'HIGH' AND 'MEDIUM' PRIORITY RECOMMENDATIONS 2018/19

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Audit: Council Tax					
Overview: Full System Audit					
Assurance: Significant					
1	Medium	**Evidencing of supporting documentation** It was found that evidence to support a number of changes, awards and exemptions could not be identified e.g. discounts, power of attorney, long term premium and second homes. General - Testing confirmed that Civica did not hold any formal documentation relating to the local discount scheme that gave a discount to a number of properties on a site that regularly flooded.	Lack of supporting evidence potentially leading to incorrect award of exemptions and discounts, poor policy understanding, lost revenue, an inability to justify actions when challenged thus leading to reputational damage and the risk of fraud.	Required information is obtained and evidenced on the system for all cases to ensure accurate application of discounts, exemptions and changes to a Council Tax account and reviews of the long term empty premium and second home policies is completed.	**Managers Response:** Review to be considered on second home long term empty premiums. To identify local schemes going forward. **Responsible Manager:** Revenues Manager **Implementation date:** June 2019
2	Medium	**Approval of monthly reconciliations back to the general ledger**			

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		Testing identified that the three reconciliations for each authority were completed monthly by their respective owners and no issues were identified with unallocated transactions as all balanced to £0.00. However it was identified that the reconciliation completed by Civica on behalf of WDC had no formal sign-off for each reconciliation following its completion. Additionally the reconciliations completed by MHDC Systems Team for WCC had only been approved in the month of December leaving an eight month period where the reconciliations had gone un-approved.	No evidence could be provided if challenged to prove the reconciliation is monitored by a Senior member of staff.	A process is implemented to ensure a Senior Officer evidences their review of the reconciliation, via recorded E-mail or a digital signature on the reconciliation itself.	**Managers response for WCC reconciliations:** The Systems team will continue to prepare the monthly reconciliations as usual – these will be signed off on a quarterly basis by the Finance Manager. **Responsible Manager:** Finance Manager (Malvern Hills District Council) **Implementation Date:** Immediate
Audit: NNDR					
Overview: Full System Audit					
Assurance: Significant					
1	Medium	**Discretionary Relief/Exemption Audit Trails**			

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		The finding relating to reviews from the 2017-18 NNDR audit has now been addressed with discretionary relief reviews being carried out on an ongoing review for Worcester City Council which is to be completed by April 2019. However, Audit testing identified an issue with retained documentation in some cases where discretionary relief is being applied which provides evidence for the award of relief and that the relief still applies. On some accounts there was incomplete or no accompanying documentation relating to cases such as this, resulting in an incomplete audit trail which would be difficult to justify if challenged.	Missing information may lead to an inability to respond appropriately to challenge due to lack of an appropriate audit trail leading to potential reputational damage.	Upon future review of those properties where discretionary relief has been given, ensure that where applicable appropriate records are maintained for the award of reliefs and exemptions.	**Management Response:** We are currently in the process of providing a full review for Worcester City also which we aim to begin in April 2019. It is also worth noting there is no requirement for an application form for discretionary relief as this is a client decision, any discretionary relief provided to ratepayers must be signed off by the client through a client officer decision form, however, in terms of strengthening any discretionary decision we will continue to provide an application form to the ratepayer in which the scoring matrix can be used against. **Responsible Manager:** Business Rates Team Manager **Implementation Date:** April 2019
2	Medium	**Sign Off of Reconciliations** Monthly reconciliations have not been signed off by a Senior Officer. The reconciliations completed by MHDC Systems Team for both MHDC and WCC had only	If challenged, no evidence could be provided that would prove the reconciliation is monitored by a Senior member of staff.	Ensure that senior client officers are signing off on reconciliations either by recorded email, or electronically on the document itself.	**Management Response (WCC):** The Systems team will continue to prepare the monthly reconciliations as usual – these will be signed off on a quarterly basis by the Finance Manager.

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		been approved in the month of December, leaving an eight month period where the reconciliations had gone un-approved.			**Responsible Manager:** Finance Manager, Malvern Hills District Council **Implementation Date:** Immediate

Audit: ICT					
Overview: Full System Audit					
Assurance: Significant					
1	Medium	**Network Activity Monitoring** There are currently no formal arrangements in place for monitoring cyber attacks against the network by ICT staff outside normal working hours, including firewall attacks or viruses and malware that have been introduced to the network by active users by fraudulent e-mails, etc., with regards to direct notifications to officers for addressing. There continues to be changes to the working arrangements for staff based at the partner authorities, including further introduction of mobile and agile working, which could occur outside of normal working hours for the ICT team.	Failure to monitor malicious attempts to access the network, potentially resulting in an increased risk of fraudulent and malicious activity that could result in a greater chance of data loss that would result in reputational damage or financial loss.	To continue to develop and adapt the ICT policies and practices for managing security incidents out of hours, to enable a robust and timely response to ensure the security of data and reduce the potential of business impact.	**Management Response:** Investigation currently underway to identify a solution for identifying abnormal behaviour on the ICT network and to alert key staff of such activity. Research has shown there to be a number of potential solutions available, from automated systems to fully managed outsourced security operation centres. Once options identified the business case will be presented back to the ICT Management Board for approval. **Responsible Officer:** South Worcestershire ICT Shared Service Manager **Implementation Date:** Investigation to be completed and paper to Management Board by August 2019. Implementation of

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					solution by January 2020.
2	Medium	**Business Continuity Testing** There is a need to perform a business continuity/ data recovery exercise to cover all networked servers, including arrangements with Civica, now that the back-up arrangements have been established at the Malvern Hills District Council office.	Failure to regularly check the suitability of business continuity arrangements, potentially resulting in an inability to meet Service demands, resulting in reputational damage for the ICT Service and potentially the Council's.	To consider performing a test of business continuity arrangements, covering all systems and networked servers, to ensure that the arrangements are fit for purpose, and that back-up's have retained integrity.	**Management Response:** Test of current arrangements to be progressed by 1st September 2019. However the ICT Management Board have asked for recovery times to be reduced with the aim of being able to switch to Disaster Recovery for critical systems within one hour by 31/03/2020. **Responsible Officer:** South Worcestershire ICT Shared Service Manager **Implementation Date:** Test of current arrangements complete by 31/08/2019 New arrangements in place by 31/03/2020.
Audit: Benefits					
Overview: Full System Audit					
Assurance: Moderate					
1	Medium	**Overpayment recovery procedure** There is no version control on the policy. The policy does not contain guidance to staff as to suggested timescales in chasing recovery action at the various	Lack of timely action resulting in delays in recovering debts, potentially resulting in a failure to recover money which could lead to loss of public funds or	Implement version control. Include within the policy guidance of suggested and appropriate timelines for the recovery process. Review to ensure the policy provides priorities of recovery	**Managers Response/Action:** Policy / procedure will be reviewed and updated as required **Responsible Manager:**

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		stages.	reputational damage.	options to consider, when a customer is in receipt of Universal Credit.	Revenues Manager **Implementation date:** 31st May 2019
2	Medium	**Application Form** Since the 2017/18 benefits audit an online application is now available and re-places the paper application. Paper applications can be accepted as a last resort if the customer is unable to apply online. At the time of the audit, old versions of the application forms V.JAN17 were still in stock. The printers have been provided with the new wording advising that Civica is the data controller. Any future orders, will include the updated wording but there is no indication when this will take effect	Possible risk of financial penalty and reputational damage if data is mismanaged and accountability of controlling data is not properly defined under General Data Protection regulations (GDPR) requirements.	To ensure all application forms clearly identify the correct responsible individuals or organisations for controlling and managing data used in the processing of Housing Benefits and Council Tax Support claims, and what the data will be used for in order to comply with the GDPR	**Managers Response/Action:** The agreed wording will be on any new forms ordered from our printers. Old forms will be stickered as previous until a new batch with the correct wording is received. **Responsible Manager:** Service Delivery Manager **Implementation date:** Immediate
3	Medium	**Underlying Entitlement** Of the claims selected for testing: One claim - the underpayment did not automatically offset against the overpayment for the period when the claim was reinstated; One claim - a blameless tenant rule could have been applied to recover the overpayment from the Social Landlord. The quality assurance checks have identified 7 cases where	Missed opportunity to reduce the overpayment debt potentially leading to complaints from customers and reputational damage.	Remind all staff on the benefits of identifying correct underlying entitlement	**Managers Response/Action:** This is already heavily embedded within our processing procedures. We will ensure our Quality Assurance Officer keeps a close eye on this. Training to be arranged for Housing Benefit Over Payment team A reminder will be issued to all

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		the underlying payment could have offset the overpayment.			staff. **Responsible Manager:** Revenues Manager **Implementation date:** 31st May 2019 (Training) & Ongoing
4	Medium	**Recovery of Housing Benefit Over Payment** **Worcester City Council (WCC)** out of the 3 cases tested; 1 claim had a diary date for the next action set in one year's time. 1 claim has a large debt outstanding where the ongoing recovery action was not recorded. 1 claim. No recovery action since 20/11/18 when the agreement was terminated.	Lack of action resulting in delays in recovering debts, potentially resulting in a failure to recover monies which could lead to loss of public funds or reputational damage.	Monitoring of the reports. Provide guidance to the team on the blameless tenant rule. Reminder to staff to ensure any action is recorded,	**Managers Response/Action:** Training on Blameless Tenant to be arranged New process now in place for Other Local Authority (OLA) cases Reminder to team to update note books Hold in categories does not mean account on hold stopping recovery – it is the recovery stage that is currently being taken to collect debt Consideration should be given to the shear volume of overpayment debt raised to resource ratio. Overpayment recovery is currently performing well. **Responsible Manager:** Revenues Manager **Implementation date:** Immediate
Audit: Payroll					

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
Overview: Full System Audi t					
Assurance: Moderate					
1	High	**Calculation of Employer Pension Contributions** Testing of 17 employee's payslips found one where the Employers contribution had not been correctly calculated. This was found to be related to the Occupational and Statutory Sick Pay.	There is a risk of contributions being calculated on incorrect gross amounts leading to financial discrepancy and reputation damage.	To investigate with the system supplier why this happened and to agree a solution.	This is with Frontier development – they are aware of the issue – they will get back to us when they have a resolution. Meanwhile manual checks and adjustments are being done where necessary. **Responsible Manager:** Payroll Officer - WCC **Implementation date:** On going for manual checks until Frontier provide a resolution
2	Medium	**Emerging Risk of Data Input to System** Statutory Maternity Pay, Occupational Maternity Pay, Statutory Paternity Pay and Occupational Paternity Pay are calculated outside of the system due to the fact that the employee has the right to chose how they receive this payment. Deduction of less than 1 day sick pay cannot be entered through the normal sick pay route within the system and if not entered correctly can be missed.	There is the emerging risk of potential errors around input of the data due to the potential change in system administration provider which in turn could lead to financial discrepancy and reputational damage.	In light of the fact that the payroll provider may be changing, and in order to minimise the risk of making incorrect payments to employees, then all procedures that do not go through the Chris21 system in the normal manner need to be revisited, re-established and documented so that a true understanding of how the Council use the payroll system is gained. A longer term solution could be to consider changing the way that Worcester City Council makes these payments however	This will be taken into consideration as part of the review to bring the Payroll back in house. **Responsible Manager:** HR Operations Team Leader **Implementation date:** 1st November 2019

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
				this would be a change in terms and conditions and would require negotiations with the Unions. It would also be dependant on the system limitations.	
3	Medium	**Claiming of Expenses** Testing identified that a Train expense was claimed twice with a copy of the same train ticket being used in both cases. Payroll relies on the authorisation built within the system to process expense claims. In this instance the amount claimed was not material. However if any expense claims issues are identified during the input of data then People Services will discuss this with the Manager and the Manager's Manager to ensure that this is addressed.	There is the risk of financial loss if expenses claims are not checked, monitored and authorised	The responsibility of checking and authorising expense claims by Line Managers should be undertaken and reinforced.	Reminders are issued to anyone where a problem is identified copying in their manager to remind them to ensure accuracy is maintained **Responsible Manager:** HR Operations Team Leader **Implementation date:** On going
4	Medium	**Review of Access Rights** Testing found that access had not been removed when 2 employees had left the employment of the Council (access is linked to the network access so this would have prevented access by these ex employees) and that supervisory access had not been removed when one employee	There is the risk of unregulated and unauthorised access to sensitive data potentially leading to fraudulent changes to the system if employees do not have the correct access level.	Access to both the HR21/Chris21 system should be reviewed at least on a yearly basis to ensure that user access remains appropriate. To look at systems administration when this is brought back in house and consider where there may be a	This will be taken into consideration as part of the review to bring the Payroll back in house. **Responsible Manager:** HR Operations Team Leader

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		moved positions. Another employee who did not sit within the People Services Section had permissions to edit the payments screen which was inappropriate to their role. When identified by the audit these were corrected.		requirement for Management oversight via exception reporting.	**Implementation date:** 1st November 2019
**Audit: Cemeteries and Crematorium**
**Overview: Full System**
**Assurance: Moderate**
1	High	**Using reports on system activity as a Management tool** All officers working within this area have the same access rights to the system. This is necessary as there are some minor idiosyncrasies within the system which the systems provider cannot fix. However Senior Management do not use the reports within the system to check on certain activities within the system e.g. deletions	Data corruption leading to challenge and possible financial loss. Unidentified training needs leading to inefficient working practices.	That Senior Management run activity logs for certain functions e.g. deletions on a quarterly basis. This will help to identify potential areas for training and make sure that there is integrity within the data held in the system.	**Responsible Manager:** Agreed Team Leader – Bereavement Services **Implementation date:** End April 2019
2	High	**Payment Card Data Security Standards** At the time of the audit the	Non compliance with	Existing officers who undertake card payments should undertake	

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		Payment Card Data Security Training had not been undertaken by those that were taking card payments.	standards leading to potential fine and reputational damage.	the relevant training on the Learning Lounge. For new starters this should become a mandatory course.	**Responsible Manager:** Agreed Team Leader – Bereavement Services and People Services Team Leader (OD) **Implementation date:** End April 2019
2	Medium	**Reconciliation of monies received in advance** When monies are received in advance then a receipt is printed off and used to reconcile to the amounts taken at the end of the day/week. However the process is not reconciling to a report from the system detailing all receipts issued in the period. It should be noted that cash is not accepted for payments in advance reducing the risk within this area.	Potential for fraud and financial loss if not reconciling back to complete information.	A report should be produced from the system daily/weekly detailing all receipts issued. This should then be agreed to monies received to ensure that monies have all been accounted for.	**Responsible Manager:** Technical professional Officer - new MIS system all team to be inducted on system **Implementation date:** End May 2019
		**Audit: Front Line Housing (Homelessness)**			
		Overview: Full System			
		Assurance: Moderate			
1	High	**Access to systems** Access to the Homeless Finance System is being gained using a profile and user account under the name of an officer who is no longer employed by Housing,	There is no accountability and the audit trails are of no use if a default user account is being used. This could	Review access to systems. Ensure that access is relative to the individual that is using the system and that any individuals who are not currently employed by	**Responsible Manager:** Housing Welfare & Options Team Manager **Implementation Date:**

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		and is not password protected. The new financial module for use with the Jigsaw system is currently estimated to be implemented in November 2019.	lead to unauthorised access and inappropriate system access and potential criticism over the use of systems.	Housing have their access revoked and user accounts suspended. The current practice must not continue until the new system is installed. Protocol to be established for user accounts for the new system to protect the data integrity and privacy.	20/5/2019 Call placed with IT to ask for different log ins for all users of this access database. IT call log 128818
2	High	**Jigsaw System Customer Risk Assessments** Testing found cases where risk assessments had not been completed and recorded in the system; 2 of these were for customers who have known criminal records.	If risk assessments are not being carried out, customers may be placed in temporary accommodation in unsuitable locations. It also exposes officers to potential risk of harm and creates a health and safety risk for lone workers, particularly from customers who have criminal records and may potentially be dangerous.	Remind staff of the necessity to complete customer risk assessments, particularly where there may potentially be staff who are lone working requiring contact with the customer.	**Responsible Manager:** Housing Welfare & Options Team Manager **Implementation Date:** 20/5/2019 Email sent to all Housing Solutions Officers reminding them of the importance of this. Case reviews have been set up from the beginning of June which will also mean that this will be noticed if not complete.
3	Medium	**Temporary Accommodation Customer Data and Documentation** Testing found open and ongoing cases where there was no evidence of recent monitoring or follow up activity. Testing also found evidence that the Housing systems did not contain up to date information	Incorrect or incomplete information being recorded in the Housing systems could lead to an inadequate audit trail and inaccurate customer records.	Establish a quality assurance check to regularly monitor cases on a sample basis and evidence the monitoring taking place. Re-visit outstanding cases in the approach stage and action accordingly.	**Responsible Manager:** Housing Welfare & Options Team Manager **Implementation Date:** 20/05/2019 Case Reviews have been set up so

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		on some customers. Testing found that Triage and Personalised Housing Plans are not always being completed and signed off by the customer and a representative from Housing as agreed within the Jigsaw system. The Personalised Housing Plan should be signed and given to the customer at the appointment and reviewed as a live document that is subject to review and change. Cases were found in the Jigsaw system where customers had not been notified in a timely manner that the prevention duty had come to an end.	Another risk is poor decision making by Officers which in turn could potentially result in criticism from the public, negative media coverage and a loss of public confidence in the service. Reputational risk and financial penalties should the Authorities be found in breach of the Homeless Reduction Act 2017.	Record customer deaths in the system where appropriate. Provide the team with guidance as to timescales that customers should remain in the approach stage and seek exception reporting to ensure cases are dealt with appropriately in a timely manner.	that this can be identified and rectified. Appointments for case reviews have been set up from the beginning of June 2019.
4	Medium	**Resilience** Testing found 2 cases where the Housing Officer allocated to a case was on maternity leave and the case had not been updated in their absence. The customers were no longer in the approach stage but the cases had not been updated in the system, since the date of approach in August 2018. For one of these a subsequent approach was made and a new case was opened which has since been closed however the original case in question remains open.	Customers could be 'left' in the system resulting in delays in the processing of cases which could potentially be detrimental to those customer's needs.	Ensure that cases allocated to officers who are off on long term leave are routinely checked and updated to ensure that records remain current and relevant.	**Responsible Manager:** Housing Welfare & Options Team Manager **Implementation Date:** 20/5/2019 Case reviews, set up from the beginning of June will ensure this does not happen in future. The particular officer did not go on maternity leave until January 2019 and the cases in question were no longer being worked on when she left and therefore were not passed on to other officers. This officer should have closed them down prior

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					to going on maternity leave and this will be addressed when she returns.
Audit: Welfare Assistance					
Overview: Full System					
Assurance: Significant					
1	Medium	**Declaration Forms** Audit testing found that there were inconsistencies with Discretionary Welfare Assistance Scheme Declaration forms. During testing it was found that 7 of these forms had not been signed off by the 'Referrer', there were also cases of duplication of forms and some were found where the goods being applied for were not specified. Testing found one customer who had been granted an award but no declaration could be found on file.	Risk of an incomplete audit trail leading to inability to respond appropriately to challenge which in turn could lead to criticism over the handling of information and reputational damage.	Ensure that all declaration forms received contain all of the necessary information including signatures of the applicant and referrer, dates and the descriptions of goods to be awarded. Confirm that completed customer declarations are held on file for all awards and that information is retained in order to preserve the audit trail.	The DWAS White Goods Referral Procedure clearly states that the Officer responsible for sending the referrals must check that a Declaration Form has been received and that it is signed by both the referrer and the customer before the referral is sent to our supplier. All Officers responsible for sending referrals will be reminded of this necessity. The Declaration Form not stating the goods being applied for is less of an issue because this is not the source used to obtain this information – the goods to be ordered is taken from the online application databased completed by the hub. **Responsible Manager:** Strategic Housing Team Manager **Implementation Date:** 1st June 2019
2	Medium	**Record of Discretion** Audit testing found that it is not always clear where discretion	If the reasons for using discretion are not	When a decision is made to use discretion, ensure that Housing	The way in which discretion is given depends upon the goods being

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		has been exercised and the justification for doing so. Of 41 cases investigated, there were 22 cases identified during testing where no notes were present against cases where discretion had been used.	provided it could lead to challenge over the Council's policies and criticism in regard to inconsistency and its decision making leading to reputational damage.	and Hub staff provide clear indication and record sufficient detail providing the reason why discretion has been applied.	provided. In the case of food and energy vouchers, discretion is usually sought by the hub over the phone from one of the managers in the Housing team at the point of application (due to the usually nature of the application). In this case, the Housing manager will give verbal approval for discretion and the hub advisor should make a note of this on the application. Where no Housing manager is available, the hub advisor can seek discretionary approval from a hub team leader and, again, the advisor should make a note of this on the application. In the case of white goods, discretion must be sought in writing by the referrer, with emails sent to the Housing inbox and forwarded to a manger in the Housing team for approval. Where discretion is given, the Housing manager will respond in writing to the referrer, copying in the hub team leaders, who will then circulate to advisors so that they are aware that approval has been given when the referrer calls to make the application. Again, the advisor should make a note of this on the application. In most cases, the advisor will copy the content of the email from the Housing manager into the notes section of the application as evidence. Unfortunately, the nature of the

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					application system means that the application cannot be amended once it has been completed by the hub and therefore if the advisor has not added a note to the application, the Housing team are unable to subsequently add one. The hub team leaders will be asked to remind all advisors of the importance of adding a note in all cases where discretion has been given. In addition, Housing Managers will be asked to save a copy of all emails approving discretion in the case of white goods on the Welfare Assistance Scheme section of the W Drive, providing an additional audit trail in these cases. In the case of food and energy vouchers, the Housing team will review whether hub notes on discretionary applications improve. If a continuing issue is identified, a spreadsheet will be created for the Housing Managers to populate in all cases where discretion is given. However, this would be a last resort due to one of the intended aims of the scheme being to make it as admin light as possible. **Responsible Manager:** Strategic Housing Team Manager **Implementation Date:**

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					1st June 2019
end					