

# AUDIT AND GOVERNANCE COMMITTEE



Report subject	<b>Internal Audit - 4th Quarter, 2023/24, Audit Plan Update</b>
Meeting date	11 April 2024
Status	Public Report
Executive summary	<p>This report details progress made on delivery of the 2023/24 Audit Plan for the 4<sup>th</sup> quarter – January to March (inclusive) 2024. The report highlights that:</p> <ul style="list-style-type: none"> <li>• 11 audit assignments have been finalised, including 2 'Partial', 8 'Reasonable' and 1 'Follow Up' audit opinions;</li> <li>• 25 audit assignments are in progress, including 9 at draft report stage;</li> <li>• Total additional council tax yield of £243,678 has resulted, to date, from the Single Person Discount pilot project;</li> <li>• 14 of the 18 recommendations from the Review of Pop-up/Temporary activities incorporating Bayside Restaurant Review have been implemented;</li> <li>• A replacement Audit Manager has been successfully recruited and is now in post;</li> <li>• 5 'High' priority audit recommendations have not been fully implemented by the original target date. Explanations from respective Directors appear reasonable and revised target dates have been agreed.</li> </ul>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <ul style="list-style-type: none"> <li><b>a) Note progress made and issues arising on the delivery of the 2023/24 Internal Audit Plan.</b></li> <li><b>b) Note the explanations provided (Appendix 1) and determine, in the case of High Priority recommendations not implemented by the initially agreed target date, if further explanation and assurance from the Service / Corporate Director is required.</b></li> <li><b>c) Note the progress against the implementation of the recommendations from the Review of Pop-up/Temporary activities incorporating Bayside Restaurant Review.</b></li> </ul>
Reason for recommendations	<p>To communicate progress on the delivery of the 2023/24 Internal Audit Plan.</p> <p>To ensure Audit &amp; Governance Committee are fully informed of the</p>

	significant issues arising from the work of Internal Audit during the quarter.
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Wards	Not applicable
Classification	For Information

## Background

1. This report details Internal Audit's progress against the 2023/24 Audit Plan for the period January to March 2024 inclusive and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management (as at February 2024).

## Delivery of the 2023/24 Internal Audit Plan – Quarter 4 review (Jan – March 2024)

3. 11 audit assignments have been fully completed in this quarter of 2023/24 as outlined below.

### Audits Completed

	Service Area	Audit & Scope	Assurance Opinion	Recommendations		
				High	Med	Low
1	Finance	<p>Treasury Management – Key Financial System &amp; Counter Fraud Review</p> <ul style="list-style-type: none"> <li>➤ Strategy &amp; Policy – including whether they define investment, borrowing and payments strategy clearly.</li> <li>➤ Training &amp; Contingency arrangements operating effectively.</li> <li>➤ Risk Management – is risk effectively considered as part of Treasury Management decision making.</li> <li>➤ Payments – confirm payments made via CHAPS and associated systems operating effectively.</li> </ul>	Reasonable	0	4	1

	Service Area	Audit & Scope	Assurance Opinion	Recommendations		
				High	Med	Low
2	Schools	<b>St Katharine's CE Primary School</b> <ul style="list-style-type: none"> <li>➤ the establishment has a sound financial management system</li> <li>➤ Internal controls are effective over Governance, Budgeting, Purchasing, Income &amp; Banking, Payroll, Asset Management &amp; Insurance arrangements</li> <li>➤ The Local Authority's Financial Regulations, and other instructions, are being adhered to.</li> </ul>	Reasonable	0	1	4
3	People & Culture	<b>Payroll</b> – ensure that controls were operating effectively over: <ul style="list-style-type: none"> <li>➤ Starters &amp; Leavers process</li> <li>➤ Amendments to Pay, Deductions &amp; Payments</li> <li>➤ Reconciliations</li> <li>➤ Access to Data</li> </ul>	Reasonable	0	3	0
4	Housing & Community	<b>Housing Rents</b> – detailed follow up to provide assurance that the 10 outstanding recommendations made in 2022/23 are implemented /in progress.	Follow Up	6 of these had been fully implemented. The remaining 4 have been delayed due to the revised BCP Homes management arrangements but implementation is in progress with revised target date of 30 June agreed.		
5	Safeguarding & Early Help	<b>Section 17</b> <ul style="list-style-type: none"> <li>➤ Governance – including policies, procedures, roles &amp; responsibilities.</li> <li>➤ Financial Management – including management information reporting and appropriateness of spend.</li> </ul>	Partial	2	1	2
6	Children's Services	<b>Risk Management</b> <ul style="list-style-type: none"> <li>➤ Compliance with corporate policies &amp; procedures including review and update of risk register.</li> </ul>	Reasonable	No recommendations were made as a new governance framework was being implemented at the time of the audit. Once this has been fully established, Internal Audit will confirm that the arrangements have been embedded.		
7	Housing & Communities	<b>Counter Fraud – Housing Tenancy</b> <ul style="list-style-type: none"> <li>➤ Failure to prevent Housing</li> </ul>	Reasonable	0	4	2

	Service Area	Audit & Scope	Assurance Opinion	Recommendations		
				High	Med	Low
		<p>Tenancy Fraud – including review of policy/strategy/procedures; training; background &amp; verification checks; counter-fraud statement; risk assessments to identify fraudulent activities</p> <ul style="list-style-type: none"> <li>➤ Failure to detect Housing Tenancy Fraud – including internal/external reporting lines; escalation processes; data matching exercises</li> <li>➤ Failure to investigate Housing Tenancy Fraud – including roles &amp; responsibilities; policies &amp; procedures</li> </ul>				
8	Customer, Arts & Property	<p><b>Customer Contact Centre – Business Planning &amp; Performance Management</b></p> <ul style="list-style-type: none"> <li>➤ Review of arrangement for establishing aims &amp; objectives including: service planning arrangements/compliance with Corporate Policy Framework/link to Corporate Strategy; approval, review &amp; update arrangements; decision making framework including scheme of delegation; service level agreements/other agreements</li> <li>➤ Review of arrangements for managing performance including: monitoring of performance indicators, recording &amp; reporting; use to identify risk, benchmarking &amp; consultation.</li> <li>➤ Complaints Management including: compliance with corporate guidance, recording and resolving; management reporting to inform decision making.</li> </ul>	Reasonable	0	4	1
9	Environment	<p><b>Bereavement Services Income</b></p> <ul style="list-style-type: none"> <li>➤ Invoicing &amp; charging</li> <li>➤ Income Collection, Recording, Banking &amp; Reconciliation</li> <li>➤ Debt Recording, Monitoring &amp; Reporting</li> <li>➤ Refunds, Amendments &amp; Write-Offs</li> <li>➤ System Access and Authorisation Controls</li> <li>➤ System Interface Controls</li> </ul>	Partial	5	7	2
10	IT & Programmes	<p><b>Network Security (PSN/Cyber)</b> - review network security against good</p>	Reasonable	0	8	7

	Service Area	Audit & Scope	Assurance Opinion	Recommendations		
				High	Med	Low
		practice guidance, published by the National Cyber Security Centre (NCSC). Additionally checks will be made on current Public Service Network (PSN) status. The specific objectives are set out below: <ul style="list-style-type: none"> <li>➤ Browsing &amp; Messaging</li> <li>➤ Social Media &amp; Web Presence</li> <li>➤ Distributed Denial of Service</li> <li>➤ Malware</li> <li>➤ Cloud Services</li> <li>➤ PSN (Public Service Network)</li> </ul>				
11	Finance	<b>Risk Management (Core KAF)</b> <ul style="list-style-type: none"> <li>➤ Risk Management Strategy/Policy</li> <li>➤ Governance Framework</li> <li>➤ Corporate Risk Register</li> <li>➤ Guidance &amp; Training</li> <li>➤ Compliance &amp; Review</li> </ul>	Reasonable	0	0	2
<b>Total Recommendations</b>				<b>7</b>	<b>32</b>	<b>21</b>

4. The table below shows comparison of total recommendations during this year with previous years. Whilst this indicates relatively consistent levels of reports issued, direct comparisons for number of recommendations issued cannot be drawn, as this will depend on many factors, such as type and scope of audit, framing of the recommendation etc.

**Table showing comparison of Recommendations made during 2023/24 with Previous Years**

Financial Year	Recommendations Made			
	High	Medium	Low	Total
2023/24	18	97	61	176
2022/23	7	77	41	125
2021/22	14	111	66	191

### Partial Assurance Audit Opinions

5. There were 2 'Partial' assurance audit reports issued during the quarter as follows:
6. **Children's Services - Section 17 Expenditure** - Five Recommendations (2 high, 1 medium and 2 low) were made in this Audit Report which resulted in a 'Partial Assurance' audit opinion. The following issues were found:

High Priority	
Policies and procedures Expenditure authorisation	There are no formal policies or procedures relating to Section 17 expenditure.  Evidence of authorisation to incur expenditure is not always retained on Mosaic.
Medium Priority	
Expenditure monitoring	There is no way to monitor expenditure on a young person by young person basis.
Low Priority	
Expenditure coding	Testing identified expenditure which had been incorrectly coded as Section 17 expenditure.  Testing identified expenditure which appeared to be coded as Section 17 expenditure on a historic basis.

7. **Environment – Bereavement Services Income** - Fourteen Recommendations (5 high, 7 medium and 2 low) were made in this Audit Report which resulted in a 'Partial Assurance' audit opinion. The following issues were found:

High Priority	
Raising Invoices	Invoices raised outside of the corporate system in breach of Financial Regulations. No interface between the new PlotBox system and the corporate Academy system. No formal plan to clear invoicing backlog
Sale and Renewal of Memorial Permits, Commemorative Items and Deeds of Grave	No formally documented procedures / processes in place for sale and renewal of these. Renewals not processed in a timely manner and no formal plan to address the backlog. Some applications added to the system without payment and some cheque payments have expired.
Income Reconciliations	Delay in processing income returns and no formal plan is in place to address. Reconciliation of expected and banked income cannot take place resulting in accounting system data being out-of-date and preventing effective budgetary management.
Debt Management	Debt management arrangements are not compliant with the Corporate Debt Management Policy. No formal recovery policies / procedures in place nor consolidated report of outstanding debts and recovery actions taken.
Integration with Corporate Debtors System	Arrangements to update the system to take account of payments received (to ensure that account statements and associated invoices are correct) have not been specified.
Medium Priority	
Value Added Tax	VAT is not correctly applied to fees and charges for some items/packages.
Receipt, Storage, Processing and Banking of Cash and Cheques	Cash and cheques are not banked in a timely manner nor routinely receipted/securely stored.
	Corporate cash collection arrangements are not in use
	No formal plan in place to identify the extent of and resolve the processing backlog
	Access to safes is not adequately controlled.
	Safes contain cash and cheques (less than £200) including charitable donations which, in some cases, appear to have been left unbanked and it is unclear which charities the donations are for and how payment will be made.

Debt Management	Current terms and conditions of service provision and bookings process do not facilitate debt recovery in the event of changes in Funeral Director ownership or structure.
<b>Low Priority</b>	
Storage and Disposal of Lost Property and Public Funeral Personal Effects	Safes contain personal effects including unclaimed lost property and items relating to public health funerals. There is no formal policy or procedures in place for dealing with these.

8. Substantial progress has been made towards implementation of the 14 recommendations made in this audit: three medium priority recommendations have been fully implemented. All recommendations are anticipated to be implemented by the end of June 2024 and progress will be reported to this Committee.
9. There were no 'Minimal' assurance audit reports issued during the quarter.
10. The status of audits in progress (Jan – March 2024) is outlined below:

#### **Audits In Progress**

	<b>Service Area</b>	<b>Audit</b>	<b>Progress</b>
1	Adult Social Care	Hospital Discharge Service	Draft
2	Commissioning	Procurement (Core KAF)	Draft (joint report)
3	Commissioning	Contract Award (Counter Fraud)	
4	Finance	Financial Management (Core KAF)	Draft (joint report)
5	Finance	Main Accounting (KFS)	
6	Marketing, Comms & Policy	Business Planning & Performance Management (Core KAF)	Draft (joint report)
7	Marketing, Comms & Policy	Partnerships (Core KAF)	
8	Children's Services	Agency Staffing	Draft
9	Commercial Operations	Seafront Recruitment	Draft
10	Customer, Arts & Property	Fire Safety (Core KAF)	Fieldwork
11	Education & Skills	Schools Admissions (Counter Fraud)	Fieldwork
12	Finance	Asset Management (Estates)(Core KAF) (2023/24/25 audit)	Fieldwork
13	Finance	Creditors (KFS)	Fieldwork
14	Finance	Health & Safety (Core KAF)	Fieldwork
15	Adult Social Care	Section 117 Hub (2023/24/25 audit)	Fieldwork
16	Customer, Arts & Property	Facilities Management (2023/24/25 audit)	Fieldwork
17	Housing &	Housing Assets Health & Safety Compliance	Fieldwork

	Communities	Follow Up (2023/24/25 audit)	
18	Marketing, Comms & Policy	Environmental Sustainability (Core KAF)	Fieldwork
19	People & Culture	Employee Additional Payments Review (2023/24/25 audit)	Fieldwork
20	Schools	Linwood School	Fieldwork
21	Adult Social Care	Corporate Safeguarding (Modern Slavery) (2023/24/25 audit)	Fieldwork
22	Planning & Destination	Developer Contributions - Management of Spend (2023/24/25 audit)	Fieldwork
23	Law & Governance	Information Governance (Core KAF) (2023/24/25 audit)	Fieldwork
24	Finance	Debtors (2023/24/25 audit)	Fieldwork
25	IT & Programmes	Project Management (Core KAF)	Fieldwork

11. 2023/24 audit activity does not neatly end on 31 March 2024, and 2024/25 audit activity does not neatly commence on 1 April 2024. Where fieldwork 'straddles' the financial year, the audit is shown with the (2023/24/25 audit flag).
12. The 2024/25 Audit Plan, including details of the quarter 1 audits, is included in the 'Internal Audit – Audit Charter & Audit Plan 2024/25' paper presented to this Committee.
13. The 2023/24 Audit Plan was kept under review to ensure that any changes to risks, including emerging high risks, are considered along with available resource. The following changes have been during quarter 4:

#### **2023/24 Audit Plan Changes – Quarter 4**

	<b>Service Area</b>	<b>Audit</b>	<b>Added / Removed</b>	<b>Comment/rationale</b>
1	Education & Skills	SEND Workforce Development	Removed	This was removed from the 2023/24 plan as a SLIP review looking at workforce competence and capacity was being undertaken at the same time. This will be undertaken in 2024/25 as part of the Children's Services-wide audit of Workforce Development – Training.
2	Development & Investment	Development & Investment – KAF Overview	Removed	Awaiting for new Service Directorate arrangements to be confirmed. Audit planned for 2024/25.
3	Adult Social Care	Contact Centre	Removed	Project Management arrangements still being determined. Audit planned for 2024/25.
4	Commissioning	Homecare & Residential	Removed	Postponed until Q1 2024/25 due to resourcing issues.



		Care Payments (Counter Fraud)		
5	Education & Skills	Pupil Premium Grant	Removed	Postponed until Q1 2024/25 to clarify scope – this will now specifically look at PPG arrangements in relation to the virtual school.

## Significant Issues Arising and Other Work

### Single Person Discount

14. Further work has been carried out on the Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all National Fraud Initiative (NFI) data matches that may indicate fraud or error in relation to residents claiming SPD. Discounts are removed where fraud or error is found, and the national penalty charge (£70) is levied for failure to notify the Council of a change in circumstances.
15. The tables below shows progress on the project as at 21/3/24 vs the previous reported figures as at 15/12/2023:

**Table showing number of cases reviewed and status:**

		15/12/23	28/03/24
Number of NFI data matches (approx.)		6,000	6,000
Total matches reviewed		294 (approx. 5% of total matches)	993 (approx. 16% of total matches)
Closed with no further action necessary (e.g. SPD has already been removed)		136	555
Letters sent		158	438
Responses completed		124	330
SPDs removed		77	221
Of which:	SPDs replaced with similar discount (e.g. student discount)	12	37
	SPDs completely removed	65	184

**Table showing value of additional council tax yield as a result of the SPD work:**

	15/12/23		28/03/24	
	Total value (excluding those where the SPD was replaced with a similar discount)	Total value (including those where the SPD was replaced with a similar discount)	Total value (excluding those where the SPD was replaced with a similar discount)	Total value (including those where the SPD was replaced with a similar discount)
<b>Underpayments</b> – <i>this is the value (£) billed in respect of incorrect SPD claimed to date</i>	£36,826	£36,826	£125,483	£125,483
<b>Annual value of SPD removed</b> – <i>this is the value (£) of an additional one year's worth of the SPD from the date identified. This is because Council Tax bill increases till the end of the year (as the SPD was removed) and that it is likely without our intervention the wrongly applied SPD would carry on for at least a year. This is in comparison to the Cabinet Office who claim based an assumption of two years.</i>	£32,900	£38,468	£89,789	£107,275
<b>Total additional council tax yield</b>	£69,726	£75,294	£215,272	£232,758
<b>Financial penalties</b>	£3,360	£3,360	£10,920	£10,920
<b>Total yield + financial penalties</b>	£73,086	£78,654	£226,192	£243,678

16. On average, each SPD removed results in approximately an additional £681 (was £565) in billed underpayments and £1,170 (was £1,070) of total additional council tax yield.
17. The highest individual case has resulted in an additional yield of £3,884.84 (was £3,052.75) where the SPD going back to 2015 (was 2019) was removed.
18. The pilot project is continuing to produce significant additional yield and plans are in place for the work to transition to the Revenues service during 2024/25. They will be creating an Income Maximisation and Compliance team which will review SPD's as well as a business as usual process to identify fraud and error much earlier than is currently the case.

#### Other work

19. Work is underway on the Multiply Grant in Skills and Learning to ensure that the Council is complying with the grant conditions; namely that the Council has a strong control framework in place around grant expenditure and the eligibility of the learners to qualify for the grant.
20. Testing has been undertaken on the Supporting Families grant to allow the sign off the quarter 4 claim.
21. The annual internal audits on behalf of the two Charter Trustees has begun. The outcomes of the audits are reported to the Charter Trustees.
22. Following the recent recruitment exercise reported to the last Audit & Governance Committee, a new Audit Manager has been appointed and took up their post at the beginning of March 2024.

## Recommendation Progress – Review of Pop-up/Temporary activities incorporating Bayside Restaurant

23. The findings of the Review of Pop-up/Temporary activities incorporating Bayside Restaurant were brought to Audit & Governance Committee in July and October 2023. Appendix 2 shows an update of the progress in implementing the recommendations.
24. Of the 18 recommendations, 14 have been implemented. The remaining 4 recommendations are underway but are contingent upon the agreement of the Seafront Strategy which is going to Cabinet in June 2024. The target date for these recommendations has been extended to the end of August 2024 to allow time for any queries to be resolved following Cabinet approval.

### **Implementation of Internal Audit Recommendations**

25. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by the initially agreed target date will be reported to the Audit & Governance Committee (where the revised target date has not previously reported). This is to ensure the Committee is fully apprised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
26. There were 6 high recommendations across 4 audits which met the criteria; they are shown in detail in Appendix 1.
27. Audit & Governance Committee are asked to review Appendix 1, along with the explanations and the revised timescales. Relevant Directors can be asked for further explanations as required, explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.
28. All remaining High Priority recommendations followed up during the period (in line with the agreed action plan) were found to have been satisfactorily implemented by management.
29. The Audit Charter also requires any management proposed revisions to the implementation dates of Medium Priority recommendations to be agreed by the Chief Internal Auditor, who will report to Audit & Governance Committee any such requests considered unreasonable. There are no such instances this quarter.

### **Options Appraisal**

30. An options appraisal is not applicable for this report.

### **Summary of financial implications**

31. The BCP Internal Audit Team budgeted cost for 2023/24 is £772,100, this figure is inclusive of all direct costs, including supplies & services, but it does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget figure also includes the Head of Audit & Management Assurance who manages other teams.
32. In-year vacancies and other factors will result in an underspend against the budget for this financial year. This is likely to result in an aggregate underspend of about £65,000. This figure has been included in the outturn projections in the latest corporate budget monitoring report.

**Summary of legal implications**

33. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

**Summary of human resources implications**

34. The BCP Internal Audit Team currently consists of 14.35 FTE inclusive of the Head of Audit & Management Assurance. It is the opinion of the Chief Internal Auditor that these resources are sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances required. The Audit Manager vacancy has recently been filled.

**Summary of sustainability impact**

35. There are no direct sustainability impact implications from this report.

**Summary of public health implications**

36. There are no direct public health implications from this report.

**Summary of equality implications**

37. There are no direct equality implications from this report.

**Summary of risk assessment**

38. The risk implications are set out in the content of this report.

**Background papers**

None

**Appendices**

Appendix 1 - High Priority recommendations – original target date for implementation not met

Appendix 2 - Recommendation Progress – Review of Pop-up/Temporary activities incorporating Bayside Restaurant

## Appendix 1 - Table showing High Priority recommendations where the original target date for implementation was not met

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
<b>HIGH PRIORITY RECOMMENDATIONS</b>				
<b>Children's Services – Capital Programme</b>				
<p>The Children's Service Capital Programme Strategy should be updated to ensure it considers the following:</p> <ul style="list-style-type: none"> <li>• Aims &amp; objectives.</li> <li>• Roles, responsibilities and accountabilities.</li> <li>• How it links to the Council's Big Plan and other relevant corporate strategies.</li> <li>• Governance arrangements, including oversight of the Capital Programme Board linking into the corporate capital and reporting processes</li> <li>• Links to policies such as condition survey, including frequency and grading criteria used and impact on budget setting process, Capital Project Methodology.</li> <li>• How it links to the SEND Strategy and any other additional funding received.</li> </ul>	30/6/2022	<p>Completion of these actions will be achieved when there is a dedicated resource/team in place. There have been delays in achieving this though new posts have now been graded and approved by the job evaluation panel and job interviews for interim positions are in progress (ahead of recruitment to permanent posts). This will establish a dedicated team and close existing gaps in our resource.</p> <p>In the meantime, a very limited resource is delivering in challenging circumstances and work to achieve approvals and day to day delivery of projects has been prioritised in order to ensure schools remain open and operational and that SEND place projects continue to be implemented. All works are informed by up to date condition surveys, standardised grading criteria and close working with the Health and Safety team.</p> <p><i>Previous updates:</i>  <b>The aims and the objectives of the capital strategy</b> are informed by our strategic priorities which include a focus on SEND improvement and inclusion. They are also shaped by our local context and this includes our performance, our capacity for improvement and the challenges of operating in the current climate i.e. the corporate infrastructure necessary to support our work. Given the scale/range of challenges, our work with the construction partnership extends across two phases as outlined below.</p> <p><i>Phase 1 (between May – November 2022) focussed on improving the following:</i></p> <ul style="list-style-type: none"> <li>• <b>Governance arrangements</b> – new arrangements in place including approvals aligned to RIBA stages and clarity on roles and responsibilities.</li> </ul>	30/6/24	Progress to implement all aspects of the recommendation is underway. Recruitment is in progress to provide dedicated resource which will facilitate delivery of the actions.

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
		<ul style="list-style-type: none"> <li>Capital Project Process/methodology - robust methodology defined, agreed and being implemented</li> <li>Programme management oversight– established links to procurement strategy, communications plan and opportunities for efficient management of work</li> <li>Good estate management– identified gaps in compliance with associated risks and currently liaising with corporate teams to deliver services to schools. Progress in this area has been affected by gaps in expertise and capacity between services.</li> </ul> <p>Phase 2 was due to be complete in May 2023 though delays with the work to restructure the team mean that interim arrangements for the management of schemes are continuing. Phase 2 will help create the right conditions for the work identified in the Delivering Better Value (DBV) programme. There are further actions that are funded by DBV that will help support the delivery of the SEND programme of expansion, the graduated support schemes, reactionary SEND schemes and schemes that promote inclusion practice in our mainstream schools. Request has been made through DBV for a project manager to support mapping the procurement and commissioning of additional SEND sufficiency for EOI through acceptance, planning, legal, commissioning to build and populating with SEND CYP.</p>		
<p>The Service should ensure that the following improvements to the programme governance arrangements are made:</p> <ul style="list-style-type: none"> <li>Determination of a Programme Manager responsible for the delivery of the Children's Services Capital Programme.</li> <li>Implement a standard capital project methodology which should include a business case / feasibility study, a project gateway process and a clear approval process.</li> <li>Formalisation for the commissioning of project</li> </ul>	30/6/2022	<p>Determination of a Programme Manager responsible for the delivery of the Children's Services Capital Programme: A job description has been evaluated and interim recruitment is taking place ahead of a permanent appointment.</p> <p>Implement a standard capital project methodology which should include a business case / feasibility study, a project gateway process and a clear approval process: <b>Complete</b>.</p> <p>Formalisation for the commissioning of project managers: <b>Complete</b></p> <p>Clarifying the Team / Board responsible for receiving regular capital</p>	30/6/24	Progress to implement all aspects of the recommendation is underway. Recruitment is in progress to provide dedicated resource which will facilitate delivery of the actions.

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
<p>managers.</p> <ul style="list-style-type: none"> <li>Clarifying the Team / Board responsible for receiving regular capital programme and project updates and in what format.</li> </ul>		programme and project updates and in what format: A Children's Services Capital Board is established though it has not been operating at the level required. Plans are in place to remedy this benefiting from leadership oversight of the Interim Director of Education and Skills as part of the DSG Recovery Plan. A project steering group continues to work well where the detail of schemes are discussed.		
<b>Children's Services – Alternative Provision</b>				
The adequacy of placement monitoring should be reviewed in order to be able to confirm that a young people placed in Alternative Provision is receiving an equivalent education to that of mainstream schools.	29/4/2023	Inclusion Service Diagnostic review undertaken and Service Improvement plan written which includes further actions to address this issue, including development of improved processes for monitoring, reviewing and quality assuring education plans for children in Alternative Education Provision (AEP). Significant increases in the number of pupils being placed in AEP is resulting in capacity pressures, which present challenges in relation to undertaking regular placement reviews on an individual basis for all pupils in alternative provision.	1/7/24	Progress to implement the recommendation is underway as part of the wider Service Improvement plan.
<b>Children's Services – Section 17</b>				
Management should ensure that a policy relating to Section 17 expenditure is produced and agreed with senior management, with supporting procedures fully documented and disseminated.	31/12/23	Scheme of delegation has been reviewed, subject to Senior Leadership Team approval. A process and systems improvement project on non-placement brokerage and expenditure, which encompasses S17 spend has commenced, from which new policies and procedures may be developed as required.	30/4/24	Progress is underway and the target date has been revised to reflect additional time required for approval, additional review and communication to the wider team.
Management should ensure that no Section 17 expenditure is incurred without prior authorisation in line with the Scheme of Delegation, either through the Council's purchase order system or through written confirmation in the case of P-card expenditure.	31/12/23	Scheme of delegation has been reviewed, subject to Senior Leadership Team approval, and will be communicated once signed off. and through SLT for approval. Senior Managers have been reminded by email regarding the recording of financial authorisation on MOSIAC.	30/4/24	Progress is underway and the target date has been revised to reflect additional time required for approval and communication to the wider team.

Recommendation	Original Target Date	Explanation from Director	Revised Target Date	Internal Audit Comments
<b>Housing – BCP Homes Governance Review</b>				
<p><b>Spend with Suppliers and Breach of Financial Regulations</b></p> <p>(a) Undertake a full tendering exercise for those activities identified in the breach and agree a contract in accordance with BCP Financial Regulations.</p> <p>(b) BCP Homes reviews all supplier spend data for 2022/23 to confirm whether appropriate contracts are in place in accordance with Financial Regulations.</p> <ul style="list-style-type: none"> <li>Where contracts are duplicated, coming to end of term or otherwise considered redundant, a value for money review of alternatives should be undertaken accordingly.</li> <li>Where breaches with Financial Regulations are identified (for example due to the aggregation of spend with a specific supplier) this should be recorded in a breach form and submitted following corporate requirements.</li> </ul> <p>(c) The above is included as a specific entry in the applicable Delivery and Alignment Plans to ensure that defined responsibility and timeframes for completing the review are in place and monitored.</p>	1/1/24	<p>a) This action is complete. CMB have agreed that the activities relating to the Financial Regulations breach will be brought back in-house in early 2024/25.</p> <p>(b) This element of the recommendation is in progress. Work is underway to review supplier spend and associated contractual arrangements and an action plan will be developed to address identified issues. This work will cover not just BCP Homes but the whole Housing Revenue Account.</p> <p>(c) This action is complete. The review of supplier spend and associated contractual arrangements will be completed by the end of June 2024 and resulting actions completed by the end of September 2024.</p>	30/09/2024	<p>This recommendation is in progress and the target implementation date has been revised to reflect that the review of supplier spend and contractual arrangements has been widened to cover the whole of the HRA.</p>



## Appendix 2 – Recommendation Progress – Review of Pop-up/Temporary activities incorporating Bayside Restaurant

	Recommendation Status	Original Target Date	Update, explanations, target date extension details	Revised Target Date
<b>RECOMMENDATIONS</b>				
<p>R1. The overarching approach for pop-up restaurants and activities should be formally documented including:</p> <p>(a) Fit with Seafront Strategy vision, aims and objectives.</p> <p>(b) How 'character areas' hosting pop-ups are selected.</p> <p>(c) The types of operating model which will be used (in-house, concession, hybrid) and factors to be taken into account when determining the appropriate approach.</p> <p>(d) Where trials are undertaken, clear definition of the purpose, scope, duration and monitoring of any trial activities including subsequent formal analysis, documentation and dissemination of lessons learned.</p> <p>(e) Development of business cases for individual pop-up projects including options appraisal, risk assessment, assumptions and dependencies (eg. obtaining appropriate Licenses, Planning permission, leases, access to mains utilities and infrastructure, Legal and Estates support, etc).</p> <p>(f) How and by whom viability will be assessed including formal consideration of risk appetite and escalation / decision-making thresholds.</p> <p>(g) Approach to pricing concessions (including expert input from other Council teams including Accountancy and Strategic Procurement as appropriate).</p> <p>(h) Approach to procurement and contract design to ensure an appropriate balance of risk and reward between the Council and any external contractors.</p> <p>(i) Arrangements for ongoing performance monitoring and management of pop-ups including reporting (covering content, frequency and distribution) and the issue escalation process.</p>	Not yet fully implemented	31/12/2023	Work is underway but full completion of this action is contingent upon agreement of the new Seafront Strategy which is going to Cabinet in June 2024. Target date extended to end of August 2024 to allow time to resolve any queries arising from Cabinet approval process.	31/08/2024
<p>R2. Formal consideration should be given to the creation of an overarching Pop-Ups Programme including:</p> <p>(a) Formally assigned roles and responsibilities (including Programme Manager and oversight groups in accordance with the agreed approach) to guide and support decision-making, manage programme-level risks, issues and dependencies, receive and act-upon escalated issues and ensure that lessons learned inform future strategies and plans.</p> <p>(b) Detailed programme plan which is reviewed and updated on a regular (at least monthly) basis.</p> <p>(c) Formal appointment of individual pop-up project managers responsible for all stages of the project from feasibility to closedown and lessons learned.</p> <p>(d) Appropriately detailed individual pop-up project plans including regularly reviewed and updated risk, assumption, issue and dependency logs.</p>	Not yet fully implemented	31/12/2023	Work is underway but full completion of this action is contingent upon agreement of the new Seafront Strategy which is going to Cabinet in June 2024. Target date extended to end of August 2024 to allow time to resolve any queries arising from Cabinet approval process.	31/08/2024
R3. Consideration should be given to making appropriate reference to pop-ups and inclusion of supporting high-level actions in Service and Team Plans. (Low priority recommendation)	Implemented	31/3/2024	Implemented	n/a
<p>R4. All future pop-up activities should be informed by:</p> <p>(a) A sufficiently detailed business case which clearly sets-out the purpose and objectives of the exercise and links to the documented Pop-Ups approach recommended above.</p>	Not yet fully implemented	31/12/2023	Work is underway but full completion of this action is contingent upon agreement of	31/08/2024

	Recommendation Status	Original Target Date	Update, explanations, target date extension details	Revised Target Date
(b) A detailed financial assessment, which should be subject to formal consultation with Finance officers and relevant experts to confirm viability. (c) A formal risk assessment which is reviewed on a regular (at least monthly) basis and updated as appropriate. (d) A formal issues log which is reviewed on a regular (at least monthly) basis and updated as necessary with significant issues escalated to an appropriate level of management. (e) Processes should also be put in place to monitor and manage performance including arrangements for raising concerns and ensuring that they are formally acknowledged and acted upon appropriately.			the new Seafront Strategy which is going to Cabinet in June 2024. Target date extended to end of August 2024 to allow time to resolve any queries arising from Cabinet approval process.	
R5. Consideration should be given to completing formal Officer Decision Record forms for all future decisions to undertake pop-ups and events. These should include an appropriately detailed business case and project plan according to the value and complexity of the proposed venture.	Implemented	31/12/2023	Service has reinforced the need for ODRs and evidence seen within the wider Commercial Operations Service.	n/a
R6. Arrangements should be put in place to ensure that Licence applications are sufficiently focussed and detailed to allow key stakeholders to make a pragmatic assessment of likely effects on legal duties including prevention of public disturbance, public nuisance and harm to children.	Implemented	31/12/2023	Work undertaken regarding planning applications and licensing conditions (alcohol and entertainment).	n/a
R7. Detailed financial analysis should be undertaken of spend with Slick Events since BCP Council's inception in April 2019 and Financial Regulations Breach Reports submitted if required.	Implemented	31/12/2023	Financial analysis undertaken.	n/a
R8. Formal consideration should be given to aggregating activities into larger packages where possible and appropriate to do so to increase the number of potential providers and potentially offer better value for money for the Council through greater competition.  Further expenditure should not be incurred without obtaining formal quotations and/or tendering as appropriate and supporting Procurement Decision Records should be routinely put in place in accordance with Financial Regulations to facilitate good governance and transparency.	Implemented	31/12/2023	This is being done with Procurement.	n/a
R9. Where potential conflicts of interests are declared, detail should be provided on how these are to be managed and whether the individuals or their organisations currently or will potentially transact with the Council.  This information should also be added to Procurement Waiver requests where necessary to ensure transparency and allow appropriate mitigations to be put in place.	Implemented	31/12/2023	Reminders of declaration of interest process sent. All Heads of Service complete with mitigations in place where required.	n/a
R10. Contractual arrangements should ensure an appropriate balance of risk and reward.	Implemented	31/12/2023	All future contracts will be assessed in collaboration with Legal, Finance and other experts as required.	n/a
R11. Sufficient time should be allowed to ensure Legal Agreements with suppliers are drafted and signed-off as far in advance of operation as possible.	Implemented	31/12/2023	Sufficient lead-in time is understood to allow relevant approvals and legal	n/a

	Recommendation Status	Original Target Date	Update, explanations, target date extension details	Revised Target Date
These should include clear objectives and associated KPIs along with details of contract monitoring / performance management processes to be followed.			agreements to be in place.	
R12. Stock control procedures and processes should be determined in advance and sufficient time should be allowed between infrastructure installation and commencement of trading to ensure these function as expected.	Implemented	31/12/2023	This hybrid approach will not be taken in future so stock control will only be related to our own sites/in-house activities. If we do have pop-ups, the operator to do their own stock control.	n/a
R13. Budget codes and cost centres should be reviewed and disaggregated to ensure that arrangements better align to activity and financial performance of individual pop-up activities and events can be more readily measured.	Not yet fully implemented	31/12/2023	Work is underway but full completion of this action is contingent upon agreement of the new Seafront Strategy which is going to Cabinet in June 2024. Target date extended to end of August 2024 to allow time to resolve any queries arising from Cabinet approval process.	31/08/2024
R14. Officers should be reminded that Purchase Orders should be raised at the point of order and not on receipt of invoice.	Implemented	31/12/2023	This is complete and supplemented by corporate reminders that no purchase order, no pay.	n/a
R15. Formal lessons learned exercises should be undertaken for each pop-up 'project' and the outcome documented and disseminated appropriately.	Implemented	31/12/2023	Review undertaken of seasonal offer for 2023.	n/a
R16. Process / responsibility for responding to FOI and other information requests should be formally agreed to ensure they're dealt with as efficiently and effectively as possible and with due regard to transparency principles.	Implemented	31/12/2023	Complete	n/a
R17. Sufficient time should be allowed for planning future pop-ups and events projects to ensure that risks and challenges are fully considered and alternative options are explored and evaluated.	Implemented	31/12/2023	Clear that there will not be any hybrid / risky contracts and all future contracts will be properly assessed in collaboration with Legal, Finance and other experts as required.	n/a
R18. For future in-house or hybrid operations, sufficient time should be allowed for staff training and systems set-up following installation of infrastructure. Additionally, as far as practicable, staffing arrangements should be designed to facilitate flexibility in case of fluctuating demand. (Low priority recommendation)	Implemented	31/12/2023	Clear that there will not be any hybrid / risky contracts.	n/a

