



GEDLING BOROUGH COUNCIL

Internal Audit Progress Report

Audit Committee

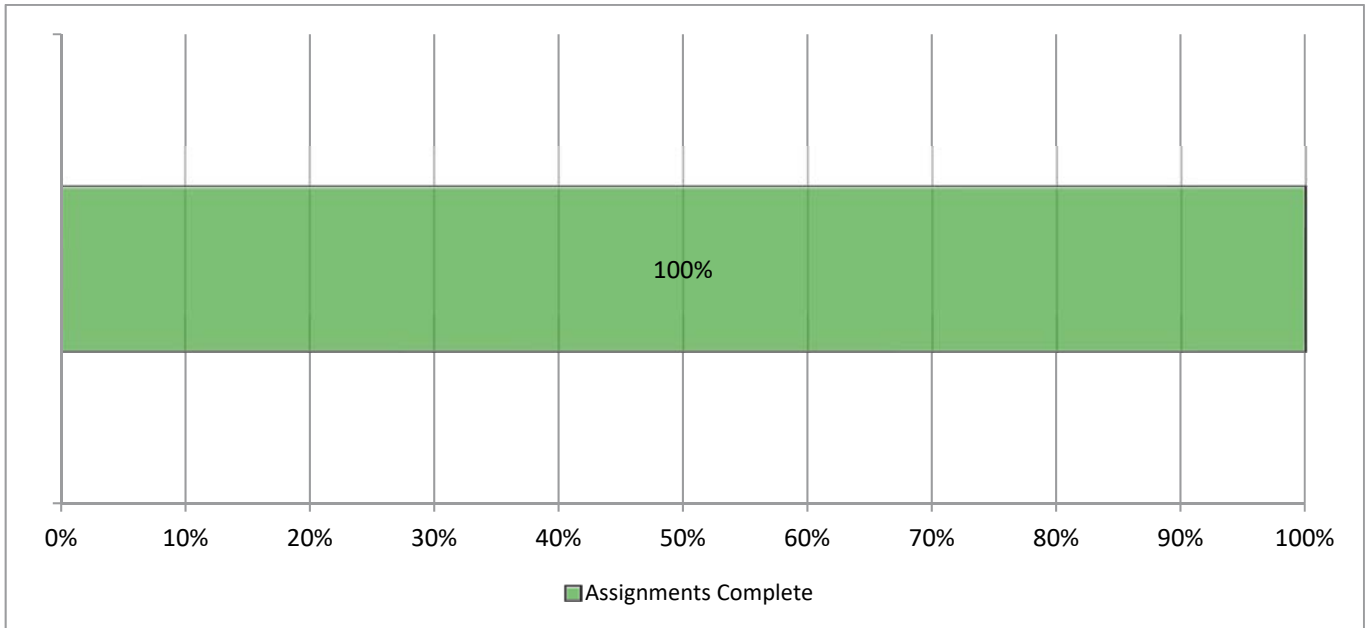
24 March 2020

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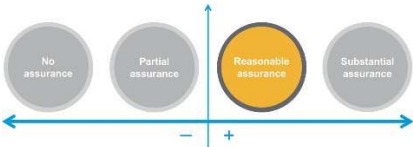
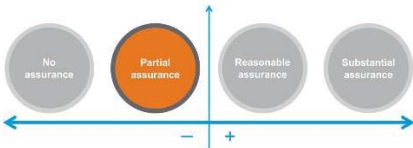

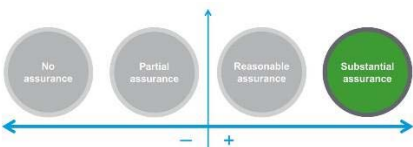
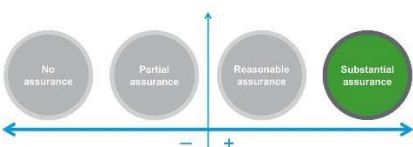
1 INTRODUCTION

The Internal Audit Plan for 2019/20 was approved by the Audit Committee on 19 March 2019. 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 assignment that has been completed and the impacts of those findings since the last Audit Committee held. The Executive Summary and Key Findings of the assignment below is attached to this progress report.

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Leisure Centres (9.19/20)	Final	 <p>A scale from - to + with four circles: No assurance (grey), Partial assurance (grey), Reasonable assurance (yellow), and Substantial assurance (grey). The Reasonable assurance circle is highlighted.</p>	2	4	0
IT General Controls (11.19/20)	Final	 <p>A scale from - to + with four circles: No assurance (grey), Partial assurance (orange), Reasonable assurance (grey), and Substantial assurance (grey). The Partial assurance circle is highlighted.</p>	6	3	3
Pre-Application Advice (16.19/20)	Final	 <p>A scale from - to + with four circles: No assurance (grey), Partial assurance (grey), Reasonable assurance (yellow), and Substantial assurance (grey). The Reasonable assurance circle is highlighted.</p>	4	1	0
Risk Management (17.19/20)	Final	 <p>A scale from - to + with four circles: No assurance (grey), Partial assurance (grey), Reasonable assurance (grey), and Substantial assurance (green). The Substantial assurance circle is highlighted.</p>	0	0	0
Recruitment and Retention (18.19/20)	Final	 <p>A scale from - to + with four circles: No assurance (grey), Partial assurance (grey), Reasonable assurance (grey), and Substantial assurance (green). The Substantial assurance circle is highlighted.</p>	3	1	0
Follow Up 2 (19.19/20)	Final	Little Progress	5	6	0

2.1 Impact of findings to date



Leisure Centres (9.19/20)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, four 'medium' and two 'low' priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority findings relate to:

- At the end of every shift, a Z-Report is produced from the cash register showing all payments received during that shift. It is expected that a cash up sheet is completed by two members of staff showing actual takings and this is compared to the Z-Report. For each site, instances were noted where only one member of staff had signed the cash up sheets and there were instances where the cash up sheets had not been signed.
- Upon collection of cash and cheque bags by the Collection Agent for each Leisure Centre, a receipt is printed and signed by both parties. However, for Carlton Forum, four collection slips had not been maintained.
- Periodic health and safety inspections are conducted for Fire, Asbestos, Legionella, Gas and Electrical. However, for all sites, instances were noted where there was a lack of evidence that either the Fire Risk Assessments had not been reviewed for nearly three years, monthly Fire Safety tests were not always performed or weekly Fire Alarm testing not undertaken.
- Daily Manager Check Sheets are completed in both the morning and the evening which include operational and health and safety checks. However, for each site it was confirmed inspections are not always conducted on a daily basis or it is not evidenced that that these had been done.



IT General Controls (11.19/20)

Conclusion: Partial Assurance

Impact on Annual Opinion: Negative

As a result of testing undertaken, three 'high', three 'medium' and six 'low' priority findings were identified. Management actions were agreed in respect of all the findings.

The high and medium priority findings relate to:

- The Corporate BCP is in the process of being updated. We also noted that the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) have not been formally agreed with the service areas; and they have not conducted any Business Impact Analysis (BIA) to identify how their areas would be impacted in the event of an IT failure. This increases the risk that the expectations of the service areas are not matched by the reality of the IT recovery capabilities, leading to prolonged service disruption.
 - The Council has recently had their Public Sector Network (PSN) audit and an Action Plan was produced containing a number of actions for Management to address in relation to the firewall. At the time of the audit review, these had not been addressed. In addition, it was explained that there were no periodic reviews of the any changes to the firewall settings. The lack of a periodic review increases the risk of unapproved changes being actioned, permitting unauthorised access to the network and systems.
 - Through conversation with the ICT Research and Development Manager, we were informed that there was no effective overview of the current patching status across the entire IT estate.
-

Consequently, the Council cannot say with any level of certainty that all areas are fully patched. This increases the risk that known vulnerabilities could be exploited.

- A discussion with the Service Manager (Customer Services and Communications) confirmed that whilst there is a formal IT Strategy document in place at the Council, it has not been reviewed since 2016. This increases the risk that Council's goals and objectives are not being met by the current IT Strategy document.
 - We noted that the firewalls were not deployed in resilient pairs. To mitigate this risk, the Council have a spare firewall appliance and they have a backup of the configuration settings. However, the second firewall has not been tested to make sure that it would work if required. The lack of testing increases the risk that the spare firewall device would not work as intended.
 - The leaver process involves HR sending leavers lists to IT for their accounts to be disabled. However, it was noted that the IT Team did not action this until confirmation of the leaving date is received from the relevant Line Manager. Testing confirmed that this is not always promptly received. Failure to disable and remove staff leaver accounts promptly, increases the risk that these accounts could be used to access the systems and data of the Council.
-



Pre-Application Advice (16.19/20)

Conclusion: Reasonable Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one 'medium' and four 'low' priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- Testing a sample of 20 Pre-Application Advice Requests could not confirm in 16 instances whether fees had been correctly recorded and banked, and that the applicant had received a written response within 28 working days as the receipt of payment which monitors these two controls was not documented on the Uniform system.
-



Risk Management (17.19/20)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

We did not consider it necessary to raise any management actions as a result of this audit.



Recruitment and Retention (18.19/20)

Conclusion: Substantial Assurance

Impact on Annual Opinion: Positive

As a result of testing undertaken, one 'medium' and three 'low' priority findings were identified. Management actions were agreed in respect of all the findings.

The medium priority finding relates to:

- Training is provided by the Council's Performance, Personnel and Training Department to Management personnel who are involved within the recruitment process for their relevant service area. However, there is not currently a central log in place which details all Council staff members who have received recruitment and selection training.
-



Follow Up 2 (19.19/20)

Conclusion: Little Progress

Impact on Annual Opinion: Negative

As a result of testing undertaken, six 'medium' and five 'low' priority findings were re-raised. Management actions were agreed in respect of all the findings. Details are shown in the Action Plan attached to this report.

3 OTHER MATTERS

3.1 Changes to the audit plan

There have been no changes to the audit plan since the last Audit Committee meeting.

3.2 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 Farmbrough 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.

3.3 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.

APPENDIX A: INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Reports previously seen by the Audit Committee and included for information purposes only:

Assignments	Status	Opinion issued	Actions agreed		
			L	M	H
Safeguarding (1.19/20)	Final		3	3	0
Flexible and Lone Working (2.19/20)	Final	Advisory	3	2	0
Emergency Planning and Business Continuity (3.19/20)	Final		1	1	0
Building Control (4.19/20)	Final		0	1	0
Follow Up 1 (5.19/20)	Final	Good Progress	3	3	0
Corporate Governance (6.19/20)	Final		3	1	0
Debtors and Debt Recovery (7.19/20)	Final		0	1	0
Cash and Banking (8.19/20)	Final		1	1	0

Main Accounting System (10.19/20)	Final	<p>The diagram shows four circles representing assurance levels: 'No assurance' (grey), 'Partial assurance' (grey), 'Reasonable assurance' (grey), and 'Substantial assurance' (green). A horizontal double-headed arrow spans from the 'No assurance' circle to the 'Substantial assurance' circle. A vertical line is positioned between 'Reasonable' and 'Substantial' assurance, with a '-' sign to the left and a '+' sign to the right.</p>	1	1	0
Apprenticeship Levy (12.19/20)	Final	<p>The diagram shows four circles representing assurance levels: 'No assurance' (grey), 'Partial assurance' (grey), 'Reasonable assurance' (grey), and 'Substantial assurance' (green). A horizontal double-headed arrow spans from the 'No assurance' circle to the 'Substantial assurance' circle. A vertical line is positioned between 'Reasonable' and 'Substantial' assurance, with a '-' sign to the left and a '+' sign to the right.</p>	0	1	0
Housing Benefits, Universal Credit and Council Tax Reduction Scheme (13.19/20)	Final	<p>The diagram shows four circles representing assurance levels: 'No assurance' (grey), 'Partial assurance' (grey), 'Reasonable assurance' (grey), and 'Substantial assurance' (green). A horizontal double-headed arrow spans from the 'No assurance' circle to the 'Substantial assurance' circle. A vertical line is positioned between 'Reasonable' and 'Substantial' assurance, with a '-' sign to the left and a '+' sign to the right.</p>	3	1	0
Payroll and Expenses (14.19/20)	Final	<p>The diagram shows four circles representing assurance levels: 'No assurance' (grey), 'Partial assurance' (grey), 'Reasonable assurance' (grey), and 'Substantial assurance' (green). A horizontal double-headed arrow spans from the 'No assurance' circle to the 'Substantial assurance' circle. A vertical line is positioned between 'Reasonable' and 'Substantial' assurance, with a '-' sign to the left and a '+' sign to the right.</p>	0	0	0
Council Tax (15.19/20)	Final	<p>The diagram shows four circles representing assurance levels: 'No assurance' (grey), 'Partial assurance' (grey), 'Reasonable assurance' (grey), and 'Substantial assurance' (green). A horizontal double-headed arrow spans from the 'No assurance' circle to the 'Substantial assurance' circle. A vertical line is positioned between 'Reasonable' and 'Substantial' assurance, with a '-' sign to the left and a '+' sign to the right.</p>	0	2	0

FOR FURTHER INFORMATION CONTACT

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This report is solely for the use of the persons to whom it is addressed. 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.

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.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

EXECUTIVE SUMMARY – LEISURE CENTRES

1.1 Background

An audit of Leisure Centres was undertaken for Gedling Borough Council ('the Council') as part of the approved internal audit periodic plan for 2019/20. The main objective of our audit was to review the booking, recording and monitoring processes and controls in place across the Leisure Centres. Areas included in the audit related to cash and banking, health and safety, and bookings for hiring of rooms or facilities and events.

Across the Borough, the Council are responsible for the day to day running and maintenance of five Leisure Centres:

- Arnold Leisure Centre;
- Calverton Leisure Centre;
- Carlton Forum;
- Redhill Leisure Centre; and
- Richard Herrod Centre.

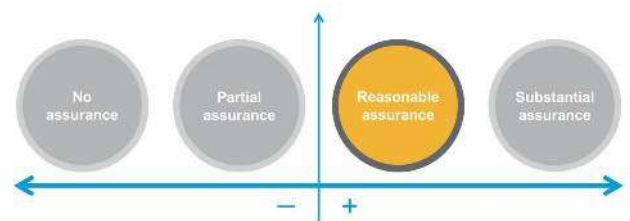
The five Leisure Centres are managed by two Leisure Centres Managers with day to day operational processing being conducted at each Leisure Centre by Duty Managers and Leisure Centre Staff. The Clarity System is used at all sites for managing bookings and memberships.

1.2 Conclusion

Our overall opinion was formed by undertaking interviews with key staff and sample testing on the processes in place to ensure that the controls upon which the Council relies on to manage the Leisure Centres are being managed. Our review has confirmed that there is an adequate control framework in place, however, we have identified areas of non-adherence to controls. As such, a total of six management actions were agreed, consisting of four 'medium' and two 'low' priority actions.

Internal audit opinion:

Taking account of the issues identified, the Council can take reasonable assurance that the controls in place to manage this area are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified areas.



1.3 Key findings

The key findings from this review are as follows:

- A suite of procedure notes and operating procedures are in place for the processes and functions carried out at each Leisure Centre including cash and banking, bookings and health and safety. Procedures are centrally stored on the shared drive and maintained up to date.
- On an annual basis Leisure Fees and Charges are reviewed and approved by the Portfolio Holder for Housing, Health and Well-being. These were approved in February 2019 and it was confirmed throughout the audit the approved fees and charges were charged.
- Bookings for the hiring of rooms, hiring of facilities and events can be made in person at the Leisure Centre, over the phone, via the website or via the 'I Will' App on smart phones.
- A reconciliation spreadsheet is maintained by the Finance Department which details the expected income based on the cash counted at each Leisure Centre and the values on the cash slips. On a daily basis, the bank statements are reviewed, and the amounts are checked to the expected income and the dates are input onto the spreadsheet to show the date in which the cash appear.
- A current contract is in place between the Council and the Collection Agent to protect against losses of cash and set out a schedule of collection times.
- Cash and cheques are securely stored at each Leisure Centre until they are collected and deposited at the bank. Access to safes and financial systems is restricted to staff in appropriate job roles.
- New members joining Leisure Centres are created following completion of a membership request form. Testing a sample of 20 memberships per site confirmed a membership form was completed in full and was set up accurately on the Clarity Bookings and Memberships System.
- Debtor invoices are raised for block bookings made by a member of the Leisure Centre Staff through the Civica System. Unpaid invoices are chased by the Revenues Department in line with the Debt Collection Policy.
- Each Leisure Centre has displays in the Reception Area to advertise swimming classes, gym sessions and upcoming events. Each Leisure Centre has their own social media pages to advertise their services and events and these are also advertised on the Council's own website.
- Risk Assessments are in place for activities at each Leisure Centre and have been reviewed within the last two years by an Assistant Manager, Duty Manager or the Leisure Centres Manager.
- Periodic health and safety inspections are conducted for Asbestos, Legionella, Gas and Fixed Electrical items at each of the Leisure Centres visited.
- A full health and safety review is conducted every two years by an external contractor for all of the Leisure Centres. A full report and findings are issued to each site with the last review being conducted in September 2018.

However, the following control weaknesses or non-adherence were identified:

- Bookings are taken for multiple uses across the five sites including for parties, weddings, conferences, room hire and pitch hire. Booking Forms are completed and signed by the customer and the Leisure Centre with one-off bookings being paid in advance. However, for Arnold Leisure Centre, it was identified one booking form had not been signed by the Council and one booking form was signed by the applicant after the commencement date.

- At the end of every shift, a Z-Report is produced from the cash register showing all payments received during that shift. It is expected that a cash up sheet is completed by two members of staff showing actual takings and this is compared to the Z-Report. For each site, instances were noted where only one member of staff had signed the cash up sheets and there were instances where the cash up sheets had not been signed.
- It was confirmed for Redhill Leisure Centre, Arnold Leisure Centre and Carlton Forum that the Daily Income Sheet had not been signed in one, four and four days respectively.
- Upon collection of cash and cheque bags by the Collection Agent for each Leisure Centre, a receipt is printed and signed by both parties. However, for Carlton Forum, four collection slips had not been maintained.
- Periodic health and safety inspections are conducted for Fire, Asbestos, Legionella, Gas and Electrical. However, for all sites, instances were noted where there was a lack of evidence that either the Fire Risk Assessments had not been reviewed for nearly three years, monthly Fire Safety tests were not always performed or weekly Fire Alarm testing not undertaken.
- Daily Manager Check Sheets are completed in both the morning and the evening which include operational and health and safety checks. However, for each site it was confirmed inspections are not always conducted on a daily basis or it is not evidenced that that these had been done.

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.

Area	Control design not effective*		Non-Compliance with controls*		Agreed Management Actions		
	0	(18)	6	(18)	Low	Medium	High
Leisure Centres	0	(18)	6	(18)	2	4	0
Total					2	4	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.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
2	At the end of every shift, a Z-Report is produced from the cash register showing all payments received during that shift. A cash up sheet is completed by two members of staff showing actual takings and this is compared to the Z-Report and any discrepancies are investigated.	Yes	No	<p>Testing of daily cash up processes in August confirmed that for:</p> <ul style="list-style-type: none"> • Arnold Leisure Centre – For all 31 days, it was identified that shift cash ups did not have two members of staff signing to confirm they had both counted the cash; • Richard Herrod Centre – For 27 days, it was identified that shift cash ups did not all have two members of staff signing to confirm they had both counted the cash; • Redhill Leisure Centre– For eight days, it was identified that shift cash ups did not all have two members of staff signing to confirm they had both counted the cash. Furthermore, in one instance the shift cash up 	Medium	<p>It is accepted that good practice is for two members of staff to be present during the cash up process on the day in question. This is the normal process adopted and staff will be reminded that they should sign the cash up records to certify that this process has been completed.</p> <p>By exception, in the event that two people are not available to count the cash on the day in question the officer completing the first cash-up will sign to certify the</p>	31 March 2020	Leisure Centres Manager

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>sheets had not been retained and therefore it could not be confirmed the amounts were correct to the Z-Report;</p> <ul style="list-style-type: none"> • Carlton Forum – For 12 days, it was identified that shift cash ups did not have two members of staff signing to confirm they had both counted the cash. • Calverton Leisure Centre– For 12 days, it was identified that the shift cash ups had not been signed by two members of staff to confirm they had both counted the cash. <p>For each day it was confirmed cash ups had been completed and compared to the Z-Reports showing the till balance and the cash up sheet had been completed.</p> <p>It was explained by the Leisure Centres Manager that in some instances, during cash up periods two members of staff may not be available/present, or cash ups are completed by the Duty Manager and therefore there is no more senior member available to countersign their cash up sheets. Furthermore, as a mitigating control when completing the Daily Income Sheet, the following day, the Duty Manager recounts the cash to ensure the values are correct.</p> <p>Where there is a lack of segregation of duties in the cash up process,</p>		<p>initial cash up process and record the reason why only one person was available.</p> <p>The cash and records will then be placed in the safe until a second officer is available to count and certify the cash up process.</p> <p>NB – It is noted that there is a potential risk of not counting the cash on the day in question and that if this can be done then it should be in the first instance, however, due to resources available at the Leisure Centres at the end of the day, two people are not always available and so it was agreed that this was an acceptable alternative.</p>		

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				there is a risk errors or omissions may go undetected, leading to incorrect values being banked.				
4	Cash is securely collected by the Collection Agent twice a week so that excessive amounts of cash are not being held on site. Collection receipt slips are provided by the Collection Agent and retained by the Leisure Centre to confirm amounts collected.	Yes	No	<p>Carlton Forum</p> <p>It was confirmed for the month of August 2019 that in four instances collection receipt slips had not been kept on file in the cash slip book. In the remaining instances the receipts were maintained and signed by both parties.</p> <p>There is a risk of financial loss if the cash is unable to be traced through the retaining of collection receipt slips.</p>	Medium	Carlton Forum Collection receipts will be maintained on file with the banking slips to demonstrate the passing of accountability for the cash from the Council to the Collection Agent.	31 March 2020	Leisure Centres Manager and Duty Managers
5	<p>Periodic health and safety inspections are conducted for:</p> <ul style="list-style-type: none"> - Fire; - Asbestos; - Legionella; - Gas; and - Electrical. <p>Inspection sheets are completed in full and signed by the member of staff undertaking the checks. External contractors are used periodically for surveys and inspections.</p>	Yes	No	<p>Testing of the periodic health and safety inspections for fire, asbestos, legionella, gas and electrics at each of the five sites, the following issues were identified:</p> <p>Arnold Leisure Centre</p> <p>Fire - It was confirmed a Fire Risk Assessment is in place which was carried out externally in October 2016 and therefore it was agreed with the Leisure Centres Manager that this is due for review.</p> <p>Testing the last 10 weeks of weekly fire alarm tests identified two instances where these were not evidenced to have been completed.</p> <p>Richard Herrod Centre</p>	Medium	All health and safety checks will be undertaken internally or externally within the set timeframes agreed in the Council's Policy. This will be communicated to all Leisure Centre Staff.	30 April 2020	Leisure Centres Manager and Duty Manager

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>Fire - It was confirmed a Fire Risk Assessment is in place which was carried out externally in October 2016 and therefore it was agreed with the Leisure Centres Manager that this is due for review.</p> <p>The Fire Log Book was not provided during the audit and therefore the monthly fire checks could not be confirmed to have been completed.</p> <p>Testing the last 10 weeks of weekly fire alarm tests identified one instance where no evidence of completion was available.</p> <p>Redhill Leisure Centre</p> <p>Fire - It was confirmed a Fire Risk Assessment is in place which was carried out externally in October 2016 and therefore it was agreed with the Leisure Centres Manager that this is due for review.</p> <p>Carlton Forum</p> <p>Fire - It was confirmed a Fire Risk Assessment is in place which was carried out externally in October 2016 and therefore it was agreed with the Leisure Centres Manager that this is due for review.</p> <p>Testing of five monthly fire tests for means of escape, fire exits, firefighting equipment and emergency lighting confirmed no evidence was provided confirming emergency lighting or fire exits had</p>				

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>been tested, and four out of five months testing for means of escape could be confirmed. All five months of firefighting equipment had been conducted.</p> <p>Testing the last 10 weeks of weekly fire alarm tests identified six instances where these were not evidenced to have been completed.</p> <p>Calverton Leisure Centre</p> <p>Fire - It was confirmed an internal Fire Risk Assessment is in place which was carried out externally in October 2018, but the external assessment was not provided. It was agreed with the Leisure Centres Manager that all Leisure Centres are due a review.</p> <p>Furthermore, testing of the last 10 weeks fire alarm tests confirmed in seven instances these had not been completed or evidence of completion was not available.</p> <p>Where health and safety checks are not completed or are overdue, there is an increased risk of health and safety failures or a lack of audit trail to support any cases if accidents or emergencies were to occur.</p>				
6	Daily Manager Check Sheets are completed in both the morning and the evening which include operational and	Yes	No	<p>Arnold Leisure Centre</p> <p>Testing the month of August established in 20 instances a Daily Manager Check Sheet had been completed and signed by the</p>	Medium	It will be communicated to all sites that the Daily Manager Check Sheets are mandatory and must be completed. Evidence	31 March 2020	Leisure Centres Manager and Duty Managers

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	health and safety checks. These are signed by the Duty Manager and maintained on file.			<p>conducting Manager. However, in the remaining 11 instances no evidence of the completions were available.</p> <p>Richard Herrod Centre</p> <p>For the month of August, no evidence of Daily Manager Check Sheets were presented and therefore it could not be confirmed that these had taken place.</p> <p>Redhill Leisure Centre</p> <p>Testing the month of August established in 12 instances a Daily Manager Check Sheet had been completed in full and signed by the conducting Manager. However, in 15 instances no evidence of the completions were available and a further four were only half completed.</p> <p>Carlton Forum</p> <p>We were informed by the Duty Manager at Carlton Forum that the same Daily Manager Check Sheets as the other sites are not completed. Daily checks of the safe and the plant room are conducted but the overall site checks cannot be evidenced.</p> <p>Calverton Leisure Centre</p> <p>It was informed by the Duty Manager that daily checks are conducted by Management, however, no formal</p>		of the daily checks being conducted will be signed by the Duty Manager undertaking these and this evidence will be maintained on file.		

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				<p>documentation is completed to evidence this process.</p> <p>There is a risk that essential Management checks are not being undertaken daily due to the lack of evidence provided. This could lead to health and safety issues or incomplete management tasks.</p>				

IT GENERAL CONTROLS - EXECUTIVE SUMMARY

1.1 Background

An audit of Gedling Borough Council's (the Council) IT General Controls was undertaken as part of the approved internal audit plan 2019/20. The objective of the review was to evaluate the control framework and provide assurance over design of controls impacting on the overall IT infrastructure and operating environment. The review considered the strategic risk of the IT environment not being appropriate leading to the Council not meeting its objectives; and the operational risk of key third party provided systems and services not being managed properly leading to business disruption.

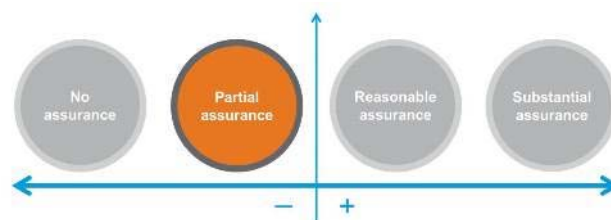
The audit was carried out primarily through meetings with the ICT Research and Development Manager along with review of key documentation relevant to the scope of the review.

1.2 Conclusion

The audit has highlighted that some control improvements are required with a view to enhancing the Council's IT General Controls environment. Three 'high' and three 'medium' priority management actions in relation to the Business Continuity Plan (BCP), IT Strategy, firewall controls, patching and the staff leaver process have been made. A further six 'low' priority management actions have also been raised and agreed with Management. A formal assurance opinion has been provided below.

Internal audit opinion:

Taking account of the issues identified, the Council can take partial assurance that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risks.



1.3 Key findings

The key findings from this review are as follows:

- The Corporate BCP is in the process of being updated. We also noted that the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) have not been formally agreed with the service areas; and they have not conducted any Business Impact Analysis (BIA) to identify how their areas would be impacted in the event of an IT failure. This increases the risk that the expectations of the service areas are not matched by the reality of the IT recovery capabilities, leading to prolonged service disruption.
- The Council has recently had their Public Sector Network (PSN) audit and an Action Plan was produced containing a number of actions for Management to address in relation to the firewall. At the time of the audit review, these had not been addressed. In addition, it was explained that there were no periodic reviews of the any changes to the firewall settings. The lack of a periodic review increases the risk of unapproved changes being actioned, permitting unauthorised access to the network and systems.
- A discussion with the Service Manager (Customer Services and Communications) confirmed that whilst there is a formal IT Strategy document in place at the Council, it has not been reviewed since 2016. This increases the risk that Council's goals and objectives are not being met by the current IT Strategy document.

- Through conversation with the ICT Research and Development Manager, we were informed that there was no effective overview of the current patching status across the entire IT estate. Consequently, the Council cannot say with any level of certainty that all areas are fully patched. This increases the risk that known vulnerabilities could be exploited.
- We noted that the firewalls were not deployed in resilient pairs. To mitigate this risk, the Council have a spare firewall appliance and they have a backup of the configuration settings. However, the second firewall has not been tested to make sure that it would work if required. The lack of testing increases the risk that the spare firewall device would not work as intended.
- The leaver process involves HR sending leavers lists to IT for their accounts to be disabled. However, it was noted that the IT Team did not action this until confirmation of the leaving date is received from the relevant Line Manager. Testing confirmed that this is not always promptly received. Failure to disable and remove staff leaver accounts promptly, increases the risk that these accounts could be used to access the systems and data of the Council.

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
Strategic – The IT environment is not appropriate leading to the Council not meeting its objectives.	5	7	6	3	3
Operational – Key third party provided systems and services are not managed properly leading to business disruption.					
Total			6	3	3

1.5 Additional feedback

We have identified the following examples of good practice during this audit:

- The Council utilise a password cracking tool called L0phtCrack to help assess the strength of passwords. Where weak passwords are identified, users are asked to strengthen their password accordingly.
- We noted that all laptops have BitLocker encryption enabled, the Council also utilise Mobile Device Management (MDM) tools to manage access to corporate tablets and smartphones.
- Testing revealed that anti-virus (AV) software was running on endpoints and users are not able to amend or reconfigure the AV settings.
- Incident Management processes and procedures were available to all staff on the Intranet. Data breaches are passed to the Data Protection Officer, who manages the process and informs the Information Commissioners Office if applicable. There is also a Data Security Group which meets every two months and discusses breaches and any lessons learnt.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those risks of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
1	Missing control: The Council has an up-to-date Business Continuity Plan (BCP) with clearly defined Recovery Point Objectives (RPO) and Recovery Time Objectives (RTO) for critical IT systems.	No	-	<p>The Service Manager (Customer Services and Communications) explained that the Corporate Business Continuity Plan was in the process of being updated and that this work was being undertaken corporately by the Health and Safety and Emergency Planning Officer.</p> <p>Discussions with the ICT Research and Development Manager confirmed that there is an IT Disaster Recovery Plan, and this is tested on an annual basis. We noted that the last test was performed in March 2019. The test was partially successful, and the lessons learned regarding performance issues were fed into improvements for the next test.</p> <p>However, through discussion with the ICT Research and Development Manager we were informed that the RPO and RTO have not been formally agreed with the</p>	High	<p>Management will ensure that the Business Continuity Management work is completed and links with the IT Disaster Recovery work, to include a review of the Business Impact Analysis (BIA) for each service area and the requirements for service recovery. As discussed, this work is being undertaken outside of IT.</p> <p>Management will make it more explicit in the Council's Business Continuity Plan what the Recovery Point</p>	<p>30 September 2020</p> <p>30 September 2020</p>	<p>Health and Safety and Emergency Planning Officer</p> <p>Health and Safety and Emergency Planning Officer</p>

service areas. Since the audit the RPO's and RTO's have been agreed through SLT. Furthermore, the Service Manager (Customer Services and Communications) presented the RPO and RTO's to Service Managers at a briefing in August 2019, clearly detailing these. Additionally, these were formulated based on feedback from Service Managers at a cyber-based emergency planning exercise.

The service areas have not conducted any Business Impact Analysis (BIA) to identify how their areas would be impacted in the event of an IT failure. Therefore, whilst IT have articulated the recovery times, it is not known if these have been fully understood and accepted.

This increases the risk that the expectations of the service areas are not matched by the reality of the IT recovery capabilities, leading to prolonged service disruptions.

Objectives (RPO) and Recovery Time Objectives (RTO) are to ensure that Management understand and accept these timescales. As discussed, this work is being undertaken outside of IT.

Management will follow up the presentation on RPO and RTO's with formal confirmation via email.

Immediate

Service Manager (Customer Services and Communications)

2	The Council are subject to annual Public Sector Network (PSN) audits to maintain their PSN accreditation.	Yes	No	We noted that penetration testing is performed annually by a third party. In addition, the Council had recently had their ITHC, which forms the basis for the PSN submission. A high-level summary of the report was viewed, and this confirmed that the action plan contained numerous actions for Management to address in relation to the firewall. At the time of the audit review, these had not been addressed, but there were plans to do so. However, until the full report is received a full action plan cannot be devised and submission cannot be made. The full report has since been received and is being reviewed, following	High	Management will ensure that the issues identified as part of the Public Sector Network (PSN) review are assigned action owners and that the actions are tracked through to completion.	31 May 2020	Service Manager (Customer Services and Communications) and ICT Research and Development Manager
						Furthermore, periodic reviews of the firewall will be performed in between PSN audits.	30 November 2020	Service Manager (Customer Services and Communications) and Service Delivery Manager

confirmation of a number of points with the ITHC suppliers.

From discussion with the ICT Research and Development Manager, it was explained that there were no periodic reviews of the any changes to the firewall settings, but there were alerts to notify IT staff if changes were made. The lack of a periodic review increases the risk of unapproved changes being actions, permitting unauthorised access to the network and systems.

3	Missing control: The Council has a clear overview of the current patch status across the entire IT estate.	No	-	Through conversation with the ICT Research and Development Manager, we were informed patches are updated once a week, which are released on test servers and then onto live servers following successful testing. Patches are applied using the relevant system tools. There is a clear schedule to avoid disruption to services. However, it was acknowledged by the ICT Research and Development Manager that there was no effective overview of the current patching status across the entire IT estate. We were informed that there were some legacy systems which could no longer be patched. This increases the risk that known vulnerabilities could be exploited.	High	Management will identify the areas of the IT estate where patching is not routinely performed, monitor these areas and assess the risks, for inclusion in the risk register.	28 February 2020	Service Manager (Customer Services and Communications) and ICT Research and Development Manager
4	Gedling Borough Council has an IT Strategy to outline their vision and the objectives to achieve that vision.	Yes	No	A discussion with the Service Manager (Customer Services and Communications) confirmed that whilst there is a formal IT Strategy document in place at the Council, it has not been formally reviewed since 2016. This increases the risk that Council's goals and objectives are not being met by the current IT Strategy document.	Medium	Management will ensure that the IT Strategy is reviewed and updated to support the delivery of the overarching Corporate Digital Strategy which will be developed following sign	30 September 2020	Service Manager (Customer Services and Communications)

We noted that the timescale for producing the revised version of the Strategy was linked to the completion of the Council's Digital Strategy, which in turn is linked to the corporate Gedling Plan.

off of the overall Gedling Plan.

The Council was currently in the process of performing a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis as part of the development of their Digital Strategy. This works should be completed by the end of December and the will then feed into the IT Strategy, which should be completed by the end of March 2020, depending on sign off of the Gedling Plan.

5	The Council has a spare firewall appliance which could be deployed in the event that the primary firewall failed.	Yes	No	<p>The Council IT staff maintain and patch the firewalls to ensure that the Council network is protected from vulnerabilities and to maintain PSN certification.</p> <p>However, it was noted that the firewalls were not deployed in resilient pairs. This increases the risk that in the event the firewall fails, the access to the network would be blocked. This could lead to service disruption.</p> <p>To mitigate this risk, The Council have a spare firewall appliance and they have a backup of the configuration settings. However, the second firewall has not been tested to make sure that it would work if required. The lack of testing increases the risk that the spare firewall would not work as intended.</p>	Medium	Management will test the second firewall appliance, to ensure that it could be used in the event that the primary firewall failed.	Immediate	ICT Research and Development Manager and Service Delivery Manager
6	Missing control: There is a co-ordinated 'Staff Leavers' process	No	-	HR inform IT of any new starters and leavers. The leaver process involves HR sending leavers lists to IT for the relevant account to be disabled. However, it was	Medium	Management will meet with HR to discuss and refine the leavers' process, particularly in	Immediate	Service Manager (Customer Services and Communications)

with notifications originating from HR being confirmed with Line Managers promptly and accounts being disabled promptly.

noted that the IT Team did not action this until confirmation is received from the relevant Line Manager. We were informed that this is not always promptly received.

Test of six leavers from the last 12 months was performed to determine if the accounts had been disabled promptly. The following was noted:

- IT had received notification from HR regarding two leavers;
- No HR notification received for the remaining four leavers;
- Line Manager notification received after the leaver date in all cases; and
- Delay ranged from two working days to 67 working days.

The failure to disable and remove staff leaver accounts promptly, increases the risk that these accounts could be used to gain unauthorised access the systems and data of the Council.

System owners are required to review systems annually and check access levels. This control is included in the Information Security Policy. However, in practice this cannot be evidenced, as System Owners do not retain any records to demonstrate a review has occurred.

This increases the risk that the reviews are not being performed by the System Owners and that users have levels of access to systems and data which are not commensurate with their job roles.

relation to the prompt notification of leavers.

Management will be reminded to perform reviews of the access assigned to their systems and data. Evidence of these reviews should be retained. IT will support this by process by producing an Active Directory list of access permissions annually, for Managers to check.

and Service Delivery Manager

PRE APPLICATION ADVICE - EXECUTIVE SUMMARY

1.1 Background

An audit of Pre-Application Advice was undertaken as part of the approved internal audit periodic plan for 2019/20.

The pre-application advice service was introduced to give applicants wanting to submit planning applications advice regarding the plans they wished to propose. Gedling Borough Council has committed to providing a pre-application advice service that mirrors the actual planning application process. The intention of the advice service is that applicants can expect to receive advice that will outline the decision of their plans should they be submitted for full planning approval, saving both the applicant and the Council, time and money in the long run.

All pre-application advice requests are managed through the Uniform system. On completion of an application form, all the relevant information being submitted, and the pre-application advice fee being paid, a designated Case Officer is assigned to work on the advice request.

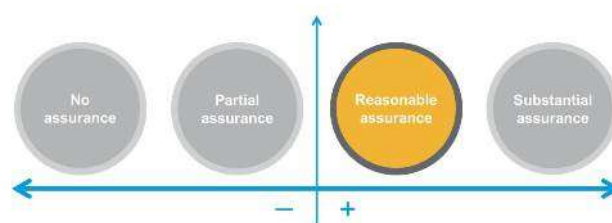
The pre-application advice service has a target income of £40,000 for this financial year. Current income generated by the service at the time of the audit for the year was £29,268 and thus income projections for the year appear on target.

1.2 Conclusion

Our overall opinion was formed by undertaking interviews with key staff and sample testing on the processes in place to ensure the controls on which the Council relies to manage its pre-application advice service are working effectively. Our review identified has confirmed that there is an adequate control framework in place, however, we have identified some control enhancements and non-adherence to controls. As such a total of five management actions have been agreed, one 'Medium' and four 'Low' priority actions.

Internal audit opinion:

Taking account of the issues identified, the Council can take reasonable assurance that the controls in place to manage this area are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified area(s).



1.3 Key findings

The key findings from this review are as follows:

- Adequate Pre-Application Advice policies and procedure notes are in place outlining the Pre-Application Advice function. These were approved in April 2019, are maintained up to date and made available to staff via the website.
- A structured calculation for fee setting was undertaken by the Service Manager- Development Services and approved by Members in April 2019. Fees have also been benchmarked against other Councils and service providers to ensure that the Council are providing a service to the public that is value for money.
- Testing a sample of 20 Pre-Application Advice Requests received, confirmed that in all instances where the full service had been provided, the correct fee was received prior to any work being undertaken.
- Sufficient advertising of the pre-application advice service is undertaking via the Council's website.
- All Planning Officers are provided with comprehensive training prior to being issued their own case load.

- The pre-application service is monitored against set targets and reported to Senior Management on a quarterly basis.
- A benchmarking exercise of the Council's current Pre-Application Advice fees was undertaken to ensure the service provided represents good value for money.
- Reporting of the Pre-Application Advice Service is undertaken and presented to Senior Management as part of the wider Planning Department reporting.

However, testing confirmed the following control weaknesses. As a result, management actions have been agreed to be implemented to mitigate associated risks:

- Testing a sample of 20 Pre-Application Advice Requests received identified that in one instance a full application form had not been completed and retained on file.
- Testing a sample of 20 Pre-Application Advice Requests identified that in 16 cases where the request was followed through after payment was received, only two instances, where the details of correspondence with the applicant to arrange a case meeting, were documented and retained on the Uniform system.
- Testing a sample of 20 Pre-Application Advice Requests could not confirm in 16 instances whether fees had been correctly recorded and banked, and that the applicant had received a written response within 28 working days as the receipt of payment which monitors these two controls was not documented on the Uniform system.
- Testing a sample of 20 pre-application advice requests received identified in one instance that the details of the designated Case Officer had not been recorded on the Uniform system.
- Testing a sample of 20 Pre-Application Advice Requests could not confirm in 10 instances whether advice had been submitted to an appropriate Senior Planning Officer as no documentation of senior approval is recorded on the Uniform system.

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.

Area	Control design not effective*		Non-Compliance with controls*		Agreed Management Actions		
	0	(15)	6	(15)	Low	Medium	High
Pre- Application Advice	0	(15)	6	(15)	4	1	0
Total					4	1	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.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
Area: Pre- Application Advice								
3.	Pre- Application Advice fees, once received, are accurately recorded and banked promptly.	Yes	No	<p>Discussions with staff working within the Planning Department confirmed that emails are sent from the Treasury highlighting when a Pre-Application Advice fee has been paid. This is then manually inputted onto the Uniform system by a member of staff.</p> <p>Testing highlighted that of the selected sample of 20 Pre-Applications, no receipt of payment had been attached to the Uniform system in any of the 16 instances where a payment was received. Consequently, individual applications were not able to be tracked back to their fee received date.</p> <p>Without the payment receipt being retained on file, there is a risk that fee payments could be incorrectly recorded against the</p>	Medium	The Planning Department will ensure that all Treasury payment receipts are uploaded to the Uniform system when the fee paid is manually inputted.	31 January 2020	Service Manager- Development Services

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
				wrong application, and should any payment queries surrounding the application arise, these will be unable to checked back to their original source. There is a further risk that if receipt of payment is not attached, management will be unable to track whether a written response of advice was issued within their target of 28 days.				

EXECUTIVE SUMMARY – RISK MANAGEMENT

1.1 Background

A review of Risk Management was undertaken as part of the approved internal audit periodic plan for 2019/20. Our review was undertaken to ensure processes are in place to identify, assess and manage the risks facing Gedling Borough Council (The Council).

Effective risk management assists in achieving the Council's vision and strategic objectives and helps to optimise the quality and efficiency of its service delivery. Therefore, it is imperative that there is an effective risk management system and assurance framework in place. The achievement of the Council's strategic objectives is underpinned by the effectiveness of the controls identified to mitigate the principal risks which could impact on the objectives being achieved.

The Council has an established Risk Management Strategy and Framework in place, which is designed to reflect current best practice in Local Authority Risk Management. The Risk Management Strategy and Framework was last reviewed in July 2017 and is next due for review in July 2020.

The risks identified are recorded at either the corporate level, in a Corporate Risk Register or at an operational level, in Service Risk Registers. This two-tier approach ensures that the highest level strategic risks, those which present the greatest challenge to the Council, are identified, evaluated and closely monitored. All risks, both strategic and operational, are monitored by the Senior Leadership Team (SLT), which discusses the risk registers quarterly and then report to the Audit Committee. This enables risk scores to be challenged and re-evaluated and facilitates discussion regarding emerging and changing risks.

A formal Corporate Risk Management Scorecard is presented by the Financial Services Manager on a quarterly basis to the Audit Committee. The purpose of the scorecard is to update the Committee on the current level of assurance that can be provided against each corporate risk.

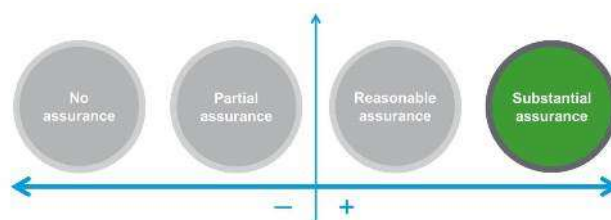
Risks are plotted on a matrix and categorised as 'red', 'amber' or 'green', depending upon where they have been ranked in terms on likelihood and impact. At the time of audit, the Council had 13 'live' risks recorded on its Corporate Risk Register. Of the 13 risks documented, there were two risks within the 'red' category and five risks within the 'amber' category. The remaining six risks were classified as a 'green' current risk level.

1.2 Conclusion

There is an appropriate control framework in place for governing Risk Management. Our review concluded that key controls are being applied adequately and effectively. We identified no issues that required us to comment upon or to raise management actions that would require improvement actions to be taken. Therefore, we are able to offer a Substantial Assurance audit opinion on the work undertaken.

Internal audit opinion:

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



1.3 Key findings

The key findings from this review are as follows:

- The Council's Constitution contains high level key controls and defines the ownership arrangements for the management of all levels of risk within the Council.
- The Council has a Risk Management Strategy in place and is approved by the Audit Committee and by Full Council.
- The latest Risk Management Strategy includes guidance on the identification, scoring and assessment, evaluation, treatment and reporting of risks.
- The Council has determined its risk appetite and this to set out on a risk by risk basis in the Corporate and Service Risk Registers.
- The Audit Committee receive quarterly reports with reference to the effectiveness of risk management procedures and notification of Internal Audit management actions in respect of these.
- A Corporate Risk Register is maintained which contains key strategic risks.
- A SLT is in place which meets each quarter to discuss the risks documented within the Corporate Risk Register and the updates provided by risk owners.
- A risk register is maintained for each service area and which is updated and reviewed each quarter by the relevant Service Manager and Director.
- All risks within the Corporate Risk Register and service level registers have been assigned a risk owner who is responsible for assessing and monitoring that risk.
- Risks are documented and assessed in terms of likelihood and impact.
- Risks are scored consistently using pre-determined definitions and plotted on the risk registers correctly.
- Any significant service area risks are raised at SLT meetings and if necessary, are evaluated and are escalated into the Corporate Risk Register.
- Controls are put in place to mitigate each risk and these are documented on the risk register.

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.

Area	Control design not effective*		Non Compliance with controls*		Agreed management actions		
	0	(10)	0	(10)	Low	Medium	High
Risk Management	0	(10)	0	(10)	0	0	0
Total	0	0	0	0	0	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.

EXECUTIVE SUMMARY – RECRUITMENT AND RETENTION

1.1 Background

A review of Recruitment and Retention was undertaken as part of the approved internal audit periodic plan for 2019/20. The audit was undertaken to review the Gedling Borough Council's (the Council) recruitment procedures and to ensure that the Council is attracting and retaining key skills.

The Recruitment function at the Council is managed by the Performance, Personnel and Training Department. The Department is made up of six staff members and is overseen by the Service Manager – Organisational Development. At the time of audit, the Council employed 490 people.

When Management identifies a need to fill a vacant post or create a new post, a business case is prepared along with budget details and presented to the Senior Leadership Team (SLT) for approval. Once approved, Personnel staff within the Council will prepare a job description and personal specification document in co-ordination with the Recruiting Managers requirements. A formal advertisement is then prepared and posted on the Council's intranet and website, as well as third-party recruitment sites.

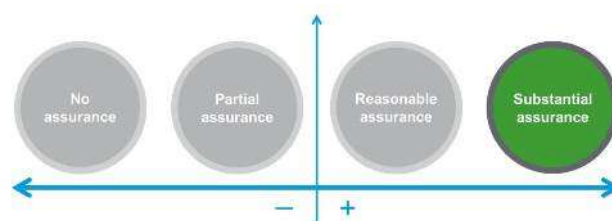
A Staff Satisfaction Survey is sent to all Council employees every two years to obtain feedback from staff members in regard to their experience as employees of the Council. Key questions such as satisfaction with levels of pay, training and personal development reviews are included within the survey. Results are reviewed and analysed by the Performance, Personnel and Training Department who subsequently prepare an action plan in line with the feedback received in order to improve retention rates across the Council. The Council's annual staff turnover rate at the end of quarter three for the current financial year was eight per cent.

1.2 Conclusion

There is an appropriate control framework in place for governing Recruitment and Retention at the Council. Our work confirmed that there are adequate controls in place, however, testing identified that the controls are not always consistently applied. Areas of improvement have been identified which has resulted in the agreement of one 'medium' and three 'low' priority management actions being raised.

Internal audit opinion:

Taking account of the issues identified, the Council can take substantial assurance that the controls upon which the Council relies to manage the identified area 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:

- Prior to the advertisement of a post by the Council, the Performance, Personnel and Training Department will obtain authorisation to recruit. Service Managers provide approval to fill a vacant post by filling out an Establishment Management Form online via the local intranet. The form is subsequently approved by the SLT.
- The relevant Recruiting Manager will complete a job description and person specification document for each role. Once the Recruiting Manager and Performance, Personnel and Training Department have approved the job description and person specification documents, the methods by which the vacancy will be advertised is agreed. The post is then advertised on the Council's local intranet, Council's Website as well as external platforms such as job-seeking websites and via professional associations.
- Once the closing date for a post advertisement is reached, the relevant Recruitment Manager will shortlist the candidates via the Council's Online Jobs System on the intranet. Personnel staff provide guidance and assistance regarding the shortlist as required. The Recruiting Manager completes a Shortlist Memo which sets out the details of the interview and confirms that panel members have received recruitment training. When the Shortlist Memo is received by Personnel from the Recruiting Manager, interviews are set up via the online system. All selected candidates are emailed to invite them for interview. Unsuccessful candidates are emailed to inform them that they have not been selected for interview as part of the shortlisting process.
- Prior to interview, the Recruiting Manager will compile a list of interview questions and send them to Personnel at least two full working days prior to the interview using the Question Form on the Council's local intranet. The interviewing panel will be made up of a minimum of two Managers and Personnel staff may also be present if requested by the Recruiting Manager. Following the interview, the Recruiting Manager will complete a Decision Record Form and email this to the Performance, Personnel and Training Department, to inform them of the successful candidate.
- Turndown Letters are emailed to unsuccessful candidates post-interview by Personnel staff. If unsuccessful candidates request feedback, this may be provided by the Recruiting Manager using the interview notes and notes from the Decision Record Form.
- The successful candidate post-interview will be offered the position via telephone by Personnel subject to relevant checks being carried out by the Council. A Provisional Offer Letter is sent to the candidate with an accompanying Medical Form for completion.
- Personnel liaise with the Recruiting Manager at every stage of the offer process to update them on progress regarding the medical clearance and return of references. Once the necessary checks have been completed Personnel agree a start date with the candidate.
- The Council maintains a database of all regulated roles which require a Disclosure and Barring Service (DBS) checks. The database is monitored on an on-going bases to ensure roles are added and removed from the database as and when required.
- Any staff members employed within the Council who are to undertake 'regulated activity' are subject to a DBS check.
- Any new starters within the Council who are believed to come in contact within any Police records in the day-to-day activities within their prescribed job role are subject to a Police Vetting Background Check prior to commencing employment with the Council.

- Two references are sought for all new starters. One reference is a 'work reference' from a previous employer and the other is a 'character reference' from someone other than a direct family member. If an internal candidate is appointed to work in a different service area one reference is obtained from the Service Manager of the candidate's service, no reference is necessary when the candidate is to be employed in the same service area.
- Contracts are in place between the Council and new employees which sets out the terms of employment. All employment contracts are signed by the relevant employee and maintained on file.
- Individuals terminating employment with the Council are offered the opportunity to complete an Exit Questionnaire which contains pre-set questions regarding their experience at the Council. As part of the questionnaire, employees can request for an exit interview with Personnel staff to discuss the contents of the questionnaire.
- A Staff Satisfaction Survey is prepared every two years and sent to all Council employees by the Performance, Personnel and Training Department. Results received are compiled and analysed as well as being posted on the local intranet. A report of the results along with a corresponding action plan is presented to the SLT for approval. The most recent staff survey was made available to all staff either online or via paper versions from 17 October to 11 November 2019.
- Staff turnover figures and percentages are monitored on a quarterly basis and input into the Pentana System. Data within the Pentana System is available to all SLT members and Senior Management staff.

However, we identified the following exceptions with the Council's established control framework:

- The Performance, Personnel and Training Department has recruitment procedure notes in place which detail the Council's recruitment processes. The procedure notes were last updated in January 2020 and are stored on the Council's local intranet. However, it was noted that the procedure notes contain staff members' actual names as opposed to their job titles.
- Training is provided by the Council's Performance, Personnel and Training Department to Management personnel who are involved within the recruitment process for their relevant service area. However, there is not currently a central log in place which details all Council staff members who have received recruitment and selection training.
- Testing a sample of 20 new starters found one instance where a Vacancy Action Checklist had been fully completed but not signed off and dated.
- Testing a sample of 20 new starters found one instance where a NE1 New Employee Induction Form had been fully completed but had not been signed off and dated by the relevant Personnel staff member managing the post.

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.

Area	Control design not effective*		Non Compliance with controls*		Agreed management actions		
	0	(18)	4	(18)	Low	Medium	High
Recruitment and Retention	0	(18)	4	(18)	3	1	0
Total					3	1	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.

2 DETAILED FINDINGS

Categorisation of internal audit findings

Priority	Definition
Low	There is scope for enhancing control or improving efficiency and quality.
Medium	Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible regulatory scrutiny/reputational damage, negative publicity in local or regional media.
High	Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, regulatory scrutiny, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all internal audit testing undertaken.

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
2	<p>Training is provided by the Council's Performance, Personnel and Training Department to Management personnel who are involved within the recruitment process for their relevant service area.</p> <p>Training is provided to all newly appointed Managers who are likely to be involved in the recruitment process.</p> <p>Additionally, existing staff members within the Council can request for the training to be</p>	Yes	No	<p>Training is delivered to Management and other Council officers who are likely to be involved within the recruitment process.</p> <p>Newly appointed Managers will be provided with the training upon appointment. Other staff members who are due to be part of an interview panel can request for training prior to interviews taking place.</p> <p>The Council's Performance, Personnel and Training Department has a Selection and Recruitment Training Presentation in place.</p> <p>Prior to the interviewing of candidates, the relevant Recruitment Manager will complete a Shortlist Memo which details interview panel members and whether they have received recruitment and selection training.</p>	Medium	Going forward, a central log will be maintained of all Council staff members who have received recruitment and selection training.	31 March 2020	Service Manager – Organisational Development

Ref	Control	Adequate control design	Controls complied with	Audit findings and implications	Priority	Action for management	Implementation date	Responsible owner
	delivered on an ad-hoc basis.			<p>However, there is not currently a central log in place which details all Council staff members who have received recruitment and selection training.</p> <p>Without a central log in place of all staff members who have received the training there is risk that Council staff members will partake in recruitment and selection processes without the appropriate training.</p>				

FOLLOW UP 2 - EXECUTIVE SUMMARY

1.1 Introduction

As part of the approved internal audit periodic plan for 2019/20 we have undertaken a review to follow up progress made by the Council to implement the previously agreed management actions. The audits considered as part of the follow up review were:

- 11.18/19 Health and Safety;
- 13.18/19 Landlord Licensing;
- 19.18/19 Property - Investment, Miscellaneous Properties and Facilities Management;
- 20.18/19 Contracts and Procurement;
- 1.19/20 Safeguarding;
- 3.19/20 Emergency Planning and Business Continuity;
- 4.19/20 Building Control;
- 6.19/20 Corporate Governance;
- 8.19/20 Cash and Banking; and
- 12.19/20 Apprenticeship Levy.

The 25 management actions considered in this review comprised of 13 'Medium' and 12 'Low'. Concentrating on the actions classified as 'medium', the focus of this review was, to provide assurance that all actions previously agreed have been adequately implemented. For actions categorised as 'low' we have accepted management's assurance regarding their implementation but have attached evidence where available.

1.2 Conclusion

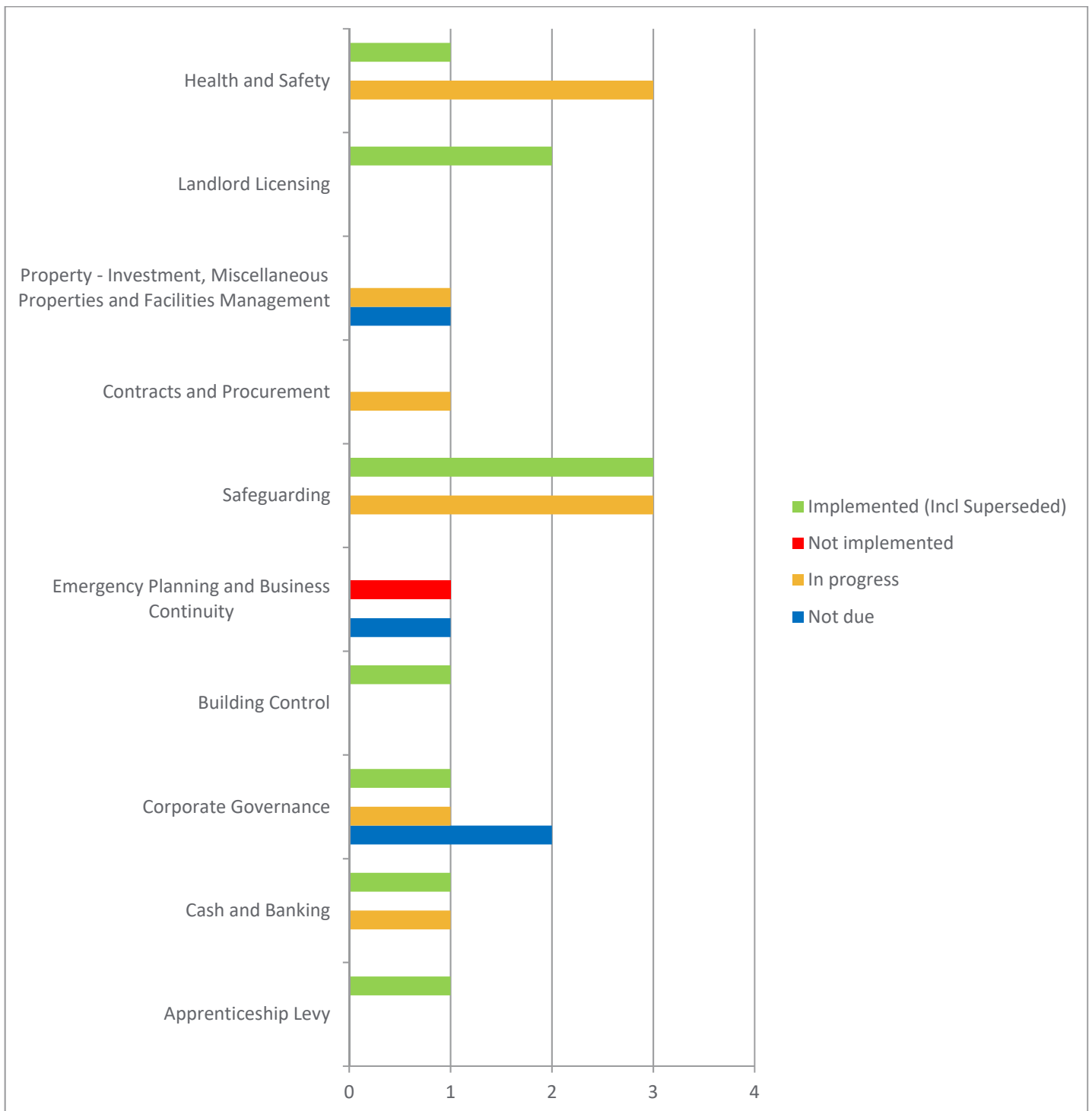
Taking account of the issues identified in the remainder of the report, in our opinion Gedling Borough Council has demonstrated **little progress** in implementing agreed management actions.

Of the 25 actions included in this review, 10 had been fully implemented, 10 were still in progress, one had not been implemented and four were not yet due as their implementation dates had not yet passed and they had not been fully implemented at the time of the follow up audit.

We have made new management actions where appropriate; these are detailed in section 2 of this report.

1.3 Action tracking

The following graph highlights the progress made on the actions that have been followed up.



1.4 Progress on actions

Implementation status by review	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
11.18/19 Health and Safety	4	1	3	0	0	0	1
13.18/19 Landlord Licensing	2	2	0	0	0	0	2
19.18/19 Property - Investment, Miscellaneous Properties and Facilities Management	2	0	1	0	0	1	0
20.18/19 Contracts and Procurement	1	0	1	0	0	0	0
1.19/20 Safeguarding	6	3	3	0	0	0	3
3.19/20 Emergency Planning and Business Continuity	2	0	0	1	0	1	0
4.19/20 Building Control	1	1	0	0	0	0	1
6.19/20 Corporate Governance	4	1	1	0	0	2	1
8.19/20 Cash and Banking	2	1	1	0	0	0	1
12.19/20 Apprenticeship Levy	1	1	0	0	0	0	1

Implementation status by management action priority	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Confirmed as completed or no longer necessary (1)+(4)
Low	12	6	3	1	0	2	6
Medium	13	4	7	0	0	2	4
Totals	25	10	10	1	0	4	10

2 FINDINGS AND MANAGEMENT ACTIONS

This report has been prepared by exception. Therefore, we have included only those actions graded as 2 and 3. Each action followed up has been categorised in line with the following:

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded and is no longer applicable.
5	The action is not yet due.

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
1	11.18/19 Health & Safety All risk assessments will be fully completed, uploaded to AssessNet and signed off by managers.	31 July 2019	Medium	It was confirmed through discussions with the Health, Safety and Emergency Planning Officer that whilst progress had been made towards completing and uploading all risk assessments to AssessNet, and having them signed off by Managers, this action was still in progress. Progress was evidenced via the quarterly briefing not sent to the Corporate Health and Safety Group.	2	All risk assessments will be reviewed as required and signed off by Managers.	Medium	31 July 2020	Health, Safety and Emergency Planning Officer.
2	A comprehensive list of all contractors will be formed with all Managers notifying of all their used contractors. Furthermore, all of these contractors will be subject	31 December 2019	Medium	We reviewed the contractor list, which confirmed that there were now 63 registered contractors, rather than 23 when previously reviewed. However, it was noted that many of these contractors had	2	Approved contractors who have passed the review date for competency and insurance review will be contacted to	Medium	31 May 2020	Health, Safety and Emergency Planning Officer

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
	to health and safety checks prior to use.			passed their review date for various competency and insurance checks.		undertake these checks.			
3	All staff will be reminded of the process to ensure health and safety awareness training is attended by new starters and the forms to be returned to the Health, Safety and Emergency Planning Officer.	31 March 2019	Medium	<p>We reviewed the tracker document for staff who started from April 2018 to June 2019, which confirms that 21 per cent do not have a health and safety induction form, and 50 per cent have not attended a health and safety awareness course.</p> <p>Whilst tracking levels of training is a proactive step, there are still many new starters who do not receive the mandatory Health and Safety training.</p>	2	All staff will be reminded of the process to ensure health and safety awareness training is attended by new starters and the forms to be returned to the Health, Safety and Emergency Planning Officer.	Medium	31 July 2020	Health, Safety and Emergency Planning Officer

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
5	<p><u>20.18/19 Contracts and Procurement</u></p> <p>Once the Council has its own licence for the e-procurement system a digital register facility will be available for use through the Contract Management module.</p> <p>A reconciliation exercise will be undertaken with the involvement of Service Managers / contract owners and the Legal Team to ensure that all existing contracts are identified and added to the Contracts Register on the system.</p> <p>All contracts will be reviewed by the Legal Team prior to the Council entering into any agreements.</p>	30 September 2019	Medium	<p>The Financial Services Manager confirmed that the digital register on the e-procurement system has not been implemented but is still something the Council want to introduce.</p> <p>In regards to the contracts it was confirmed that all contracts go through the Legal Team and that a Contracts Register is maintained by them. A sample of five contracts were obtained, reviewed and confirmed to have all been completed and fully signed off and dated by both parties involved.</p>	2	Once the Council has its own licence for the e-procurement system a digital register facility will be available for use through the Contract Management module. All Council contracts will then be held on this system.	Medium	31 December 2020	Financial Services Manager
6	<p><u>1.19/20 Safeguarding</u></p> <p>Information on Safeguarding will be displayed to staff and volunteers on notice boards around the Civic Centre and on completion of the review, safeguarding information will be published on the</p>	31 January 2020	Medium	<p>Through discussion with the Community Safety and Safeguarding Manager it was confirmed that this action was in the process of implementation but was not fully completed.</p> <p>Due to guidance having been updated, the designs for the posters had not been finalised, and there was a redesign to</p>	2	Information on Safeguarding will be displayed to staff and volunteers on notice boards around the Civic Centre and on completion of the review, safeguarding information will be	Medium	31 March 2020	Community Safety and Safeguarding Manager

Ref	Management action	Original date	Original priority	Audit finding	Current status	Updated management action	Priority issued	Revised date	Owner responsible
	Council's website and on the intranet.			allow dedicated pages on the intranet.		published on the Council's website and intranet.			
11	<p><u>8.19/20 Cash and Banking</u></p> <p>Market staff will be reminded to issue receipts to every stall holder with their name and stall number clearly recorded.</p>	30 September 2019	Medium	<p>From our sample of 72 receipts from 2 October 2019 to 23 October 2019, we found that:</p> <ul style="list-style-type: none"> • Five receipts had not been dated. • Three receipts either had no stall number, or the wrong stall number. • Two receipts were present for the same person and stall in the same week, whilst another stall had no receipt during that week. • One receipt stated £12 for two stalls, however the correct amount of money was collected. <p>Whilst it has been reinforced to Flea Market staff that the standard of information on the receipts needs to be improved, there has been no change in standard. This leads to the potential risk of financial loss caused by not charging stall holders.</p>	2	Market staff will be reminded to issue receipts to every stall holder with their name and stall number clearly recorded.	Medium	30 April 2020	Property Surveyor