


Annex 2: Compiled management responses to internal audits concluding with ‘limited’ or ‘no’ assurance’



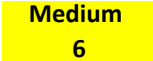

2021/22 Internal Audits

Contract Management		
Audit Sponsor	Assurance Opinion	Management Actions
Head of Legal and Governance	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;"> Low 1 </div> <div style="background-color: yellow; padding: 5px; text-align: center;"> Medium 3 </div> <div style="background-color: red; color: white; padding: 5px; text-align: center;"> High 0 </div> </div>
<p>Summary of key observations from SIAP:</p> <p>This audit reviewed corporately prescribed contract management controls and sampled three specific contracts against these. We satisfactorily confirmed that Contract and Financial Procedure Rules, prescribed within the constitution set out roles and responsibilities for contract management.</p> <p>We verified that signed contracts and a clear specification were held for our sample and confirmed with the Council’s Legal Secretary that where paper contracts are retained these are securely archived. For our sampled contracts only one has required a variation. We verified that this was formally documented in Addendums within a revised contract document.</p> <p>We confirmed that for two of the contracts examined there was reasonable or very good evidence of close monitoring of contract performance through regular meetings and KPIs. However, we note that scheduled monthly meetings with the contractor for one contract do occur but are not recorded. In addition, the current Contract Manager did not hold a copy of the contract specification which would, in normal circumstances, be a prime document for holding the contractor to account.</p> <p>The Council’s Contract register is automatically produced from the Council's InTend software. Our examination of the Contract Register found that the register is incomplete. Omissions in the current Contracts Register has resulted in non-compliance with the Local Government Transparency code that requires local authorities to publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. Additionally, the published contract register is also only available in 17 separate segmented spreadsheets which impedes a single point of public review and is not updated to reflect contract extensions.</p>		
<p>RBBC’s management response:</p> <p>We are aware of the current challenges around procurement and contract management within the Council and are developing a plan to address them, primarily through adoption of a new procurement strategy and creation of a procurement governance board, to ensure strategic and central oversight of procurement and contract management activity and appropriate periodic challenge.</p>		

Regarding the observations for the Leisure contract, we will discuss with the service area and contract manager and support them to identify measures to improve the management of this contract going forward; the contract manager will measure and report on the KPI's in accordance with the contract.

We are aware of the issues surrounding our contract register and that the current process requires the procurement officer to manually insert each entry. The contract register will be reviewed and improved to ensure accuracy. We will explore options for improving the links between finance and procurement systems to ensure that there is an accurate contracts register.

2022/23 Internal Audits

Health and Safety Governance				
Audit Sponsor	Assurance Opinion	Management Actions		
Head of Neighbourhood Operations	 Limited	 Low 6	 Medium 6	 High 0
<p>Summary of key observations from SIAP:</p> <p>The focus of the Health and Safety Governance audit was to review the framework of governance to ensure compliance with the health and safety policy and to seek assurance over the effectiveness of the framework of health and safety across the organisation.</p> <p>Positively, the authority has a Corporate Health and Safety Advisor in post to co-ordinate health and safety arrangements with other roles and responsibilities across the organisation also defined in the Health & Safety and Welfare Policy and Procedure.</p> <p>To underpin the main policy, there are a number of other policies that support Health and Safety. Whilst it was clear progress had been made in updating and publishing these on the corporate intranet, there were a number that still required review.</p> <p>Reporting of incidents/accidents analysis has not been consistent with roles and responsibilities set out within the policy, additionally, risk assessments were being undertaken, however, there were inconsistencies in the way they were completed and recorded, in particular the allocation of responsibility and the delivery date of any actions required.</p> <p>A Health & Safety Working Group (HSWG) had historically been established and whilst it was encouraging to see this had reconvened in November 2022, meetings have been sporadic over the past three years impacting the effective delivery of the group's terms of reference and planning Health and Safety activities, and monitoring performance.</p> <p>The absence of effective guidance has led to an inconsistent approach to staff training and the maintenance of training records, albeit we were advised that the Health and Safety Advisor is currently working systematically around the services to risk assess the current training status.</p>				

The Health and Safety Advisor has conducted spot checks and quality assurance checks as part of an ongoing consultation programme which we were advised has been scheduled according to assessed risk. However, the programme was not documented or being driven in response to strategic requirements. At the time of our review, not all service areas had been reviewed to establish their current status regarding H&S.

Contract Standing Orders set out that Contract Managers are responsible for ensuring the supplier's compliance with all appropriate Health and Safety obligations, however, there was no reference to managing contracts in respect of Health and Safety in the Corporate Health and Safety & Welfare Policy and Procedure.

RBBC's management response:

While there are no concerns about how the Council's health and safety responsibilities are fulfilled, this audit has highlighted some areas for improvement regarding the supporting governance of these arrangements. In particular:

- the importance of holding regular H&S Working Group meetings;
- ensuring that identification and provision of mandatory or required H&S training to employees; and
- the documentation of audit schedules and policy / procedure reviews and evidencing that they are both being driven by strategic requirements and H&S priorities.

Historically the Council held regular Health and Safety Committee meetings, however these were paused for a period of time due to the H&S Advisor role not being consistently in post. Following the current H&S Advisor's appointment in September 2019, the Health and Safety Working Group was set up. There were periods of time where the group was unable to meet and as indicated within the audit report this was something that was accepted and resolved promptly. COVID-19 in particular impacted the groups' ability to meet, however H&S matters, during this time, were escalated through the Incident Management Team when required.



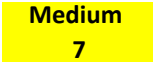

The Health and Safety Advisor had been undertaking policy and procedure reviews since their appointment in 2019, however the COVID-19 pandemic then impacted their ability to undertake reviews in a timely fashion manner due to their work being refocused on other H&S priorities during the pandemic.

The audit also highlighted that both the H&S Working Group and the Corporate Governance Group should receive regular updates on plans for carrying out H&S reviews, rather than solely documenting these plans within the H&S Advisor's personal performance agreement.

The audit also highlighted that there is no current requirement for managers to ensure that required or mandatory training is provided to employees. Whilst training is being provided throughout the Council, it is accepted that a guidance document will be useful to managers on best practice such as how to identify, deliver and record training and would provide added assurance.

Overall, the audit findings have enabled the Council and the H&S Advisor to identify areas in the governance of H&S that require improvement and to implement plans and actions to rectify them. The H&S Advisor has already completed several of the actions and is working towards a timely conclusion of the remainder.

Income Collection

Audit Sponsor	Assurance Opinion	Management Actions		
Chief Finance Office (S151 Officer)				

Summary of key observations from SIAP:

Key income collection points for the Council are Community Centres, the Harlequin Theatre, the Town Hall and car parking income. Car Parking income was audited more recently, as part of the 2021/22 audit plan, and therefore was excluded from this review.

Financial Regulations are in place to support the receipting, banking, and recording of monies received and these are accessible to all staff who require them.

Whilst we found that income is regularly matched to the bank account and finance staff perform regular cash reconciliations and ensure the suspense account is monitored and cleared regularly, there were a number of observations raised where areas of control could be improved, in particular regarding cash collection and record keeping across the Community Centres.

New access to ICON (the Cash Receipting system) is granted by the Finance Operations Manager, who has administration access rights on the system. We were advised that users access rights are removed when they have left the employment of the authority. However, there was no periodic review to ensure that only the relevant staff across the Council have access and to also ensure that the number of active user accounts does not exceed the number of licences held.

Keycodes to the safes held both at the Town Hall and the Harlequin Theatre have not been regularly changed and no expectation has been set to safe managers which sets out when or how often a keycode for the safe should be changed. Further to this, we also found that the safe limits for the Community Centres were being regularly exceeded.

Whilst Community Centres have been issued with documented banking procedures, staff and volunteers at the centres have not been issued with procedures for cash handling and income collection.

At the time of testing, income records at the Community Centres were manual and difficult to reconcile. Our testing of a sample of weekly taking spreadsheets identified several discrepancies. The Council were in the process of implementing electronic tills across the centres at the time of the audit, but our testing took place prior to this. We also noted that at one Community Centre a service provider was not being charged for use of the facilities in line with Fees and Charges.

There were also some discrepancies on income records sampled for the Harlequin Theatre.



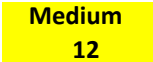

Whilst there are very few cash payments received at the Town Hall and are generally low value, our testing of the two cash transactions received to date during 2022/23 were not supported by a receipt to the payee.

Responsibilities for the contract management of the income collections by a third party contractor sit with Surrey County Council. Any operational issues can be addressed by the Finance Operations Manager direct with the contractor, however there is no established protocol to share any issues or incidents with Surrey County Council, nor does the authority receive routine feedback as to the ongoing overall performance of the contract or the viability of the contractor.

RBBC’s management response:

As acknowledged in the audit report, the value of cash received by the Council compared to other forms of income each year is now relatively low. The audit has confirmed that controls and procedures at the Town Hall are generally operating as expected; also that the issues identified in the previous audit of income collection at the Harlequin Theatre have been resolved. The management actions in response to SIAP’s observations in these areas are on target to be completed by the due dates.

The audit of income collection at the Community Centres took place at a time of considerable change during a service-wide transformation programme. Whilst improvements were already planned as part of that programme, such as the introduction of electronic tills and improved financial control and reporting processes, these had not yet been implemented which resulted in several of the observations as set out in the audit report. Work is now underway to complete the transformation improvements and the audit has helped the service to confirm the priority areas for attention.

HR – Use of Volunteers			
Audit Sponsor	Assurance Opinion	Management Actions	
Strategic Head of Organisation and Transformation			 
Summary of key observations from SIAP:			
<p>The two main areas where the Council use volunteers were found to be Community Partnerships and Neighbourhood Operations. Testing was carried out on Community Partnerships’ use of volunteers at Community Centres exclusively, as the area was found to have the highest numbers of volunteers, and the volunteers fulfil ongoing specific roles.</p> <p>Volunteers are an essential commodity to enable the operation of Community Centres across the Borough. As at April 2023, across the three community centres the services of 111 volunteers was retained. However, there are no policies/procedures in place regarding the selection or use of volunteers or work experience candidates/appointees across the council.</p> <p>There was no central record of volunteers maintained. The spreadsheets that were retained by Community Centre Managers were found to contain personal and confidential information, but no evidence of the records being subject to a sufficient level of security. The HR Document</p>			

Retention Scheme did not cover volunteers' records specifically, and the areas where they were covered only related to a very limited range of volunteer-related records.

We found that identification checks were not consistently performed on volunteers at the Community Centres at the onboarding stage, despite the roles being advertised as age specific. DBS (Disclosure and Barring Service) checks are also not performed on volunteers at the Community Centres, despite their roles involving interaction with children and vulnerable adults.

Whilst we were advised that volunteers at the Community Centres are provided with on-the-job training, we found very limited evidence of formal training being provided.

We were advised that volunteers do not have access to systems, however it was confirmed that volunteers have access to tills within all three Community Centres. No evidence of a log of accesses was found to enable overview of access awarded to volunteers to tills, security codes, assets, or similar.

Our review found that volunteers at the Community Centres do not have access to the same wellbeing resources as employees and they do not have access to a relevant grievance scheme.

It is also not clear how poor performance would be managed.

RBBC's management response:

RBBC welcomes the detailed response to our proactive request of the audit of use of volunteers, which was prompted by RBBC's own concerns.

We are pleased that SIAPs report confirms that all management actions, once implemented, should mitigate the risks identified. A RBBC task and finish group was established in June 2023 to address our own concerns with regard to the use of volunteers, with great progress being made against a number of the management actions already, namely volunteer mapping, and policy & procedure creation.

We thank our partners at SIAP for facilitating this audit, highlighting the value of audit as a tool to support proactive remedy of concerns.