

**Appendix 2 – Update on Priority 1 and 2 Audit Recommendations as at 31<sup>st</sup> May 2021**

Audit Report	Recommendation	Priority Scoring	Responsible Officer	Target Date	Progress	RAG Status
Debtors 2019/20	Ensure that reconciliations between Open Contractor and the General Ledger are completed. Procedure notes should be created so that another officer can pick up the reconciliation if required	1	AD for Finance	(Original 30/09/2020) New date: 31/03/2021	<p><u>2019/20 Accounts:</u> Significant assurance work was undertaken to ensure the General Ledger for 2019/20 accounts were materially correct, involving officers from business support, housing, grounds and open spaces, and finance teams. Income: Significant assurance work has been completed during 2020/21 to reconcile and confirm external billing requirements. A new, simplified process will be used during 2021/22 by External Operations for external works contracts.</p> <p><u>Reconciliations Process:</u> Three major workstreams have been completed during 2020/21. Together the Systems &amp; Projects Accountant (KG) and Business Analyst (JS) have comprehensively reviewed the end to end process for scheduling, performing and charging for works either internally to services or externally for other customers. This is documented as a comprehensive flow diagram showing interactions for the various elements of the processes. A clear understanding of the process and controls has been established. Secondly, the Systems &amp; Projects Accountant has tested transactions to ensure complete and accruate posting to the General Ledger. This has been accepted by the AD Finance as suitable assurance to close the reconciliation requirement as recommended by audit. Thirdly, significant work has been undertaken to clear an extensive backlog of open jobs within OC. A full report of work in progress has been used to post costs to 2020/21 for jobs not yet fully complete and task-charged. 2021/22 Ongoing: A new Project is being launched in 2021/22 Q1 to determine future arrangements for job costing and recharging. This will be tracked through the PMO and project management arrangements outside of audit actions tracking.</p>	COMPLETE
Main Accounting 2019/20	Ensure that a process to reconcile the OC system to the General Ledger is developed and a procedure written. Also to ensure that the OC codes are amended to ensure they post to the correct location on import.	2	Finance Business Partner	(Original 30/09/2020) New date: 31/03/2021	<p><u>2019/20 Accounts:</u> Significant assurance work was undertaken to ensure the General Ledger for 2019/20 accounts were materially correct, involving officers from business support, housing, grounds and open spaces, and finance teams.</p> <p><u>Reconciliations Process:</u> Three major workstreams have been completed during 2020/21. Together the Systems &amp; Projects Accountant (KG) and Business Analyst (JS) have comprehensively reviewed the end to end process for scheduling, performing and charging for works either internally to services or externally for other customers. This is documented as a comprehensive flow diagram showing interactions for the various elements of the processes. A clear understanding of the process and controls has been established. Secondly, the Systems &amp; Projects Accountant has tested transactions to ensure complete and accruate posting to the General Ledger. This has been accepted by the AD Finance as suitable assurance to close the reconciliation requirement as recommended by audit. Thirdly, significant work has been undertaken to clear an extensive backlog of open jobs within OC. A full report of work in progress has been used to post costs to 2020/21 for jobs not yet fully complete and task-charged.</p>	COMPLETE

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Financial Resilience 2019/20	We recommend that the S151 officer ensures that the staff budget is fully costed and included in the MTFP. Shortfalls in budget should have robust saving plans in the short to medium term agreed with SMT.	1	S151 Officer/Chief Executive	Revised 31/3/2022 (Previous 31/12/2020)	Staffing budget = COMPLETE. The staff budget has been fully updated and reconciled in 20/21 budgets to reflect the new directorate structure completed during the year. This is also complete for the draft 21/22 budget.  Savings = IN PROGRESS. Council has approved a balanced budget for 2021/22, utilising £1.2m from general reserves to temporarily address some of the budget gap. SMT and the Executive will be reviewing the Financial Strategy for 2022/23, which will consider the context of prospective implementation of a unitary local authority structure in April 2023.	In Progress
Financial Control and Reporting 2020/21	The S151 Officer will arrange for the Monitoring Officer to revise role titles within the Financial Procedure Rules under delegated authority for such minor amendments. Guidance and templates will be updated to reflect current role titles and provide clearer definitions for the types of budget changes including virements to clarify the approvals required.	2	AD Finance and S151 Officer	Revised target date now 30/4/2021 (previous 31/01/2021)	Updated Financial Procedure Rules approved at Full Council 29 April 2021.	COMPLETE
Procurement	We recommend that the Strategic Procurement Specialist finalises the draft Procurement Strategy as per the Finance and Procurement team's Operational Plan, to ensure the council can be held accountable for the Strategy's adoption and progression. The progress of implementing the Procurement Strategy, together with the adaptation of the CPRs, should continue to be closely monitored by the Assistant Director Finance, to ensure its timely progression in accordance with agreed implementation timeframes.	2	Strategic Procurement Manager  AD for Finance/S151 Officer	Revised target 31/7/21 (previous 31/1/21)	<u>Procurement Strategy:</u> A new Procurement Strategy for SWTC has been prepared, which was supported by SMT in February 2021 and approved by Executive Committee in March 2021. This part of the agreed actions is therefore complete. <u>Contract Procedure Rules:</u> Draft revisions of CPR's has been completed and submitted to the monitoring officer (February 2021) for formal approval and incorporation into the Constitution. However, the draft CPRs will be reviewed by S151 Officer in May 2021, with a view to approval at Full Council in July 2021. Deadline therefore extended by S151 Officer to 31 July for this item.	In Progress

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Procurement	<p>We recommend that the Strategic Procurement Specialist liaises with the Assistant Director Finance (S151 Officer) to:</p> <p>Set a timeframe for the completion and implementation of the procedural Procurement guidance for Procuring Officers. This guidance should include, but not be limited to, information as to how collaborative Procurement frameworks should be used to ensure the achievement of collaboration objectives and value for the council's money.</p> <p>Also set a timeframe for completing the development of, and for implementing, both Procurement training modules. They should also make an informed decision as to who will be required to complete both modules and should ensure that these modules align with the Procurement Strategy and procedural guidance once finalised, and with any other related council policies.</p>	2	Strategic Procurement Specialist and Assistant Director Finance (S151 Officer)	Revised 30/9/21 (previous 30/11/2020)	<p>Marked as complete as action to agree timeframe is done. Timeframe for the development of guidance initially extended to March when Procurement Strategy timeline of January 2021 agreed with SMT. Following review of Draft Strategy, the approval was extended to March 2021. The timeframe for the development of guidance and training has subsequently been extended to 30 June 2021 in agreement with the AD Finance, and this work is in progress. Guidance will be rolled out in Q1 and training expected to be rolled out in Q2. PS working with HR (CG &amp; LF); the current provider has made changes to programmes and types of product available. HR now able to take forward product development which should improve progress to get sessions on intranet. Target date for guidance now 30 June, and target for training 30 September 2021.</p>	COMPLETE
Procurement	<p>Review the CPRs to bring them up to speed with the current exemption process being used and ensure that the end-to-end process is designed to fully protect the council's interests. Any changes to the CPRs to reflect the current exemption process should be approved by the Monitoring Officer.</p> <p>Ensure that the PO reference(s) relevant to each register entry are obtained and entered into the waiver register, and that the Specialist implements a procedure to monitor and ensure that spending through exemption is in line with the authorised waiver value, or that further authorisation is obtained where an originally authorised waiver value is to be exceeded.</p> <p>Implement a process to report regularly to the Senior Management Team on the type and value of expenditure being processed through exemption.</p>	2	Strategic Procurement Specialist and Assistant Director Finance (S151 Officer)	Revised target 31/07/2021 (previous 31/1/21)	<p>More robust Waiver register has been implemented to record PO details and values which will be reviewed to ensure compliance with estimated budget cost and that any overspends are recorded and interrogated with the originating officer, recording all information highlighted by Audit. This part is therefore complete. PS and PF reviewed outcome for the action with CPRs, and resolved to leave CPRs as they are and to update working exemption process to align with existing rules. Update guidance and proformas to be circulated to all staff by 10 May 2021. The exemptions register is currently a procurement restricted document, but will be used to collate quarterly report for Performance Board on Number, Types, Value by Quarterly and aggregated spend. The first report to the Board will be in July 2021. Revised target date to have completed all elements therefore extended in agreement with AD Finance to 31 July 2021.</p>	In Progress

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Procurement	<p>Completes a review of the contract register to ensure that all existing contracts are identified within, and that any spending off-contract is challenged with the relevant Officers as required.</p> <p>Ensures the reconciliation of the internal and external contract registers, to ensure they agree. This exercise should be performed at regular intervals going forward, to ensure the registers are maintained and up to date.</p>	2	Strategic Procurement Specialist	Revised target 30/6/21 (Previous 31/01/2021)	<p>The format and method publication is under review and being revised to enable open public access by the public of our contracts register via the eProcurement portal which is being updated</p> <p>Internal and External contract registers currently under revision to make more information available to internal managers and externally to improve governance compliance. This work has been ongoing with position constantly updated as new contracts completed, with procurement team capacity limited due to vacancy and support needed for procurement activity. Temporary support now being provided by Ops Support pending recruitment of Case Manager. Revised target date of 30 June 2021.</p>	In Progress
Procurement	<p>We recommend that the Strategic Procurement Specialist liaises with the wider finance management team as intended, to develop and implement a proportionate suite of performance measures and reporting mechanisms that enable accountability and governance over the procurement function. Once developed, these should be documented, and this work should consider, but not be limited to, development of performance measures and monitoring in the following areas:</p> <ul style="list-style-type: none"> <li>• Regular monitoring of, and reporting to the Senior Management Team on, the achievement of the Procurement cost savings stipulated in the MTFP</li> <li>• The achievement of the value for money, sustainable Procurement, and the social equality commitments within the draft Procurement Strategy</li> <li>• Analysis of spending against approved, contracted, and uncontracted suppliers</li> <li>• The achievement and benefit of collaboration in procurement (e.g. through use of procurement frameworks, or other procurement initiatives)</li> </ul>	2	Strategic Procurement Specialist	Revised target 31/7/21 (Previous 31/03/21)	Financial Strategy now incorporates limited procurement savings, therefore detailed procurement savings monitoring process not required. This part of the action plan is therefore closed. Progress has been slowed by capacity constraints. New target agreed with AD Finance to develop performance reporting during Q1 to bring to Performance Board in July. Target date therefore extended to 31 July 2021.	In Progress

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Ethical Governance & Culture	The Governance Manager will ensure that key documents such as the Money Laundering and Fraud Policy are regularly reviewed and updated and accessible to staff. There should be some consideration to ensuring that Members and Officers are regularly reminded of key documents, and where appropriate attest their understanding.	2	Governance Manager	31/3/21	The Anti-Fraud Framework which includes Anti-Fraud Strategy, Anti-Bribery Policy, Anti-Money Laundering Policy and Whistleblowing Policy went to the Audit, Governance and Standards Committee on 12 April and was then approved by the Executive on 21 April. Internal Communications to all staff has gone out to remind them of the Anti-Fraud framework and also the Officer Code of Conduct.	COMPLETE
Ethical Governance & Culture	The Governance Manager will ensure that an up-to-date record of all staff interests (potential or actual) is maintained. Staff should be reminded periodically of the requirement to declare interests in line with the Employee Code of Conduct.	2	Governance Manager	31/3/21	A register for staff interests has previously been in place. Due to the Covid pandemic and working at home - an electronic form has been produced and this was also included in the internal communications to all staff	COMPLETE
Ethical Governance & Culture	The Governance Manager/AD – Corporate will ensure that the induction and training process includes all the key policies that establish a strong ethical culture within the organisation including: <ul style="list-style-type: none"> <li>• Whistleblowing procedures</li> <li>• Conflicts of interest</li> <li>• Money Laundering and Fraud"</li> </ul>	2	Governance Manager to liaise with AD – Corporate.	02/07/21	<ul style="list-style-type: none"> <li>• Whistleblowing &amp; Money Laundering &amp; Fraud - eLearning packages have been added to the mandatory section of the learning management system (LMS), the updated polices need to be added in addition to this, which the People Business Partner (L &amp; D) is working to complete (all staff will then need to affirm they have read and understood the policy alongside the training - this will be monitored by PBP over the coming months to ensure all required mandatory training is completed)</li> <li>• Conflicts of interest currently sits in the induction section of the LMS.</li> <li>• The People Business Partner and team are reviewing the induction material and required policies and will adjust the Induction vs Mandatory elements of the LMS to ensure suitable coverage.</li> </ul>	In Progress

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Grounds and Open Spaces	We recommend the Open Spaces and Streetscene Manager ensures that a Strategy for the generation of income from external works is implemented.	2	Open Spaces and Streetscene Manager	31/3/21	Draft strategy completed, with supporting actions built into service plan.	COMPLETE
Grounds and Open Spaces	We recommend the Open Spaces and Streetscene Manager ensures that the Case Management Lead, all Case Managers – Localities and the Locality Champion receive financial management training.	2	Open Spaces and Streetscene Manager	31/8/21		In Progress
Grounds and Open Spaces	We recommend the Open Spaces and Streetscene Manager ensures that all key areas document their Schedule of Works and projected income for each financial year and this is used to inform a Financial Forecast for Open Spaces.	2	Open Spaces and Streetscene Manager	30/9/21		In Progress
Grounds and Open Spaces	We recommend the Open Spaces and Streetscene Manager ensures that detailed procedures are written for all key areas.	2	Open Spaces and Streetscene Manager	30/9/21		In Progress
Housing Compliance - Governance & Reporting	The Compliance Manager has agreed to archive copies of the Compliance Spreadsheet as at the times of producing the respective reports for the: 1. KPI Spreadsheet. 2. Reports to Audit, Governance and Standards Committee. 3. Monthly Scorecard PI Report.	2	Compliance Manager	31/3/21	This action is now complete. 3 Months of data has now been accurately archived.	COMPLETE

Housing Compliance- Governance & Reporting	The Compliance Manager has appointed specialist Contractors to expedite the programme of property inspections for water safety. They expect to have completed this by March 2022.	2	Compliance Manager	31/3/22		<b>In Progress</b>
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