>	Emergency Planning & Resilience Manager	March 2020

Assignment: Trading Standards	Opinion: Green	
<p>Headline Findings: Our review of the Trading Standards identified 1 medium and 4 low recommendations around the adequacy of the control framework. The objective of the audit was to provide assurance that the council complies with legislative requirements by ensuring that effective inspection and monitoring processes are in place to create a fair and equitable trading environment, in which businesses can succeed and consumers are protected from unfair trading practices. The Trading Standards services play an important role in promoting the well-being of their local communities by ensuring that:</p> <ul style="list-style-type: none"> • Consumers are protected and not cheated or treated unfairly by traders; and • Traders are protected from unfair competition from other traders who knowingly break the law. <p>There has not been an audit in this area for a number of years so there were no recommendations to follow up.</p>		
Action and Response	Responsible Officer	Date
<p>Action – Adequate segregation procedures that cover recording and access to seized goods in storage should be developed and implemented to reduce exposure to the risk of fraud or theft.</p> <p>In addition, procedures that provide clear accountability and transparency over the disposal of seized goods, or goods that have been voluntarily released by traders for destruction, should be developed.</p> <p>Response - A new procedure will be put in place to ensure there is overall monitoring of access to the evidence storage.</p> <p>It is worth noting that during the time period this audit relates to the TS team was comprised of only a small number Senior Trading Standards Officers who are all experienced, qualified and competent in this area of work. It would have been operational almost impossible to have a segregation procedure for seized goods due to officers often working on their own due to lack of resources. This situation has now changed and we have had three additional members of staff join us.</p>	Trading Standards Manager	December 2019

Assignment: Gas Safety Inspections	Opinion: Green	
<p>Headline Findings: Our review of the Gas Safety Inspections identified 1 medium recommendations around the adequacy of the control framework. Gas Safety Inspections is a legal requirement under the Gas Safety (Installation and Use) Regulation 1998. Government introduced the regulation in order to minimise the possibility of injury or death from carbon monoxide poisoning or gas escapes and in particular to ensure landlords are made responsible for ensuring gas appliances and associated pipework are maintained adequately. According to the regulation landlords are required to maintain all gas appliances and related pipework that a tenant cannot legally remove from the property. The objective of the review was to ensure regular safety inspections are undertaken in compliance with regulatory and council requirements. The 4 low recommendations from the previous audit had been implemented.</p>		
Action and Response	Responsible Officer	Date
<p>Action – A system that will enable the council to demonstrate that records of gas safety checks are given to tenants should be developed and implemented to satisfy regulatory requirements.</p> <p>Response - We identified as part of the Audit undertaken by Corgi that there was a gap in relation to checking the residents receive a copy of the LGSR. This has now been written into the gas servicing process to ensure that a spreadsheet of all post inspections undertaken by a technical engineer is completed and that 10% of all residents are called to confirm they have received their certificate and the information recorded within the post inspection document saved within objective.</p>	Central Voids Team Manager	February 2020

Assignment: BSI ISO 9001 - Highways	Consultancy	Opinion not provided
<p>Headline Findings: The British Standards Institution (BSI) ISO 9001 is defined as the international standard that specifies requirements for a quality management system (QMS). Organisations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. Within Environmental Services, the accreditation covers a broad spectrum of services including cemeteries, waste collection, street cleansing, highways, fleet and stores, play, arboriculture, parks & open spaces and parks/sports. This report is the second one issued and the control activities that were tested as part of the quality management system were as follows:</p> <ul style="list-style-type: none"> • Legislation and Policies; • Leadership; • Planning; • Risk Management; • Infrastructure and Support; • Operational Performance; • Customer Satisfaction and Review; and • Improvement and Corrective action. <p>The areas across the Highways Service that were checked across these control activities included:</p> <ul style="list-style-type: none"> • Job Roles; • Safety training; • Vehicle Management; • Highways Management & Operations; • Job orders; • Procurement of Materials; • Performance Management; and • Change management. <p>Overall, the service were compliant across all areas reviewed. However, a couple of minor recommendations were made to help strengthen controls further.</p>		

Assignment: BSI ISO 9001 – Waste Collection	Consultancy	Opinion not provided
<p>Headline Findings: The British Standards Institution (BSI) ISO 9001 is defined as the international standard that specifies requirements for a quality management system (QMS). Organisations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. Within Environmental Services, the accreditation covers a broad spectrum of services including cemeteries, waste collection, street cleansing, highways, fleet and stores, play, arboriculture, parks & open spaces and parks/sports. This report is the third one issued and the control activities that were tested as part of the quality management system were as listed above,</p> <p>The areas across the Waste that were checked across these control activities included:</p> <ul style="list-style-type: none"> • Collection Management; • Disposals; • Risk Assessments; • Vehicle Checks; • Calibration; • Procurement; • Safety Training; and • Performance Management. <p>Overall, the service were compliant across all areas reviewed. However, a couple of minor recommendations were made to help strengthen controls further.</p>		

Assignment: BSI ISO 9001 – Street Cleaning	Consultancy	Opinion not provided
<p>Headline Findings: The British Standards Institution (BSI) ISO 9001 is defined as the international standard that specifies requirements for a quality management system (QMS). Organisations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. Within Environmental Services, the accreditation covers a broad spectrum of services including cemeteries, waste collection, street cleansing, highways, fleet and stores, play, arboriculture, parks & open spaces and parks/sports. This report is the third one issued and the control activities that were tested as part of the quality management system were as listed above,</p> <p>The areas across the Street Cleaning that were checked across these control activities included:</p> <ul style="list-style-type: none"> • Team Planning; • Roles & Responsibilities; • Safety Training; • Vehicles, Plant & Equipment; • Quality Safety Checks; • Operations; • Performance & Budgets; • Fees and Charges; • Change Management; • Risk Assessment; and • Performance and Records Management. <p>Overall, the service were compliant across all areas reviewed. However, a couple of minor recommendations were made to help strengthen controls further.</p>		

Assignment: BSI ISO 9001 – Quality Management System	Consultancy	Opinion not provided
<p>Headline Findings: Top management should review, at planned intervals, the Quality Management System (QMS) components including:</p> <ul style="list-style-type: none"> • Policy and Objectives; • Internal Audits (including control of non-conformities, corrective and preventative actions); • Customer Feedback/satisfaction and communication; • Infrastructure and work environment; • Management Review (including Analysis of information); and • Senior Management; <p>This helps the organisation to ensure that the QMS continues to be suitable, adequate and effective and is aligned with the strategic direction of the organisation.</p> <p>Following the visit by BSI Inspectors in October 2019, one issue of non-conformance was identified around the lack of evidence, through detailed and dated records of management review meetings being retained. An action plan has been developed to ensure management reviews will be incorporated in the service planning process, with a specific meeting scheduled and minuted during that cycle, to ensure that the quality management system alignment, suitability, adequacy and effectiveness is considered and appropriate adjustments implemented.</p>		