

Internal Audit reports finalised since the June 2017 Audit Committee meeting

Audit Title:	Commercial Assets						
Date of Report:	October 2017			Materiality/Impact:		High	
Number of 'High Priority' Recommendations:	7	Current Audit Opinion:	3	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):	Of Concern

Key Recommendations

The key recommendations made as a result of the review are:

- Links between the Commercial Investment Strategy and other relevant Council strategies and plans should be identified and reviewed to ensure they do not conflict.
- A risk management process should be introduced to the property assets function to ensure there is informed decision making.
- The longer term ambitions for commercial assets should be determined and documented. The income target for property assets should be clearly calculated to ensure that it is understood and based on realistic expectations. Commercial asset actual income generation vs estimates should be reported monthly, taking into account the long term effect of acquisitions and disposals.
- As is noted in the Commercial Investment Strategy Report presented to Cabinet in December 2016 , the following should be devised:
 - Commercial Investment Strategy Board and Terms of Reference
 - Property Investment Strategy
 - Investment and Appraisal Criteria
 - Target rate of return which is consistent with the assumptions made in the MTRP
 - A definition of what 'good' is in relation to the type of asset, location and tenant.
 - The level at which a cap on the percentage of income that is derived from a single organisation or tenant is set and a cap on the single asset value as a percentage of gross asset value.
 - The appointment of investment advisors.
- A review of the existing commercial portfolio should be formally conducted to consider the composition of the Council's portfolio, a review of types of assets and their potential, the Council's key corporate plan objectives and how they link to the property portfolio, areas for potential change and development of the property portfolio and the risk of existing tenancies. Following this review, a gap analysis of the commercial assets portfolio should be conducted in order to inform the Council's Property Investment Strategy.
- When calculating the financial performance of the commercial property portfolio all operating costs should be identified and accounted for. Once these costs have been calculated they should be compared to other local authorities to determine whether they are reasonable.
- Performance indicators should be established for non-operational/commercial assets. Regular monthly reports on the performance of the estate should be produced. These reports should provide a general update on the management of the estate and issues arising, and cover in detail all aspects of income, debt management, lettings activity and also disposals across the corporate portfolio as a whole.

APPENDIX 1

Audit Title:	Housing Benefit and Council Tax Support						
Date of Report:	7 th November 2017				Materiality/Impact:		High
Number of 'High Priority' Recommendations:	1	Current Audit Opinion:	2	Previous Audit Opinion:	2	Overall Evaluation (Risk):	Moderate
<u>Key Recommendations</u> The key recommendations made as a result of the review are: <ul style="list-style-type: none"> A review should be undertaken to determine the acceptable percentage of client checks to be undertaken on Housing Benefit claims. If only a reduced amount of checks is possible, then check should be reviewed to ensure they are carried out on the highest risk items. 							

Audit Title:	Street Works						
Date of Report:	20 th October 2017			Materiality/Impact:		Medium	
Number of 'High Priority' Recommendations:	1	Current Audit Opinion:	3	Previous Audit Opinion:	N/a	Overall Evaluation (Risk):	Moderate
<u>Key Recommendations</u> The key recommendations made as a result of the review are: <ul style="list-style-type: none"> All major works or works that could have a significant impact on the highways network should be checked on receipt. All other notices should be checked on receipt if possible or as soon as possible afterwards. A regular check of outstanding notices (i.e. notices showing as unchecked) should be reviewed by the Street Works Manager to ensure that no initial and actual notices go unchecked. 							

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Audit Title:	Voluntary Sector Organisation – Supported Employment				Date of Report:	10/08/2017	
Number of ‘High Priority’ Recommendations:	N/A	Current Audit Opinion:	N/A	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	N/A
<u>Key Recommendations</u> The piece of work was carried out as a consultancy review to provide additional support to Swindon Borough Council Commissioners and a voluntary sector organisation providing supported employment and other services to the residents of Swindon. The review appraised processes for financial and performance management. Recommendations made are being implemented.							

Audit Title:	Plas Pencelli				Date of Report:		21/08/2017	
Number of 'High Priority' Recommendations:	8	Current Audit Opinion:	3	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	Moderate	
<u>Key Recommendations</u>								
The key recommendations made as a result of the review are:								
<ul style="list-style-type: none">A decision on the future of the Centre should be made as to whether it remains as a Council owned and operated facility, or becomes a Charitable Trust run by a Management Committee with Member involvement. If a decision is made to become a Charitable Trust then the Management Committee's terms of reference should clearly define its role, particularly in relation to the operational management of the Centre (including the management of the Head of Centre) and accountability for mitigation of the Centre's risks. The Committee should also consider the recommendations made in this report. If officer led then:<ul style="list-style-type: none">The continuing role/need for a Management Committee should be carefully considered.Regular 1:1 performance and management review meetings, either face to face or by telephone, should take place at least monthly between the Strategic Planning Manager and the Head of Centre.An annual appraisal and mid-year review should be conducted by the Strategic Planning Manager with the Head of Centre.All other recommendations are subject to the decision regarding the above recommendation. The Plas Pencelli management committee agreed that a working group comprising the Centre Manager, the Chair, the Vice-Chair, the Leader of the Council, the Cabinet Member for Children's Services and Strategic Planning Manager, Commissioning, Economy and Attainment be established to consider the Audit Report and its recommendations and to formulate an action plan for consideration and adoption by the management committee.								

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Audit Title:	Patch Management						
Date of Report:	October 2017				Materiality/Impact:	High	
Number of 'High Priority' Recommendations:	1	Current Audit Opinion:	2	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	Moderate
<u>Key Recommendations</u> The key recommendations made as a result of the review are: <ul style="list-style-type: none"> A risk assessment should be carried out as part of the business case to move servers from Capita's management back into the Council. 							

Audit Title:	Grant certification audits							
Date of Report:	September and October				Materiality/Impact:		High	
Number of ‘High Priority’ Recommendations:	n/a	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):		
A number of grant certification audits have been completed since the last Audit Committee meeting: <ul style="list-style-type: none">• NNDR3• Bus Service operator grant• Troubled Families								

Audit Title:	Investigations							
Date of Report:	September and October				Materiality/Impact:		High	
Number of ‘High Priority’ Recommendations:	n/a	Current Audit Opinion:	n/a	Previous Audit Opinion:	n/a	Overall Evaluation (Risk):		
A number of investigations have been completed since the last Audit Committee meeting: <ul style="list-style-type: none">• WB 15/16 - 3• WB 16/17 - 5• Inv. 17/18 - 1• Inv. 17/18 - 7								

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Audit Title:	Fleet management				Date of Report:	21/08/2017	
Number of 'High Priority' Recommendations:	3	Current Audit Opinion:	2	Previous Audit Opinion:	N/A	Overall Evaluation (Risk):	Moderate
<p><u>Key Recommendations</u></p> <p>The key recommendations made as a result of the review are:</p> <ul style="list-style-type: none"> An effective fleet management strategy should be produced that reflects the current strategic context facing the Council and its strategic priorities. The strategy should clarify the business need for fleet and fleet management over the medium term, in consultation with customers and users of the service, reflecting their plans for service delivery and change over the next few years (see also AP2.1). The strategy should link to a corporate consideration of how the number and length of journeys can be reduced, with a view to enabling financial savings, reduction of accidents and impact on the environment. The strategy should focus on ensuring that the current service is fit for purpose, sustainable and delivers value for money for the organisation. This will ensure the service is in the best possible state to consider its future and appraise options, once the implications of parishing are clear. Areas to consider for further service development are discussed throughout this action plan and in Appendix C, which includes details of additional commercial opportunities identified from benchmarking. The training matrix includes training in relation to Health, Safety and the environment, some technical training in relation to plant, tools and machinery and some qualifications in relation to fleet management and safety. The training matrix should be reviewed and training delivered where requirements are out of date or have not been completed by staff. The costs and benefit of formal training and accreditation for technicians, for example IRTEC, should be considered. A performance framework for fleet Management should be produced. Measures that are most relevant to the efficient, effective and economical running of the service and managing risks (for example those related to vehicle and driver safety) should be selected for capture and reporting. Guidance on performance measures that can be used is included in guidance documents, such as these. The Fleet service should consider participating in benchmarking clubs, such as those run by APSE to enable comparison of cost and productivity with other providers, to help manage the service and inform decisions on the future of the service. Key measures should be reported to the departmental management team, along with targets, to give senior management assurance that the service is working efficiently, effectively and economically. 							

External work has also been completed for:

- St Joseph's
- UTC
- An external assessment of South Gloucestershire Council's Internal Audit team against the Public Sector Internal Audit Standards