Taunton Deane Borough Council

Corporate Governance Committee – 26th March 2018

Overdue high priority SWAP Audit Recommendations

This matter is the responsibility of Cllr Richard Parrish, Portfolio Holder for

Corporate Resources

Report Author: Richard Doyle, Corporate Strategy & Performance Officer

1 Purpose of the Report

1.1 This report provides Members with a position statement on the SWAP audit recommendations for Taunton Deane Borough Council, which were assessed as high and very high priority, where the agreed remedial action is overdue.

2 Recommendations

2.1 It is recommended that:-

- The committee review the overdue actions.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The Council is exposed to risk through inadequate systems and processes identified through SWAP audits.	Likely (4)	Major (4)	High (16)
The mitigation for this is the timely completion of agreed remedial actions,	Unlikely (2)	Major (4)	Medium (8)

4 Background and Full details of the Report

4.1 Taunton Deane BC engage the South West Audit Partnership (SWAP) to carry out internal audit functions; checking the adequacy of controls and procedures across the whole range of Council services.

4.2 At the start of each financial year an audit plan is agreed between SWAP and the Council which identifies the areas of highest potential organisational and operational risk within the Council.

4.3 When an audit takes place a report is provided to the service manager concerned which gives an audit conclusion and opinion.

4.4 Any control or procedural weaknesses are identified within an action plan appended to the audit report.

4.5 All findings will be allocated one of 5 priority ratings. With priority 5 carrying the most significant risk to the service (not necessarily to the wider Council) and priority 1 the least significant risk.

The definitions used are provided below:

Priority 5: Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
Priority 4: Important findings that need to be resolved by management.
Priority 3: The accuracy of records is at risk and requires attention.
Priority 2: Minor control issues have been identified which nevertheless need to be addressed.
Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

4.6 Each finding within the action plan contains a target implementation date which has been agreed between SWAP and the service manager concerned.

4.7 All priority 4 and 5 recommendations are captured in a register to ensure progress against the recommendations can be tracked and progress reported to JMT and the Audit/Corporate Governance Committees at Taunton Deane and West Somerset Councils.

4.8 This report highlights the Priority 4 and 5 audit actions affecting Taunton Deane Borough Council, where the agreed remedial action is overdue. On this occasion there are **26 priority 4** priority actions which are overdue but **zero overdue priority 5** recommendations for Taunton Deane Borough Council.

4.9 A summary of the <u>overdue </u>actions is provided in Appendix A.

5 Links to Corporate Aims / Priorities

5.1 There are no direct links to corporate aims/priorities although good governance and robust controls and processes underpin good performance.

6 Finance / Resource Implications

6.1 Unmitigated risks identified by SWAP could expose the Council to unanticipated claims, expenditure or exposure to fraud.

7   Legal Implications

7.1   There are no direct legal implications within this report although unmitigated risks could expose the Council to unanticipated claims.

8   Environmental Impact Implications

8.1   There are no direct environmental impact implications associated with this report.

9   Safeguarding and/or Community Safety Implications

9.1   There are no safeguarding implications associated with this report. There are Community safety implications in relation to public safety risks associated with tree surveys.

10   Equality and Diversity Implications

10.1   There are no equality and diversity implications associated with this report.

11   Social Value Implications

11.1   There are no Social Value implications associated with this report.

12   Partnership Implications

12.1   The majority of Council services are delivered through shared services arrangements with West Somerset District Council.

13   Health and Wellbeing Implications

13.1   There are no direct health and wellbeing implications associated with this report.

14   Asset Management Implications

14.1   There are asset management implications associated with this report.

15   Consultation Implications

15.1   There are no Consultation implications associated with this report.

Democratic Path:

- **Corporate Governance Committee - Yes**

- **Corporate Scrutiny – No**

- **Executive – No**

- **Full Council – No**

Reporting Frequency: **Twice yearly**

List of Appendices (delete if not applicable)

Appendix A	Summary of overdue priority 4 and 5 SWAP audit recommendations

Contact Officers

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Audit Report	Finding	Priority	Recommendation	Management Response	Original Implementation Date	Progress Update	AD Responsible	Org
TDBC - Asset Management - Final Report - 09.12.2015	1.1a Asset Management Plan does not reflect the current role and responsibilities of the new integrated Property and Development function.	4 - High	I recommend that the Asset Manager refreshes the current Asset Management Plan to embrace the current role and responsibilities of the new integrated Property and Development function and reviews proposed actions for individual property to ensure they are still appropriate drivers of asset management.	The current Asset Management Plan, whilst needs refreshing, is still live until end of 15/16. In line with work plan, this is to be refreshed during early 2016 and will reflect subsequent Asset Strategy and new structure and responsibilities.	June 2016	**Aug 17** - 95% of prepratory work around data capture for preparing new asset strategy now complete largely through consultants. This comprises stock condition survey data, land review findings, asbestos surveys and fire risk assessments. Draft strategy now anticipated October.	Paul Carter	TDBC
TDBC - Asset Management - Final Report - 09.12.2015	2.1a The make-up of asset records for property has a number of components, none of which are integrated. Those that are computer based have some 'searchability'.	4 - High	I recommend that the Asset Manager in his review of property records ensures that property data is rationalised and collated into a readily accessible and searchable form and one which provides for appropriate document attachment.	Already committed to delivering as part of Commercial Rents SWAP Audit Management Action. Permanent solution will be the implementation and subsequent use of a new Asset Management System. As interim measure (if required) will collate core data currently from multiple sources into one spreadsheet but this will not enable document attachment.	December 2016 (for interim measure if becomes necessary)	**Aug 17** - No material progress has been made in the development of a new integrated database to hold all property records due to ICT capacity, impact of transformation and Council's new IT solution and lack of corporate approval. Having invested in CAPITA Open Contractor within Housing it is the preference to use this system for the General Account as the asset database. We now hold significantly more data than we did at timeof audit and therefore risk is now greater. Action has been taken however to hold asset data changes within a suite of spreadsheets held in folders on a local J Drive. These spreadsheets support the existing data records and provide an interim but poor work around until a decision is made on the solution.	Paul Carter	TDBC
TDBC - Asset Management - Final Report - 09.12.2015	4.3a Traditionally data is not broken down sufficiently to allow individual ownership costs to be identified.	4 - High	I recommend that the Asset Manager progresses asset cost determination so that reliable cost data can be used for both internal and external comparisons which can then appropriately inform management decision making on the future suitability of such assets in service delivery.	Agreed. Processes and communication/ awareness to be in place to enable greater accuracy of data for 16/17 financial year.	March 2016	Update Jan 2017 - WORK IN PROGRESS: A commitment has been made to progress this issue in order to recognise the full costs of property ownership but not yet fully in place. 20.01.17 Asset Manager Comments – Those most significant costs will be known by March 2017 once Savills Stock Condition Survey is complete. Lesser cost items such as utilities and insurance will form part of a commitment within the new Asset Strategy.	May, Terry;	TDBC
TDBC - Creditors – 12.06.14	1.5a Ten out of twenty purchase orders had been raised retrospectively. This is consistent with Southwest One's analysis of retrospective purchase orders up to the end of August 2012 which showed almost 35% of purchase orders were retrospective.	4 - High	I recommend the Shared Accounting Manager continues to monitor the frequency and users who raise retrospective purchase orders with the aim of bringing about a change of culture in the procure-to-pay process.	Agreed – we will continue to monitor retrospective purchase orders and will through the P2P innovation sessions consider ways to reduce the instances of retrospective orders occurring	31.03.2013	**August 2017** Responsibility for PO compliances has now passed back to TDBC following the end of the contract with SWOne. The procurement team are planning on running some joint training sessions with Accounts Payable to remind staff of the importance of raising PO's in advance. Reports via the E5 system are also being developed.	Paul Carter	TDBC
TDBC - Crematorium and Burials - Final Report - 23.10.2015	1.3a CAS Replacement Software.	4 - High	I recommend that the Cemeteries and Crematorium Manager liaises with the procurement team to ensure that when tendering for replacement software the following issues are considered;Validation of plot references; I would recommend that the use of spaces is avoided, and consider populating the system with all available plots prior to roll out so that plot references can be checked and then selected when inputting new ownership details,Exception reporting functionality,Fields required by the LACO are made mandatory,Automatic daily back up to avoid loss of data,Document management and scanning of paperwork,Availability of burial details to be published on the internet to enable interested parties to search themselves.	Currently in process and all issues will be considered and discussed.	Current	**September 2017** – A number of companies have now been identified and have demonstrated their systems at the crematorium. A scoping document has been created for the replacement system need and has been forwarded to both procurement and I.T. Presently we are awaiting to aee if this will be progressed. Not completed	Hall, Chris;	TDBC

TDBC - Disaster Recovery - 28.08.2015	1.2a The scope of the DR test provided proof of concept but did not demonstrate business operations could be recovered.	4 - High	I recommend that the scope of future testing be expanded to ensure the applications and business activities can be recovered and made operational using the Disaster Recovery and planned Business Continuity facilities.	Agreed. We will agree the scope of future testing with the SWO ICT Service by 30 Sep 2015 and undertake a further test by 31 Dec 2015	28.08.2015	**02.03.17** Testing to take place in Q2 2017	Richard Sealy	TDBC
TDBC - Software Asset Management - 18.09.2015	1.1a Software asset management strategy: There is no documented plan and defined aims for the management of software assets.	4 - High	I recommend the ICT and Information Manager work with Southwest One and Somerset County Council to establish a timeframe for producing a documented software asset management strategy and once created that this strategy is readily available, and is subject to periodic review.	We will work with SWOne to establish the terms on which such a strategy would be created, and subject to a satisfactory outcome of this process will proceed to develop the strategy. In the meantime other actions in this report provide a sound basis for a more robust approach to software asset management.	April 2016	**02.03.17** South West One exit process has clearly identified assets brought across from South West One. ICT are implementing as part of transformation a complete register of ICT hardware and software assets and data.	Carter Paul;	TDBC
TDBC - Software Asset Management - 18.09.2015	2.4a Renewal of the Microsoft ESA: We are unable to confirm that the Council is a named affiliate and can benefit in its own right from the renewal or buy out options.	4 - High	I recommend that the ICT and Information Manager confirm with Southwest One that the Council is a named affiliate to the Microsoft ESA and can maintain its Microsoft licensing beyond the end of the Southwest One contract. If necessary the Council should be added as an affiliate to the ESA.	Agreed. We will work with SWOne to ensure that TDBC is a named affiliate on the Microsoft ESA	October 2015	**02.03.17** As part of the South West One exsit process we have identified the licences required from South West One and that this has been fully funded by SW1. Awaiting formal transfer agreement with South West One.	Carter Paul;	TDBC
TDBC Commercial Rents and Properties 1617 Follow Up Final Report		4 - High	I recommend the Asset Manager ensures a complete and up-to-date central record is maintained in relation to all commercial properties and leases.	The permanent solution is an integrated Asset Management System. A project is already advancing to identify requirements, identify suitable systems and then to procure and implement such a system. This has been and continues to be a complex and lengthy project. The interim solution (if necessary) is to bring together all datasets into Excel and migrate all key data into one spreadsheet.	April 2017	**Aug 17** - No material progress has been made in the development of a new integrated database to hold all property records due to ICT capacity, impact of transformation and Council's new IT solution and lack of corporate approval. Having invested in CAPITA Open Contractor within Housing it is the preference to use this system for the General Account as the asset database. We now hold significantly more data than we did at time of audit and therefore risk is now greater. Action has been taken however to hold asset data changes within a suite of spreadsheets held in folders on a local J Drive. These spreadsheets support the existing data records and provide an interim but poor work around until a decision is made on the solution.	Paul Carter	TDBC
TDBC Crematorium and Burial Services Final Report 10.08.16	It was identified during testing that there are no documented procedures in place for any tasks that the officers perform. For example:Income collection Invoice raising Booking cremations Banking Aged Debts This increases the risk of tasks not being performed or being incorrectly completed. Without procedures tasks cannot be easily passed to other staff members when officers are absent and long term sickness could cause increased difficulties if the tasks they complete cannot be easily picked up by another officer.	4 - High	I recommend that the current Cemeteries & Crematorium Manager all procedures are documented for the main tasks completed by the officers.	As reported there are no documented procedures in place. This is due to the fact that the majority of administrative tasks are relatively straight forward, there is a team of four who are all long serving members of staff and two other trained members of staff who could be called upon in an emergency. I am also not aware of any other crematorium that provides documented procedures, but there may be some as this is to be considered as good practice. This financial year the IT system is due to be replaced and shortly a new Manager and Registrar will be appointed, this will be the ideal opportunity to provide such written procedures.	31st August 2016	**September 2017** - so far over 40 procedures have been authored and placed in both a physical folder and a shared folder within the cemetery and crematorium office. these proceedures are a working progress and will carry on. In progress	Chris Hall	TDBC
TDBC Crematorium and Burial Services Final Report 10.08.16	During testing it was seen that an additional charge entered as miscellaneous had been deleted from the CAS system and no record of the entry was recorded in the system. All staff with access to the CAS system currently have the ability to delete items. The system records if a record has been deleted but this information can be removed completely by a clean-up process. The audit trail can only help identify who deleted the record if you know when the event occurred as it does not record information against the record but just as an event log for the whole system. This makes locating the event record in the audit trail very difficult unless you know when it occurred. As items can be deleted from the system, there is a risk that entries are deleted fraudulently and invoices are not raised. Findings 3.2, 3.3, 3.4, 3.5 and 3.8 all address weaknesses with the CAS software's financial management including budget monitoring and raising invoices. Financial management controls within TDBC are normally managed through the council's Financial Management System (SAP) and the weaknesses identified would be substantially mitigated through developing processes to incorporate SAP.	4 - High	I recommend that the Cemetery and Crematorium Manager implements a new procedure to use the Council's Financial Management System (SAP) to record and produce itemised invoices detailing all charges to debtors.	CAS audit trail, this is noted and CAS will be replaced during the current financial year and this will be the responsibility of the new Cemeteries and crematorium manager.	31st December 2016	**September 2017** - A number of companies have now been identified and have demonstrated their systems at the crematorium. A soping document has been created for the replacement system need and has been forwarded to both procurement and I.T. At present I.T has stated their conclusion was to wait for the outcome of the UTP procurement before committed to any other major system replacements, as that is likely to deliver functionality that would be duplicated in other systems. The procurment of the new cemetery and crematorium system has stalled and we continue to use CAS. Not complete	Chris Hall	TDBC

TDBC Crematorium and Burial Services Final Report 10.08.16	As stated in finding 3.1, changes can be made to records on the CAS system after invoices have been generated. To make these changes a password has to be entered. Currently the password is known by all officers with access to the CAS system. As a control, the password does not work as all officers can still make changes once an invoice has been generated. The system does not record additional entries as outstanding and if entered for a previous period they will not be picked up and included in the next invoice run. There is a risk that not all income is being collected.	4 - High	In combination with recommendation 3.1a. I recommend that the Cemetery and Crematorium Manager ensures a new system is procured and controls are implemented either through this system or the council's financial management system that allow the following:Interface with the TDBC finance system so that manual input is minimise or no longer required · Record all invoice numbers and datesProvide clear audit trails allowing simple searches to find required informationAllow cash receipting against the relevant invoice numbers so over and under payments can clearly be seen. Allow reports to be run from the system showing various financial information. This should include aged debt reports. Produce clear invoices which include VAT breakdowns, VAT registration number, business address, and payment terms. Ensure no changes can be made to records after an invoice has been raised.	CAS audit trail, this is noted and CAS will be replaced during the current financial year and this will be the responsibility of the new Cemeteries and crematorium manager.	31st December 2016	**September 2017** - Presently the staff at the crematorium are using E5 for all financials which means more administration work as we need to enter the information for both systems.	Hall, Chris;#121 TDBC
TDBC Crematorium and Burial Services Final Report 10.08.16	A further weakness was identified during testing relating to the use of the CAS system to generate invoices as there are no payment terms shown on invoices raised. Therefore there is no information provided to the debtor on how soon invoices must be paid or how they should be paid. Furthermore, when discussed with the Bereavement Manager audit were informed that no payment terms are in place with any customers. This increases the risk of overdue debt increasing as the customer can claim that they are not overdue with their payment as no terms are in place. A control could be implemented by raising debts through the Accounts Receivable team, and could be considered when identifying the requirements for the new system.	4 - High	Use of SAP will generate invoices on the standard TDBC template that will include payment terms.	CAS audit trail, this is noted and CAS will be replaced during the current financial year and this will be the responsibility of the new Cemeteries and crematorium manager.	31st December 2016	**September 2017** - The scoping Document for the new system identifies all the financial weaknesses that the audit report raises. Any new system that is chosen will have to abide by all of these findings. Presently the service uses the Councils current financial system to invoice all of its clients. In progress	Hall, Chris;#121 TDBC
TDBC Crematorium and Burial Services Final Report 10.08.16	At point of testing there was £121,413.40 outstanding on invoices prior to April 16. Of these £87,677.90 is owed by one company. Although the overdue debts are followed up by the bereavement manager three main issues were identified which could be contributing to the amount of overdue income: 1. There are no payment terms in place which makes chasing payments difficult if you cannot prove that they are overdue. 2. There are no overdue letter templates in place to be sent out as part of the debt recovery process. 3. There is a reluctance to chase funeral directors for payments as they are dealing with bereaved families and certainly a reluctance to put any form of penalty against the company for fear of loss of business and reputational damage. There is a risk that these debts will not be recovered and will eventually be written off and income to the council will be lost. For the customer with a debt of £87,677.90. This debt had been chased however the customer was not able to locate the invoice on their system and the Bereavement Manager was unable to confirm the invoice numbers and amounts that had been unpaid. During the testing period a cheque was received for a portion of this debt but a large value is still outstanding. The normal process for TDBC debtors are recorded and monitored through SAP. Unpaid invoices would then be followed up by the AR team. The system in place is not a feeder system and therefore only income is recorded in SAP. It is also unlikely that any old debts will be recorded and reported to JMT as part of the top 20 debtors as they are not captured on SAP.	4 - High	Invoices raised through SAP will be subject to the TDBC debt recovery procedures employed by SWOne. For existing debt still on the CAS system it is recommended that the standard TDBC Debt Management policy is implemented to ensure satisfactory recovery.	I feel I must apologise for the outstanding invoices, I had not been made aware of the situation at that time. I do believe that the introduction of procedures mentioned in this report will remedy the situation.	31st December 2016	**September 2017** - Outstanding debtors other than one who no longer trades have entered a payment plan with the us to service any debts. As we are using the councils system any unpaid or aged debts will be handled through a uniform system in place. In progress	Hall, Chris;#121 TDBC

TDBC Crematorium and Burial Services Final Report 10.08.16	During testing, the previous audit recommendations were discussed with the Cemetery and Crematorium Manager to identify what progress had been made. There were two priority three recommendations previously and one priority four recommendation regarding replacing the CAS software. None of the recommendations had been completed at point of testing, the Cemetery and Crematorium Manager stated that the procurement of new software had been put back until his replacement was appointed.	4 - High	I recommend that the Assistant Director – Operational Delivery ensures that audit recommendations are completed by the responsible officers.	During the current financial year the system is due for replacement, there has been a demonstration on site of the ClearSkies software and the service is waiting for a demonstration of the Gower software. The new manager will have the opportunity to obtain a new software package appropriate to Taunton Deane requirements and compatibility.	31st December 2016	**September 2017** - The service is currently waiting to see if the procurement for this new system will still take place in the short term. A scoping docement has been completed by the service and is currently with I.T. Once given the autorisation to go ahead with the update for the system we can then identify the best replacement software and implement the change. **Not Complete**	Hall, Chris;#121	TDBC
TDBC Disaster Recovery Follow Up Final Report 201617		4 - High	I recommend that the Assistant Director review the Disaster Recovery capabilities provided by SWOne and through review and agreement with Section Heads identify the six critical applications that should be recovered. In addition the capabilities and timeliness of the services provided should be reviewed for appropriateness, and shared with Business Continuity planners in order that their expectations can be adjusted accordingly. Although it is not stated in the Disaster Recovery plan, SWAP understands that the first application could take three or more business days to recover from the time the Disaster is declared to SWOne.	Agreed	March 2015	**March 2017** At the point of Southwest One exit, TDBC implemented Dell AppAssure Rapid Recovery. This particular tool improves recovery times for critical systems as well as providing a DR copy of critical data at Chelston. A DR test is planned for Q4 2017.	Richard Sealy	TDBC
TDBC Housing Compliance (Gas Safety) Final Report		4 - High	We also recommend that the Property Manager (M&E) ensures that if an LGSR is not received with a defined timeframe a second service is arranged to ensure this is completed.	Agreed. This will become even more dynamic and efficient as we increasingly utilise Gastag job allocation function. Out of the 26 properties identified without a valid LGSR certificate during the audit timespan, allowing more time, there were subsequently 7 properties that we could not identify a valid LGSR certificate for. Of those remaining 7, 5 were completed but paperwork was irretrievable and these properties required re-scheduling. A further 2 also required re-scheduling due to a combination of no access and data quality issues.	31/10/17		Paul Carter	TDBC
TDBC Housing Rents 2016-17 Final Report	We have not been able to test that these steps are being followed and are unable to place assurance as to the effectivenessof these stages. As can be seen fromthe currenttenant arrears figures shown below, the debt position has increased. This could suggest that recovery processes and monitoring of debts need to be reviewed. However, there could also be an impact as a result of universal credit however without testing we are unable to verify this. Current Tenant Arrears • As at 3 April 2016 - £420,371.94 • As at 26 March 2017 - £538,716.21 We were able to see evidence of recovery records outlining current progress on each tenant's arrears for one Estate Officer – however these records have not been assessed for accuracy. A previous audit finding identified that debt recovery processes did not have full up to date system notes despite ongoing recovery actions, as we have not been able to complete testing in this area we have not been able to give assurance that the recommendation to remind staff has been implemented effectively. A recommendation has been made under 2.2a to reflect record keeping.	4 - High	I recommend that the Housing Services Lead ensures there is a clear line of responsibility for the management of current tenant arrears. Responsible officersshouldbe responsible for the recovery processes and management of arrears across all Housing stock.	Agreed	September 2017		Simon Lewis	TDBC

TDBC Open Spaces External Clients Final Report 16 17	Debt Management Process The level of aged debt is very high, the grounds maintenance debt is the second highest in the council following S106 debt. As at 29 March 2017, the amount of debt over 30 days was £108,021 (£25,000 of this is over a year overdue). This is a slight increase from a previous report provided as at 31 October 2015 which showed overdue debt was at £97,075. Since the return of services from South West One in December 2016, debt management has been assigned to the Assistant Technician to complete. The process to be followed should be the Council's Debt Management Policy, however this is not currently being followed. The Assistant Technician did not appear sure of the actual process to be followed and indicated that debts were not passed to legal if non-payment continued beyond a set point. Guidance and training for staff involved in the debt management process now services have returned from South West One would be essential to ensuring that processes are well managed and may prevent the debt position from increasing. The Open Spaces debts are currently not being chased until they are 60 days overdue for payment. The Open Spaces Manager informed us that this is a deliberate process in order to manage a known backlog of aged debts. When chasing debts there will be delays while queries raised are investigated and resolved. Depending on the query type this can take time to resolve and push the age of the debt up. There is also a risk that evidence needed to resolve queries has been lost or misplaced in the time between causing further delays. Debts should be chased much earlier, the Debt Management Policy states that the first chase would be no more than two weeks after the due date at the latest. The earlier queries can be identified and resolved, the greater likelihood that payments will be received and the aged debt position improved. The debt recovery processes currently being followed are not backed up with any centralised record although the Assistant Technician keeps a copy of the aged debt report with comments of the progress made and status of the invoices, this is not available to all staff. This record kept in her network folder and only shows information for the debts she has chased. Without a centralised record of action taken there is a risk that not all debts are being chased. There is also no detail available to inform staff of those debts needing a chase if an officer is off sick or on annual leave. There is a risk that without following a set policy and keeping a record of all action taken that the level of debt could keep increasing and the service becomes unsustainable as income is not being received.	4 - High	I recommend that the Open Spaces Manager ensures the following: • The Corporate Debt Policy is adhered to with outstanding debts being pursued from two weeks after the due date • Training on debt management and recovery is offered to those officers undertaking this role – ensuring that staff are aware of the importance of record keeping should a legal process need to be followed.	Agreed – however there is currently backlog that is being prioritised and efforts will be made to reduce the number of days going forward and target 14 days from October. Other points can be undertaken from May.	31/10/17		Chris Hall	TDBC
TDBC Use of non-contracted suppliers at the DLO_Final_1718	The Council's Contract Procedure Rules (CPRs) outline the processes that need to be followed when procuring goods and services. The processes to be followed vary depending on the value of the contract to be carried out. This goes from obtaining a single quote to tendering for work and following the EU Procurement Directives. They are outlined in Paragraphs 15a, 15b, 15c and 15d. However there is an additional paragraph which is specifically related to the DLO. Paragraph 17 states:	4 - High	I recommend the Assistant Chief Executive and Monitoring Officer ensures that Paragraph 17 of the Contract Procedure Rules is removed.	Agreed	31/10/17		Bruce Lang	TDBC

TDBC Use of non-contracted suppliers at the DLO_Final_1718	If non-contracted suppliers are employed by the Council for considerable lengths of time they will accrue similar rights to those of an employee. This has recently been recognised and addressed by Council Management. There is also a risk that the business models of the non-contracted suppliers is based on the income received from the Council. Without a contract in place this creates financial, legal and reputational issues for both the Council and non-contracted suppliers. There is a desire across the DLO and Corporate Procurement to engage in relation to the use of non- contracted suppliers with a view to improving the internal control framework in relation to the appointment, monitoring and general management of contractors and securing added value for the taxpayer. Currently this desire has not been realised and if not addressed there is a risk of historical practices continuing.	4 - High	I recommend that the Procurement Manager engages with the Assistant Director (Property and Development) and Assistant Director (Operational Delivery) with a view to ensuring that: • Staff at the DLO have received up-to-date procurement training. This should cover: issuing instructions to contractors; obtaining quotes; quality control; clear invoicing, separation of duties between the awarding of jobs and authorisation of invoices and budget monitoring. • All work currently being delivered by non-contracted suppliers is reviewed, the marketplace is tested to determine whether better value can be achieved and suppliers are secured under contract in accordance with CPRs.	This piece of work is potentially very broad covering a wide range of suppliers and contractors. The solution(s) will vary depending on the particular requirement. Prioritisation will be required. This date is put forward as a date by which this prioritisation will be complete and by which key procurements will be underway, but not necessarily completed, and a date by which the training will be delivered.	31/10/17		Paul Carter	TDBC
TDBC WSC Parking Maintenance Final Report 2017 18	The budget for car park maintenance across West Somerset While we have now obtained assurance that there are sufficient funds to address the highest priorities across car parks within the districts of Taunton Deane (including the Orchard Multi-Storey Car Park) and West Somerset, during the course of this review we were provided with three sets of figures for the car parking maintenance budget at West Somerset. Initially £20.2k, then £18.7k and latterly £86.8k. A variance of £66.6k. While it is acknowledged that the Council is undergoing transformation and that a new financial system is currently being embedded, if Management does not have clarity and certainty on the car parking maintenance budget for West Somerset there is a likelihood that the risks associated with its car parks will not be managed effectively leading to the health and safety of the general public being put at risk, potential legal recourse and an increased financial burden on the Council.	4 - High	We recommend in the short term that the Community and Client Services Manager assists the Car Parking Operations Manager in the monitoring of the car park maintenance budgets across both Councils.	The initial budget was indeed £18,700, revised to £20,200 by the accountant. So these two figures represent the base budget and an in year amendment by the accountant. This budget had been found to be insufficient in the previous financial year and resulted in some internal journals to ensure that essential maintenance costs were covered at year end. Rather than have the same occur at year end during the current financial year, the audit proved a timely reminder of the need to look at this. As a result, additional funds of £26,600 were identified within theexisting budget that could be safely moved to cover maintenance issues. This created a new total of £46,800. Additionally, it was known that there was £40,000 in reserve for capital works. There was some confusion about the method for accessing this. Once this had been resolved, this was added to the existing maintenance budget to give a total of £86,800. This clarity was not available to the audit team as it had not been fully resolved at the time of the audit. However, the management team are now confident in these figures and that this will be overseen as part of the normal budget monitoring process.	October 2017		Chris Hall	TDBC
TDBC WSC Parking Maintenance Final Report 2017 18	Despite there being a Corporate Risk Management Framework in operation at the Council the manner in which the risks, associated with car parks across the districts of Taunton Deane and West Somerset were being graded, did not reflect this approach. It is acknowledged that the Programme of Works did include priorities, but as alluded to elsewhere within this report they were prioritised in a subjective manner primarily based upon opinion and the risk to health and safety. A scoring mechanism based on assessments of impact and probability would have been expected. Management assure us that the key risks associated with car parks across both districts are being fed-up to Senior Management, however a clear understanding of when a risk becomes a corporate risk was not demonstrated to the Auditor or the process whereby it should be escalated. There is a risk that the Corporate Risk Management approach may not be embedded as well as it should be across the Parking Services Unit at both Councils and this could lead to an inconsistent approach, some maintenance being incorrectly prioritised over another area, which could lead to the health and safety of the general public being put at risk, potential legal recourse and an increased financial burden on the council.	4 - High	We recommend that the Community and Client Services Manager assists the Car Parking Operations Manager to adopt the Council's Corporate Risk Management approach across car parking in both districts.	The Car Parks Manager will work with relevant staff to ensure adoption of the Corporate Risk Management approach on a 5x5 scale of likelihood and impact instead of the current priority scoring mechanism. This will then be discussed and agreed as to at what level of risk matters are brought to the attention of senior management. This is likely to be everything that reaches 4x4 and above.	October 2017		Hall, Chris;#121	Both

TDBC WSC Parking Maintenance Final Report 2017 18	The methodology for assessing the risks to car parks has not been documented. However priority ratings are applied within the Programme of Works, whereby one is the highest priority and four the lowest. The letter 'C' indicates capital work. Priority ratings are applied by Management and are based on a subjective assessment of risk, mainly related to the risk of health and safety to the public. There are no documented explanations of what is high or low risk with a consideration of impact and likelihood whereby impact considers more than just health and safety, but also strategic priorities and opportunities, reputational damage, finance and criticality of the service. A subjective approach to assigning priority ratings could in the least result in inconsistent ratings and at the most result in some maintenance being incorrectly prioritised over another area, which	4 - High	We recommend that the Car Park Operations Manager documents the methodology for the assessment of risks within car parks across the districts of Taunton Deane and West Somerset. This should be in the form of a matrix with documented likelihood and impact scores. SWAP's methodology for assessing risk is attached as Appendix A. and may be used as a basis to work from.	SWAP's methodology will be used as a basis as suggested.	October 2017	Hall, Chris;#121	Both
TDBCWSC User and Access Management Final Report	Removal of Audit Trail WSC AD users are removed from the directory after a varying length of time, usually 6 months. Other sub-systems such as Acolaid and Northgate also follow the same pattern. This means that their audit trail is also removed. In the event of a dispute or investigation in the future, absence of audit trail would mean resolution is difficult. There is also a requirement to keep audit trail for some transactions under Data Protection legislation. This risk will be made greater in the future when potentially a single point of access will become the norm.	4 - High	The Assistant Director ensures accounts are suspended, not delete until necessary audit trail is no longer required. Guidelines should be created which reflects these requirements and system administrators instructed to follow it.	On the assumption that this finding applies to individual business systems access rather than AD accounts, a 6 monthly review will be carried out of all system accounts, with the individual system owners being required to authorise on going access.	30/04/17	Sealy, Richard;#108	TDBC
TDBCWSC User and Access Management Final Report	Approval of Physical Access There are no standard forms to request a proximity pass, the request usually comes in one of two ways:- An email from ICT at South West One, notifying Facilities that the employee has started. ICT are involved because they set up the individual on the flexi-time system (the card issued is used for both flexi-time and building access). - A member of staff will arrive at Facilities with a colleague asking for a pass to be created. The pass is activated automatically for both TDBC and WSC should the employee be a part of the 'One Team'. Changes to card access follow the same logic, there is no formal request process. There is an increased risk that, in the absence of appropriate formal request and authorisation that cards can be produced fraudulently and access exploited.	4 - High	The Assistant Director establishes a formal procedure relating to the request and issuing of a proximity pass which includes authorisation from an agreed list of signatories. This list of signatories will need to be provided to Facilities Management to ensure that authorisation procedures are followed.	Agreed	31 March 2017	Sealy, Richard;#108	Both