

# Taunton Deane Borough Council

## Corporate Governance Committee – 17<sup>th</sup> September 2018

### Overdue high priority SWAP Audit Recommendations

Report Author: Richard Doyle, Corporate Strategy & Performance Officer

#### 1 Purpose of the Report

- 1.1 This report provides Members with a position statement on the SWAP audit recommendations for Taunton Deane Borough Council, which were assessed as high and very high priority, where the agreed remedial action is overdue.

#### 2 Recommendations

- 2.1 It is recommended that:-

- The committee review the overdue actions.

#### 3 Risk Assessment

##### Risk Matrix

Description	Likelihood	Impact	Overall
The Council is exposed to risk through inadequate systems and processes identified through SWAP audits.	Likely (4)	Major (4)	High (16)
The mitigation for this is the timely completion of agreed remedial actions,	Unlikely (2)	Major (4)	Medium (8)

#### 4 Background and Full details of the Report

- 4.1 Taunton Deane BC engage the South West Audit Partnership (SWAP) to carry out internal audit functions; checking the adequacy of controls and procedures across the whole range of Council services.
- 4.2 At the start of each financial year an audit plan is agreed between SWAP and the Council which identifies the areas of highest potential organisational and operational risk within the Council.

- 4.3 When an audit takes place a report is provided to the service manager concerned which gives an audit conclusion and opinion.
- 4.4 Any control or procedural weaknesses are identified within an action plan appended to the audit report.
- 4.5 All findings will be allocated one of 5 priority ratings. With priority 5 carrying the most significant risk to the service (not necessarily to the wider Council) and priority 1 the least significant risk.

The definitions used are provided below:

**Priority 5:** Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.

**Priority 4:** Important findings that need to be resolved by management.

**Priority 3:** The accuracy of records is at risk and requires attention.

**Priority 2:** Minor control issues have been identified which nevertheless need to be addressed.

**Priority 1:** Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

- 4.6 Each finding within the action plan contains a target implementation date which has been agreed between SWAP and the service manager concerned.
- 4.7 All priority 4 and 5 recommendations are captured in a register to ensure progress against the recommendations can be tracked and progress reported to JMT and the Audit/Corporate Governance Committees at Taunton Deane and West Somerset Councils.
- 4.8 This report highlights the Priority 4 and 5 audit actions affecting Taunton Deane Borough Council, where the agreed remedial action is overdue. On this occasion there are **17 priority 4** priority actions which are overdue but **zero overdue priority 5** recommendations for Taunton Deane Borough Council.
- 4.9 A summary of the overdue actions is provided in Appendix A.

## **5 Links to Corporate Aims / Priorities**

- 5.1 There are no direct links to corporate aims/priorities although good governance and robust controls and processes underpin good performance.

## **6 Finance / Resource Implications**

- 6.1 Unmitigated risks identified by SWAP could expose the Council to unanticipated claims, expenditure or exposure to fraud.

## **7 Legal Implications**

- 7.1 There are no direct legal implications within this report although unmitigated risks could expose the Council to unanticipated claims.

## **8 Environmental Impact Implications**

- 8.1 There are no direct environmental impact implications associated with this report.

## **9 Safeguarding and/or Community Safety Implications**

- 9.1 There are no safeguarding implications associated with this report. There are Community safety implications in relation to public safety risks associated with tree surveys.

## **10 Equality and Diversity Implications**

- 10.1 There are no equality and diversity implications associated with this report.

## **11 Social Value Implications**

- 11.1 There are no Social Value implications associated with this report.

## **12 Partnership Implications**

- 12.1 The majority of Council services are delivered through shared services arrangements with West Somerset District Council.

## **13 Health and Wellbeing Implications**

- 13.1 There are no direct health and wellbeing implications associated with this report.

## **14 Asset Management Implications**

- 14.1 There are asset management implications associated with this report.

## **15 Consultation Implications**

- 15.1 There are no Consultation implications associated with this report.

**Democratic Path:**

- **Corporate Governance Committee - Yes**
- **Corporate Scrutiny – No**
- **Executive – No**
- **Full Council – No**

**Reporting Frequency: Twice yearly**

**List of Appendices (delete if not applicable)**

Appendix A	Summary of overdue priority 4 and 5 SWAP audit recommendations
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**Contact Officers**

Name	Richard Doyle
Direct Dial	01823 218743
Email	r.doyle@tauntondeane.gov.uk

APPENDIX A

Audit Report	Finding	Priority	Recommendation	Management Response	Original Implementation Date	Progress Update	AD Responsible	Org
TDBC - Asset Management - Final Report - 09.12.2015	1.1a Asset Management Plan does not reflect the current role and responsibilities of the new integrated Property and Development function.	4 - High	I recommend that the Asset Manager refreshes the current Asset Management Plan to embrace the current role and responsibilities of the new integrated Property and Development function and reviews proposed actions for individual property to ensure they are still appropriate drivers of asset management.	The current Asset Management Plan, whilst needs refreshing, is still live until end of 15/16. In line with work plan, this is to be refreshed during early 2016 and will reflect subsequent Asset Strategy and new structure and responsibilities.	June 2016	<b>August 2018</b> - contract due to be signed with Capita for provision of consolidated assets system (Open Assets) with an aim to implement in early 2019, this will then be a single repository for asset data - in the meantime spreadsheets continue to be maintained and updated	Paul Carter	TDBC
TDBC - Asset Management - Final Report - 09.12.2015	2.1a The make-up of asset records for property has a number of components, none of which are integrated. Those that are computer based have some 'searchability'.	4 - High	I recommend that the Asset Manager in his review of property records ensures that property data is rationalised and collated into a readily accessible and searchable form and one which provides for appropriate document attachment.	Already committed to delivering as part of Commercial Rents SWAP Audit Management Action. Permanent solution will be the implementation and subsequent use of a new Asset Management System. As interim measure (if required) will collate core data currently from multiple sources into one spreadsheet but this will not enable document attachment.	December 2016 (for interim measure if becomes necessary)	<b>August 2018</b> - this is being dealt with via the new coding structure which will be implemented by the new council	Paul Carter	TDBC
TDBC - Crematorium and Burials - Final Report - 23.10.2015	1.3a CAS Replacement Software.	4 - High	I recommend that the Cemeteries and Crematorium Manager liaises with the procurement team to ensure that when tendering for replacement software the following issues are considered; Validation of plot references; I would recommend that the use of spaces is avoided, and consider populating the system with all available plots prior to roll out so that plot references can be checked and then selected when inputting new ownership details, Exception reporting functionality, Fields required by the LACO are made mandatory, Automatic daily back up to avoid loss of data, Document management and scanning of paperwork, Availability of burial details to be published on the internet to enable interested parties to search themselves.	Currently in process and all issues will be considered and discussed.	Current	<b>September 2018</b> - As of Thursday 31st August The service has identified the company we wish to supply the new system and now in conversations with them for clarity around some points of business, we hope to award the contract by the end of September 2018 with an implementation of 4-6 months	Hall, Chris;	TDBC

TDBC - Software Asset Management - 18.09.2015	2.4a Renewal of the Microsoft ESA: We are unable to confirm that the Council is a named affiliate and can benefit in its own right from the renewal or buy out options.	4 - High	I recommend that the ICT and Information Manager confirm with Southwest One that the Council is a named affiliate to the Microsoft ESA and can maintain its Microsoft licensing beyond the end of the Southwest One contract. If necessary the Council should be added as an affiliate to the ESA.	Agreed. We will work with SWOne to ensure that TDBC is a named affiliate on the Microsoft ESA	October 2015	<b>June 2018</b> - The transfer agreement has been signed and is being periodically chased by the Procurement Manager. Microsoft currently not being very responsive.	Richard Sealy	TDBC
TDBC Collection Fund 1718 Final Report	There has been no reconciliation carried out between Civica and E5 during the financial year. A reconciliation is being worked on to balance the two systems at year end. The process used to complete this is being created as they work through it. There is no reconciliation procedure in place for this because it is a new finance system and this has not yet been fully defined. The officers responsible for completing the reconciliations are primarily based at West Somerset Council and therefore the knowledge and experience of the E5 system is limited. This has caused additional difficulties in identifying a suitable reconciliation process as they were not clear on the codes used in E5 to reconcile against. Without a reconciliation there is a risk that there will be a delay in signing off the accounts at year end and the financial reporting could be incorrect.	4 - High	We recommend that the Principal Accountant ensures that monthly reconciliations are completed for cash and refunds between E5 and Civica from April 2018.	Agreed	30/4/18	<b>August 2018</b> - Good progress had been made in introducing a monthly reconciliation process for both council tax and NNDR cash and refunds at TDBC. All the necessary reports are now in place and work is currently underway to bring the reconciliations up to date. The reconciliations are being undertaken by a member of the corporate finance team at TDBC so knowledge of the reconciliation process is now shared by both councils.	Carter Paul	TDBC
TDBC Commercial Rents and Properties 1617 Follow Up Final Report		4 - High	I recommend the Asset Manager ensures a complete and up-to-date central record is maintained in relation to all commercial properties and leases.	The permanent solution is an integrated Asset Management System. A project is already advancing to identify requirements, identify suitable systems and then to procure and implement such a system. This has been and continues to be a complex and lengthy project. The interim solution (if necessary) is to bring together all datasets into Excel and migrate all key data into one spreadsheet.	April 2017	<b>August 2018</b> - contract due to be signed with Capita for provision of consolidated assets system (Open Assets) with an aim to implement in early 2019, this will then be a single repository for asset data - in the meantime spreadsheets continue to be maintained and updated	Paul Carter	TDBC
TDBC Crematorium and Burial Services Final Report 10.08.16	As stated in finding 3.1, changes can be made to records on the CAS system after invoices have been generated. To make these changes a password has to be entered. Currently the password is known by all officers with access to the CAS system. As a control, the password does not work as all officers can still make changes once an invoice has been generated. The system does not record additional entries as outstanding and if entered for a previous period they will not be picked up and included in the next invoice run. There is a risk that not all income is being collected.	4 - High	In combination with recommendation 3.1a. I recommend that the Cemetery and Crematorium Manager ensures a new system is procured and controls are implemented either through this system or the council's financial management system that allow the following: Interface with the TDBC finance system so that manual input is minimise or no longer required · Record all invoice numbers and dates Provide clear audit trails allowing simple searches to find required information Allow cash receipting against the relevant invoice numbers so over and under payments can clearly be seen. Allow reports to be run from the system showing various financial information. This should include aged debt reports. Produce clear invoices which include VAT breakdowns, VAT registration number, business address, and payment terms. Ensure no changes can be made to records after an invoice has been raised.	CAS audit trail, this is noted and CAS will be replaced during the current financial year and this will be the responsibility of the new Cemeteries and crematorium manager.	31st December 2016	<b>September 2018</b> - all financials are carried out through E5 to ensure none of the CAS issues continue. The new administration systems identified will work with E5.	Hall, Chris;#121	TDBC
TDBC Crematorium and Burial Services Final Report 10.08.16	During testing, the previous audit recommendations were discussed with the Cemetery and Crematorium Manager to identify what progress had been made. There were two priority three recommendations previously and one priority four recommendation regarding replacing the CAS software. None of the recommendations had been completed at point of testing, the Cemetery and Crematorium Manager stated that the procurement of new software had been put back until his replacement was appointed.	4 - High	I recommend that the Assistant Director – Operational Delivery ensures that audit recommendations are completed by the responsible officers.	During the current financial year the system is due for replacement, there has been a demonstration on site of the ClearSkies software and the service is waiting for a demonstration of the Gower software. The new manager will have the opportunity to obtain a new software package appropriate to Taunton Deane requirements and compatibility.	31st December 2016	<b>September 2018</b> - As of Thursday 31st August The service has identified the company we wish to supply the new system and now in conversations with them for clarity around some points of business, we hope to award the contract by the end of September 2018 with an implementation of 4-6 months	Hall, Chris;#121	TDBC
TDBC Debtors Final Report 1718	Key Control: Reconciliation of the General Ledger to all material debtors codes Through discussion with the Senior Corporate Accountant, it was established that with the implementation of the e5 financial system, the Finance Team are only just getting to a position to commence various balance sheet reconciliations and an initial meeting to discuss this took place in December 2017. There is a target date of the end of February 2018 to complete all the reconciliations. Therefore, the Finance Team were not in a position to take part in testing at this stage as no reconciliations have been performed to date. If reconciliations are not performed there is a risk that discrepancies/items that do not balance would not be identified and acted upon.	4 - High	We recommend that the Principal Accountant ensures that the monthly balance sheet reconciliations are progressed and completed prior to the financial year-end.	Agreed	31/3/18	<b>August 2018</b> - All balance sheet reconciliations were completed by 31 March 2018 as part of the Final Accounts process.	Paul Carter	TDBC

<p>TDBC Debtors Final Report 1718</p>	<p>Key Control: Periodic production and independent review of sundry debtors arrears reports  The TDBC Corporate Debt Policy sets out the mission to collect all monies owed to the Council and that action to recover debts will be in a quick manner. It also highlights the requirement for prompt recovery action as essential for effective debt management and that failure to achieve this will have financial consequences for the Council. As it is not possible to obtain a report that demonstrates the timeliness of debts being paid this was completed on a sample basis through Auditor access to the system. A total of 26 invoices were randomly selected (a subset has been used in a later test for testing services timeliness and accuracy in raising debts). Of these 26 the following results were determined: 14 had been paid later than the due date, (three of these took over 100 days to pay) 1 had only been partially paid and therefore a balance was still overdue  Within the sample, three debts had been subject to dunning. Dunning was not live in the system until December when the first reminder invoices were sent out, it is of note that two of the outstanding debts were paid in November following the dunning process.  Excluding the partially paid debt, the average time to pay an invoice was 25.04 days. However, without sufficient system reports to measure the timescales of paying debts it is not possible to place assurance on the effectiveness of recovery processes across the 12k debts in our data; however, it is noted that all debts sampled had either been fully paid or, in one instance, partially paid at the point of testing.  The only report that is currently produced that demonstrates debtors arrears is the Top 20 Sundry Debts by value which is reported to JMT (Joint Management Team) quarterly with a progress report from the Senior Debt Recovery Officer if a debt remains outstanding from the previous quarter. A sample of ten aged debts were sampled from this report to verify that recovery procedures and timescales were followed in accordance with the TDBC Debt Management Policy. Five of the debts had been settled at point of testing, however none of these were settled within the timescales set out by the TDBC Corporate Debt Policy. It is noted that this testing of compliance on aged debts is limited, and the debts sampled have the highest profile within the Council and it is likely they have been subject to more recovery processes than other, lower value, outstanding debts.  There remains a risk that without effective reporting, the Council is unable to identify outstanding debts for action which will have an impact on the effectiveness of recovery processes and could result in a loss of income to the Council, additionally difficulties in obtaining data and delays been subject to more recovery processes than other, lower value, outstanding debts.  There remains a risk that without effective reporting, the Council is unable to identify outstanding debts for action which will have an impact on the effectiveness of recovery processes and could result in a loss of income to the Council, additionally difficulties in obtaining data and delays will result in further demands on resources and outstanding debts may become batched reducing the likelihood of being recovered in a timely manner. In addition, complete data reports will also offer assurance that all data has been successfully transferred to the e5 system.  Whilst it is understood from the Senior Debt Recovery Officer that system reports are underdevelopment the delay between the implementation of the system and this current development is of concern as without it, the council does not have the full resources available to deliver an effective debt recovery process.</p>	<p>4 - High</p>	<p>We recommend that the Senior Debt Recovery Officer ensures there are sufficient reports on debts contained within the e5 system that include the following: • date debt was raised• the due date• the date paid• most recent dunning action• suppression dates  This information should be reviewed internally on a periodic basis to ensure that the volume of outstanding debts remains under control and system reports should be accessible by internal audit to support the annual assurance work.</p>	<p>Agreed – A full reporting suite is essential for the AR team and service areas to work in an efficient manner. We are already working with Finance and detailed spreadsheets have already been created and evidenced that provide both a management summary and more importantly an efficient tool for the team to pursue non-payment. Subsequently the arrears are now being attacked from both ends of the spectrum 1. Old debts (prior to 31 March - which is also our new Performance Indicator – run monthly) and 2. New debts (created to pick up unpaid cases from going live in May onwards – run weekly). The old debt summary page is a very useful management tool and is now reported to JMT along with the Top 20 every quarter. Timeliness of debts being paid is another work in progress as is suppression dates, however we require a system update before a report on suppression dates is addressed. The date of this update is not currently known and therefore the target date can only be provisional.</p>	<p>1/7/18</p>	<p><b>August 2018</b> - Some work has now been completed to view Suppressions on the front screen in e5 to aid users. Jasper reporting still requires a further upgrade to pick up the required fields to build the necessary report. Once built this will be reported and checked monthly. To cover ourselves hold/suppressions have been built into the essential reporting requirements in our new Design Principles so Advanced have to deliver. Timeliness will be useful future reporting tool although this has been put on the back burner with efforts now focussed on the task to e5 and e5 to new Council conversions.</p>	<p>Paul Carter</p>	<p>TDBC</p>
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TDBC Housing Compliance (Gas Safety) Final Report		4 - High	We also recommend that the Property Manager (M&E) ensures that if an LGSR is not received with a defined timeframe a second service is arranged to ensure this is completed.	Agreed. This will become even more dynamic and efficient as we increasingly utilise Gastag job allocation function. Out of the 26 properties identified without a valid LGSR certificate during the audit timespan, allowing more time, there were subsequently 7 properties that we could not identify a valid LGSR certificate for. Of those remaining 7, 5 were completed but paperwork was irretrievable and these properties required re-scheduling. A further 2 also required re-scheduling due to a combination of no access and data quality issues.	31/10/17	<b>No recent update provided – to be chased</b>	Paul Carter	TDBC
TDBC Housing Rents 2016-17 Final Report	We have not been able to test that these steps are being followed and are unable to place assurance as to the effectiveness of these stages. As can be seen from the current tenant arrears figures shown below, the debt position has increased. This could suggest that recovery processes and monitoring of debts need to be reviewed. However, there could also be an impact as a result of universal credit however without testing we are unable to verify this. Current Tenant Arrears • As at 3 April 2016 - £420,371.94 • As at 26 March 2017 - £538,716.21 We were able to see evidence of recovery records outlining current progress on each tenant's arrears for one Estate Officer – however these records have not been assessed for accuracy. A previous audit finding identified that debt recovery processes did not have full up to date system notes despite ongoing recovery actions, as we have not been able to complete testing in this area we have not been able to give assurance that the recommendation to remind staff has been implemented effectively. A recommendation has been made under 2.2a to reflect record keeping.	4 - High	I recommend that the Housing Services Lead ensures there is a clear line of responsibility for the management of current tenant arrears. Responsible officers should be responsible for the recovery processes and management of arrears across all Housing stock.	Agreed	September 2017	<b>No recent update provided – to be chased</b>	Simon Lewis	TDBC



TDBC Open Spaces External Clients Final Report 16 17	<p>Debt Management Process</p> <p>The level of aged debt is very high, the grounds maintenance debt is the second highest in the council following S106 debt. As at 29 March 2017, the amount of debt over 30 days was £108,021 (£25,000 of this is over a year overdue). This is a slight increase from a previous report provided as at 31 October 2015 which showed overdue debt was at £97,075.</p> <p>Since the return of services from South West One in December 2016, debt management has been assigned to the Assistant Technician to complete. The process to be followed should be the Council's Debt Management Policy, however this is not currently being followed. The Assistant Technician did not appear sure of the actual process to be followed and indicated that debts were not passed to legal if non-payment continued beyond a set point. Guidance and training for staff involved in the debt management process now services have returned from South West One would be essential to ensuring that processes are well managed and may prevent the debt position from increasing.</p> <p>The Open Spaces debts are currently not being chased until they are 60 days overdue for payment. The Open Spaces Manager informed us that this is a deliberate process in order to manage a known backlog of aged debts. When chasing debts there will be delays while queries raised are investigated and resolved. Depending on the query type this can take time to resolve and push the age of the debt up. There is also a risk that evidence needed to resolve queries has been lost or misplaced in the time between causing further delays.</p> <p>Debts should be chased much earlier, the Debt Management Policy states that the first chase would be no more than two weeks after the due date at the latest. The earlier queries can be identified and resolved, the greater likelihood that payments will be received and the aged debt position improved. The debt recovery processes currently being followed are not backed up with any centralised record although the Assistant Technician keeps a copy of the aged debt report with comments of the progress made and status of the invoices, this is not available to all staff. This record kept in her network folder and only shows information for the debts she has chased. Without a centralised record of action taken there is a risk that not all debts are being chased. There is also no detail available to inform staff of those debts needing a chase if an officer is off sick or on annual leave. There is a risk that without following a set policy and keeping a record of all action taken that the level of debt could keep increasing and the service becomes unsustainable as income is not being received.</p>	4 - High	<p>I recommend that the Open Spaces Manager ensures the following:</p> <ul style="list-style-type: none"> <li>• The Corporate Debt Policy is adhered to with outstanding debts being pursued from two weeks after the due date</li> <li>• Training on debt management and recovery is offered to those officers undertaking this role – ensuring that staff are aware of the importance of record keeping should a legal process need to be followed.</li> </ul>	<p>Agreed – however there is currently backlog that is being prioritised and efforts will be made to reduce the number of days going forward and target 14 days from October. Other points can be undertaken from May.</p>	31/10/17	<b>No recent update provided – to be chased</b>	Chris Hall	TDBC
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<p>TDBC Payroll Final Report 2017-18</p>	<p>Key control: Separation of duties between officers responsible for preparation of the payroll and payment of employees.</p> <p>Through interviews carried out with the HR Project Officer (Payroll) it was explained that the task of preparing payroll currently sits with her, however the HR Assistant (Payroll) is starting to take on some of the responsibilities. It was explained that there is currently no audit trail to demonstrate which Officer prepared and checked payroll, therefore the separation of duties could not be verified within this process.</p> <p>Once the Payroll has been prepared by the HR Project Officer (Payroll) and validated a report is sent from Midland HR to the authorised signatories to authorise the release of BACS, the BACS authorisation report does not contain the officers listed above and therefore forces a separation of duties however no evidence has been kept of this authorisation process.</p> <p>In addition, to support the managers in approving the payroll, an exception report should be made available that summarises any material changes from the previous month to ensure that the segregation of duties is effective in mitigating against the risk of fraud or error.</p> <p>There is a risk that without a separation of duties between the Officer responsible for preparing and approving payroll and without a record to confirm that this separation has been adhered to, the Council will suffer a financial loss through inappropriate payments being made.</p>	<p>4 - High</p>	<p>We recommend the HR and OD Manager ensures there is a separation of duties between the Officer responsible for the preparation and approval of payroll and satisfactory evidence is retained. Options could include limiting the edit access to the system for officers with responsibility for authorising the thereby forcing a segregation of duties.</p>	<p>Partially agreed – the system administration access has to sit with one officer within the team, and due to the limited staff within the team it is not possible to accept that the system administrator will not be involved in processing as this will create a risk elsewhere. It is currently being explored whether the system admin access could be reduced as internally the staff are not involved in the end to end process due to the managed Payroll service.</p> <p>The development of exception reports will be undertaken which can provide a summary overview of payroll changes within the month for independent review (e.g. new starters, changes to salary etc.) a Senior member of staff within HR will be able to review and countersign.</p> <p>From May 2018 the HR Payroll Officer has started annotating exception reports and will retain a copy as part of the audit trail which can be reviewed by the authorising officer where there are queries.</p> <p>The Temporary HR Manager will also review the iTrent information for the two members of staff involved in Payroll processing.</p>	<p>In Progress</p>	<p><b>August 2018</b> - Exception reports are now annotated on a monthly basis and a monthly payroll checklist has been created detailing all the checks that are undertaken. This is checked and signed off by the temporary HR Manager. Day to day input is now carried out by the HR Assistant (Payroll) with the HR Project Officer assisting if the HR Assistant is unable to input items within the required timeframe.</p>	<p>Paul Carter</p>	<p>TDBC</p>
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<p>TDBC Payroll Final Report 2017-18</p>	<p>Key control: Only authorised staff are able to amend the system parameter files. Adequate password controls are in place and kept under review.</p> <p>Testing was carried out to determine whether System Administrator access to iTrent is sufficiently limited and to confirm that there is a separation of duties between the Officers responsible for processing payroll and temporary changes and the Officers responsible for creating new posts. A report of the system access levels for each Officer in the HR and Payroll team was compiled by the HR Project Officer (Payroll).</p> <p>A review of the data provided confirmed that Administrator level access to iTrent has been limited to only the HR Project Officer (Payroll). Through interviews with the HR Project Officer (Payroll), it was determined that there is currently no separation of duty in relation to the creating of job roles on iTrent and the approval of payroll. The HR Project Officer (Payroll) has the ability to, and is responsible for, creating new roles on the system as well as instructing Midland on the temporary changes to be made and approving payroll. As part of the partially managed service given by Midland, the attaching to payroll and processing of temporary changes via data load is carried out by Midland, though on the instruction of the HR Project Officer (Payroll).</p> <p>Without sufficient separation of duties, there is a risk that Officers with access to all areas of the payroll system may be able to create ghost employees or temporary changes that may result in a financial loss for the Council. This risk is heightened as the budget monitoring of salaries only took place as of quarter three and is not being backdated. There is also a risk that due to such high access being granted to only one Officer, should that Officer leave the Council or go on long term absence, the Council may be unable to adequately use the payroll system.</p> <p>During testing carried out with the HR Project Officer (Payroll), it was explained that iTrent does not currently force change passwords. There have, previously, been attempts to place a time limit on passwords to ensure they periodically expired, however, it was found that staff were unable to change their passwords and were forced to contact Payroll to request their password be reset. It was also explained that the current password requirements are not in line with Council policy with regards to complexity and difference from previous passwords.</p> <p>Without complex passwords that are force changed periodically, there is a risk that the Council will suffer a loss through employees inappropriately accessing the Payroll system</p>	<p>4 - High</p>	<p>We recommend the HR and OD Manager ensures a separation of duty is enforced between Officers able to create job roles, approve payroll and process temporary changes.</p>	<p>This risk will be mitigated with the development of the controls listed in 1.6a</p>	<p>In Progress</p>	<p><b>August 2018</b> - As mentioned above, further controls have been put in place and the HR Payroll Officer is only involved in input when the HR Assistant is unable to process all the payroll items due to volume or absence from the office.</p>	<p>Paul Carter</p>	<p>TDBC</p>
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<p>TDBC WSC Discretionary Housing Payments Final_2017-18</p>	<p>All TDBC and WSC applications for DHP are processed by the Discretionary Payments and Welfare Reform Officer. Cover is not provided by another officer when the Discretionary Payments and Welfare Reform Officer is on leave. The Council aims to process applications for Discretionary Housing Payments and notify applicants in writing of the decision made within fourteen days of receipt of the application being received. This is not an official target and is therefore not monitored. If the unofficial target of processing, deciding upon and notifying the applicant of a Discretionary Housing Payment within fourteen days is not made official and monitored there will be no measure of success. It will also be more difficult to identify peaks, troughs and anomalies related to processing. Out of the sample of twenty applications reviewed (ten each for TDBC and WSC) nine applications (45%) took longer than fourteen days to decide upon. When analysed further by each Council out of the ten applications tested for TDBC, six (60%) took longer than fourteen days to decide upon, the shortest of these took 25 days and the longest 54 days. At WSC three applications (30%) took longer than fourteen days to decide upon, the shortest of these took 24 days and the longest 47 days. The reason for the delays in deciding upon these applications were looked into and it was established that these include but are not restricted to in April 2017 the Discretionary Payments and Welfare Reform Officer took two weeks annual leave. With the addition of bank holidays this extended her absence from work. It took three months to catch-up with all outstanding applications. While it is acknowledged that having one officer deal with Discretionary Housing Payments can ensure a consistent approach is applied it creates backlogs during times of absence. It is also appreciated that all awards are 'discretionary', however if the Council takes, what could potentially be viewed as an unreasonable length of time to decide upon an application, this could place the applicant in financial hardship to the extent that they cannot meet their rent payments, which in turn may affect their emotional and physical wellbeing. As a consequence, customer expectations are not met which impacts on the Council's reputation.</p>	<p>4 - High</p>	<p>We recommend that the Principal Benefits Officer ensures that: The 14 days notification period includes a statement, 'or as soon as reasonably practicable thereafter'.</p>	<p>On review of future policy we may need to look at what is a reasonable timescale for dealing with a DHP. I recognise the balance between a timely award and the vulnerability of the customer. However the nature of our customer has changed. All universal credit customers making their initial claim will have a wait of more than 1 month. For these claims where we receive a discretionary application we are not legally bound to make a decision even if it meant overrunning the 14 day timescales. For renewals of a DHP again many of these are submitted well ahead of time – the DHP and Welfare Reform Officer will monitor and manage the prioritisation of these. One recommendation I will make to the Discretionary Payments and Welfare Reform Officer is to consider the award period and to ensure the review period is spread throughout the year – this will minimise peaks and troughs. Each case is treated individually and as far as I am aware we have received no complaints from our customers due to delays in making an award. I recognise we have only 1 officer responsible for the administration of DHP's and this will have an impact when she is taking leave – this is not ideal but the structure determines she is the responsible officer. I may discuss if there are opportunities outside of the structure to support an officer to carry out these duties. This may be more pertinent as we look to maximise our spending through proactive review activity.</p>	<p>31/3/18</p>	<p><b>August 2018</b> - Following the audit recommendation we established the 14 day response was unachievable and not warranted. We changed our policy that went to members to give us more flexibility in our response times aligned to benefits processing performance targets. Due to the demands of the DHP scheme we are still faced with peaks through the year which we are trying to manage. The new policies with the new performance times are included in the new DHP policies for TDBC/WSC. We are conscious we will need to align both policies for the NEW Council setting realistic targets. The new policy will be in place by 1/4/19.</p>	<p>Paul Carter</p>	<p>BOTH</p>
<p>TDBCWSC User and Access Management Final Report</p>	<p>Removal of Audit Trail WSC AD users are removed from the directory after a varying length of time, usually 6 months. Other sub-systems such as Acolaid and Northgate also follow the same pattern. This means that their audit trail is also removed. In the event of a dispute or investigation in the future, absence of audit trail would mean resolution is difficult. There is also a requirement to keep audit trail for some transactions under Data Protection legislation. This risk will be made greater in the future when potentially a single point of access will become the norm.</p>	<p>4 - High</p>	<p>The Assistant Director ensures accounts are suspended, not delete until necessary audit trail is no longer required. Guidelines should be created which reflects these requirements and system administrators instructed to follow it.</p>	<p>On the assumption that this finding applies to individual business systems access rather than AD accounts, a 6 monthly review will be carried out of all system accounts, with the individual system owners being required to authorise on going access.</p>	<p>30/04/17</p>	<p><b>No recent update provided – to be chased</b></p>	<p>Sealy, Richard;#108</p>	<p>TDBC</p>