

## Appendix A

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
Staff Car Parking - Business Passes  <b>PREVIOUSLY OVERDUE</b>	1.2.1 We recommend that the Assistant Director of Technical Services ensures: <ul style="list-style-type: none"> <li>Managers and staff business pass holders are reminded of the requirement to return parking passes if an officer leaves or transfers to a new role,</li> <li>A centralised record of returned passes is populated in a consistent manner to identify details of all passes that are required to be returned including the leaving/role change date or the date that the pass was destroyed to allow Parking Services to pursue unreturned passes as part of the solution under recommendation 1.1,</li> <li>Where the manager fails to obtain a staff business pass, where the officer is leaving or transferring the service should be charged for the cost of a season ticket for the pro rata amount remaining time left on the parking pass.</li> </ul>	3	31-Jan-21 Revised to 31-Dec-21 Revised to 27-Jun-22 Revised to 31-Mar-23 Revised to 31-Jan-24	The first step in moving to a virtual system has now been completed where it transpired the Enforcement Back Office needed to be cloud hosted to enable live updates of permits. This took several months and was a complicated piece of IT infrastructure work to move existing data to the new provider. The Service is now in the process of developing the specification for the virtual permits for all parking uses (Staff Season Tickets, Staff Business Permits, On Street Permits and Resident Permits) to minimise future costs and streamline delivery. This work has now started with the procurement team.	In progress	Parking Strategy and Processing Manager
Staff Car Parking - Business Passes  <b>PREVIOUSLY OVERDUE</b>	1.1 We recommend that the Assistant Director for Technical Services ensures that: <ul style="list-style-type: none"> <li>A solution is identified and implemented to provide a master list of active pass holders with appropriate reports to allow monitoring to be simplified,</li> <li>All existing pass holders are checked for general compliance with the Staff Car Parking Policy - Business Passes April 2019 annually.</li> </ul>	2	30-Apr-21 Revised to 31-Dec-21 Revised to 27-Jun-22 Revised to 31-Mar-23 Revised to 31-Jan-24	The first step in moving to a virtual system has now been completed where it transpired the Enforcement Back Office needed to be cloud hosted to enable live updates of permits. This took several months and was a complicated piece of IT infrastructure work to move existing data to the new provider. The Service is now in the process of developing the specification for the virtual permits for all parking uses (Staff Season Tickets, Staff Business Permits, On Street Permits and Resident Permits) to minimise future costs	In progress	Parking Strategy and Processing Manager

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Commercial Properties/Rents 2020/21  <b>PREVIOUSLY OVERDUE</b>	1.1 We recommend that all procedures and processes, along with escalation protocols, are documented to aid business continuity and these documents should then be made available to the team on a shared drive.	3	28-Feb-21 Revised to 31-May-21 Revised to 31-Mar-22 Revised to 31-Aug-22 Revised to 31-Dec-22 Revised to 31-Oct-23 Revised to 31-Mar-23	and streamline delivery. This work has now started with the procurement team.  The Commercial & Investment Portfolio Management Plan is being finalised. The wider CAP document has just ended consultation with wider colleagues and is being formatted. Once we have all constituent parts together it will go to CLT for approval.	In progress	Senior Estate Manager
s106 Agreement  <b>PREVIOUSLY OVERDUE</b>	Daily management and monitoring of the S106 agreements is undertaken through the population of a series of spreadsheets with the master spreadsheet being the key record. The master spreadsheet, contribution spreadsheet, expenditure(leaders) spreadsheets and the individual S106 agreements were examined during the audit. However, there are other spreadsheets populated such as Open Space and Legal monitoring worksheets which were not reviewed and provide more granular information on the specific category. The review identified inconsistencies between the spreadsheets and three of the ten S106 agreements examined as part of the audit. Examples of discrepancies are as follows: Ref 141278 <ul style="list-style-type: none"> <li>• Education gain - S106 agreement stated that the contribution was to be indexed but no indexed amount is shown on the master or the contribution spreadsheet.</li> <li>• Off Site Indoor Play - Master spreadsheet shows the gain type and the</li> </ul>	3	08-Feb-22 Revised to 01-Jun-22 Revised to 1-May-23 Revised to 1-Oct-23 Revised to 30-Apr-24	A capital business case was submitted on July 2023 for a replacement Civica software system to incorporate a section 106 monitoring element. This will be considered in due course with the capital programme being agreed in February 2024 with funding available from April 2024.	In progress	Planning Obligations Manager

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	<p>gain received amount of £5176, which did not match the amount spent. Ref 160613 A duplicate entry on the master spreadsheet with one set of entries shown as no activity had occurred and the other gain types for the same reference illustrated that the monies had been received. Ref 103302 On the S106 agreement all the gain types of offsite play/open space, education, libraries and transport are all shown to be indexed, yet no entry on the master spreadsheet has indexation recorded. Furthermore, there is no record of any funds received for any gain type for ref 103302, which is the superseded number for ref DCCE0009/0093/F. The earlier number was checked but no record could be found. Offsite play/open space gain type on the master spreadsheet is shown as £3,360 (exc. indexation), yet on the S106 agreement it shows £10,000 plus indexation. The Open site play/open space gain type of £10,000 is shown as spent on the Expenditure Spreadsheet between 1 April 2019 to 31 March 2020 but no record is shown on the Contribution spreadsheet of this gain type or any other being received apart for transport. It is accepted that managing and monitoring the S106 agreements through a series of spreadsheets, where each worksheet has to be manually updated errors may happen. Moreover, continually updating multiple spreadsheets is not an efficient use of time.</p>					

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	<p>In addition, in a discussion on financial record keeping on Open Spaces gain type the Planning Obligations Manager advised that details may be stored on CIVICA or a note is made on the master spreadsheet. In future she confirmed that the information will be held in one area only, therefore no recommendation is to be made.</p> <p>It was noticed that on the contribution spreadsheet the progress to spend column is not dated to identify the timeframe of the entry. Similarly, on the Expenditure (Leaders) spreadsheet there is no timeframe recorded for the governance sign off.</p>					
<p>Non Domestic Rates (NDR)</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>A total of five accounts were selected from the weekly NDR Valuation Office Agency (VOA) reports dated 26 January 2021 and 16 February 2021. Accounts were examined to check the accuracy of information held on Academy and the timeliness of notification to the Valuation Office (VO) of new or altered properties. The following was identified:</p> <p>Capturing of notes on the system</p> <ul style="list-style-type: none"> <li>• One of the five valuations billing notifications checked had incomplete notes captured within Academy. During the audit, the Team Leader stated the importance of system notes to record what has happened on an account, Timeliness of notifying VO</li> <li>• Two entries were processed in 1 day and reported to the VO.</li> <li>• One entry was processed in 4 days and reported to the VO.</li> <li>• One entry was processed and notified within 12 days.</li> <li>• One entry took in excess of 28 days to be processed and notified to the VOA.</li> </ul>	3	<p>31-Dec-21 Revised to 30-Sep-22 Revised to 31-Mar-23 Revised to 1-Sep-23 Revised to 31-Jan-24</p>	<p>We have started up the planning meetings again and continue to try and report the changes to the VOA within 7-10 days. New properties are reported within this time frame thanks to taking on more staff however where splits/mergers and general changes are required these are taking a little longer. As mentioned we have picked up the planning project again where timelines and streamlining will be discussed in order to get all changes reported within 7-10 days. IN addition, we have also recently had a meeting with the VOA in order to discuss best practices which will link into our processes</p>	In progress	Council Tax and Business Rates Manager

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	<p>At the close out meeting it was confirmed that a timeframe to notify the VO had been piloted as part of the Planning Project (which includes Building Control). However, because of the impact of COVID 19 it had been too early to assess if the timeframe was set at the correct level. This will be revisited as part of the project.</p>					
<p>Main Accounting (Follow-Up)</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>The Senior Team Leader (Transactional Team) agreed to train another officer within the Transactional Team to be able to complete the Council Tax/National Non Domestic Rates/Housing Benefit control accounts reconciliation. However, agree that we need to have someone in the Transactional Team who is also trained; this will be started in January 2020 and completed by April 2020</p>	3	<p>31-Dec-21 Revised to 30-Jun-22 Revised to 31-Dec-22 Revised to 31-Jul-23</p>	<p>This was completed end of January 2023. However, Transactional Team Leader left the company 06.04.2023. Training was started with another member of the team in January 2023 and this will continue and will be completed end of July 2023. Training is continuing with 2 members of the team to allow more flexibility and provide more cover.</p>	Complete	<p>Senior Team Leader (Transactional Team)</p>
<p>Adult Social Care - Provider Payments &amp; Client Contributions</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Provider invoices on hold Following the previous audit, the Transactional team reduced the invoices on hold (disputed invoices) relating to adult social care non-residential payments. However, because of the COVID pandemic and the additional resource pressures placed on the team the disputed invoices relating to adult social care have increased. The Senior Transactional Finance Team Leader has explained that temporary changes to processes because of the COVID 19 pandemic have resulted in further invoices being placed on hold. Therefore, the current list of invoices on hold may not be fully reflective of invoices where there is a dispute with the provider and instead are a result of the temporary processes put in place during the pandemic. A cleanse of the invoices on hold is needed, and where there is a dispute, this needs to be resolved with</p>	3	<p>31-Dec-21 Revised to 31-Aug-22 Revised to 31-Mar-23 Revised to 31-Jul-23</p>	<p>There is a revised process in place for managing the disputed invoice list, includes a list being sent monthly for review, regular contact with specific providers to resolve disputes and meetings with commissioning to discuss specific cases. It is an area that is being regularly reviewed and managed. Portal is not yet live and will require a change in procedure.</p>	Complete	<p>Senior Transactional Finance Team Leader</p>

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	<p>the provider to ensure the client contribution debt is raised correctly. The Senior Transactional Finance Team Leader acknowledged there is a risk that a client is overcharged as their invoice is raised before the provider invoice is resolved. However, she explained this is outweighed by the adverse impact caused by large, delayed client invoices being raised. Further investigation to be carried out relating to the reporting function of invoices on hold from the system and consideration of the implementation of the portal and the impact on the invoices on hold/queries from the providers. There is a risk that the Council has a backlog of invoices to pay to providers, as well as a financial impact on providers if they are not paid. However, the Senior Transactional Finance Team Leader is confident this accounts for a very small percentage of the invoices currently on hold. Improvements to reporting from the system would provide this oversight.</p>					
<p>Adult Social Care - Provider Payments &amp; Client Contributions</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Procedure documents – provider payments The Senior Transactional Finance Team Leader is in the process of reviewing and updating the procedure documents covering the payments to adult social care providers (non-residential) from the Abacus system. This needs to be completed with further consideration to be given to the procedure documents once the portal has been implemented. Financial and reputational impact to the Council is a risk if staff are not following procedures and are paying providers incorrectly.</p>	3	<p>31-Dec-21 Revised to 31-Jul-22 Revised to 31-Mar-23 Revised to 31-Jul-23 Revised to 31-Jul-24</p>	<p>Portal not implemented, due for further testing 16.10.23. Procedure documents are available for all areas of the social care payments procedure. Procedures and guidance will be updated with the implementation of the portal.</p>	In progress	Senior Transactional Finance Team Leader
<p>Adult Social Care - Provider Payments</p>	<p>Gap analysis Whilst gap analysis was completed following the first audit, significant changes to process have been</p>	3	<p>31-May-22 Revised to 31-Dec-22</p>	<p>Release 23.1 is now available. The Software provider intends to apply the upgrade on Monday 30th October subject</p>	In progress	Head of Prevention and Support

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& Client Contributions  <b>PREVIOUSLY OVERDUE</b>	<p>implemented since. With more changes planned with the implementation of the portal a further gap analysis would be beneficial. The Head of Prevention and Support had already identified this gap analysis exercise would be valuable as there are several complex processes involved which overlap several teams. The Welfare and Financial Assessment Team Manager highlighted that consideration should be given as to whether project management support would be useful due to the range of teams this end-to-end review covers. Procedure documents Alongside this gap analysis exercise a review of all procedure documents should be completed to ensure they are reflective of the new processes that have been implemented. In addition, the Council may wish to consider whether an internal audit could support the end-to-end review once the portal is implemented and embedded. This will include overlaps with the brokerage team, debtor's team and the transactional team and will require their involvement. However separate actions have been agreed regarding the update of the procedure documents covering the processes they are responsible for. The Council must ensure all roles and responsibilities are clearly reflected in</p>		Revised to 31-Jul-23 Revised to 31-Dec-23 Revised to 30-Apr-24	<p>to the outcome of user acceptance testing. In addition, the provider will work on Residential services over the next 3 months. In light of the above the planned gap analysis work cannot be started until 3 months post live implementation. An estimated target date of April 2024 is therefore provided.</p>		Welfare and Financial Assessment Team Manager
Adult Social Care - Provider Payments & Client Contributions  <b>PREVIOUSLY OVERDUE</b>	<p>Debtors Policy &amp; Procedure Documents It is recognised that the process for adult social care debt recovery including roles and responsibilities has been documented (flow diagram) however, the Debt Recovery Policy requires updating to include the new debt recovery process (for Adult Social Care) as agreed at the core Directorate Leadership Team</p>	3	31-May-22 Revised to 30-Sep-22 Revised to 31-Mar-23 Revised to 30-Jun-23 Revised to 31-Mar-24	<p>We are much closer to this piece work now being finalised with the creation of procedure notes for the main debt recovery process on Mosaic about to commence (we have needed to ensure the processes are in place fully prior to completing these). In addition the process for improved comms between Social Care and Revenues is being tested and nearing</p>	In progress	Revenues Manager

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	<p>Meeting. It has been agreed as part of the Accounts Receivable 2020/21 audit that the Debt Recovery Policy will be updated in November 2021. This action was agreed by the Head of Corporate Finance. Therefore, no further action required as part of this audit. Procedure documents within the Debtors team require updating (currently are basic Mosaic instructions) to reflect the new adult social care debt recovery processes. The Council must ensure all roles and responsibilities are clearly defined and reflected in documents/guidance. Referred to in more detail in 'other considerations' section.</p>			<p>a point whereby it can go live. A training power point has been provided by Mosaic systems themselves and final meetings are taking place between Social Care and Revenues this week to finalise particular queries that are being raised following staff interaction with the system. Once fully completed a full procedure note will be created to ensure the process is adhered to.</p>		
<p>Adult Social Care - Provider Payments &amp; Client Contributions</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Debt Recovery Resources need to be allocated to ensure debt recovery processes and specifically the Mosaic debt recovery workflow - red file case review process carried out by the Revenues Manager is completed. The Councils debt position has been impacted by the COVID 19 Pandemic, but consideration needs to be given as to whether additional resources would be beneficial with the aim of reducing the Council's adult social care aged debt figure. Current aged debt position for adult social care is £4.2 million (Aged debt report from Finance Manager). Supressed Invoices The Revenues Manager has identified there is a backlog of historic invoices with complaint codes e.g., supressed debts. Resources need to be allocated to clear the suppressed invoices and pursue active debt recovery. The Revenues Manager explained that where there are multiple invoices for one account the team will only put one complaint code on one invoice rather than a complaint code on each invoice. This reduces the number of</p>	<p>3</p>	<p>31-May-22 Revised to 30-Sep-22 Revised to 31-Mar-23 Revised to 30-Jun-23</p>	<p>All social care invoices (care home, home care and telecare) have been updated with status codes. A report can easily be run to show what stage cases are at (to include referrals to court of protection, awaiting write of authorisation, awaiting court process and so on). All diary dates are now being input in a different field to allow for the input of status codes. Staff are aware of the requirement to add status codes and have been provided with the relevant list of codes to be used.</p>	<p>Complete</p>	<p>Revenues Manager</p>



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	<p>diary dates for the teams to manage. The current system does not allow for a customer account to be placed on hold. Officers are trained to look at the whole account when reviewing/chasing. However, this means that the Council are not able to easily identify what level of debt is currently suppressed.</p>					
<p>Adult Social Care - Provider Payments &amp; Client Contributions</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Adult Social Care Aged Debt - Reporting There are two different ways adult social care debt can be reported, the Finance Manager (Adults and Communities) uses the charging codes to summarise the debt whereas the Revenues Manager has highlighted her report summarises the debt per cost centre. Whilst some of the difference between these reports will be timing there is a risk that the Council may have different information when reviewing adult social care debt. The Council needs to ensure there is a consistent method of reporting that captures all outstanding adult social care debt. Mosaic Debt Recovery Workflow – Reporting There is no known way of reporting those cases in the debt recovery workflow in mosaic i.e., number of cases and value of these cases. In addition to this the new Mosaic debt recovery workflow would benefit from being modified to allow cases to be distinguished by a status for example: reviewed – court action, reviewed – write off and waiting for review. This would give the Council further insight when monitoring and reporting on debt. Link from Business World to Mosaic There does not appear to be a clear method to identify in Business World those cases that have transferred to the Mosaic debt recovery workflow as they are just</p>	3	<p>31-May-22 Revised to 30-Sep-22 Revised to 31-Mar-23 Revised to 30-Jun-23</p>	<p>Cost code reports are emailed to the Treasury at the end of each month and Finance has a bespoke report that is run for them created by Business World. In regards to status' this is now complete and social care invoices will have relevant status' applied to the account where appropriate.</p>	Complete	Revenues Manager

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	<p>marked with the common complaint codes (diary dates) used. The Revenues Manager needs to consider how these cases can be cross referenced to allow for accurate reporting. It is however recognised officers record notes on Business World for example if an officer opened a diary date notes would identify it is a case that is being progressed through the Mosaic Debt Monitoring process. Update of coding within Business World Some adult care cases are identified using historic codes CCV and SCV, for consistency it would be beneficial to update these to the relevant new codes used Fairer Charging (FCH) and Care Home Market (CHM) this will assist with debt reporting.</p>					
<p>Development Regeneration Programme</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>At the start of the Overarching Agreement Development and Regeneration Programme (DRP) in June 2018 a governance structure was put in place. At the highest internal level there was the Economic Development Programme Board, where concerns would be escalated from the Development Regeneration Partnership Programme Boards for both Keepmoat Homes Ltd and Engie.</p> <p>Communications in more recent times appear to have faltered with Keepmoat Homes Ltd. The last agenda and minutes for the DRP Programme Board: HC and Keepmoat is dated 3 March 2020 with no evidence of formalised communication beyond this point through this body.</p> <p>The Keepmoat attendance and meeting spreadsheet for 2020 shows that meetings were scheduled to take place on 25 June 2020 and 15 October 2020, but no records were available on the shared</p>	3	31-Oct-22 Revised to summer 2023	<p>Economic Plan finalised in January and Economy and Place Board being recruited. Local Plan, Hereford Masterplan being amended to reflect new administration priorities prior to consultation. Investment strategy being developed. Until these areas of work are completed, it is not possible to determine any priorities to be taken forward through the DRP.</p>	In progress	Corporate Director Economy and Environment

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	<p>drive to show they proceeded. Under the DRP Project Group- Keepmoat electronic folder notes and actions dated 4 November 2020 it is recorded that the Bromyard Depot and Holme Lacy site were discussed. There appeared to be a partnership relationship between Herefordshire Council and Keepmoat Homes Ltd up until November 2020. It is unclear if there was further engagement beyond this date.</p> <p>Both the Chair of the programme board and the original Senior Responsible Officer at Herefordshire Council for Keepmoat Homes Ltd, are no longer at the organisation to enquire what happened. This finding would suggest that Herefordshire Council may have failed to maintain even limited ongoing communications with Keepmoat Homes Ltd, unlike the continued relationship with the other partner Engie.</p> <p>At the DRP Programme Board: HC &amp; Engie on 1 September 2021 the interim Director for Economy &amp; Place stated that Hereford Council is developing the Hereford City Masterplan and Herefordshire Big Plan for the next 30 years. Therefore, it is likely to be 12 months before Herefordshire Council is in a position to consider any project activity with Equans (previously Engie). Internal Audit is unaware if as a courtesy this information was communicated to Keepmoat.</p> <p>The Council should consider future communications within the DRP partners to allow a good working relationship to be maintained.</p>					
Oral Health Needs Assessment (OHNA)	Explore the feasibility of undertaking a health equity audit of access to dental services in Herefordshire, specifically	3	30-Sep-22	This has been carefully considered and is not a priority at the moment since significant issues are already known	Deferred	Consultant in Public Health

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<b>PREVIOUSLY OVERDUE</b>	related to 'at-risk groups' (e.g. Looked after children, vulnerable older adults, people who are homeless or refugees, those with a learning disability).			through the data. These are being resolved through commissioning by NHSE and are updated at the Children's Improvement Board meetings.		
Oral Health Needs Assessment (OHNA)  <b>PREVIOUSLY OVERDUE</b>	Seek opportunities to influence the common risk factors and wider determinants for poor oral health, obesity and other key public health issues i.e. smoking, high-risk drinking. For example through encouraging public service settings to be 'health promoting' and influencing local relevant planning decisions.	3	31-Mar-23 Revised to 31-Mar-24	A workshop has been arranged between Health and Planning teams facilitated by Office for Health Improvement and Disparities (OHID) to commence work around health impact assessments.	In progress	Consultant in Public Health
Main Accounting  <b>PREVIOUSLY OVERDUE</b>	Eleven set of procedures covering key processes were assessed. All were clear, contained adequate detail, with staff aware of their existence and easily accessible on the shared drive. However, ten of the eleven procedures sampled required improvements in document management to align to the Policy Writing Procedures 2020. The key omissions identified are: • Name of document • Summary outlining the purpose • Author (job title) • Owner of the procedure • Approved person and date • Published date • Review date • Ref for version control	3	31-Jul-22 Revised to 31-Mar-23 Revised to 31-Dec-23	Has not been a priority due to increased work pressure from children's services	In progress	Senior Team Leader (Transactional Team)
Pool Cars  <b>PREVIOUSLY OVERDUE</b>	There is insufficient data available at present to accurately gauge whether there is a need to retain all current pool cars, although it is clear from reviewing the booking records that are available that there are periods of time when some cars are not in use. The Service should initially look to encourage use of pool cars across the Council over the coming months and follow this with a review of usage six months after this has taken place, in order to ascertain whether current fleet numbers can be justified or	3	31-Dec-22 Revised to 31-Dec-23	New online pool car booking and automatic recharge system launched in Dec 2022 with accompanying supporting videos, guidance documents etc. to encourage use – including updates in Chief Executive's newsletter. Analysis delayed to enable a full 2022/23 usage analysis. This will now be included in a wider staff business travel/pool use and corporate fleet review that will be presented to DLT in December 2023.	In progress	Sustainability and Climate Change Officer

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	whether some pool cars can be relinquished. This review should also take into account the two pool cars currently loaned to Wye Valley Trust (WVT) should they no longer wish to retain them past the current loan end date of 31st March 2022.					
Pool Cars  <b>PREVIOUSLY OVERDUE</b>	There have been no cost increases over the last six years for the administration of the pool car scheme. Although some analysis was recently carried out on the cost, that would not have been based on accurate and up to date records, as we have identified some vehicle mileage sheets and bookings that have not been recharged. It would therefore be beneficial to carry out further analysis on the cost of the scheme once there is enough accurate data to base this on, i.e., at least six months after the upgrades to the booking system have been made. A costing review also encompasses a review of fuel purchases, made using the fuel cards attached to the car key. However, fuel use is not monitored on an ongoing basis. Consideration should be given to this task, so that fuel usage can be monitored against mileage to ensure that it is reasonable. A review of fuel costs is outside the scope of this audit.	3	31-Dec-22 Revised to 31-Dec-23	Analysis delayed to enable a full 2022/23 usage analysis. This will now be included in a wider staff business travel/pool use and corporate fleet review that will be presented to DLT in December 2023.	In progress	Sustainability and Climate Change Officer
Green Homes Grant  <b>PREVIOUSLY OVERDUE</b>	The unspent Green Homes Grant funding should have been returned to BEIS in October 2021. As at the 23rd of March 2022, the unspent funding has not been repaid. The final expenditure figure is not yet finalised, as the final invoice from the contractor (Everwarm) is in dispute. Arrangements to repay the majority of the unspent grant funding need to be finalised immediately, with funding returned to BEIS. Audit Services has also	2	30-Apr-22 Revised to 30-Nov-22 Revised to 30-Sep-23 Revised to 31-Dec-23	Awaiting confirmation from Central Government that no further funding will need to be repaid.	In progress	Senior Project Manager

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	<p>been informed that there will be a further adjustment to the final invoice in respect of pre EPCs that have been charged for where the grant applications did not proceed. A further adjustment will also be required for the Council's administration costs, as a maximum 15% can be retained by the Council for this. We would recommend that additional legal advice is sought to ascertain the legal position should the Council decide to return all remaining funds to BEIS, hence leaving no funds available to pay Everwarm and refusing any future requests for payment. There is a risk that BEIS will demand full payment.</p>					
<p>Customer Services <i>FUTURE</i></p>	<p>Customer Services could explore further opportunities to capture management information, which may be relevant and inform the Customer Service Strategy.</p>	3	31-Dec-23	<p>The new account and CRM will provide improved management data especially around channel shift. Data we currently collate has been shared with the contractors undertaking the Digital and Customer Strategy.</p>	Complete	Service Director Communities
<p>Customer Services <i>PREVIOUSLY OVERDUE</i></p>	<p>The audit reviewed the customer service processes in place once calls were transferred from Blueschool House to other service areas. To identify telephone calls transferred from Blueschool House to service areas was a manual exercise completed by CSO between 28 January and 4 February 2022. This is seen as a current system weakness that call transferred routes could not be easily identified. Internal audit selected four areas with a higher level of traffic as follows: • Highways • Planning • Environmental Health and Trading standards (EHTS) • Council Tax (CT) /NDR Owing to the nature of the operations within the service areas there may be no correlation between their Customer Service Standards and that of</p>	3	31-Dec-22 Revised to 31-Dec-23	<p>The council is developing a Customer Services and Digital Strategy; which will include aligned customer services standards, as part of the wider Thrive transformation work.</p>	In progress	Service Director Communities

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	<p>Herefordshire Council web information on Customer Standards. This could cause public confusion and possible reputational damage to the Council for providing inaccurate web information where people are communicating with service areas. There needs to be clarity on the definition of what constitutes a customer service enquiry, which is expected to comply with the Herefordshire Council Customer Service standards. Revenue &amp; Benefits service standard for mailbox enquiries is fourteen working days to respond, whereas the Herefordshire Council Customer Service Standard is ten working days. The Acting Council Tax and Business Rates Manager confirmed that the discrepancy needs to be looked at to determine if the internal service standard needs to be aligned to the Council.</p>					
<p>Significant Partnerships</p> <p><i>DUE IN PERIOD</i></p>	<p>The Corporate Leadership Team (CLT) will be presented with the self-assessments at the level of completion at the deadline, along with the draft Annual Governance Statement. This will enable CLT to understand the quality of the self-assessments, address any inadequacies and consider any risk in relations to the operation of significant partnerships. Once considered acceptable by CLT (as one of the lines of defence of assurance) presented to Adult and Governance Committee as a further line of defence to consider risk and mitigations – including link officers and directors attending committee to answer gaps in controls. Consideration should be given to the role of co-ordinating and facilitating the completion of the self-assessments with the departure of the Service Director</p>	2	30-Apr-23	<p>The council identifies and defines its significant partners as those where contractual and governance arrangements exist and the council's role and obligations are agreed via legal contracts. Governance over partnership activity is provided by representation on relevant bodies and performance of partners is monitored through the council's contract management arrangements. This activity is considered to be an effective method of governance which provides assurance of the effectiveness of the council's activity with significant partners and partnership self-assessment forms will no longer be used. Governance arrangements are considered as part of the Director Assurance Statements which inform the council's Annual Governance Statement which is subject to external audit.</p>	Complete	Deputy 151 Officer

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	Corporate Service who took a hands on approach, operationally and strategically.					
Public Health Grant Process  <b>PREVIOUSLY OVERDUE</b>	<p>Each Public Health initiative or scheme falls within a Service area which has a budget holder/budget manager. However, the monitoring process for use of Public Health Funds and any re-badged or Reserve Funding re-invested is not formalised.</p> <p>Further discussions with key staff involved in the review confirmed that any re-badged or re-invested funding has been seen as more of an accounting adjustment historically and has not been undertaken in conjunction with the relevant Director. In addition, open dialogue with how this funding is utilised does not normally take place unless initiated by Finance.</p> <p>This may result in uncertainty of roles &amp; responsibilities, inconsistencies in processes applied and a lack of management oversight as to how funds and reserves funds are being utilised and compliance with grant conditions.</p>	2	31-Mar-23 Revised to 30-Sep-23 Revised to 31-Dec-23	Provisional mapping of public health spend across the council is now complete. Further work being undertaken to align spend to public health outcomes.	In progress	Director of Public Health
Public Health Grant Process  <b>PREVIOUSLY OVERDUE</b>	<p>Whilst it is acknowledged that the Council has a Health and Wellbeing Board for which the Director of Public Health attends as one of the lead officers and member, there is no formal reporting mechanism or process, such as an internal Public Health Board in place to discuss and scrutinise how Service Directors are spending the grant monies received. The absence of any formal reporting processes and mechanism has resulted in:-</p> <ul style="list-style-type: none"> <li>➤ no evidence and narrative produced to evidence how Public Health re-badged monies across the Council complies with the Funding Terms &amp; Conditions. It is</li> </ul>	2	31-Mar-23 Revised to 30-Sep-23 Revised to 31-Dec-23	Provisional mapping of public health spend across the council is complete. Work is now underway to develop service level agreements with those areas in receipt of public health funding	In progress	Director of Public Health / s151 Officer



Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	<p>acknowledged that some of the re-badged funding activities and outcomes are mandatory.</p> <ul style="list-style-type: none"> <li>➤ no KPIs having been set up for those Public Health activities delivered internally by other Services and for re-badged monies that have been re-allocated from reserves. (Key Performance Indicators (KPIs) are only attached to the Public Health commissioned contracts that are managed by the Public Health Service.)</li> <li>➤ the performance of each of the commissioned/contracted services not being summarised and reported on through a dashboard over recent times. This has occurred due to the Covid 19 pandemic and the standing down of many national data set requirements. While some performance monitoring and data collection has continued, this has not been reported.</li> </ul> <p>The current arrangements may result in missed opportunities for Management to proactively manage, monitor, scrutinise and challenge the delivery of the Public Health budget. Further discussions with the Director of Public Health confirmed that a Public Health Board could be considered in the future. Initial discussions have taken place regarding such arrangements, and other considerations are being explored.</p> <p>The move of Public Health to the existing Communities and Wellbeing Directorate provides a further opportunity to utilise existing meetings to provide oversight of how the grant is spend, although the grant is not confined to this directorate.</p>					
Public Health Grant Process	Although there are robust contract management and performance	2	31-Mar-23 Revised to	Provisional mapping of public health spend across the council is complete.	In progress	Director of Public Health

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
<b>PREVIOUSLY OVERDUE</b>	<p>monitoring arrangements for those Public Health Services commissioned and contracted out, there is no oversight from Public Health or any other Services for several Services that are delivered and managed internally.</p> <p>As a result, it is not clear whether the funding and any re-badged or re-invested Funding is spent on Public Health linked schemes and eligible outcomes. In addition, the Council may be unable to demonstrate to Office for Health Improvement and Disparities (OHID) that the use of funding is compliant with the terms and conditions of the grant.</p> <p>A clear and concise written agreement between the Public Health Directorate and individual Service teams would be of benefit to ensure that these arrangements are formalised.</p>		<p>30-Sep-23 Revised to 31-Dec-23</p>	<p>Work is now underway to develop service level agreements with those areas in receipt of public health funding.</p>		
<p>Public Health Grant Process</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>The review confirmed that the total of the Public Health Reserves as of 31st March 2022 was Cumulatively £2.41M, dating back to 2012/13. The previous Director of Public Health had initially nominated values of the Reserves plan to projects, but this was not progressed.</p> <p>Therefore, historic reserve funds had not been sufficiently profiled and utilised to maximise the delivery of Public Health initiatives.</p> <p>It is acknowledged that Covid-19 significantly impacted the value, profiling, and utilisation of historic reserves. During this period, corporate Public Health activities and other front-line services had been diverted due to the pandemic, and therefore, 'business as usual' activities were temporarily halted at all levels. This also extended to partner agency and other stakeholders, such as GP practices</p>	2	<p>31-Mar-23 Revised to 30-Sep-23 Revised to 31-12-23</p>	<p>Reserves plan is in place and agreed with the Office for Health Improvement and Disparities.</p>	In progress	Director of Public Health

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	and Children Centres, which were closed because of the pandemic.					
Public Health Grant Process  <b>PREVIOUSLY OVERDUE</b>	Whilst it is acknowledged that the Public Health Grant Funding Grant Terms and Conditions provide details on the requirements and guidance on the reporting/governance arrangements, there is no formal reference to, or specific deadlines set for Local Authorities to submit the Year-End Statement of Assurance which requires the Chief Executive Officer / Section 151 Officer and the Director of Public Health's sign-off. In the absence of any formal reporting deadlines set by the relevant Governing Body, the Council may wish to consider establishing and setting their own internal reporting deadlines to submit this information. This will help ensure roles, responsibilities and timescales are defined and adhered to. This also promotes good working practices across different Service areas.	3	31-Mar-23 Revised to 30-Sep-23 Revised to 29-Feb-24	This will form part of the review of the Public Health Grant being undertaken.	In progress	s151 Officer / Senior Finance Business Partner
Public Health Grant Process  <b>DUE IN PERIOD</b>	There was no evidence provided of Service Plans documenting and demonstrating how re-badged or re-invested reserve funding is being used to meet Public Health outcomes or is compliant with the grant terms & conditions. Where appropriate, the Council should consider ensuring Service Plans document and demonstrate how re-badged monies are being used. This will help ensure compliance with the grant terms & conditions.	3	31-Jul-23 Revised to 30-Sep-23 Revised to 29-Feb-24	This will form part of the review of the Public Health Grant being undertaken.	In progress	Director of Public Health
Public Health Grant Process  <b>PREVIOUSLY OVERDUE</b>	The allocation of Public Health Grant investment fund (the allocation of the Public Health Ring Fenced Funding to other Council Services) has historically been a Finance process rather than being	3	31-Mar-23 Revised to 30-Sep-23 Revised to 29-Feb-24	This will form part of the review of the Public Health Grant being undertaken.	In progress	s151 Officer

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	<p>driven by the Public Health Team. The allocation of any reserves has been 'an accounting adjustment' rather than an informed decision-making process. Consideration should be given to identifying the Services that will be in receipt of PHG investment monies at the beginning of each financial year and/or at the earliest convenient opportunity.</p>					
<p>Public Health Grant Process</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>The Council's Finance Team maintains records on all streams of Public Health Funding. This extends to external grant funding which includes schemes such as the Adult Weight Management and Substance Misuse, along with reserves that have cumulatively built up over several years.</p> <p>However due to historic working processes, the allocation of the investment monies is not always shared or made available across all Service areas. This may affect the oversight and monitoring arrangements of how the grant is used.</p> <p>It is acknowledged that there are good working relationships and evidence of collaboration between the Public Health Directorate and key financial officers across many public health funded areas and activities has been noted. All key officers are keen to move away from the historic ways of working where appropriate and continue working in collaboration.</p>	3	<p>31-Mar-23 Revised to 30-Sep-23 Revised to 31-Dec-23</p>	<p>It is anticipated that this action will be resolved as part of the review of the grant currently being undertaken. This involves liaising with financial accountants across the council and subject matter experts.</p>	In progress	<p>Director of Public Health / Senior Finance Business Partner</p>
<p>Direct Payments</p> <p><b>DUE IN PERIOD</b></p>	<p>Identification of a Potential Fraud Risk within Adult Social Care All Herefordshire Council officers complete the annual mandatory fraud awareness e-learning training. Adult Social Care (ASC) Services social workers interviewed confirmed that fraud specific training for their area of</p>	3	<p>(a) 30-Apr-23 (b) 31-Mar-23 Revised to 30-Sep-23 Revised to 31-Mar-24</p>	<p>The Counter Fraud department has been unable to commence bespoke fraud awareness training within ASC to date, due to ongoing priorities in Fraud Risk Management and due to a number of projects within other service areas. This has included an influx of fraud referrals</p>	In progress	<p>Corporate Director, Community Wellbeing / Counter Fraud Manager</p>

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	<p>expertise could be beneficial to alert them to potential threats. The Counter Fraud Manager stated that in the future, a financial abuse toolkit will be developed, but currently other priorities take precedence. The Director: Community Wellbeing supports the delivery of fraud specific training for ASC officers. Four officers were asked if they were aware of Herefordshire Council's Counter Fraud Manager. The Service Director knew the name of the officer, the Senior Officer said they were aware that there would be one, and the two social workers were less certain. This response was despite the completion of the mandatory fraud awareness e-learning. A publication called 'Fighting Fraud and Corruption Locally- a Strategy for the 2020s' highlighted the need for alignment of the Council's fraud strategy to the safeguarding responsibilities. The Counter Fraud Manager was contacted and confirmed that there is not a common position between the corporate fraud strategy and the West Midlands Safeguarding Policy and Procedures used by the Safeguarding Team. In addition, the absence of the fraud risk on Council's risk registers was a surprising finding, particularly after the misappropriation of public funds exacerbated as a result of the pandemic. However, the Counter Fraud Manager confirmed that there have been mitigating circumstances that have delayed the integration of a fraud risk into all risk registers. Delays have been caused through staff movements within the Corporate Performance structure which has resulted in a delay in the department</p>			<p>that the Counter Fraud Manager has had to process and investigate. Bespoke Counter Fraud training in Social Care is on the annual fraud plan, and whilst this task is yet to be delivered, it is high on the agenda, but will now require a revised target date for completion. Senior management have been informed of the delay. With budget constraints on the Council, bringing additional resources to support is not possible. Therefore the Counter Fraud Manager is having to prioritise reactive investigations.</p> <p>Fraud risks are in the process of being entered onto service risk registers and should be reportable from September.</p>		

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	sourcing an adequate new risk management system.					
Direct Payments <i>DUE IN PERIOD</i>	Adult Social Care Internal Procedures No Adult Social Care (ASC) procedures were provided. A Locality Manager confirmed that ASC Strength Based Assessment procedures make no reference to suspected fraud or misuse of direct payment cards and the action to be taken if the event arises. The West Midlands Adult Safeguarding Policy & Procedures adhered to by the Safeguarding team make reference to fraud. The regional policy and procedures states the need to use this alongside a Local Authority's own guidance on fraud. The Service Director, Social Care Delivery confirmed at the close out meeting that separate procedures would be a duplication and that social care staff follow corporate policies and the Direct Payment procedures. Social care staff interviewed confirmed that they did not have access to the Direct Payment team procedures. Moreover, the Team Manager (Welfare and Financial Assessment) stated that these were internal direct payment team procedures. The two senior officers agreed that they could work collaboratively in the delivery of procedures suitable for the two service areas. To guarantee a consistent approach in the identification and handling of potential fraudulent or misuse of direct payments, support should be obtained from the Counter Fraud Manager.	3	30-Apr-23 Revised to 30-Sep-23 Revised to 31-Dec-23	Tri.x on-line resources are now being used for Herefordshire Council Procedures, Practice Guidance, and Tools for Adult Social Care. This is for use by practitioners across all adult social care teams. The content for direct payments has been reviewed and updated. Specific guidance relating to social care fraud will be added to the content at the next opportunity to submit changes.	In progress	Service Director Social Care Delivery / Team Manager (Welfare and Financial Assessment)
Direct Payments <i>PREVIOUSLY OVERDUE</i>	Senior Practitioners' Development Meetings were requested with two senior practitioners to discuss the direct payments process within Adult Social Care. Both parties stated that they had	3	31-Mar-23 Revised to 30-Nov-23 Revised to 31-Mar-24	The Counter Fraud department has been unable to commence bespoke fraud awareness training within ASC to date, due to ongoing priorities in Fraud Risk Management and due to a number of	In progress	Service Director Social Care Delivery

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	<p>joined the service area within the last six month and felt Internal Audit should interview someone more experienced. Later it was found that both individuals, although holding supervisory positions, fill interim posts, so this may have contributed to their reply. A social care worker interviewed advised that a senior practitioner allocated an Operation Input request from the workflow, that had been completed and moved to the next stage of management review. However, the manager re-allocated the completed work, which may indicate a lack of knowledge on the use of Mosaic. The Service Director Social Care Delivery believes that this is an isolated incident. SWAP Internal Audit is aware that the recruitment and retention of staff is difficult nationally. However, it is important that whether a permanent or interim person is in post, they are confident with the processes and systems used, particularly with flexible working. Support is available to improve an officer's knowledge and experience. A Business System Analyst and a Performance Officer provide Mosaic system induction and refresher training. In addition, the Team Leader, Direct Payments provides detailed induction training. The completion of a skill assessment spreadsheet would identify persons requiring support.</p>			<p>projects within other service areas. This has included an influx of fraud referrals that the Counter Fraud Manager has had to process and investigate. Bespoke Counter Fraud training in Social Care is on the annual fraud plan, and whilst this task is yet to be delivered, it is high on the agenda, but will now require a revised target date for completion. Senior management have been informed of the delay. With budget constraints on the Council, bringing additional resources to support is not possible. Therefore the Counter Fraud Manager is having to prioritise reactive investigations.</p>		
<p>Registration Service</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Security: Storage Unit Key Control: Although the Service now has two key safes on the wall of the main Registrars' office, we observed that they were not being used as had been intended by the Head of Practice Management (Governance and Law). On visiting the</p>	2	28-Feb-23 Revised to 30-Jun-23	Procedure now in place. Codes are changed monthly.	Complete	Head of Practice Management

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	<p>office on 11th October, 2022, I found that the new key safe was open and empty on the wall, even though this had been installed by Facilities Management as an urgent job eight days before. Staff were also unaware of how often the combination should be changed on the larger key safe, and were of the view that there were no written procedures around key safe usage and controls. Although the Head of Practice Management (Governance and Law) has ensured that the new key safe is now in use, it is advisable for a process document to be drawn up, setting out the details of keys that should be held in each, e.g., keys to the strong rooms, safes, Registration Service offices, desks and cupboards, who should have access to each, and the requirements for changing the access codes. Owing to the current and historical issues around staff having keys cut, rules around key cutting (types of keys that can be replicated and those that must not be) should also be included, with staff required to sign this document to state that they understand and agree with this policy.</p>					
<p>Registration Service</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Stock Control Records: There are inconsistencies in the way that stocks of certificates are being recorded by the Registrars. SWAP Audit Service carried out a stock take of certificates held in the Strong Room on 1st November 2022, but the records that we were directed to by staff did not contain details of that stock. Subsequently, further stock records for three Registrars were forwarded to us, but these did not reconcile to our stock take records. There was also a lack of information contained within the records,</p>	<p>2</p>	<p>31-Mar-23 Revised to 30-Jun-23</p>	<p>Cashbooks (including stock control) are now in place for all registers and for SR stock. Procedures now in place following GRO handbook.</p>	<p>Complete</p>	<p>Head of Practice Management</p>



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	<p>along with a lack of consistency as to how the stock usage was recorded. We did not receive a record of the Superintendent Registrar's stock, at the same time that we received the additional Registrars' stock records, but received a copy of this at a later date. Advice should be taken from the Shropshire County Council trainer so that the team can implement a stock control record that is compliant with the requirements of the G.R.O. The team would benefit from drawing up a written procedure document to ensure a consistent approach is taken and also to provide guidance for any new staff in the future. This should run alongside the G.R.O. handbook, but should set out in further detail the processes that staff need to follow to ensure that all new stock is correctly and promptly received, checked and recorded, all stock removed from the main strong room stock is accounted for at all times, and that both used and spoiled stock are clearly and promptly recorded.</p>					
<p>Registration Service</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>Income Records / Reconciliation: Income reconciliations had not been carried out prior to Head of Legal Practice (Governance and Law) being assigned the task of overseeing service improvements in July 2022. Owing to this, she appointed a member of her own team to attempt a reconciliation of income received since April 2021. However, the income records have been found to be of such poor quality that it has not been possible for this to be done. Issues that have contributed to this have included: • income types not being consistently split between separate account codes for births. deaths and marriages when paid</p>	<p>1</p>	<p>28-Feb-23 Revised to 31-Jan-24</p>	<ul style="list-style-type: none"> <li>- Coding structure in place and being updated in pay.net and existing online forms.</li> <li>- Referencing on pay.net improved to be able to identify payments to individuals and therefore should help easier reconciliation of income</li> <li>- Checking of cashbooks and spoils process in place as per GRO handbook.</li> <li>- Accurate coding of ceremony income reliant on implementation of online processes by Hoople ICT.</li> </ul>	<p>In progress</p>	<p>Head of Practice Management</p>

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	<p>in; • income not being paid in promptly, and sometimes left for multiple weeks before being banked; • insufficient details having been recorded on the composite paying in slips meaning that there is no breakdown of cash and cheques paid in, or what certificate purchases the income relates to. As a consequence of this, it has not been possible to ascertain whether all income has been paid in during this period of time, or indeed whether there has been any fraudulent activity, i.e., theft of Council income. In addition, to there having been no reconciliations, there has been no segregation of duties over receipt and banking of income, with each Registrar having been responsible for their own takings. On commencing the task of addressing the shortfalls in income controls, the Practice Management Officer identified that large sums of income, running into hundreds of pounds, had been left in cash tins in the strong room. Although she addressed this and paid it in, it highlighted an issue of large sums of cash being taken to the bank by staff, which in itself put them at risk. The Head of Legal Practice (Governance &amp; Law) has therefore taken the decision that the Service would only accept card/online payments from 1st November 2022. This has eliminated the risk of cash/cheques been misappropriated, however, there is still a requirement for card income to be reconciled, to ensure that all certificates recorded as issued have been paid for. This process must include a review of the spoils records, to ensure that all of these have been correctly accounted for. In order to enhance the controls around income reconciliation, it is advisable to</p>					

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	ensure that the Superintendent Registrar and the Registrars do not reconcile their own income. This could be achieved either by arranging for them to reconcile a colleague's income, or preferably for an independent member of staff to carry out all reconciliations, with any discrepancies being reported to the Head of Legal Practice (Governance and Law) for review.					
Registration Service  <b>PREVIOUSLY OVERDUE</b>	Information Technology / Digital Services: The service is hindered by poor technology, notably in terms of the website, online forms, and income reconciliation processes. The Service does not have online booking system, and therefore has to take bookings through emails and by phone. The current forms do not allow for customers to specify all required levels of service provision on one request form, along with the split of income types. The Service would benefit from investment in its website, new online forms for requests, and an online booking system, which would significantly streamline processes, reduce staff time on tasks that could be digitalised and aid the reconciliation processes for the team.	2	31-Mar-23 Revised to 31-Oct-23 Revised to 31-Jan-24	Delays in ICT build of online processes for ceremonies and registering. Unlikely to be live until Dec 2023.	In progress	Director of Governance and Law
Registration Service  <b>PREVIOUSLY OVERDUE</b>	Document Retention: The Registration Service's Document Retention Schedule is out of date. The version provided by the Superintendent Registrar is dated September 2019 and contains insufficient information to guide staff. The document should be updated to include all types of documentation that the Service needs to retain, i.e., certificate copies and spoils, records of used certificates and income records. The updated version should be made available to all staff and should be easily accessible. A copy should also be forwarded to the Modern Records Unit so	3	31-Mar-23 Revised to 30-Jun-23	The GRO have a statutory retention schedule covering retention of current documents. This along with historical documents retention details and local arrangements e.g. spoiled certificates need to be reflected in the service retention schedule document needs to be updated. Staff are adhering to requirements.	Complete	Head of Practice Management

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	that it can be formally recorded on the Council's intranet.					
Treasury Management 2022/23  <i>DUE IN PERIOD</i>	Cashflow Procedures Document: The Cashflow procedures document states the following:  'You are aiming to maintain a balance of circa £20k.'  This is not reflected on the cashflow spreadsheet which currently maintains a balance of circa £5,000.00. The Corporate Finance Accountant (Treasury Management) confirmed this is due to cash flow coming into the account throughout the day and there being no need to keep a balance of 20k in a non-interest bearing account.	3	03-Apr-23	We have returned the cell on the cashflow to state a maintained balance circa £20k.	Complete	Corporate Finance Accountant (Treasury Management)
Treasury Management 2022/23  <i>DUE IN PERIOD</i>	Annual Investment Strategy Process Review (TMS): There is currently no procedure in place to guide officers in instances of a current or prospective investment counterparty being downgraded on the Link Asset Services approved list. Although this is a rare occurrence, a recorded process for officers to follow would minimise the risk of the Council suffering financial loss through processing a new investment or failing to address a current investment.	3	03-Apr-23	Section 2.2 of the TMPs have been updated to include the sentence "These are reviewed to ensure the Council's investments continue to meet the criteria and action will be taken where needed", and the cashflow procedure notes have been updated with more in-depth instructions.	Complete	Corporate Finance Accountant (Treasury Management)
Housing Solutions Team Financial Processes  <i>DUE IN PERIOD</i>	Management Overview of Spend on Procurement Cards There is currently no management overview and approval of individuals spend on their procurement cards (P-cards), which is contrary to the Procurement Card Policy. Budget holders are required to review procurement card usage for their staff, in order to identify errors, inappropriate spend, and manage the risk of fraud. This is leaving the use of	2	30-Apr-23	Management and review of the cards is now taking place, a review of card holders has also taken place and the number will be reduced. Finance have met with the team and provided training, reinforcing that all card holders are responsible for their own cards and the spend on them. A new employee in the team is looking after finance and analysing the payments and matching them to products or clients.	Complete	Housing Service Lead

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	the Service's procurement cards open to abuse if users are not challenged at any time on their spend.					
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Procurement Card Transaction Input and Coding P-card transactions are currently being input by the Performance Budget & Income Resource Officer; however, this is contrary to the P-Card Policy. It is a requirement of the policy for the card holder to input their transactions via Nat West SDOL. Each card holder signs up to the terms and conditions of use, and therefore must comply with this.	2	30-Apr-23	Finance training has been provided on the cards and coding Each card holder now codes for their own cards and transactions The biggest spend is on temporary accommodation (Travel Lodge) where the officers call on a daily basis and book the accommodation and pay on their cards. A direct debit has now been set up with the Travel Lodge, the officers book on a daily basis and the travel lodge invoice us monthly.	Complete	Housing Service Lead
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Homeless Loans Payments Although very few homelessness loan payments are now made (seven new loans have been made in 2022/23 totalling £4,466.64), there is a concern that the payments are raised through the Imprest account. This is not necessary especially for suppliers who are already set up on Business World (BW) e.g., Housing Associations. A clear audit trail can be seen on BW from the source document through to payment.	2	30-Apr-23	Goodwill payments will need to be paid to customers, they will not be set up on Business World and these payments should be one off payments so will follow the process as below.	Complete	Housing Service Lead
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Imprest accounts authorisation and supporting documentation for payments. Seven of the 25 Imprest payments tested had none or insufficient supporting evidence for the payments to be made and no clear authorisation process. There was not clear evidence of the required two authorised signatories for all payments that are made through the Imprest account. The Covid-19 pandemic brought its problems with an easy work through for authorisation in many areas, but it is essential that there is a clear audit trail with supporting evidence and	2	30-Apr-23	All requests for payments through the Imprest system are only progressed once all of the supporting documentation is received from the officers to ensure the audit trail. This information is sent with the payment request and is saved and logged against the budget. The forms are signed by the requesting officer and the Team Lead before the payments will be considered.	Complete	Housing Service Lead

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	authorisation for all payments made through the Imprest account.					
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Process and Procedure Notes There are currently spend procedure and procedure reasoning notes in place, however these do not provide details of the processes that have to be followed for specific tasks. These processes and procedure notes are important to have in place to help ensure that any delegated officer can complete a task if the regular officer is unavailable.	2	31-May-23 Revised to 31-Dec-23	Extension required for comprehensive process to be put in place.	In progress	Housing Service Lead
Housing Solutions Team Financial Processes <i>FUTURE</i>	Staff Resources There is currently only one member of staff in the Housing Solutions Team that processes requisitions, and goods receipted. This a risk to the service delivery if this member of the team were to leave or have long term sick or annual leave.	2	31-Oct-23	There are now 3 staff in different sections of the team that are actively able to process requisitions and goods receipt them. Two managers also have experience and the ability to complete the process as a back up.	Complete	Head of Community Commissioning and Resources
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Cash Imprest Account (Petty Cash) The Cash Imprest account is no longer used and should now be reconciled and closed.	3	30-Apr-23	No longer in use and closed down.	Complete	Housing Service Lead
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Imprest - Cheque Book Account If cheque book is still in use/available for the Imprest account, the signatories must be reviewed and updated accordingly otherwise the cheque book account should be closed.	3	30-Apr-23	No longer in use and closed down.	Complete	Housing Service Lead
Housing Solutions Team Financial Processes <i>DUE IN PERIOD</i>	Use of Imprest account when Business World could be used. Some payments that are made through the Imprest account could be made through Business World when there is already a supplier set up. This would provide a clear audit trail, and less administration and time involved than the longer process of raising the payment through the Imprest account which	3	30-Apr-23	If the payment is to an organisation/ Client they will now only be paid once a client account has been created in Business World. This will be reflected in the procedure.	Complete	Housing Service Lead

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	requires two authorisations and the preparation of a load sheet before being passed for payment.					
Housing Solutions Team Financial Processes  <i>DUE IN PERIOD</i>	Commitment Accounting At the end of a tenancy, a maintenance charge is incurred. Unfortunately, this is always an unknown cost as it is not known if repairs will be required in the premises. No commitment is made on Business World to allow for this additional expense, although there will always be an expense incurred, as the tenant will eventually leave. Therefore, it would be prudent to consider placing a commitment to this expense against the cost code at the outset, or a separate budget allocation to a dedicated account code.	3	31-May-23	A budget line has been identified in the budget and has a separate code allocated. Each property now has an identifying FIN code so that a report can be printed identifying each property and the spend on each property.	Complete	Housing Service Lead
Main Accounting  <i>DUE IN PERIOD</i>	Journals and Virements - Supporting Information and Narrative Supporting documentation is not routinely attached to Business World for virements and journals that are posted of all denominations. A monthly check is undertaken by the Finance Support Team of journals over £2m to check for supporting information, but even with the higher value transactions, documentation is not always attached and must be followed up. This is both time consuming and unnecessary use of time for the Finance Support Team and the originator. The issue identified here is that the originator could be on long term sick, annual leave or have left their post, with the information required having been stored in their emails which is only accessible by them. As highlighted previously by External Audit, the narrative in the text box of journals is sometimes	2	30-Jun-23	Process notes have been reviewed and it is concluded that they are already explicit regarding the need for an explanatory narrative and supporting information. Article written ready for next finance newsletter reminding colleagues of the correct process to follow.	Complete	Chief Accountant

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	not explicit; we also found one case where narrative had been omitted.					
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	The Home Adaptations and Assistance Policy was due for revision in April 2020, but was delayed in anticipation of the government releasing their response to the government funded review of the Disabled Facilities Grants undertaken in 2019, and which was finally released in March 2022. This therefore requires an update now.	2	15-May-23	Reported as complete as part of final report.	Complete	Independent Living Services Manager
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	Detailed system operating procedures (SOPs), covering the whole service, have become out of date. Officers are aware of this and the benefit they would have for new staff. Lack of resources has meant that this has not progressed as quickly as anticipated.	2	30-Sep-23 Revised to 31-Dec-23	Staffing shortages, together with increased demand has delayed this work which is now underway.	In progress	Independent Living Services Manager
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	The pages on the Council's website relating to Disabled Facilities Grants require updating to provide more information to potential service users. This has not been a priority due to limited resources. Officers were also anticipating a corporate update to the website.	3	30-Sep-23 Revised to 31-Dec-23	Staffing shortages, together with increased demand has delayed this work which is now underway.	In progress	Independent Living Services Manager
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	The Privacy Statement currently has no version control; this document is sent out together with the grant application.	3	31-May-23 Revised to 31-Dec-23	Staffing shortages, together with increased demand has delayed this work which is now underway.	In progress	Independent Living Services Manager
Disabled Facilities Grant Process <i>FUTURE</i>	Currently, a basic DBS check is required for contractors, but officers advised that there were some issues with: • uploading documents to the Contractor (DPS) system; • the level of checks required in some instances; • the extent of personnel to be checked; and • the use of sub-contractors. It is the building contractors' responsibility to ensure that appropriate DBS checks are completed. However, where necessary checks are not in place,	2	30-Nov-23	Revision of the DPS process underway.	In progress	Independent Living Services Manager



Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	the Council could suffer significant reputational damage.					
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	In 2021-22, there were two grants which exceeded the six month target (application completion to application approval). There were 21 grants that exceeded the 12 month target (approval to certification). Whilst this data is recorded in the end-to-end performance monitoring / activity spreadsheet, there is no commentary on the spreadsheet where those cases exceed target. Notes / reasons are however included on the CIVICA database, and officers advise that any learning is taken forward. It would be helpful for a summary note to be included on the performance document to advise senior management of any trends.	3	31-May-23	Trends are extracted from Civica database and reported to senior management.	Complete	Independent Living Services Manager
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	Officers act on leavers/movers as part of corporate systems but have not obtained a full report of the I drive or Civica to check current user access. This would provide additional assurance on user access.	3	31-May-23 Revised to 31-Dec-23	User Access will be checked via Civica.	In progress	Case Co-Ordinator and Performance Manager
Disabled Facilities Grant Process <i>DUE IN PERIOD</i>	Surveyors now review all works by physical inspection (post Covid-19 pandemic). Whilst details are recorded and images are still obtained, there is currently no formal "scoring" system for quality. This could be something that surveyors complete and record for future contract award/assessment and could be linked to future DPS improvements. It is noted though that there are very few significant quality issues and completion inspections are carried out by the Council surveyor, along with periodic audits by the company hosting the DPS.	3	30-Jun-23 Revised to 31-Dec-23	Being considered as part of the ongoing review of DPS.	In progress	Case Co-ordinator and Performance Manager
Disabled Facilities Grant Process	As part of our testing, we identified one case from a sample of nine which had not	3	15-May-23	Reported as complete as part of final report.	Complete	Case Co-Ordinator and Performance Manager

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<b><i>DUE IN PERIOD</i></b>	been notified to the Local Land Charges Team.					
Disabled Facilities Grant Process <b><i>DUE IN PERIOD</i></b>	Current processes could result in local land charges being missed, as there are no regular reports produced to check compliance.	3	15-May-23	Reported as complete as part of final report.	Complete	Case Co-Ordinator and Performance Manager
Disabled Facilities Grant Process <b><i>DUE IN PERIOD</i></b>	Three incorrect VAT codes were identified as part of our grant certification work. These were in respect of payments to contractors; they had included VAT on their invoices, even though most of the grant payments are zero rated and the Council had in turn incorrectly accounted for the VAT.	2	15-May-23	Reported as complete as part of final report.	Complete	Independent Living Services Manager
Disabled Facilities Grant Process <b><i>DUE IN PERIOD</i></b>	The Foundations Organisation has issued an updated VAT guidance note on HIA income and VAT. This is not something that the Team has looked at recently. The purpose of the note was to clarify the position of HIAs around their liabilities for VAT. It would be useful to review the guidance to ensure that the current status of the HIA charges as zero rated can remain.	3	30-Jun-23 Revised to 31-Dec-23	Work on this is underway.	In progress	Independent Living Services Manager
Disabled Facilities Grant Process <b><i>DUE IN PERIOD</i></b>	There is no current use of commitment accounting for DFG through Business World. This has previously been considered by the Independent Living Services Manager. Her concerns are around the impact that changes to the current process would have on the team's staffing resources; additional administration would be required to authorise payments where there had been additional costs incurred in comparison with the original grant estimate. That estimate would need to be set up on a purchase order on Business World at the time of the estimate being received. This is however the standard, approved process for the Council.	2	30-Jun-23 Revised to 31-Dec-23	Additional resources would be required for this. It is not achievable at this time but is being considered as part of the wider review of the service to implement with effect from the new financial year 2024-2025.	In progress	Independent Living Services Manager

Audit name	Recommendation	Priority	Target date	Update	Status	Owner
	Implementing commitment accounting for Disabled Facilities Grant expenditure would facilitate more timely budget monitoring and forecasting, and would be an aid to the Finance Teams.					
Whistleblowing <i>DUE IN PERIOD</i>	Whistleblowing Policy Awareness The Council offers two mandatory training modules to all staff/officers/contractors and Hoople staff for completion initially through induction and thereafter as required by the Council. Mandatory training references whistleblowing and shares a link to the policy, however, this training is offered on a two-yearly or three-yearly cycle and there is currently no whistleblowing reminders posted or provided to staff through the year. As this is not circulated annually, to increase awareness and ensure there is a positive culture towards whistleblowing, all directors and assistant directors should communicate a reminder to all staff that the whistleblowing policy is in place. Having the policy mentioned in the CEO briefings a couple times a year would also promote awareness.	3	28-Jul-23	As the Whistleblowing Policy is currently used, there does not appear to be any evidence of a lack of awareness. However, we will ask Directors to remind their staff on an annual basis that the policy exists. When the policy is updated or process changes, we will notify staff via the Chief Executive weekly news bulletin.	Complete	Monitoring Officer
Whistleblowing <i>DUE IN PERIOD</i>	Corporate Register/Case Log Record keeping is not up to date and cases are not being recorded on the corporate register/case log spreadsheet. All concerns raised should be documented, this includes cases not considered as whistleblowing concerns or not proceeding to investigation stage. Records should also include details to identify lessons learned or improvements to be made. Completing a corporate register/case log will provide ease of reference for whistleblowing officers, enable the team to track trends, provide lessons learned for future investigations	2	28-Jul-23	The Council does have a tracker which keeps a record of all cases and outcomes, including those which do not proceed for other reasons e.g. employment matter. This is now kept up to date.	Complete	Monitoring Officer

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	and accuracy in reporting to the Audit and Governance Committee.					
Whistleblowing <i>DUE IN PERIOD</i>	Response Procedures There are no response procedures currently in place. Due to this, we were unable to ascertain whether sufficient support/advice was provided to investigators on cases reviewed, or whether correct steps were taken to investigate concerns. A comprehensive process procedure, would offer a step-by-step guide to support an outcome and ensure consistency of approach i.e. how to proceed with the case, ensuring support is provided, reporting is done, timeframes are kept, all documents are stored/recorded and final outcomes are provided etc. Due to the Corporate Register (case spreadsheet) not being consistently updated and all cases recorded, as well as missing documentation, the Whistleblowing team was unable to provide clear feedback on cases queried.	2	28-Jul-23	The audit was based on the previous Whistleblowing Policy. A new policy was agreed by the A&G Committee at its meeting in June 2023, and this contains a procedure for those receiving a concern. It also advises that support can be obtained from the Monitoring Officer for help with an investigation. As there are approximately six cases per year, and these can be on varied topics, it is not considered appropriate to write a comprehensive process procedure. All documentation is stored and recorded by the Monitoring Officer at the resolution of a case.	Complete	Monitoring Officer
Whistleblowing <i>DUE IN PERIOD</i>	Whistleblowing Shared Drive Access The Information Security Officer confirmed that the user account list provided by Head of Legal Services & Deputy Monitoring Officer did not match the user account list held by IT. Due to the nature of sensitive documentation held on this shared drive, immediate action is required to ensure no unauthorised staff have access to this data.	2	28-Jul-23	The Head of Legal Services & Deputy Monitoring Officer has provided an update to the Information Security Officer with details of staff who have approved access to the whistleblowing shared drive. This has been updated by the Information Security Officer and all other access has been removed.	Complete	Head of Legal Services & Deputy Monitoring Officer
IT Disaster Recovery - Follow Up <i>DUE IN PERIOD</i>	1.1 a) Once all critical services & supporting systems have been identified, the HC Applications Master List will be updated appropriately. b) The 'priority' for recovery for each system	2	30-Jun-23  Revised to 31-Dec-23	20-09-2023 Follow-up a) The Applications register format has been revised and a continuously maintained online version created. b) The 'priority' for recovery for each system has now been recorded and added as an addendum to the Applications Master list and will be included with the	In progress	

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	<p>will be established and recorded on the HC Applications Master List to provide a link to the Service Level Agreement (SLA). This will indicate the expected service restoration timeframes for disaster recovery.</p> <p>c) The accuracy of the back-up requirements of 'N' entries will be confirmed for those 32 systems identified that could process sensitive data. If back-ups are required, arrangements will be made with either the third party concerned or Hoople to provide these and contracts and/or the Service Level Agreement (SLA) will be amended where appropriate.</p> <p>d) The HC Applications Master list will be reviewed to complete and/or remove any blank entries, 'N/K' (not known) and '?'. If clarification cannot be obtained, management will decide whether to denote these as 'N/K' or simply '?'. e) Regarding the 6 systems identified as requiring backup (but not known whether they are managed by Hoople and hence potentially not covered by the SLA (with Hoople), management will obtain assurance that the backup and restoration services in place do meet the Council's system restoration requirements. This will be established through the Business Continuity (BC) exercise, according to whether this supports critical or non-critical services. f) Going forward, all procurements of Software as a Service systems, whether through Hoople or independent of</p>			<p>SLA documentation.</p> <p>c) This is identified by Column Q of the Herefordshire Council Applications Master List, 'Contains Sensitive data.'</p> <p>d) The applications register format has been revised and a continuously maintained online version has been created, as part of this these application details have been completed.</p> <p>e) Regarding the 6 systems identified as requiring backup (but not known whether they are managed by Hoople and hence potentially not covered by the SLA (with Hoople), the Head of ICT &amp; Digital will work with Hoople to identify these, normalise any necessary changes and bring these within the Hoople SLA to ensure backup and restoration is adequate. Ongoing work through the Business Continuity (BC) exercise will ensure arrangements are sufficient to support critical or non-critical services.</p> <p>f) A proposal for a Technical Design Authority (TDA) governance authority has been created to review procurements of Software as a Service systems to ensure these terms are established.</p>		

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	<p>Hoople, will have clear backup and recovery contractual terms.</p> <p>For existing systems where these terms are unclear, the contract terms will be reviewed at renewal by management for adequacy against the relevant BC requirements. Alternatively, if the Hoople SLA restoration timetable is considered acceptable for other services, the Council will apply the same priority recovery timetable requirements for services from other providers.</p>					
<p>IT Disaster Recovery - Follow Up</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>1.2 Management will:</p> <p>a) Establish whether the backup and restoration arrangements (as detailed in the Service Level Agreement (SLA)) adequately support the Business Continuity (BC) requirements of all Hoople in-scope applications that support the Council's critical services (as recently been agreed by the Management Board).</p> <p>b) Confirm the adequacy of Disaster Recovery (DR) testing to demonstrate compliance against the SLA recovery (priority) targets, see Appendix 2, figure 2, for all systems with due regard to the critical services identified.</p> <p>c) Request that (or, where appropriate, in conjunction with) Hoople, undertake scenario-based test situations to inform current Disaster Recovery (DR) planning that will reference the loss of all applications, loss of all Hoople supported services at all clients etc. This will provide assurance to the Council of the adequacy of Hoople's arrangements.</p> <p>d)</p>	2	<p>30-Sep-22</p> <p>Revised to 31-Dec-23</p>	<p>20-09-2023 Follow-up</p> <p>a) SLA arrangements are annually reviewed and agreed.</p> <p>b) The ISO 27001:2017 compliance schedule has been met and externally audited.</p> <p>c) Hoople have participated in a cyber exercise for Local Resilience Forum modelling multiple-agency regional cyber-attack.</p> <p>d) We were advised that this action is still in progress.</p> <p>e) We were advised that this action is still in progress.</p>	In progress	

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	<p>For any system that is not covered by the SLA (see Finding 2 above), confirm the adequacy of their ICT Disaster Recovery arrangements including testing for critical and non-critical services.</p> <p>e) Confirm the adequacy of DR decision making processes for those systems that are not supported by Hoople. Options include scenario-based planning / tabletop DR exercises for management. Such scenarios could reference the potential loss of the system itself, supporting hardware etc.</p>					
<p>IT Disaster Recovery - Follow Up</p> <p><b>PREVIOUSLY OVERDUE</b></p>	<p>1.5</p> <p>a) Herefordshire Council Directors/Service Directors will complete the review of their individual Business Continuity (BC) Plans with due regard to the critical operational services identified by the Council. This will necessitate the revision of Business Impact Assessments to determine the criticality of the IT applications in use and the priority for recovery, as defined by the Service Level Agreement (SLA).</p> <p>b) The Council Directors/Service Directors will review and authorise their departmental BC plans and organise the publication of these on the Council's Business Continuity Management System (BCOMS). This will ensure that the plans are accessible to those responsible for maintaining them.</p> <p>c) Going forward, any changes to these plans will be authorised by the Director / Service Director concerned.</p> <p>d) The adequacy of the resolution times defined in the SLA with Hoople will be reviewed considering all services now defined as 'critical' given the number of</p>	3	<p>30-Jun-22</p> <p>Revised to 31-Mar-24</p>	<p>20-09-2023 Follow-up</p> <p>The majority of business-critical services have now completed reviews of their individual Business Continuity Plans and have been reviewed, plans are also now signed off by Service Directors. However, there are still a small number of areas that have not completed their business impact assessments and plans, and there has been difficulty in encouraging some areas to complete these.</p>	In progress	

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	'business critical' systems that should be recovered within 8 hours.					