

Joint Audit and Governance Committee



Listening Learning Leading



Report of Assurance Manager

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To: Joint Audit and Governance Committee

DATE: 23 January 2017

Internal audit activity report quarter three 2016/2017

Recommendation

That members note the content of the report

Purpose of Report

1. The purpose of this report is to summarise the outcomes of recent internal audit activity at both councils for the committee to consider. The committee is asked to review the report and the main issues arising, and seek assurance that action will be/has been taken where necessary.
2. The contact officer for this report is Adrianna Partridge, Assurance Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 422485.

Strategic Objectives

3. Managing our business effectively.

Background

4. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the council's objectives. It assists the councils by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary. After each audit assignment, internal audit has a duty to report to management its findings on the control environment and risk exposure, and recommend changes for improvements where applicable. Managers are responsible for considering audit reports and taking the appropriate action to address control weaknesses.

5. Assurance ratings given by internal audit indicate the following:

Full assurance: There is a good system of internal control designed to meet the system objectives and the controls are being consistently applied.

Substantial assurance: There is a sound system of internal control designed to meet the system objectives and the controls are being applied.

Satisfactory assurance: There is basically a sound system of internal control although there are some minor weaknesses and/or there is evidence that the level of non-compliance may put some minor system objectives at risk.

Limited assurance: There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

Nil assurance: Control is weak leaving the system open to significant error or abuse and/or there is significant non-compliance with basic controls.

6. Each recommendation is given one of the following risk ratings:

High Risk: Fundamental control weakness for senior management action

Medium Risk: Other control weakness for local management action

Low Risk: Recommended best practice to improve overall control

2016/2017 Audit Reports

7. Since the last audit and governance committee meeting, the following audits and follow up reviews have been completed:

Completed Audits

Full Assurance: 1

Substantial Assurance: 0

Satisfactory Assurance: 2

Limited Assurance: 3

Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs.	No. Agreed	Medium Risk Recs.	No. Agreed	Low Risk Recs.	No. Agreed
Joint								
Community Infrastructure Levy 1617	Full	1	0	0	0	0	1	1
Building Control 1617	Limited	6	2	2	3	2	1	1
Facilities Management 1617	Limited	3	1	1	2	2	0	0
Health & Safety 1617	Satisfactory	4	0	0	3	3	1	1
Sundry Debtors 1617	Satisfactory	3	0	0	2	2	1	1
SODC only								
Cornerstone 1617	Limited	5	1	3	3	3	1	1
VWHDC Investigation								
Temporary Accommodation Refurbishment November 2016	N/A	3	2	2	1	1	0	0

Follow Up Reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing
Joint						
Consultations 1516	Substantial	3	1	2	0	0
Leisure 1516	Satisfactory	11	11	0	0	0
Neighbourhood Planning Grants 1516	Limited	5	5	0	0	0
Elections and Election Payments 1516	Limited	7	1	0	6	0
VWHDC Investigation						
Temporary Accommodation Refurbishment November 2016	N/A	3	3	0	0	0

8. **Appendix 1** of this report sets out the key points and findings relating to the completed audits which have received limited or nil assurance, and satisfactory or full assurance reports which members have asked to be presented to committee

9. Members of the committee are asked to seek assurance from the internal audit reports and/or respective managers that the agreed actions have been or will be undertaken where necessary.
10. A copy of each report has been sent to the appropriate service manager, the strategic management board, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are now published on the councils' intranet.
11. Internal audit continues to carry out a six month follow up on all non-financial and non-key financial audits to establish the implementation status of agreed recommendations. All key financial system recommendations are followed up as part of the annual assurance cycle.

Overdue Recommendations

12. **Appendix 2** of this report summarises all overdue recommendations within each service area. The report has been circulated to the relevant service manager, heads of service, the strategic management board and the portfolio holder.

Financial Implications

13. There are no financial implications attached to this report.

Legal Implications

14. None.

Risks

15. Identification of risk is an integral part of all audits.

ADRIANNA PARTRIDGE
ASSURANCE MANAGER

APPENDIX 1

1. BUILDING CONTROL 2016/2017

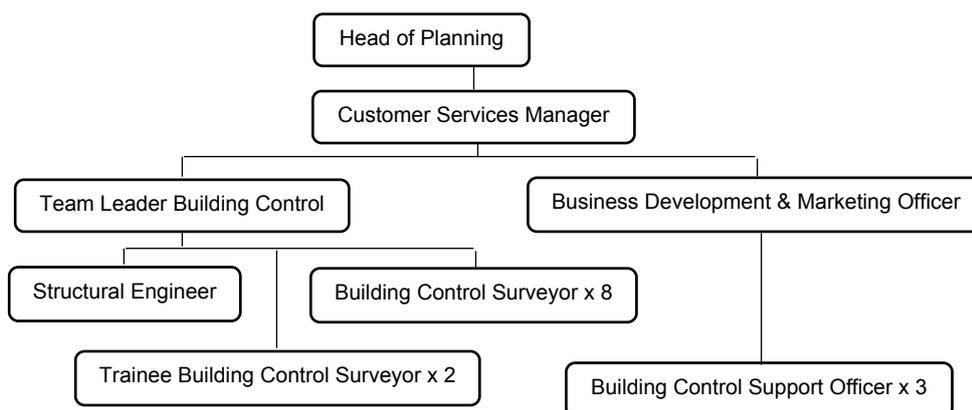
1. INTRODUCTION

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to building control. The audit has been undertaken in accordance with the 2016/2017 audit plan agreed with the audit and governance committee of South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC). The audit has a priority score of 22. The audit approach is provided in the audit framework in Appendix 1.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- adequate procedures and guidance are in place for building control, which are in accordance with the Building Act 1984;
 - the scale of fees and charges are transparent and in accordance with the Building (Local Authority Charges) Regulations 2010;
 - applications are properly administered, and income collection is appropriately recorded and managed;
 - refunds, exemptions and enforcements are valid, authorised and documented;
 - health and safety requirements are met;
 - appropriate performance monitoring is undertaken; and
 - regulation changes are appropriately implemented.

2. BACKGROUND

- 2.1 Building Control is a statutory function, primarily concerned with administering regulations through the Building Act 1984 and associated legislation, which seek to ensure building work is undertaken to reasonable performance based standards. Building Regulations set standards for the design and construction of buildings to ensure the safety and health for people in or about those buildings. The regulations also include requirements to ensure that fuel and power is conserved, and facilities are provided for people, including those with disabilities, to access and move around inside buildings. It is noted that Building Regulations approval may also be required for many alterations, including:-
- replacement of fuse boxes and connected electrics;
 - installing a bathroom that involves plumbing;
 - changing electrics near a bath or shower;
 - putting a fixed air conditioning system;
 - replacing windows and doors;
 - replacing roof coverings on pitched and flat roofs;
 - installing or replacing a heating system;
 - adding extra radiators to a heating system.
- 2.2 The responsibility for checking the Building Regulations have been met falls to Building Control Bodies (BCBs) either from the councils or the private

sector as an approved inspector. Within both SODC and VWHDC the building control team is part of the planning service area and consists of:-



3. PREVIOUS AUDIT REPORTS

3.1 SODC

Building control was last subject to an internal audit review in October 2011 and three recommendations were raised. All three recommendations were agreed and a satisfactory assurance opinion was issued.

3.2 Of the three recommendations, two have been implemented and one recommendation is no longer applicable and has been superseded. No joint recommendations have been restated as part of this review.

3.3 VWHDC

Building control was last subject to an internal audit review in October 2011 and three recommendations were raised. All three recommendations were agreed and a satisfactory assurance opinion was issued.

3.4 Of the three recommendations, two have been implemented and one recommendation is no longer applicable and has been superseded. No joint recommendations have been restated as part of this review.

4. 2016/2017 AUDIT ASSURANCE

4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

4.2 Six joint recommendations have been raised in this review. Two high risk, three medium risk and one low risk.

5. MAIN FINDINGS

5.1 **Procedures and guidance notes**

5.1.1 Building control has standard operating procedures (SOPs) in place, which provides officers a step-by-step process covering the relevant

areas of building control to ensure no break/delay in service due to unforeseen circumstances. The SOPs are available to all building control officers as they are kept on the planning shared drive. Review found that the SOPs are version controlled confirming that they are regularly reviewed and up-to-date. It is noted that it also states the author of the SOPs and reason for the update.

5.1.2 Guidance is available to the public via the internet on building control. Review confirmed that guidance in place is up-to-date and covers the areas required, i.e. types of building works require approval, application form, exemptions.

5.1.3 Area assurance: Full
No recommendations have been made as a result of our work in this area.

5.2 Fees and charges

5.2.1 The councils have in place building regulation charges, which gives details of the amount charged for full plan and building notice applications. It is noted that any works not on the building regulation charges are individually assessed. The building regulation charges were last updated in March 2015; however it could not be established if the charges were appropriately approved. Review of both councils' websites found that the building regulation charges are not made available on the public domain. It is noted that the charges were taken off the websites in January 2016 due to approved private sector building control inspectors obtaining and undercutting the charges, hence the councils losing business to their competitors.

5.2.2 The Building (Local Authority Charges) Regulations 2010 are in place which the councils must abide to when calculating the fees and charging the public. Review of the councils' building regulation charges confirmed that the fees were calculated appropriately and the public were only charged for the functions in the regulations. Review of 20 applications also found that 14 applicants were charged the appropriate fee as stated on the councils' building regulation charges. For the other six applicants, the building control team assessed the fees based on the works (to be) undertaken, which from review found no evidence on how the charge was determined.

5.2.3 Area assurance: Limited
Two recommendations have been made as a result of our work in this area (Recs 1 and 2).

5.3 Applications and income collection

5.3.1 For building works that require building regulation approval, an application form is required to be completed and, along with payment, submitted to a building control body (BCB). Review of both councils website found that the application form is available for download. It is noted that an online application can also be complete via the websites. The fees for building regulation approval are not available to the public, if

the applicant want a quote for the charge they can contact the building control team, who would send out a written quote. Review of 20 building regulation applications confirmed that payments were received at the time of the application and were appropriate to the building works (to be) carried out.

5.3.2 After the applications are received, they are registered onto the Ocella system, which generates a building control reference. Payments are also made against the reference number with the receipt attached. Review of 20 building regulations approval applications confirmed that payment was received with the application and was recorded against building regulations number on the Ocella system. It is noted the income reconciliation between the Ocella system and the general ledger is undertaken on a monthly basis.

5.3.3 Area assurance: Full
No recommendations have been made as a result of our work in this area.

5.4 **Refunds, exemptions and enforcements**

5.4.1 Refunds are given to applicants only if a valid reason is given and approved by the building control team leader. Payment vouchers are raised on the Agresso system and approved prior to the refund being issued to the applicant. It is noted that since 1 April 2015, 26 (15 SODC and 11 VWHDC) applicants have had their fee (part) refunded, and review confirmed that no issues were identified as the refunds:-

- had a valid reason, which was approved appropriately;
- were filed appropriately on the Ocella system; and
- had a payment voucher raised on the Agresso system, which was adequately approved.

5.4.2 There are two types on building regulation approval exemptions:-

- Exemptions where building works are within a certain class, as stated in the Building Regulations 2010;
- Exemptions where building works are solely for disabled persons.

Review of the councils' website found that details on exemptions are available, so that members of the public are made aware that certain building works are exempt from building regulation approval. It is noted that if the building works are within a certain class, which entitles them exemption, an application form is not required to be completed and submitted. An application is still required for building works solely for disabled persons with evidence of disability and proof that the build is for disability usage only. It is noted that a review of building regulation exemption applications could not be undertaken as it was not possible to identify any building regulation exemptions due to the Ocella system not having an event code set up for exemptions. This issue has now been addressed and the building control support team have been notified to include the event code when an exemption application is received.

5.4.3 There is a legal requirement on both the builder and the owner of a building to make an appropriate building regulations application and to comply with the building regulations. Failure to do so can result in

prosecution through the Magistrates' Court. It is noted only the councils have the duty to enforce building regulations in its local area and not approved inspectors. A regularisation application can be made in some cases if notifiable work has been completed without submitting either full plans or building notice applications.

5.4.4 Area assurance: Full
No recommendations have been made as a result of our work in this area.

5.5 Health and safety

5.5.1 A lone working policy is in place for building control surveyors' who work on their own when they are off-site undertaking site inspections at homes and developments. Surveyors register on the lone working monitoring system provided by Forestcare. Health and safety issues are reported to the health and safety advisor using the incident reporting form, and any near misses are discussed at team meetings to prevent incident from reoccurring.

5.5.2 A personal protective equipment (PPE) policy is in place, which states that:

- an assessment is undertaken to ensure that the PPE is suitable and is reviewed at least annually;
- a record of the PPE provided to staff is maintained.

Building control surveyors are provided with PPE for when they are out on-site undertaking inspections, however a PPE assessment has not been undertaken to confirm if the equipment provided is suitable for the potential risks the surveyor might come across. It is noted that building control hold a record of the PPE that has been provided to the surveyors.

5.5.3 Area assurance: Limited
One recommendation has been made as a result of our work in this area (Rec 3).

5.6 Performance monitoring

5.6.1 Building control is different to other services the councils provide as building control are competing for business with private approved inspectors, so if the service does not perform it might not get further business. There are agreed targets in place for building control to ensure that the service remains competitive; however, the targets are not documented or monitored. Building control also does not send customer feedback forms to establish their opinions, which could assist in improving the service provided further. It is noted though that the market share is monitored on a monthly basis and reported to both SODC and VWHDC planning cabinet members.

5.6.2 The building control support team also have performance targets in place that are documented on a KPI dashboard. The performance targets should be monitored on a monthly basis and discussed with the building support officers in their one-2-one. However, review of the KPI dashboard found that the dashboard was last updated and reviewed in

April 2016.

5.6.3 Area assurance: Limited
Three recommendations have been made as a result of our work in this area (Recs 4, 5 and 6).

5.7 Regulation changes

5.7.1 The Building Regulations 2010 was approved by Parliament and came into force on 1 October 2010. DCLG continuously review and update the 2010 regulations, and send notification of changes to the councils' building control team. In 2015 and 2016, four parts of the 2010 regulations were changed and review confirmed that the building control team were made aware of the 2010 regulation changes and the documents were kept and filed appropriately so that the team can refer to the changes.

5.7.3 Area assurance: Full
No recommendations have been made as a result of our work in this area.

6. ACKNOWLEDGEMENTS

6.1 Internal audit would like to take this opportunity to thank all staff involved for their assistance with the audit.

7. CATEGORISATION OF RECOMMENDATIONS

7.1 To assist management in using our reports, we have categorised our recommendations according to their level of priority as follows:

High risk	Fundamental control weakness for senior management action	Recs 2 and 3
Medium risk	Other control weakness for local management action	Recs 1, 4 and 6
Low risk	Recommended best practice to improve overall control	Rec 5

OBSERVATIONS AND RECOMMENDATIONS

FEES AND CHARGES

1. Review of fees and charges

(Medium Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> Fees and charges for building control are reviewed and approved by the relevant committee or cabinet. Thereafter, the fees and charges are reviewed on an annual basis.	The building regulation charges should be reviewed and approved by the relevant committee or cabinet. Thereafter, the fees and charges should be reviewed on an annual basis.	Team leader building control

<p><u>Findings</u> The building regulations charges were last reviewed in October 2011.</p> <p><u>Risk</u> If the fees and charges for building control are not reviewed at least annually, there is a risk of the councils not remaining competitive and/or recouping their costs to provide the service.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed Fees to stay the same as 2011 and fees are also based on hourly rate.</p> <p>Management response: Team leader building control</p>		30 April 2017

2. Transparency of building regulation charges

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A building regulation charge calculation sheet is completed when determining that charge.</p> <p><u>Findings</u> From the sample of 20 building control applications selected for testing, six required a bespoke fee. Review of the six applications found that there is no transparency as building control do not complete a calculation sheet showing how the charge was determined.</p> <p><u>Risk</u> If a building regulation charge calculation sheet is not in place or completed, there is a risk of lack of transparency when determining the charge for each application resulting in the councils not complying with the Building (Local Authority Charges) Regulations 2010.</p>	A building regulation charge calculation sheet should be set up and used when determining the charge to applicants, to ensure that there is transparency and consistency on how the charge has been determined.	N/A
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle A fee quote sheet is in place for applications that do not come off the fee schedule. Fees are worked out on an hourly rate, which is £65, and this is the same rate for every application. I take into account the whole project from quality of the plans to the builder.</p> <p>Management response: Team leader building control</p>		Implemented

HEALTH AND SAFETY

3. Personal protective equipment risk assessment

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A personal protective equipment risk assessment has been completed and is reviewed on an annual basis.</p> <p><u>Findings</u> The councils have a personal protective equipment (PPE) policy in place that expects teams that require PPE to complete a PPE risk assessment. From conversations, it was established that a PPE risk assessment has not been undertaken, so internal audit cannot place reliance that the PPE given to the building control surveyors is sufficient for all types of scenarios the surveyors might face when undertaking on-site inspections.</p> <p><u>Risk</u> If a personal protective equipment risk assessment is not completed, there is a risk of building control surveyors not being equipped appropriately to protect them from all possible scenarios resulting in non-compliance with the Health and Safety at Work Act 1974.</p>	<p>A personal protective equipment risk assessment form should be completed to ensure that the surveyors have the appropriate equipment for all types of situations when undertaking on-site inspections, and is reviewed on an annual basis.</p>	<p>Team leader building control</p>
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle A spreadsheet has been in place for the last 3 years which shows who has equipment and date it was issued. This is monitored annually, every January, and new equipment ordered as required.</p> <p>Management response Team leader building control</p>		<p>31 January 2017</p>

PERFORMANCE

4. Performance targets

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Building control performance targets are documented and monitored on a regular basis.</p> <p><u>Findings</u> Building control have the following performance targets in place to remain competitive against approved inspectors (private sector):-</p>	<p>Building control performance indicators should be documented, updated and reviewed on a regular basis to ensure that staff are performing efficiently and effectively.</p>	<p>N/A</p>

<ul style="list-style-type: none"> • respond to customer requests for site inspection service - for requests received before 9:30 am; • percentage of completion certificates issues within two working days. • percentage of plans checked within five working days of receipt. • percentage of other incoming work checked in five working days. <p>However, the performance targets are not documented and monitored.</p> <p><u>Risk</u> If building control performance indicators are not documented and monitored, there is a risk of the team not performing efficiently and effectively resulting in a possible percentage reduction in a competitive market.</p>		
Management Response		Implementation Date
<p>Recommendation is Not Agreed</p> <p>Reports are ran on-site inspections and plan checking to ensure all are carried out in time frame. Plan dates are checked every day to ensure plan checks are carried out within 48hrs. I will ensure that a report is set to run to check completion certificates are issued within two working days. Emails are again answered within 48hrs and the only way of checking this is by going into the inbox, which is done daily.</p> <p>Management response: Team leader building control</p>		N/A

5. KPI dashboard

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> The KPI dashboard is updated on a monthly basis.</p> <p><u>Findings</u> The business development & marketing officer manages the building control support team and reviews the team members' performance on a weekly basis via the KPI dashboard. However, review of the KPI dashboard found that the dashboard has not been updated since 11 April 2016.</p> <p><u>Risk</u> If the KPI dashboard is not updated regularly, there is a risk that staff performance not being monitored.</p>	<p>The KPI dashboard should be updated on a weekly basis so that monitoring of the building control support staff performance can be undertaken effectively.</p>	N/A
Management Response		Implementation Date

Recommendation is Agreed in Principle Management response: Team leader building control	Implemented
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6. Customer feedback

(Medium Risk)

Rationale	Recommendation	Responsibility
<p>Best Practice Customer feedback forms are issued to customer along with the building regulations certificate.</p> <p>Findings Customer feedback forms are no longer issued to customers after the building regulation certificates have been issued. It is noted that the feedback form used to be sent out with the building regulation certificates, but was stopped due to the fire at Crowmarsh offices and did not start up again.</p> <p>Risk If customer feedback is not sought, there is a risk of the building control team being complacent and the service not improving resulting in a possible decrease in market position.</p>	<p>The process of issuing customer feedback forms should be started up again to ascertain from the customer how satisfied they are with the service provided. The privacy notice should also be included onto the feedback, if obtaining personal information, i.e. sex, race, etc.</p>	<p>Team Leader Building Control</p>
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle Feedback does come from user groups, and customers also email any comments they have about the service. The market share is looked at every month to check where we stand. I will look into a customer feedback form next year.</p> <p>Management response: Team Leader Building Control</p>		<p>30 April 2017</p>

2. FACILITIES MANAGEMENT 2016/2017

1. INTRODUCTION

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to facilities management. The audit has been undertaken in accordance with the 2016/2017 audit plan agreed with the audit and governance committee of South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC). The audit has a priority score of 20. The audit approach is provided in the audit framework in Appendix 1.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- procedures are in place to allocate and schedule work, and monitoring processes are in place to measure performance;
 - effective budget monitoring arrangements are in place, discrepancies are identified and variances are reported and investigated appropriately;
 - all contractor/partner contracts, agreements, correspondence and financial information is held and maintained securely by facilities;
 - a scale of costs and charges applicable to rental occupants is in place and the relevant invoices have been raised and paid in accordance with the terms of the agreement;
 - all purchases are ordered, received and paid for in an appropriate and timely manner.

2. BACKGROUND

- 2.1 From 1 August 2016, SODC and VWHDC facilities management was outsourced through the corporate services partnership to VINCI, who will manage the service under the Five Councils Partnership. The VINCI facilities management team are responsible for the safety, maintenance and security of the council properties.
- 2.2 The councils' facilities management team was led by the technical and facilities manager, facilities team leader and facilities support team leader across both councils with 18 further staff. This structure changed from 1 August 2016 when VINCI became the provider of the facilities management service. There has also been a change to the councils' facilities management system (tf system) to the VINCI facilities helpdesk system for logging in calls raised to the team from 1 August 2016.
- 2.3 The audit fieldwork has been undertaken prior to the corporate services partnership taking place on 1 August 2016. However, adjustments have been made in the necessary sections that have been affected by the VINCI transition during the audit process.

3. PREVIOUS AUDIT REPORTS

- 3.1 SODC
Facilities management was last subject to an internal audit review in

August 2011 and a follow up review was undertaken in February 2012. 16 recommendations were raised and all were agreed. A satisfactory assurance opinion was issued.

3.2 Following the February 2012 follow up audit, eight recommendations had been implemented, five not implemented, two partly implemented and one recommendation still ongoing. The 2016/17 review identified that five recommendations were no longer applicable due to the Crowmarsh building fire in January 2015, 10 recommendations had been implemented and one recommendation has been revised and incorporated into this report (Rec 1).

3.3 VWHDC
Facilities management was last subject to an internal audit review in August 2011 and a follow up review was undertaken in February 2012. 13 recommendations were raised and all were agreed. A satisfactory assurance opinion was issued.

3.4 Following the February 2012 follow up audit, seven recommendations had been implemented, four not implemented, one partly implemented and one recommendation still on going. The 2016/17 review identified that 12 recommendations has been implemented and one recommendation had been revised and incorporated into this report (Rec 1).

4. 2016/2017 AUDIT ASSURANCE

4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.

4.2 Three joint recommendations have been raised in this review. One high risk, and two low risk.

4.3 Due to the facilities management service provision moving to VINCI on 1 August 2016, a number of areas will be reviewed again during the follow up to ensure adequate controls remain in place. This includes policies and procedures, rental invoicing and the purchasing process.

5. MAIN FINDINGS

5.1 Policies and procedures

5.1.1 Internal audit identified that the council has relevant policies and procedures covering aspects of facilities management, including the allocation and scheduling of work. Review of the policies identified that all policies have details of the procedure, objectives and the responsible officers of the policies. Further analysis of the policies and procedures identified that there is a requirement for an update for some of the procedures in relation to the purchasing procedure for the building materials by facilities. (Rec 1).

5.1.2 The audit review also identified that there are no formal procedures relating to performance management for services provided to clients, and there is no evidence that regular performance monitoring and consumer feedback activities take place. The customer services delivery manager (VINCI) confirmed that the new facilities helpdesk system implemented from 1 August 2016, will include a request for the client to complete a satisfaction questionnaire once each of the requested job is completed. No recommendation has been raised at this stage and internal audit will conduct further testing at the audit follow up stage.

5.1.4 Area assurance: Substantial
One recommendation has been made as a result of our work in this area (Rec 1).

5.2 **Budget monitoring**

5.2.1 The technical and facilities manager is responsible for monitoring the facilities management budget, and ensures a quarterly review is conducted with the assistance from the finance department. Any significant variances, if identified, would be communicated as part of quarterly reporting to cabinet. The facilities team leader is responsible for the day to day management and validating expenditure of the facilities and technical services on a monthly basis. It should be noted that due to the corporate services project, the facilities management budget will become a contract budget monitored by the facilities client manager.

5.2.2 Area assurance: Full
No recommendations have been made as a result of our work in this area.

5.3 **Contractor services**

5.3.1 The procurement of contractors' services for services valued under the council tender threshold of £75,000 are carried out in accordance with the council's contract procurement rules. At the time of review, internal audit identified that 35 out of the 107 contracts on the contracts register are managed by the facilities management services using the council's contract procedure rules.

5.3.2 Internal audit selected a sample of 10 contracts to test and ensure that there are adequate records retained with clear and transparent costings for services. It was also identified that there were no contracts that were over the £10,000 or £75,000 threshold that would require three quotations or the EU regulations for the period being tested. The audit tests confirmed that there was sufficient evidence to support that records were retained adequately by the facilities management team. Internal audit identified an invoice that was addressed to the council office instead of the Darlington (Capita) address documented in the council accounts payable procedure notes. This resulted in a delayed payment.

5.3.3 Area assurance: Substantial
One recommendation has been made as a result of our work in this area (Rec 2).

5.4 **Rental invoicing**

5.4.1 The council has three rental agreements (Capita, Oxfordshire County Council and Citizen's Advice Bureau) in place for 2016/17. The rent for each of these agreements is increased year-on-year by the RPI figure from August of the preceding year. Internal audit reviewed the scale and charges for each of the rental occupants held by the council and found that there was timely invoicing, resulting from planning at the start of the financial year and payment from tenants in line with the terms of respective agreements.

5.4.2 Prior to 1 August 2016, the contracts management was managed by the council's procurement officer with regular reviews of the contracts being undertaken by the technical and facilities manager at the annual invoicing stage. From 1 August 2016, the management of the rental invoicing, review of charges and payments will be managed by VINCI.

5.4.3 **Area assurance: Full**
No recommendations have been made as a result of our work in this area.

5.5 **Purchasing**

5.5.1 Purchases made by the facilities management team are processed through requisitions which are appropriately approved and then processed on the Agresso system. From a sample of 20 invoices reviewed, there was an appropriate level of authorisation controls and three instances of late payment processing identified. There was also no documented procedures relating to the purchase of building materials and milk supplies (Rec 1). During the finalisation of the audit report, it was identified that there was a lack of clarity on the roles and responsibility post 1 August 2016 when the Five Council's corporate services project was implemented (Rec 3). This identified an operational risk with the council's franking machine contract, with the credit value being low and no one being assigned authority to process the contract payment.

5.5.2 **Area assurance: Limited**
One recommendation has been made as a result of our work in this area (Rec 3). Also see related recommendation Rec 1.

6. **ACKNOWLEDGEMENTS**

6.1 Internal audit would like to take this opportunity to thank all staff involved for their assistance with the audit.

7. **CATEGORISATION OF RECOMMENDATIONS**

7.1 To assist management in using our reports, we have categorised our recommendations according to their level of priority as follows:

High risk	Fundamental control weakness for senior management action	Rec 3
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Medium risk Other control weakness for local management action

Low risk Recommended best practice to improve overall control

Rec 1 and 2

OBSERVATIONS AND RECOMMENDATIONS

POLICIES AND PROCEDURES

1. Purchasing policy

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> There are appropriately authorised, up-to-date, fully documented processes in place over procurement and purchasing of low value items.</p> <p><u>Findings</u> Internal audit identified that there is no formal documented process for purchasing low value items e.g. building materials and milk supplies.</p> <p><u>Risk</u> Without procedures notes there is a risk of breach of procurement legislation and financial loss to the council.</p>	<p>Guidance notes covering the purchasing process for low value items should be formulated.</p>	<p>N/A</p>
Management Response		Implementation Date
<p>Recommendation is N/A Due to the Five Council's Partnership taking place on 1 August 2016, this is now administered by VINCI. Evidence was provided at draft report stage.</p> <p>Management response: Corporate services delivery manager (VINCI)</p>		<p>Implemented</p>

CONTRACTOR SERVICES

2. Invoices

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Invoices are processed and paid in a timely manner.</p> <p><u>Findings</u> Internal audit reviewed 10 SODC and 10 VWHDC invoices and identified that:</p> <p>a) Three of the invoices tested were paid over the invoice payment terms (Two SODC and one VWHDC).</p> <p>b) It was also identified that one</p>	<p>The service team need to ensure that:</p> <p>a) payments are paid within the agreed payment terms</p> <p>b) invoices are sent to the Darlington address in the first instance.</p>	<p>N/A</p>

<p>out of the 10 invoices was sent to the service area (sent to Abbey House) first instead of being sent to the Agresso team in Darlington as stated in the accounts payable procedure. It should be noted that it is the responsibility of the service area to inform the supplier of the correct details to ensure prompt payments are completed in the invoice payment terms provided.</p> <p>Risk There is a risk of reputation damage and financial loss through late payment charges. Possible loss of prompt payment discounts and impaired relations with suppliers.</p>		
Management Response		Implementation Date
<p>Recommendation is N/A This is no longer applicable as VINCI do not pay any council invoices. VINCI ensure that their own contractors are paid within the agreed terms. The invoices to VINCI are sent to VINCI construction at Astral House in Watford and not Darlington.</p> <p>Management response: Corporate services delivery manager (VINCI)</p>		N/A

PURCHASING

3. Roles and Responsibilities

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All roles and responsibilities should be clear and communicated to the relevant officers.</p> <p><u>Findings</u> During the finalisation of the audit report, it was identified that there were issues in the definition of roles and responsibility post 1 August 2016 when the Five Council's corporate services project was implemented. It was not clear as to who would take responsibility of the management of the council's franking machine.</p> <p>Internal audit also identified that the role of the council's property manager, and the parking, facilities management and print design officer had not been recruited as at 1 August 2016. The roles of the vacant posts had not been allocated to ensure efficient</p>	<p>a) A decision should be made on the management of the franking machine services as soon as possible.</p> <p>b) Arrangements should be put in place to ensure that roles and responsibilities aligned to the currently vacant facilities posts are covered in the interim.</p>	Client Relationship Director

<p>business continuity.</p> <p>Risk Without a contingency plan in place, there is a risk of financial loss as critical services may not be addressed, also bringing about reputational damage with the council's current and potential clients.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>a) Neopost (the company that credit the postal charge onto the franking machine) have told us we are on the best type of method, but I am still challenging this. At the moment we have a £10,000 margin and in addition we request the council to top up when we go below £10,000 so we always have a £20,000 'buffer'.</p> <p>Management response: Corporate services delivery manager (VINCI)</p> <p>b) From the 1 August 2016 Vinci took responsibility for the authorities' facilities management as per their contractual obligations. It must also be recognised that facilities management under the new contract spans across five authorities and therefore roles and responsibilities within the joint client team also extend to the five authorities.</p> <p>Prior to, during and after the transfer of services the communications team together with Vinci designed a clear contact and escalation document which was made available to all staff via the authorities intranet and will remain in place for the foreseeable future (to be updated as necessary). This document identifies names, email addresses, telephone numbers and the different stages of escalation to be followed should an issue occur. Furthermore, the client relationship director met with each head of service to provide assurance of the continued facilities management to be provided by Vinci and alleviate any cause for concern they may have had. In addition, the joint client team structure was distributed to heads of service.</p> <p>In regard to the vacant posts, the client relationship director together with the South and Vale lead officer (also transition manager) has absorbed responsibility for these roles until such time as an appointment is made to the property manager post. On the 17 August 2016 an external advert for the property manager position went live and is due to close on the 8 September 2016. Once appointed it is anticipated that a more in-depth understanding of the relationship the joint property manager position has with the contractor and five councils will be documented. However, this is predicated on Vinci providing clear procedures, process maps, policies and partnership working to agree a sustainable and mutual approach to facility management across the five council partnership. It is projected that the officer post will be recruited to by the property manager, however this will be continuously reviewed on a week by week basis by representatives from across the five authorities.</p> <p>Management response: Client Relationship Director</p>		<p>a) 30 November 2016</p> <p>b) Within the first 8 -10 months of service commencement.</p>

3. CORNERSTONE 2016/2017

1. INTRODUCTION

- 1.1 This report details the internal audit review of procedures, controls and the management of risk in relation to Cornerstone. The audit has been undertaken in accordance with the 2016/2017 audit plan agreed with the audit and governance committee of South Oxfordshire District Council (SODC). The audit has a priority score of 21. The audit approach is provided in the audit framework in Appendix 1.
- 1.2 The following areas have been covered during the course of this review to provide assurance that:
- roles and responsibilities and all operational functions are clearly assigned and adequate policies and procedures have been documented;
 - adequate arrangements are in place for the receipt of income (including discounts), processing of refunds and the collection of cash and banking; and adequate reconciliation arrangements;
 - transactions involving memberships are accurate, appropriate and suitably recorded;
 - adequate safety and security (including DBS) arrangements are in place for officers and Council assets;
 - the exit from the catering contract is appropriately managed;
 - sufficient management information is available to support performance.

2. BACKGROUND

- 2.1 Cornerstone Arts Centre, located in Didcot, provides a range of art (e.g. gallery) and entertainment (e.g. live music) including workshops, classes and a café bar on-site. Income is principally generated from ticket sales (and from memberships), however the centre does receive proceeds from hiring out rooms and commission from merchandise sold from its premises.
- 2.2 The centre is funded by South Oxfordshire District Council and the team is led by the arts manager. Cornerstone had 262 active memberships and received £2640 from the membership sales for the period April 2016 to September 2016.
- 2.3 Cornerstone had an external company (Elegant Cuisine Limited) contracted to provide the café services up until 14 August 2016. Cornerstone has now implemented an in-house catering function which is being managed by the operations manager from September 2016.

3. PREVIOUS AUDIT REPORTS

- 3.1 Cornerstone was last subject to an internal audit review in December 2012 and six recommendations were raised at both councils. All recommendations were agreed. A satisfactory assurance opinion was

issued.

- 3.2 Following the July 2013 follow up audit, three out of the six recommendations had been implemented, one had been partly implemented and one recommendation was no longer applicable. One recommendation on policies and procedures has been revised and incorporated into this report (Rec 1).

4. 2016/2017 AUDIT ASSURANCE

- 4.1 **Limited assurance:** There are some weaknesses in the adequacy of the internal control system which put the system objectives at risk and/or the level of non-compliance puts some of the system objectives at risk.
- 4.2 Five recommendations have been raised in this review. One high risk, three medium risk and one low risk.

5. MAIN FINDINGS

5.1 Roles and responsibilities

- 5.1.1 Internal audit established that there are a number of Cornerstone policies and procedures in place and available to the relevant staff. Some of the key documents reviewed did not have details of the date policies and procedures were either formulated and/or reviewed, evidence of version controls and the policy/procedure's responsible officer. A policy log was provided to internal audit although it was not up to date.
- 5.1.2 Cornerstone's job descriptions are updated when a vacancy arises or a job evaluation takes place. Internal audit reviewed the organisational chart and the job descriptions for each of the roles within the team. It was identified that there has been a change in job roles for the arts manager and the operations manager due to Cornerstone's café bar services now being managed in-house from August 2016, but this has not been reflected in their job descriptions.
- 5.1.3 **Area assurance: Satisfactory**
Two recommendations have been made as a result of our work in this area (Rec 1 and 2).

5.2 Income and refunds

- 5.21 The box office team, comprising of three box office receptionists, are supported by the duty managers and are responsible for ticket sales. Ticket sales are made in one of three ways -in person, over the phone or via the internet. Customers can pay in one of four ways -credit/debit card, cash or cheque with sales being administered on Spektrix (Cornerstone's sales and membership database). Internal audit tested a sample of 20 sales transactions which involved ensuring the price charged (including discounts) was correct and all booking fees were appropriately taken. From the testing, internal audit had no major issues of concern with the process with exception to the need for a counter signatory to enter the date when they have checked the daily cashing up records.

- 5.2.2 Refunds are administered to customers via card or cash when customers cancel their booking, there are show cancellations or if wrong payments are taken. Internal audit reviewed a sample of 10 refunds and found that there was no areas of concerns.
- 5.2.3 Banking is conducted monthly with two officers in attendance to ensure there is appropriate separation of duties. Officers list monies counted, double-check counts and reconcile the day's takings to Spektrix activities and payments report. Daily bankings are securely locked in Cornerstone's safe with a £50 box office float maintained. The team administrator conducts on a daily basis, a ticket sales to income check and allocates the sales to the correct general ledger code. A monthly summary is provided to the accountant (Capita) who updates the appropriate general ledger code in Agresso. Internal audit also reviewed an approved petty cash float for £150 used in Cornerstone. It was noted that there were issues regarding the recording of VAT, replenishment of the petty cash float, pre-authorisation of purchases and the review of the petty cash float.
- 5.2.4 Area Assurance: Satisfactory
Two recommendations have been made as a result of our work in this area (Rec 3 and 4).

5.3 **Membership**

- 5.3.1 Cornerstone has a membership policy which outlines the terms and conditions for all members and is available on the Cornerstone website. Internal audit's review identified that the membership terms and conditions policy is accurate and was last updated in August 2015.
- 5.3.2 Internal audit did a sample check of 20 membership transactions to determine whether they have been administered correctly. The process of sales to members is as general sales on the Cornerstone system (Spektrix), however the price charged is different in accordance with the membership type. The testing involved ensuring the correct membership was provided and the price charged was correct, i.e. membership benefits were applied correctly. From the audit tests conducted, internal audit have no concerns.
- 5.3.3 Area Assurance: Full
No recommendations have been made as a result of our work in this area.

5.4 **Safety and security**

- 5.4.1 Cornerstone adopt the council policy and procedures on health and safety with consultation with the council's health and safety advisor. A full health and safety review for Cornerstone is conducted every five years by the health and safety advisor, with the last review taking place in September 2013. Internal audit confirmed that the next scheduled review will take place in the financial year of 2018/2019. Cornerstone perform and record daily, weekly and monthly tests to ensure that the facilities and services provided are safe and fit for purpose for all service users. From the review, internal audit have concluded that there are a

sufficient number of checks carried out regularly.

5.4.2 Cornerstone is in Didcot town centre and public access is via the two front entrances. The doors within the premises are code restricted. Internal audit reviewed the floor plan which documented fire alarms, security alarms and exit routes. The operations manager stated that there was one security breach at Cornerstone in the last 12 months. Internal audit reviewed the process undertaken to report and rectify the security breach and can confirm that it was appropriately recorded and reported in a timely manner. It was also identified that the action points and additional security measures were implemented in a timely manner.

5.4.3 Cornerstone perform their own DBS checks for staff and tutors and keep a record of this in line with legislation and the council's policy and procedures. From the review of the records retained, internal audit identified that there were staff and tutors that were due to have their DBS checks renewed which had not taken place, and a requirement for Cornerstone to expand the list of their staff that need to be DBS checked.

5.4.4 Area assurance: Limited
One recommendation has been made as a result of our work in this area (Rec 5). Also see related recommendation (Rec 1).

5.5 **Exit of Elegant Cuisine catering contract**

5.5.1 A copy of the signed contract between the council and Elegant Cuisine (who previously supplied the catering services up to 14 August 2016) was provided to internal audit and a review was undertaken to ensure that the termination agreement was followed as documented in the contract. Internal audit can confirm that the termination procedure was followed accordingly i.e. handover meetings with the supplier, final stock take of equipment, final invoice calculations and refund of the agreed deposit taken at the start of the contract.

5.5.3 Area assurance: Full
No recommendations have been made as a result of our work in this area.

5.6 **Management information**

5.6.1 A Cornerstone board report which summarises management information is presented to the head of finance (following the retirement of the head of economy, leisure and property) and to cabinet twice yearly. The pack includes management information on operational and financial matters documented by the Cornerstone management team i.e.

- operations report
- Participation and Visual Arts
- marketing and director's report
- financial administration report.

The facts and figures presented in the March 2016 board report were reviewed by internal audit and it can be confirmed that there were no issues of concern.

5.6.2 Area assurance: Full
No recommendations have been made as a result of our work in this area.

6. ACKNOWLEDGEMENTS

6.1 Internal audit would like to take this opportunity to thank all staff involved for their assistance with the audit.

7. CATEGORISATION OF RECOMMENDATIONS

7.1 To assist management in using our reports, we have categorised our recommendations according to their level of priority as follows:

High risk	Fundamental control weakness for senior management action	Rec 5
Medium risk	Other control weakness for local management action	Recs 1, 2 and 4
Low risk	Recommended best practice to improve overall control	Recs 3

OBSERVATIONS AND RECOMMENDATIONS

ROLES AND RESPONSIBILITIES

1. Policies and procedures

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All policies, procedures and version control/log books are completed, reviewed, up to date and available to appropriate employees.</p> <p><u>Findings</u> Internal audit identified that there are policies and procedure notes in place for Cornerstone processes. A review of the policies and procedure notes identified that there were a number of policies that were not up to date and some that did not show evidence of being reviewed. For example, the Cornerstone emergency plan procedure was last updated in October 2012 and the fire policy was last updated in June 2009. There were no dates of when the next review were due.</p> <p>Internal audit also identified a spreadsheet log which records the policies in place and when</p>	<p>a) All Cornerstone policies and procedures should be updated and reviewed in a timely manner.</p> <p>b) The policies and procedures spreadsheet log book should be updated to reflect all the policies and procedures used at Cornerstone; evidence to support that all the policies are up to date; authorised appropriately and are subject to regular reviews. For example, using and updating the version control log and attaching an accountable officer to all policy documents.</p> <p>c) The emergency plan procedure and the fire policy need to be reviewed and updated to reflect the new council arrangements and the reporting channels. A date of when the next reviews are due should also be added to the policies and procedures.</p>	<p>a) Team Administrator</p> <p>b) Team Administrator</p> <p>c) Arts Manager</p>

<p>they are next due for a review. At the time of audit, the spreadsheet was not up to date and was missing a lot of policies and procedures including the next date of review.</p> <p><u>Risk</u> There is a lack of procedure or compliance with best practice which may lead to poor data management or inefficient administration of financial transactions.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed 1a) and 1b) Team administrator will update all policies and log. 1c) Arts manager to meet with the assurance manager to agree way forward with Cornerstone's emergency planning and business continuity plans.</p> <p>Management response: Arts Manager</p>		1 June 2017

2. Roles and Responsibilities – job descriptions

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> There are clear and up-to-date job descriptions in place for all officers.</p> <p><u>Findings</u> The current job description for the arts manager does not reflect the inclusion of leading on the development, implementation, monitoring and review of the arts strategy for Vale of White Horse District together with the South Oxfordshire District.</p> <p>Internal audit also identified that the job descriptions for the arts manager and the operations managers have not been updated to reflect the change in the catering contract from being managed by a contractor to being managed in-house at Cornerstone.</p> <p><u>Risk</u> Duties are not carried out due to confusion over roles and responsibilities, and poor performance may not be managed appropriately.</p>	<p>The arts manager and the operations manager job descriptions need to be updated to reflect the new roles and responsibilities due to the recent changes in Cornerstone's functions.</p>	Arts Manager
Management Response		Implementation Date
<p>Recommendation is Agreed in Principle Cornerstone management took the café in house in September 2016. In November 2016 we commissioned an external review to carry out an operational review of Cornerstone to look at all job roles and</p>		TBC Operational review due end of Jan 2017, thereafter, consideration by cabinet and head of

responsibilities in line with the functions Cornerstone performs. Any changes to the job descriptions will arise out of this. Management response: Arts Manager	service, consultation with staff, before any implementation.
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INCOME AND REFUNDS

3. Cashing up records

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> There is adequate separation of duties in the daily cashing up procedure with records being updated promptly.</p> <p><u>Findings</u> Internal audit reviewed 24 daily cashing up records from the month of June 2016. The audit tests revealed that there is evidence of the cash received through the Cornerstone system being matched to the cash in hand on a daily basis. There is also sufficient evidence showing that the cashing up process is checked by a separate staff member (i.e. duty manager) but there are no details of when the date the cashing up records are countersigned as correct.</p> <p><u>Risk</u> Insufficient evidence of full checks to the cashing up duties may increase the risk of fraud and/or theft.</p>	The appropriate officers need to record the date they have checked the daily cash recordings to ensure that there is adequate and complete separation of duties in the daily cashing up procedure.	Team Administrator
Management Response		Implementation Date
<p>Recommendation is Agreed Team administrator will update the cashing up sheet to reflect additional sign off date.</p> <p>Management response: Arts Manager</p>		31 December 2016

4. Petty Cash - Cornerstone

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All petty cash claims are authorised by an appropriate officer prior to them being paid and reclaimable VAT is recorded and coded within the Agresso financial system.</p> <p><u>Findings</u> Internal audit performed a review of the petty cash and identified the following weaknesses: a) Petty cash claim vouchers used at the time of review did not have a section</p>	<p>a) Officers should be advised that claims must be authorised by the appropriate budget holder prior to being paid</p> <p>b) Reclaimable VAT is identified as part of the replenishment process and coded within the Agresso financial system to facilitate the council reclaiming amounts paid.</p>	Team Administrator and Arts Manager

<p>requiring authorisation and the date of authorisation prior to the claim being paid.</p> <p>b) Three of the most recent petty cash replenishments undertaken in 2016/2017 were reviewed and it was identified that they did not have any VAT elements recorded even though there were suitable VAT receipts in support of expenditure items.</p> <p>c) Replenishments for the petty cash are currently being done by adding £150 to the petty cash instead of the difference required to ensure the petty cash is not more than £150 at any time.</p> <p>d) There is no evidence of the petty cash kept on site receiving a spot check or regularly reviewed by senior management.</p> <p>Risk If petty cash is not managed appropriately, there is a risk of mismanagement of the funds which increases the risk of theft and financial losses to the council.</p>	<p>c) Petty cash should be replenishments to the value of Cornerstone's agreed petty cash float (i.e. to £150)</p> <p>d) Senior management need to perform a random spot check review of the petty cash kept at Cornerstone at least once a year to ensure that the claims are appropriate, suitably documented and authorised and that the petty cash is being used for the intended purpose.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>4a) and 4b) Team administrator has already implemented these recommendations</p> <p>4c) Team administrator will request a higher float limit as 'making up' to £150 will not be efficient.</p> <p>4d) Team administrator and arts manager will implement spot checks</p> <p>Management response: Arts Manager</p>		31 January 2017

SAFETY AND SECURITY

5. DBS Checks - Cornerstone

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All posts that are deemed to warrant a Disclosure Barring Service (DBS) check is undertaken in a timely manner and prior to commencement of their employment.</p> <p><u>Findings</u> Internal audit has recognised that the Cornerstone tutors require DBS checks. From the 27 tutors reviewed, it was identified that eight tutors' DBS checks were overdue</p>	<p>DBS checks and disclosures should be undertaken for all posts that require one including renewals, in a timely manner. Internal audit would also recommend that is undertaken prior to the commencement of their employment.</p> <p>Consideration is given to widening the range of Cornerstone officers who are subject to DBS checks who</p>	Events Duty Manager

<p>for renewal.</p> <p>It was also noted that five Cornerstone officers had DBS checks conducted. Two out of the five officers were due renewal of the DBS checks.</p> <p>Further review was conducted by internal audit of the Cornerstone officers' roles and responsibilities. In internal audit's opinion, there were officers who do not receive DBS checks although they work in an environment that would open the possibility of working/assisting children and/or members of the public, who may be considered as vulnerable adults. For example, duty managers and box office receptionists.</p> <p><u>Risk</u> Failure to ensure employee references and DBS checks have been obtained and verified in a timely manner, could result in the employee commencing their employment without the necessary checks being undertaken.</p>	<p>have possible interaction with children and/or vulnerable adults. The scope should include the basic level of disclosure for officers. This could also assist with compliance to 2014 HMG (Her Majesty's Government) baseline personnel security standard.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed in principle</p> <p>All tutors undergo a DBS check and the procedure is started as soon as they are hired to work. One member of staff is authorised to carry out the checks and she pushes through all the paperwork, but it involves chasing both the tutor and then waiting for DBS to process. Since the audit, of the eight outstanding we have received back two (one not yet seen in person), sent off and waiting for DBS to process another two, and still waiting for two tutors to fill out and return two. Advice from audit on how to handle a contractor tutor who's DBS has been delayed would be helpful.</p> <p>Of the Cornerstone establishment staff we were working to the latest advice we had from HR – not to ask general staff to have DBS checks done. We have already changed this practice now following audit feedback, but had not been told of this previously. Seven Cornerstone staff have already signed up to be checked, two of those DBS checks already being back</p> <p>Management response: Arts Manager</p>		<p>31 January 2017</p>