



GEDLING BOROUGH COUNCIL

Internal Audit Progress Report

Audit Committee

24 July 2018

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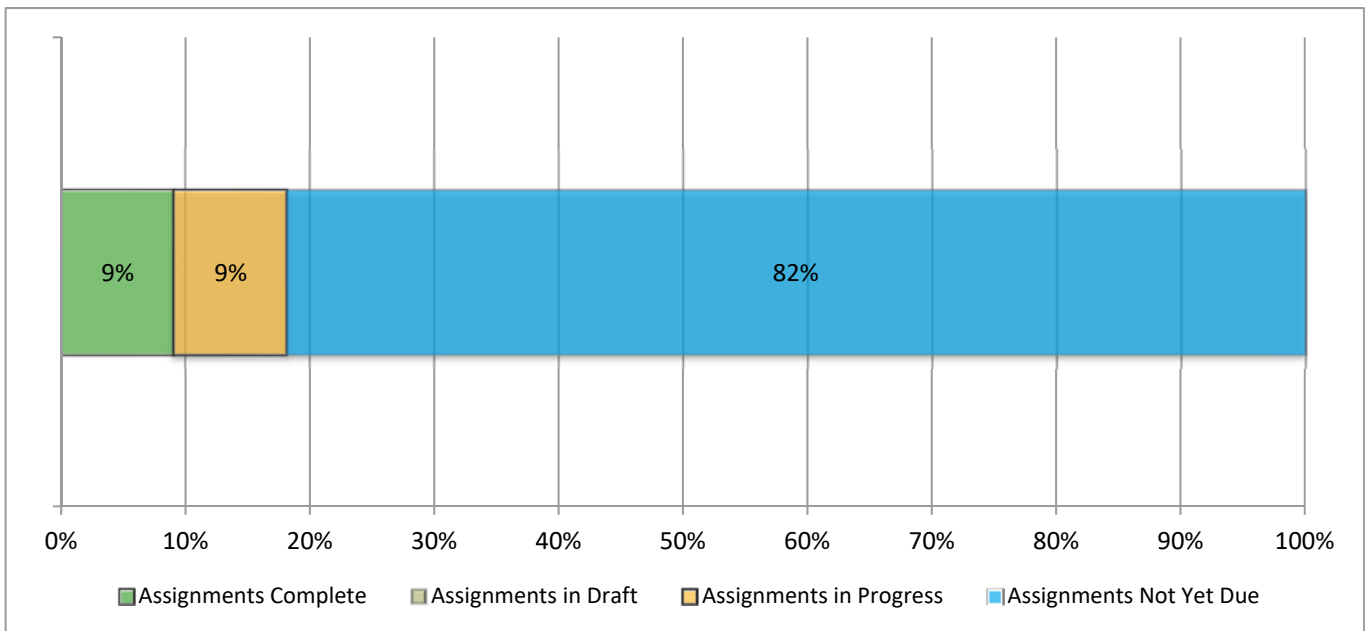


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1 INTRODUCTION

The internal audit plan for 2018/19 was approved by the Audit Committee on 20 March 2018. Below provides a summary update on progress against that plan and summarises the results of our work to date. Please see chart below for current progress with the plan.



2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This table informs of the audit assignments that have been completed and the impacts of those findings since the last Audit Committee held. The Executive Summary and Key Findings of the assignments below are attached to this progress report.

Assignments	Status	Opinion issued	Actions agreed		
			H	M	L
Mail Room (01.18/19)	Final		0	0	3
Customer Services and One Stop Shop Areas (02.18/19)	Final		0	0	1

2.1 Impact of findings to date



Mail Room (01.18/19)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, three low priority actions were identified, and the management actions were agreed in respect of these findings.



Customer Services and One Stop Shop Areas (02.18/19)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing, one low priority action was identified, and the management action was agreed in respect of this finding.

3 LOOKING AHEAD

Assignment area	Timing per approved IA plan 2018/19	Status	Target Audit Committee per the IA Plan 2018/19
Community Centres	Quarter 2	In progress	9 October 2018
Gedling Country Park Visitor Centre	Quarter 1	In progress	9 October 2018
Reconciliations	Quarter 2	Not started	9 October 2018
Corporate Governance	Quarter 2	Not started	18 December 2018
Follow Up 1	Quarter 1	Not started	18 December 2018
Payroll and Expenses	Quarter 3	Not started	18 December 2018
Main Accounting System	Quarter 3	Not started	18 December 2018
NNDR	Quarter 3	Not started	18 December 2018
Risk Management	Quarter 3	Not started	18 December 2018
Cash and Banking	Quarter 3	Not started	18 December 2018
Contract and Procurement	Quarter 3	Not started	19 March 2019
Health and Safety	Quarter 4	Not started	19 March 2019
Ground Maintenance, Parks and Open Spaces	Quarter 3	Not started	19 March 2019
Landlord Licensing	Quarter 4	Not started	19 March 2019
Development Management	Quarter 2	Not started	19 March 2019
GDPR Post Implementation Review	Quarter 4	Not started	19 March 2019
Property – Investment, Miscellaneous Properties and Facilities Management	Quarter 4	Not started	19 March 2019
Follow Up 2	Quarter 3	Not started	19 March 2019
IT Review	Quarter 2	Not started	TBC
Anti-Fraud Review	Quarter 4	Not started	TBC

4 OTHER MATTERS

4.1 Changes to the audit plan

There have been no changes made to the audit plan.

4.2 Quality Assurance and Continual Improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams.

The Quality Assurance Team is made up of: Ross Wood (Manager, Quality Assurance Department) with support from other team members across the Department. All reports are reviewed by James Farnbrough as the Head of the Quality Assurance Department.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

4.3 Post Assignment Surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each product (current option);
- Monthly / quarterly / annual feedback request; and
- Executive lead only, or executive lead and key team members.

FOR FURTHER INFORMATION CONTACT

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Gedling Borough Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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MAIL ROOM - EXECUTIVE SUMMARY

1.1 Background

An audit of the mail room was carried out as part of the approved internal audit periodic plan for 2018/19.

The Customer Services Manager is responsible for the overall day to day management of the Mail Room. The Mail Room Team is comprised of four members of staff, two full time and two part time, who provide a centralised service for the Council; responsible for processing all incoming mail and the distribution of this mail to various departments.

The Mail Room is due to undergo a restructure over the next month, following a consultation period, with a proposed structure of two full time members of staff at a band three level. Being in the band above will enable staff to take on more duties, including the handling of cash, and call centre operations.

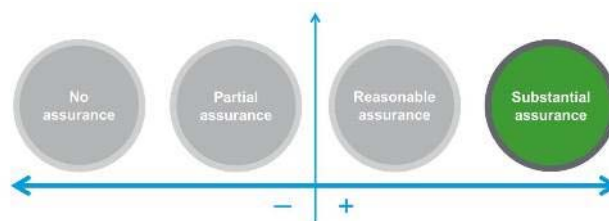
The Council's franking machine was decommissioned this year. As a result, all postage calculations are now done manually, and monitored via a spreadsheet.

1.2 Conclusion

We have identified that overall there is an appropriate control framework in place for the Mail Room. Our review concluded that in most instances key controls are being applied adequately and effectively. However, we have identified three areas of weakness which has resulted in three 'low' management actions being raised in relation to procedures, the night safe, and internal customer satisfaction.

Internal audit opinion:

Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.



1.3 Key findings

The key findings from this review are as follows:

We found the following controls to be adequately designed and are complied with:

- The Financial Regulations are contained within the Constitution are maintained up to date and include detail on the process for receipting income and tenders;
- Detailed procedure notes are in place for the cash receipting process in the Mail Room and this is maintained up to date and reflects current practice;
- Tenders received into the Council are signed, dated and time stamped by the Corporate Administration Team in line with procedures for tendering;
- On receipt, a record is completed documenting the date, the senders name, who it has been sent to and who has signed as evidence of receipt. In addition, a copy of the special delivery barcode is attached;

- For post being sent out by the Council, a daily log is maintained documenting how many first class, second class and packages are being sent out and this is split by department;
- The Customer Services Manager maintains a spreadsheet where costs can be worked out and allocated to each department;
- Mail room staff have sufficient knowledge to enable them to carry out their duties;
- Appropriate training and development is provided to improve their performance;
- At least two members of staff are required to open post in the presence of one another to ensure segregation of duties exists;
- Only the four members of the Corporate Administration Team who have Mail Room responsibilities and managers have access to the Mail Room;
- Mail is delivered twice per day and once per day the Corporate Administrators collect post from the varying departments;
- Outgoing mail for collection by Royal Mail is stored in a safe and secure area that cannot be accessed by unauthorised personnel;
- Management meet with Mail Room staff members on a regular basis to identify internal problems and to gain feedback; and
- A weekly roundup email is issued by the Customer Services Manager to all the Corporate Administration Team which identifies any changes and a summary of the past week.

Three low priority findings were identified during the review, these related to the following:

- A suite of procedure documents are in place, however they were not all maintained up to date;
- A "Night Safe" is in place for any post delivered to the Council by the public outside of work hours, however, the mail box next to it has no controls in place; and
- Internal feedback is not sought regularly with the results of feedback being monitored and acted upon by management to improve the service.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non Compliance with controls*		Agreed management actions		
	Low	Medium	High	Low	Medium	High	
Documented procedures are not complied with	0	(18)	3	(18)	3	0	0
Total	3	0	0	0	3	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

CUSTOMER SERVICES AND ONE STOP SHOP - EXECUTIVE SUMMARY

1.1 Background

A review of Customer Services and One Stop Shop Areas was undertaken as part of the approved Internal Audit Plan 2018/19.

Gedling Borough Council has its central customer facing site at the Civic Centre, Arnold. This is a large customer facing area on the ground floor and in addition to this they also have as well a dedicated contact centre which deals with all telephone enquiries. There is also a customer contact point located at Carlton Fire Station where members of the public can access services and speak to a Customer Services Advisor.

There is a dedicated Customer Services Team in place which is led by the Customer Services and Communications Service Manager. A Customer Services Manager is also in place who is responsible for the day to day activities of the Customer Facing Team. All Customer Services staff are provided with a banding based on their job duties and level of responsibility.

The Council's notable aim is to transition members of the public to interact in more digitally inclusive ways has required a broad range of methods for people to access information and services offered. Members of the public can access Customer Services in person, online or via telephone.

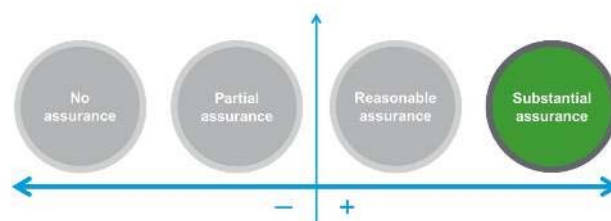
The Council has a Customer Promise in place which defines the standard of service that members of the public can expect from the Council. The Customer Promise was refreshed in 2017 as a result of the recommendations raised through a Mystery Shopper exercise in 2016.

1.2 Conclusion

We have identified that overall there is an appropriate control framework in place for the governing of Customer Services and One Stop Shop. Our review concluded that in most instances key controls are being applied adequately and effectively. However, we have identified an area of weakness which has resulted in one 'low' management action being raised, and this is in relation to risk assessments.

Internal audit opinion:

Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.



1.3 Key findings

Our audit review identified that the following controls are suitably designed, consistently applied and are operating effectively:

- The Council has a Customer Promise in place which details the standards of care to be provided to customers. The Customer Promise was last reviewed in 2017 and is accessible to all customers via the Council's website;
- The Council's Customer Services Team has a range of procedures in place which outline the operational processes relevant to Customer Services;
- The Customer Services Team has a dedicated Training and Development Officer who is responsible for coordinating staff training and development. New starters are provided with Customer Services training as part of the induction process;
- The Council has a customer complaints procedure in place which outlines the process for how customers can express any dissatisfaction with the services they have received;
- Customer surveys are undertaken at downtimes. The survey includes five pre-defined questions designed to evaluate the customer service experience. The results of the surveys are recorded onto a monitoring spreadsheet which are subsequently discussed at team meetings;
- A 'Mystery Shopper' exercise is conducted every two years. An external service provider is contracted to carry out various customer service enquires. The results of the exercise are documented and analysed to identify any weakness areas;
- Promotional literature is displayed in customer facing areas of the Council building;
- Daily real-time monitoring is in place for telephone, kiosk and front desk services. Monitoring boards displaying live statistics are displayed in the Customer Service back office as well as the contact centre room. The displayed information allows management to allocate resources effectively based on how busy a particular area is; and
- Several key performance indicators are monitored and reported on an on-going basis. Performance information is reported to the Senior Leadership Team on a quarterly basis and to Cabinet annually.

However, we noted the following issue:

- The Council has undertaken risk assessments for all its key customer accessible areas. Generic risk assessments are in place to cover the Customer Services function as well as personal specific assessments. One instance was noted where the risk assessment had not been reviewed in the last 12 months.

1.4 Additional information to support our conclusion

The following table highlights the number and categories of management actions made. The detailed findings section lists the specific actions agreed with management to implement.

Risk	Control design not effective*		Non Compliance with controls*		Agreed management actions		
	Low	Medium	High	Low	Medium	High	
Failure to maintain service standards, customer satisfaction, and/or meet customer expectations (Risk Register: 10)	0	(13)	1	(13)	1	0	0
Total					1	0	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.