

List of Audits Completed as Part of the 2018/19 Audit Plan

Audits			
<p>Audit: UBICO CLIENT MONITORING 2018-19</p> <p>Introduction: In April 2015 Tewkesbury Borough Council joined the local authority owned company Ubico Ltd, whose shareholders also include Cotswold District Council, West Oxfordshire District Council, Forest of Dean District Council, Cheltenham Borough Council, Stroud District Council and Gloucestershire County Council. Alongside waste and recycling collections, the company also provides street cleansing and grounds maintenance for the borough. The value of this contract for 2018/19 is £3,677,130.00. The Gloucestershire Joint Waste Team (JWT) manage the waste, recycling and street cleansing elements of the contract and the council currently employs a Grounds Maintenance Project Officer who monitors grounds maintenance. A previous Ubico client monitoring audit, undertaken in 2016/17, made a series of recommendations to improve contract monitoring arrangements. The implementation dates of these recommendations varied and Audit Committee were keen to establish the current position. This audit has therefore been carried out as part of the 2018/19 audit plan and will provide assurance as to the adequacy of the contract monitoring arrangements currently in place</p>			
Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Operational</p> <p>O1: Data quality is poor, performance measures and monitoring practices are not robust.</p> <p>O2: Lack of governance of partnerships and overview of</p>	Satisfactory	<p>Since the previous client monitoring audit in 2016/17; significant improvements have been made in respect of the performance monitoring arrangements in place for the council's contract with Ubico.</p> <p>Waste, recycling & street cleansing: A new suite of Key Performance Indicators (KPI's) have been developed and agreed across the Ubico partnership. Performance against these KPI's is reported in the form of a monthly summary report; received by the Head of Community Services and Joint Waste Officers. The Environmental Services Partnership Board (ESPB) also receive these updates as part of their quarterly meetings and the council's Overview & Scrutiny Committee are updated on a six-monthly</p>	<p><u>O1- R1</u> <i><u>Recommendation priority: Medium</u></i> <i><u>Implementation date: April 2020</u></i> <i><u>Responsible Officer: Head of Community Services/ Joint Waste Team</u></i></p> <p>A review should be undertaken to ensure performance indicators are in place for all elements of the service and that these include measurable targets i.e. timeliness of service delivery. Service areas to include:</p> <ul style="list-style-type: none"> - Grounds Maintenance - Trade Waste - Bring sites <p>The review should take into consideration the</p>

<p>contract performance.</p> <p>O3: Non-compliance to contract conditions.</p>	<p>basis. In addition, the KPI's are discussed at the monthly contract monitoring meetings. Minutes demonstrated that they are subject to adequate discussion and challenge and are reviewed by the appropriate officers and members. There are currently no KPI's in place for the trade waste service and it is therefore recommended that high level performance indicators are agreed i.e. number of customers etc, in light of the upcoming trade waste review. The introduction of any new KPI's should take into consideration the systems in place to collate the required data and the reporting functionalities available [R1].</p> <p>Grounds maintenance: KPI's for the grass cutting element of this service, specific to Tewkesbury Borough Council, have been developed through a Member Working Group. These are due to be taken to Executive Committee on 6 March for approval and formal reporting against these will then begin. Assurance was obtained during the audit that the introduction of KPI's for the other aspects of the grounds maintenance service i.e. tree works, is included as an action within the grounds maintenance improvement plan.</p> <p>Regular contract monitoring meetings, attended by the appropriate Council and Ubico representatives now take place in relation to all aspects of the service. This shows a significant improvement since the 2016/17 audit which reported an unsatisfactory level of control given that there were no contract monitoring arrangements in place for grounds maintenance.</p> <p>In respect of recommendations made as part of the previous audit, an action remains outstanding in relation to the finalisation of a Data Sharing Agreement between the council and Ubico [R2].</p>	<p>systems in place to collate the required data and the reporting functionalities available when agreeing any new KPI's.</p> <p><u>O1- R2</u> <i><u>Recommendation priority: Medium</u></i> <i><u>Implementation date: August 2019</u></i> <i><u>Responsible Officer: Head of Community Services in conjunction with One Legal</u></i></p> <p>A Data Sharing Agreement should be established between Tewkesbury Borough Council and Ubico.</p>
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<p>Economic and Financial</p> <p>EF1: Lack of budget monitoring, under or over payment of invoices and potential for fraud/ duplication.</p>	<p>Limited</p>	<p>Monthly budget reports are produced by Ubico and received by appropriate officers within the council. In early December 2018 Ubico highlighted a projected overspend of £153,234. In response to this, and to avoid a large balancing item at year end, it was agreed that an increase of £33,000 would be applied to the three remaining invoices for 2018/19 to cover this overspend. However, at the end of Q3, Ubico reported a projected overspend of £230,887; a significant increase in just one month, with limited supporting information within the budget report to explain this current position.</p> <p>A detailed review of the latest budget figures has been carried out by Financial Services which highlighted a number of concerns e.g. a 275% overspend on tyres, a 270% overspend on PPE, expenditure being reallocated from a holding account, budgets not being matched with expenditure etc. These queries were raised upon receipt of the latest budget report and also at the ESPB meeting in January. Separate budget review meetings have now also recently started to take place between the council and Ubico to address these issues.</p> <p>Given the value of the contract and significant projected overspend, it is recommended that processes be introduced between Community Services and Ubico to limit possible overspends i.e. their timely notification and approval (where appropriate) [R3].</p> <p>The contract requires quarterly reconciliation invoices to be raised in order to reflect the actual cost of the services. This does not currently take place and a final reconciliation is carried out at the year end. Financial Services indicated that they were comfortable with the current approach. It is therefore recommended that this variation be formally agreed in order to reflect the arrangements currently in place [R4].</p>	<p>EF1- R3 <u>Recommendation priority: High</u> <u>Implementation date: April 2019</u> <u>Responsible Officer: Head of Community Services</u></p> <p>Improvements should be made to the budget monitoring of the Ubico contract as follows:</p> <ul style="list-style-type: none"> - Clear processes should be developed and agreed between the council and Ubico for the timely notification of all overspends. - Selected and agreed areas of overspends should be subject to approval. <p>EF1- R4 <u>Recommendation priority: Low</u> <u>Implementation date: January 2020</u> <u>Responsible Officer: Head of Community Services</u></p> <p>The following variations to the Ubico contract should be formally agreed:</p> <ul style="list-style-type: none"> - Receipt of a final reconciliation invoice at year end as opposed to quarterly. - Introduction of budget review meetings.
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Audit:
SERIOUS AND ORGANISED CRIME FRAMEWORK (HR) AUDIT 2018-19

Introduction:

This audit is completed as part of the 2018/19 audit plan. Serious and organised crime is a threat to our national security and the Government's Serious and Organised Crime Strategy published in 2013 reported that it costs the UK more than £24 billion a year. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Local Authority (LA) procurement is at risk of infiltration from serious and organised crime and organised crime groups could be benefitting from public sector contracts. In 2013 it was estimated that £2.1 billion of fraud was perpetrated against local government (National Fraud Authority Annual Fraud Indicator 2013).

Conducting a Serious and Organised Crime Audit into areas most vulnerable / attractive to serious and organised crime can help to identify where LAs are most at risk and to assess where changes and improvements can be implemented to shut down opportunities for serious and organised crime involvement and reduce financial losses. The Home Office have produced a guidance note "framework for Internal Audit and Finance Managers" which looks at reviewing the controls in place in relation to the following risk areas; Strategic, Procurement, HR, Finance, Legislative and Regulatory functions (Licensing), and Housing.

This audit will look to focus on the HR section of the guidance referenced above, including policies and procedures, awareness, and reporting methods.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>LPC1: the Council's HR policies do not give consideration to Serious and Organised Crime Strategy.</p>	<p>Good</p>	<p>LPC1- The Council has a number of policies that protect against the risk of serious and organised crime. Some will require review and have been noted in a report to Overview and Scrutiny. The Counter Fraud Unit is also in the process of reviewing the Council's gifts and hospitality policy. Policies are published on the intranet for staff to access and are disseminated to staff through starter HR inductions, although this currently does not make reference to Whistleblowing and the Bullying and Harassment policies (R1).</p> <p>A survey of a sample of staff found a reasonable level of awareness of the existence of policies although the finer details were less well known; it was noted that a biannual reminder was sent to all staff in January regarding declarations of secondary employment but knowledge of other policies (including gifts and hospitality and conflicts of interests) should be supported by regular reminders/prompts to staff via News4U or the intranet (R2). The Serious and Organised Crime audit guidance makes</p>	<p>LPC1: R1</p> <p><i>Recommendation Priority: Low</i> <i>Implementation date: June 2019</i> <i>Responsible Officer: Human Resources Manager</i></p> <p><i>Recommendation:</i> The HR induction should be expanded to include reference to the council's Whistleblowing and Bullying and Harassment Policies.</p> <p>LPC1: R2</p> <p><i>Recommendation Priority: Low</i> <i>Implementation date: June 2019</i></p>

<p>LPC2: information is not retained and managed in accordance with GDPR.</p>		<p>specific reference to a Recruitment and Selection Policy; the council currently does not operate this specific policy but does have supporting policies in place. The Interim Head of Human Resources has been tasked with reviewing the council's policy needs and to develop a new policy that is reflective of the challenges facing the council – this has been identified as a key priority within the emerging Workforce Development Strategy.</p> <p>The Home Office serious and organised crime audit guidance makes reference to training for staff to recognise indicators of officers working under duress or potential corruption- this is currently not provided; a recommendation has been made to complete an assessment of staff roles where this training would be of benefit, and subsequently provide the training as appropriate (R3).</p> <p>LPC2- The Data collected is stored and managed securely in the HR department.</p>	<p><i><u>Responsible Officer:</u> Human Resources Manager</i></p> <p><i><u>Recommendation:</u></i> Staff awareness of policies should be supported by regular reminders/prompts on the intranet/News4U regarding:</p> <ul style="list-style-type: none"> • Gifts and hospitality • Conflicts of interest <p>LPC1: R3</p> <p><i><u>Recommendation Priority:</u> Low</i> <i><u>Implementation date:</u> September 2019</i></p> <p><i><u>Responsible Officer:</u> Human Resources Manager/ Counter Fraud Unit</i></p> <p><i><u>Recommendation:</u></i> An investigation should be completed into the availability of providing training to appropriate staff to identify indicators of Officers working under duress or potential corruption.</p>
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<p>OP1: Pre-employment and vetting checks are not being carried out</p>	<p>Satisfactory</p>	<p>OP1- HR issue a Right to Work as part of the invitation to interview to ensure that employees are entitled to work in this country. HR complete a “starters checklist” with each member of staff’s personnel file, which prompts the HR team to collect all the required information; 2 references, ID, completed Right to Work form and original copies of qualifications. The documents collected are not scrutinised for legitimacy but are information received throughout the application process. This is cross referenced and matched to confirm the individual has supplied accurate details. Documents and IDs are scanned and copies kept by HR; consideration should be given to providing the HR team with training to identify fraudulent documents and IDs (R4).</p> <p>Pre-employment checks are standardised across all job roles within the council, regardless of seniority or levels of access to systems and data. It is recommended that a review of the current pre-employment/vetting checks is undertaken and consideration given to whether high risk roles within the council require additional checks (R5). Any changes to procedures should be documented within the relevant policy</p> <p>DBS checks can be competed for certain job roles and the council has a policy regarding this process, although this is now outdated. The policy is scheduled to be reviewed, and it is recommended that this done so in line with the development of the Recruitment and Selection policy, with job roles requiring DBS checks clearly defined (see R6).</p> <p>OP2- A survey of staff found a reasonable level of awareness of the existence of the secondary employment policy, although 5 out of the 21 responses commented that they were unsure of what to do in the event that they started another job. There was a mixed response regarding whether the training was sufficient; a recommendation to issue reminders has been made (see R1). Secondary employment forms are issued every 2 years to all staff, with 100% return rate in 2018.</p>	<p>OP1: R4</p> <p><i>Recommendation Priority: Low</i> <i>Implementation date: September 2019</i> <i>Responsible Officer: Human Resources Manager/ Counter Fraud Unit</i></p> <p><u>Recommendation:</u> Consideration should be given to providing the HR team with training to identify fraudulent IDs and documentation.</p> <p>OP1: R5</p> <p><i>Recommendation Priority: Low</i> <i>Implementation date: September 2019</i> <i>Responsible Officer: Human Resources Manager</i></p> <p><u>Recommendation:</u> Consideration should be given to the current level of pre-employment checks undertaken to review whether high risk roles require enhanced vetting checks. Appropriate checks might include:</p> <ul style="list-style-type: none"> - Credit checks - Employment verification - Identity verification <p>Any changes to procedures should then be documented within the</p>
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<p>OP2: staff and Members do not adhere to appropriate policies and procedures regarding secondary employment, declarations of interest.</p>		<p>The secondary employment form is part of the wider Council's Code of Conduct. This outlines the expectations placed on Officers regarding behaviours both inside and outside work. Previously, new starters were required to sign the Code to evidence that they have read, understood and will adhere to the code however this is no longer completed. It is recommended that the Code be amended to include this declaration, issued to all staff, signed and returned to HR (R7).</p> <p>As part of the Code, staff are required to make written declarations where a conflict of interest may occur between staff's personal and official duties; this includes "Staff who have access to computer databases of customers updating their own personal records or those of the partner, relative or personal friend". This exercise is not completed council wide and there is no central register of these declarations. The Code of Conduct has not been fully reviewed since 2011 and it is therefore recommended that this be completed (R8). As part of this review an exercise should be undertaken to identify high risk departments and the most appropriate method for recording this information. Appropriate software controls should then be implemented to protect the council against opportunities for fraud and protect officers against allegations of fraud, bias, or breaches of GDPR.</p> <p>As a consequence of a number of FOI requests about Officers outside interests, the Council has reviewed its procedures regarding secondary employment and outside interests. A Protocol for Councillors and Officers involved in the Planning Process has been in place since 2006 and was reviewed in April 2015 when the Council introduced Public Speaking at Planning Committee meetings. The Protocol was further reviewed in 2016 and the current version approved by the Council in December 2016. Although a working document, the Protocol had not previously been circulated to each officer involved in the Planning process and neither had there been any requirement for those officers to confirm that they had read, understood and undertook to comply with the Protocol. This requirement was introduced in 2016 and all officers involved in the planning process have returned the form as required. In order to provide a consistency of approach for officers in identifying and</p>	<p>relevant policy.</p> <p>OP1: R6</p> <p><u>Recommendation Priority: Low</u> <u>Implementation date: 6 months</u> <u>Responsible Officer: Human Resources Manager</u></p> <p><u>Recommendation:</u> The DBS policy should be reviewed and updated and ensure that it clearly defines roles requiring DBS checks.</p> <p>OP2: R7</p> <p><u>Recommendation Priority: Medium</u> <u>Implementation date: June 2019</u> <u>Responsible Officer: Human Resources Manager</u></p> <p><u>Recommendation:</u> The Code of Conduct form should be amended to require staff to sign to demonstrate that they have read, understood and will comply with the Code. This should be issued to all staff and returned to HR once completed.</p> <p>OP2: R8</p> <p><u>Recommendation Priority: Medium</u> <u>Implementation date: April 2020</u> <u>Responsible Officer: Human</u></p>
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<p>OP3: staff and Members do not adhere to appropriate policies and procedures regarding gifts and hospitality.</p>		<p>declaring potential conflicts of interest, it is considered that the Code of Conduct should be reviewed in line with R8 above.</p> <p>The Finance Department request annual declarations of pecuniary interests in a “related parties transactions” form which is required by law to be included in the Council’s statement of accounts. This is issued to all Members, CLT, Heads of Service and Ops Managers. Members are also required under the Localism Act 2011 to submit a register of interests; this is provided for each Councillor at the start of each electoral term, and annual reminders are sent out for the duration of their appointment. According to legislation, these registers must be published on the council’s website, however this is currently not completed; the Borough Solicitor is contesting this statutory requirement, most recently through the review being conducted by the Committee for Standards in Public Life whose recommendations will be considered by the Government in due course. The Borough Solicitor has provided evidence that this information is collected. The council’s webpage and states that “all Members have completed a Register of Members’ Interest form which sets out their pecuniary and other interests in accordance with the Council’s Code of Conduct. The forms can be viewed, or copies obtained”. Considering the ethical considerations and the ongoing discussions, no recommendation has been made at this time.</p> <p>OP3- Members are regularly prompted by Democratic Services to remind them to declare any gifts and hospitality received, however staff do not receive any additional training after the time of induction; the knowledge of the contents of the policies should be supported by regular top-up sessions, or prompts on the intranet or in News4U articles (see recommendation R1 above).</p>	<p><i>Resources Manager in consultation with the Borough Solicitor and the Counter Fraud Unit</i></p> <p>The Council’s Code of Conduct should be reviewed to ensure it remains appropriate. Consideration should be given to the management and monitoring of conflicts of interests, including:</p> <ul style="list-style-type: none"> - conflicts such as staff having access to amending systems/ accounts of family and friends - process for linking declared interests to checks within the finance system e.g. raising creditors - employment of spouses where a conflict of interest may arise
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<p>SPE1: Staff are unable to raise concerns in confidence</p>	<p>Satisfactory</p>	<p>SPE1- The council's current Whistleblowing Policy is available to staff, members and the public through the intranet and the council's website. Whistleblowing was raised as part of the Counter Fraud Unit introductory training to staff and this information should be provided to members as part of their introductory training after election. The Serious and Organised Crime Checklist Action Plan, presented to Audit Committee on 12 December 2018, notes the intention to review the policy and its effectiveness by June 2019.</p> <p>In respect of the current policy whistleblowing concerns raised by staff should be directed to the Head of Human Resources – this is no longer a post within the council - therefore clarity within the policy is required in respect of which member of staff within the current organisational structure such concerns should be addressed to. The HR department indicated that there were no reported whistleblowing cases in the last two years. Through confidential responses from a questionnaire on whistleblowing sent to a sample of staff it has been identified that:-</p> <ul style="list-style-type: none"> • Whistleblowing Issues raised by staff are not being reported to HR • There are still perceived barriers to raising issues such as reprisals, lack of confidence that concerns will be taken seriously and treated confidentially. • There is confusion over the types of issues that should be raised under the whistleblowing policy and the separate bullying/harassment policy. <p>These concerns should be addressed through awareness training and appropriate amendments to the policy itself (R9).</p> <p>In addition, it was noted that there is currently no formal reporting to senior management on the number of whistleblowing cases handled and it was agreed with the Head of Corporate Services that this information will be provided to senior management as part of the quarterly HR report.</p>	<p>SPE1: R9</p> <p><i><u>Recommendation priority: Medium</u></i> <i><u>Implementation date: September 2019</u></i> <i><u>Responsible Officer: Counter Fraud Unit</u></i></p> <p><u>Recommendation:</u> As part of the current review of the whistleblowing policy and its effectiveness, it is recommended that:-</p> <ul style="list-style-type: none"> - The policy is updated to reflect the current organisational structure - Awareness training should be provided for all staff and members in relation to the types of concerns that should be raised under whistleblowing and the bullying/harassment policy. In addition, the training should seek to provide assurance that perceived barriers to raising concerns will be dealt with. - Management training is provided in respect of the handling of potential whistleblowing issues including the reporting of these to HR
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EF1: Failure to safeguard public money, being susceptible for fraud and money laundering.	N/A	Financial risks will be covered by the CFU in the 2019/20 work plan.	
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Audit:
COMMUNITY INFRASTRUCTURE LEVY (CIL) AUDIT 2018-19

Introduction:

This audit is completed as part of the 2018/19 audit plan. The Community Infrastructure Levy (CIL) is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. The levy may be payable on development which creates net additional floor space, where the gross internal area of new build is 100 square metres or more. That limit does not apply to new houses or flats, and a charge can be levied on a single house or flat of any size. This audit will look to ensure that the framework for charging, monitoring, collecting and administering CIL is in place and fit for purpose, prior to first payments being taken.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Policy Compliance</p> <p>LPC1: Appropriate policies are not in place to support the management and receipt of CIL which could lead to potential challenge by developers.</p>	<p>Limited</p>	<p>Relevant policies are in place that lay out how CIL will be calculated, instalment arrangements, and procedures for requesting a review/appeal. The policies are quite high level and not particularly user friendly, based primarily on the Regulations; further clarity is required within the Regulation 123 list (see R5 below).</p> <p>A Note of Governance has been drafted, although this is yet to be agreed by all 3 partner authorities (Tewkesbury Borough Council, Cheltenham Borough Council and Gloucester City Council). The document should lay out the processes for collection and administration of the CIL income. The proposed governance states that Tewkesbury Borough Council is the recommended administrator of CIL, which has implications on the council's resources which will need to be considered at the time of any decision on that matter. Before the governance can be agreed, the proposal must be first taken to a meeting of the Joint Advisory Group which was scheduled to meet in January 2019 but has been rearranged for the end of</p>	<p>LPC1: R1 <u>Recommendation priority:</u> High</p> <p><u>Implementation date:</u> September 2019</p> <p><u>Responsible Officer:</u> Head of Development Services</p> <p><u>Recommendation Details:</u> Governance of CIL administration and spending of CIL income should be agreed as a matter of urgency.</p>

		<p>March. The proposal is then intended to be taken to steering groups arranged at each council, and finally to cabinet/committees for adoption. This may take some time, especially with the Borough elections happening in May. Considering that CIL is “live” and the first Demand Notice for CIL income was issued on 18/02/2019, it is important that the methods for managing this income is agreed as a matter of urgency (see R1).</p>	
<p>Operational</p> <p>O1: The council does not have a system for the effective charging, collection and monitoring of CIL developments meaning there is the potential that CIL monies will not be promptly and accurately collected.</p> <p>O2: Staff are not trained to process CIL accurately and therefore not all CIL monies are identified and collected.</p>	<p>Limited</p>	<p>O1: A review of the system for processing, managing and monitoring CIL eligible applications was completed and found that the system is fit for purpose. The system is able to record relevant information, is auditable and generates a number of automatic stages in line with the regulations. The parameters of the charging schedule and the instalments policy have been accurately uploaded.</p> <p>However, several issues were found during testing as follows:</p> <ul style="list-style-type: none"> • Final payment for the system was goods receipted and paid prior to the CIL Managers sign off. Whilst it is recognised that this is low risk as the system is now functional and in place, it may be that this is a gap in the wider process of goods receipting and paying invoices within the department; a recommendation has been made to review the process to ensure this does not happen in future (R4). • Payment for the Council’s Exacom system was allocated to the JCS budget, however this should be allocated against the reserve already in place for this expenditure; this has been raised and addressed during the course of the audit. • Lack of consultation between departments with key interests. • Routine operational procedures for the collection, accounting and administering of CIL is yet to be discussed between departments and agreed upon. This includes; payment methods, how income will be accounted, roles in the processing, reporting procedures for monitoring income, the reconciliation process between income received and income due, the procedure for reporting what income has been spent 	<p>O1: R2 <u>Recommendation priority:</u> High</p> <p><u>Implementation date:</u> September 2019</p> <p><u>Responsible Officer:</u> Head of Development Services</p> <p><u>Recommendation Details:</u> A CIL Working Group should be established to discuss the operational practices. This should include consideration to both instances (if the Council becomes the administering authority or if the council’s operate separately). Procedures for consideration may include:</p> <ul style="list-style-type: none"> - Monitoring processes and reconciliation process - Challenge and escalation process for non-payment/incorrect payment from partners - Reporting processes - Invoicing processes

		<p>on what project.</p> <ul style="list-style-type: none"> The first Demand Notice for payment was issued on 18/02/2019, and whilst this is for £0.00 (due to a relief being applied) it highlights the fact that the Council could be collecting CIL income before the governance and procedures have been agreed. <p>As a result of the above findings a CIL working group has been established to identify the fundamental operational processes, required to administer CIL (R2). The CIL working group should consider the operational procedures for managing the service both in respect of the proposed governance note being agreed, and in the event that it is not.</p> <p>If the governance concept is agreed and the Council become the administering authority for all 3 partner authorities, processes for the following need to be identified and agreed; invoicing procedures for partner authorities, monitoring and reporting procedures for receipt of income from partner authority, the reimbursement of partner authorities set up costs, challenge and escalation procedures in the event of failed/incorrect payments, consultation processes with parishes and the proposed JCS and County Committee, and the process for overcoming a stalemate when the 4 voting parties of the JCS Committee cannot agree on CIL expenditure. This list is not exhaustive but highlights some of the main risk areas to discuss in the group.</p> <p>The process for administering CIL if the governance proposal is not agreed is more straight forward, however consideration should still be given to; monitoring and reconciliation processes between income received and income due, reporting procedures for tracking CIL income against CIL expenditure and consultation processes with Parish councils. Again this list is not exhaustive.</p>	<ul style="list-style-type: none"> - Format of the annual report - Decision for allocating CIL spending - Consultation processes with parishes to ensure the neighbourhood proportion is not spent on the same infrastructure as Section 106 projects - Contingency of staffing and ongoing training needs <p>Once the procedures have been established, these should be agreed formally with the other partners and a Memorandum of Understanding or written agreement should be obtained.</p> <p>The CIL Working Group may also be the appropriate platform to review the Regulation 123 List (see R5 below).</p> <p>O1: R3 <u>Recommendation priority:</u> Medium <u>Implementation date:</u> September 2019 <u>Responsible Officer:</u> Head of Development Services</p>
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		<p>It was identified that the expected costs for the set up and administration of CIL in the first year for all partner authorities (Tewkesbury Borough Council, Cheltenham Borough Council and Gloucester City Council) is approximately £211,492.73 and estimates of administration costs alone for year 2 and 3 of £118,795.00 and £120,684.00; a total of £450,971.73 for 3 years. This is almost £82,000 additional costs to that reported to Council at the time of approval in October 2018, and does not include any legal fees or consultations that may arise throughout years 2 and 3 of operation.</p> <p>These costs are due to be recovered through the 5% administration costs that can legally be retained from CIL income, but in order to fully recover this amount, £9,019,434.60 of CIL income will need to be collected. It is recommended that an exercise should be completed to identify potential income in any applications that may be in progress, to provide some assurance that the recovery of costs is still feasible (R3).</p> <p>O2: There is reasonable assurance that staff involved with the system have received relevant training. This is limited to a small number of staff and a contingency should be identified if the CIL Managers 12 month contract is not continued (included as an action point in R2). Consideration should be given to the resilience of the operation of CIL in the absence of the CIL Manager. In line with recommendation 3, the expected workload of the CIL team should be identified for the coming year to confirm whether the current resources are sufficient to operate the service. It is important that responsibility across departments is made clear and set out in the working group.</p>	<p><u>Recommendation Details:</u> An exercise should be completed to identify potential income in any applications that may be in progress, to provide some assurance that the recovery of costs is still feasible.</p> <p>O1: R4 <u>Recommendation priority:</u> Low</p> <p><u>Implementation date:</u> September 2019</p> <p><u>Responsible Officer:</u> Head of Development Services</p> <p><u>Recommendation Details:</u> The process for goods receipting of CIL invoices should be reviewed to ensure that this is a one off and not a wider gap in the procedures.</p>
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<p>Social, Political and Ethical</p> <p>SPE1: the council's reputation is damaged due to funding being spent on inappropriate infrastructure.</p>	<p>Satisfactory</p>	<p>The Council's Regulation 123 list (the List) should clearly define where funding for particular projects will be sourced, whether this is through Section 106 monies or CIL income. The List should provide transparency and reassure the public/developers that infrastructure is not being funded by both funding streams, and "double dipping" which is prohibited within the CIL Regulations. The List was reviewed and was found to be based primarily on the legislation and is not user friendly; the List is open for interpretation, meaning that Developers could contest the amount of S106 monies paid on the basis that their CIL contributions have been used to fund the infrastructure.</p> <p>A desk top exercise was completed and reviewed a number of other Local Authorities Regulation 123 Lists and found that they were much more prescriptive in the projects to be funded by each income route. The Ministry of Housing, Communities and Local Government held a consultation on proposed amendments to the CIL regulations between 20/12/2018 and 31/01/2019, in which it was proposed that the Regulation 123 list should be abolished. This may still take time to come into full effect, so whilst the Regulation 123 list remains in place and considering the potential future where this is no longer required, a recommendation has been made to establish the methods for recording CIL income against CIL expenditure; this will ensure that the council can clearly demonstrate income from each CIL liable property and its distribution to specific infrastructure projects. This may be a project for the recommended CIL working group.</p>	<p>SPE1: R5 <u>Recommendation priority:</u> Medium <u>Implementation date:</u> September 2019 <u>Responsible Officer:</u> Head of Development Services</p> <p><u>Recommendation Details:</u> The method for recording CIL income and allocation to specific infrastructure projects should be identified and agreed, to ensure that the council can clearly demonstrate CIL monies from income to infrastructure.</p>
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<p>Economic and Financial</p> <p>EF1: Loss of income/income not collected promptly</p> <p>EF2: the charges have been set too high to make developments liable and therefore limits growth</p>	<p>Good</p>	<p>EF1: According to testing above, a system for the administration of CIL eligible applications is in place and fit for purpose. The system allows CIL eligibility to be calculated, and templates for each stage within the CIL process to be automatically generated on receipt of relevant information as the applications progress. However, the systems interface with the Council's financial system (Civica) is yet to be operational. The procedures for the collection, management and dissemination of income are also yet to be agreed. Both these points should be covered within the CIL Working Group as recommended above (R2).</p> <p>EF2: A review of the Examiners report confirmed that the proposals were financially viable, and noted that "although the expected CIL receipts are modest in comparison to the overall sizeable funding gap, they would nonetheless make an appreciable contribution towards infrastructure. I am satisfied that the figures are based on sound sources of evidence and that the introduction of a CIL regime is justified."</p> <p>It was also commented "The evidence suggests that most residential and older persons development will broadly remain viable across the JCS area if the proposed charges are applied". The charges as outlined and agreed within the Examiners report were found to have been accurate to that in the Council's charging schedule.</p>	
<p>Technology</p> <p>T1: the system used for recording CIL liable developments is not appropriate and is not compliant with GDPR.</p>	<p>Good</p>	<p>The contract between the council and the supplier (Idox) is comprehensive regarding the responsibilities regarding data protection. A review of the council's website found no reference in the privacy notice or retention schedule regarding the collection of personal information; a GDPR Privacy Notice audit is in progress and will pick up this issue, and an agreed action has been arranged to update the retention schedule.</p>	

Audit:
GENERAL DATA PROTECTION REGULATIONS AUDIT 2018-19

Introduction:

The General Data Protection Regulation (GDPR) became effective on 25 May 2018 and sets out requirements for how organisations must handle personal data. The council handles and stores significant amounts of personal data as part of its routine service to its customers. Failure to comply with this legislation, and consequently handle and dispose of personal data appropriately, could lead to significant financial and reputational costs for the council. This audit is undertaken as part of the 2018/19 audit plan and will focus specifically on the requirement for the publication of privacy notices. A privacy notice is a statement that discloses the ways in which the council gathers, uses and manages its customer's data and fulfils a legal requirement to protect customer's privacy under the GDPR.

Risk identified:	Level of Control:	Overall opinion:	Recommendations:
<p>Legislative and Policy Compliance</p> <p>LPC1: Failure to comply with the General Data Protection Regulation.</p>	<p>Limited</p>	<p>Since the introduction of the Data Protection Act 2018, which incorporates the General Data Protection Regulations (GDPR), there has been significant work towards achieving compliance. This includes the publication of privacy notices on the council's website. A review of these notices identified that there are some aspects of the council's services that are not currently covered by a privacy notice; for example, procurement, safeguarding, online forms etc. By not having appropriate privacy notices in place, the council is at risk of being in breach of the legislation. This therefore poses a risk of a potential fine and/or enforcement action along with the associated reputational impact. It is therefore recommended that privacy notices be published for all relevant services and activities; progress towards their completion and any issues should be escalated to the GDPR Information Group [R1].</p> <p>A further quality assurance check on a sample of privacy notices concluded that a 'lawful basis for processing' is not currently specified within the notices. There is a mandatory requirement to provide data subjects with this information under GDPR. Potential gaps were also identified in the information published in terms of the purpose of processing and the sharing of data. It is therefore recommended that a review of the council's existing privacy notices is undertaken to ensure they are inclusive of all mandatory information. Moving forward, a</p>	<p><u>LPC1- R1</u> <u>Recommendation priority: High</u> <u>Implementation date: December 2019</u> <u>Responsible Officer: Business Administration Manager in conjunction with Operational Managers</u></p> <p>All aspects of the council's services should be covered by an appropriate privacy notice:</p> <ul style="list-style-type: none"> - Where gaps have been identified these should be included within an action plan and progress against their completion and/or any issues escalated to the GDPR Information Group. - A review of the council's existing privacy notices should be undertaken to ensure they are inclusive of 'the lawful basis for processing' and list all processing activities and

		<p>review should be carried out on an annual basis by the relevant Information Asset Owner to ensure that any new activities or processes are captured in the privacy notices [R1].</p> <p>Under the GDPR the council has a duty to ensure that privacy information is made available as part of any data collection process at the time the personal data is obtained. This therefore encompasses any paper based communication methods i.e. application forms. 3 out of 4 documents reviewed during the audit did not have this privacy information included i.e. a link to the privacy webpage. A review of documentation should therefore be undertaken to ensure that where this involves the processing of personal data, the relevant privacy information is published [R2].</p> <p>The council is also required to provide data subjects with the name and contact details of the supervisory authority to whom they can make a complaint in respect of privacy information. In the council's case this will be the Information Commissioners Office (ICO). This information was not published at the time of the audit and it is therefore recommended that this be made available on the data protection summary webpage [R3].</p> <p>Responsibility for compliance with data protection legislation is clear within the authority. An up to date Data Protection Policy is in place and with regard to privacy notices, this makes clear reference to Information Asset Owners (i.e. Operational Managers) having responsibility for ensuring that these are complete and up to date. The policy itself is monitored by the Data Protection Officer and reviewed by the Senior Information Risk Owner (SIRO). This audit will contribute towards the SIRO's review in determining whether specific elements of the policy are being adhered to.</p>	<p>organisations with whom the data is shared.</p> <ul style="list-style-type: none"> - Consideration must be given to where there is a right to withdraw consent requirement. <p>Moving forward, all privacy notices should be subject to an annual review.</p> <p><u>LPC1- R2</u> <i><u>Recommendation priority: High</u></i> <i><u>Implementation date: December 2019</u></i> <i><u>Responsible Officer: Business Administration Manager in conjunction with Operational Managers</u></i></p> <p>A review of documentation should be undertaken to ensure that where this involves the processing of personal data the relevant privacy information is published.</p> <p><u>LPC1- R3</u> <i><u>Recommendation priority: High</u></i> <i><u>Implementation date: September 2019</u></i> <i><u>Responsible Officer: Business Administration Manager</u></i></p> <p>Details of the data subjects 'right to lodge a complaint with a supervisory authority' (i.e. the ICO), should be published on the council's data protection summary web page.</p>
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CORPORATE IMPROVEMENT WORK

Business Continuity

The corporate business continuity plan has been a draft for some time and corporate improvement days were allocated to review the robustness of the plan including priority functions, contact details and make contextual alterations. The plan is now due to go to management team for finalisation.

Pool Car Scheme

The objective of this corporate project is to introduce a fleet of low emission/hybrid pool cars, for use by employees undertaking customer visits in preference to the use of their own vehicles as a means to reduce costs associated with mileage and encourage better organisation of customer visits. Internal audit have contributed significantly as part of the project team, predominantly through the development of a project risk register and how identified risks can be managed. An ongoing element of the work is to continue to attend the pool car working group meetings and to present the positive management of risk at staff briefing sessions.

Homeless Waiver

An outstanding audit recommendation related to the procurement of a storage service in discharging the council's duty to safeguard homeless individual's belongings. Earlier corporate improvement work by internal audit had involved the drafting of a service specification. As an outcome of discussions concerning the specification it was identified that there were aspects of the storage service which were specialised, such as disposing of items including perishable goods during the collection service; and disposing of items (including fridges, freezers etc) not collected from storage. As a result, internal audit have drafted a waiver for signing.

Recommendations Rating

Priority:	Definition:
1	High A fundamental weakness in the system that puts the Authority at risk. This might include non-compliance with legislation or council policy, or may result in major risk of loss or damage to council assets, information or reputation. Requires action as a matter of urgency; to be addressed within a 3-6 month timeframe wherever possible or within an extended time frame as agreed with Internal Audit if the recommendation requires extensive resources or time.
2	Medium Observations refer mainly to issues that have an important effect on the system of internal control but do not require immediate action. Legislation or policy are unlikely to be breached as a consequence of these issues, although could cause limited loss of assets, information or adverse publicity or embarrassment. Internal audit suggest improvement to system design to minimise risk and/or improve efficiency of service. To be resolved within a 6-9 month timescale.
3	Low Observations refer to issues that would if corrected, improve internal control in general and ensure good practice, but are not vital to the overall system of internal control. A desirable improvement to the system, to be introduced within a 9-12 month period.

Level of control

Level of control:	Definition:	Guidance:
Good	Significant assurance- There is a sound system of control, and the controls are being consistently applied. Limited scope for improving existing arrangements. Significant action unlikely to be required.	No audit recommendations or no more than 3 low priority (3) recommendations.
Satisfactory	Reasonable assurance- There is a sound system of control, and the controls are generally being consistently applied. However, there are some minor weaknesses in control, and/or evidence of non-compliance.	No more than 2 medium priority (2) recommendations, possibly with some low (3) recommendations.
Limited	Limited assurance- Lapses in the framework of control in a number of areas, and/or evidence of significant non-compliance.	Between 1 and 3 high priority (1) and possibly several other priority recommendations OR 3 or more medium (2) recommendations.
Unsatisfactory	Inadequate assurance- The system of control is weak, and/or there is evidence of significant non-compliance, which exposes the council to the risk of significant error or unauthorised activity.	4 or more Priority 1s OR 6 or more medium priority (2) recommendations.