Audit and Governance Committee

South Oxfordshire District Council

Listening Learning Leading

Vale of White Horse District Council

Report of Interim Audit Manager

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To: Audit and Governance Committee

DATE: 29 January 2018

Internal audit activity report quarter three 2017/2018

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 Sandy Bayley, Interim Audit Manager for South Oxfordshire District Council (SODC) and Vale of White Horse District Council (VWHDC), telephone 01235 422496.

Strategic objectives

3. Delivery of an effective internal audit function will support the councils in meeting their strategic objectives.

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

2017/2018 Audit reports

7. As at 16 January 2018, 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: 1
    Limited Assurance: 2
    Nil Assurance: 0

	Assurance Rating	No. of Recs	High Risk Recs	No. Agreed	Medium Risk Recs	No. Agreed	Low Risk Recs	No. Agreed
Joint								
1. Property Management 17/18	Limited	**5**	1	1	1	1	3	3
2. Credit Card Usage 17/18	Limited	**11**	2	2	4	3	5	5
HB & CTRS 17/18	Full	**1**	0	0	0	0	1	1
Budgetary Control 17/18	Satisfactory	**4**	0	0	1	1	3	3
SODC								
None								
VWHDC								
None								

Follow up reviews

	Initial Assurance Given	No. of Recs	Implemented	Partly Implemented	Not Implemented	Ongoing	No longer applicable
Joint							
Comments & Complaints 16/17	Satisfactory	5	0	2	3	0	0
Car Parks 17/18	Satisfactory	5	5	0	0	0	0
Grounds Maintenance 17/18	Full	1	0	0	0	1	0
3. Review of Crowmarsh Fire March 2015 recommendations (R) and lessons learnt (LL)	N/A	19R 16LL	5R 9LL	13R 7LL	0	0	1RR 0LL
SODC							
None							
VWHDC							
None							

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, substantial 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 auditors 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 chief executive, the section 151 officer and the relevant member portfolio holder. In addition to the above arrangements, reports are 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 formally followed up as part of the annual assurance cycle and also within the recommendations database.

Overdue Recommendations

12.   **Appendix 2** of this report summarises all overdue recommendations within each service area.

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.

SANDY BAYLEY
INTERIM AUDIT MANAGER

1. Property Management 2017/2018

1. INTRODUCTION

1.1   This report details the internal audit review of procedures, controls and the management of risk in relation to property management. The audit has been undertaken in accordance with the 2017/2018 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 18. 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:

clear policies and procedures are in place regarding the management of properties;
the rents are set with reference to market rates (or as otherwise governed by the lease) and are subject to review on a regular basis and in line with the rent review provisions of the lease;
the properties are correctly valued for accounting and insurance purposes and that the valuations are kept up-to-date;
there is appropriate authorisation in place for additions, disposals, write offs and depreciation of properties, and that the property asset register is updated accordingly;
the property asset register differentiates the responsibility for maintaining areas of each property;
adequate contract management arrangements are in place and management reporting is sufficient.

2. BACKGROUND

2.1   Arcadis manage the councils' properties as part of the five councils' partnership (5CP), which began on 1 August 2016. However, the property management contract is between the councils and Vinci, and Vinci has sub-contracted out the management and running of the properties to Arcadis. The contract is overseen by the property manager (5CP client). It is noted that the Concerto system is used to record and manage the councils' properties.

2.2   At the time of the audit review (September 2017), both SODC and VWHDC had the following number of properties in their portfolios:

Property Type	Number of Properties		
	SODC	VWHDC	Total
Car Parks	17	12	31
Leisure Centres	4	5	9
Parks, Cemeteries, Allotments & Open Spaces	16	13	29
Public Conveniences	9	6	12

Civic Estate	2	2	4
Housing (inc. Mobile Home Parks)	1	7	8
Investment Properties	7	5	12
Long Leases	4	3	7
TNRP (Ex. Investments & Long Leases)	9	0	9
Community Centres	3	6	9
Surplus/Vacant	2	2	4
Total	**74**	**61**	**135**

3. PREVIOUS AUDIT REPORTS

3.1   Property management has previously not been subject to an internal audit review.

4. 2017/2018 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 joint recommendations have been raised in this review. One high risk, one medium risk and three low risk.

5. MAIN FINDINGS

5.1   **Policies & procedures**

5.1.1   The councils have drawn up a service specification for property management as part of the five councils' partnerships (5CP), which states the functions that have been and have not been included as part of the contract, and also the service requirements. Vinci Facilities, with input from Arcadis, has developed a service delivery plan (SDP) which has been agreed by the five councils. The SDP describes the service that will be undertaken under the contractual agreement, and recognises the key requirements of the five councils. It is noted that Vinci and Arcadis are currently reviewing the SDP. As property management has been subcontracted out to Arcadis, Arcadis has also developed a 5CP corporate services process handbook for property management, which sets out processes and procedures in place for managing assets and property portfolios, and the roles and responsibilities for successfully implementing the processes. The handbook was last updated in April 2017 and is currently with the councils for approval. Review of the SDP and the 5CP corporate services process handbook confirmed that councils' requirements, as stated in the service specification, are incorporated in the documents.

5.1.2   Training is provided to the estates team members that transferred across to Arcadis. Each team member is given access to Arcadis' Learning Academy online system, through which they can undertake their core training. The estates team was also given an induction presentation prior the 1 August 2016 go live date, and were required to

undertake a driving theory test. The estate team (Arcadis) provided their qualifications and from review internal audit is satisfied the team has sufficient knowledge to appropriately undertake building surveying on behalf of the councils.

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

5.2 **Property rents**

5.2.1 The frequency of reviewing the rent varies from one property to the next and the frequency is included in the lease agreement with the tenant. The Concerto rent review report was obtained and review found that there are currently 17 (14 SODC and three VWHDC) property rent reviews due in the last 12 months. Review of all 17 properties confirmed that the frequency of rent and the next rent review due is appropriately entered onto the system.

5.2.2 The five councils' corporate services process handbook for property management in place includes the rent review process. The process states that Arcadis are required to obtain the councils' authorisation prior to instructing legal services to serve the rent review notice. Review of 17 (14 SODC and three VWHDC) properties due a rent review found that for:
Nine (seven SODC and one VWHDC) properties, approval for rent review was obtained from the councils', instructions were sent to legal services to issue rent review notices, however, seven notices were issued after the rent review due date, as stated on the lease agreement.
Seven SODC properties that are based at Hithercroft Industrial Estate, approval for rent review has not been sent to the councils as Arcadis is currently waiting for recently vacated Unit C to be marketed and the valuation will be used as a benchmark for rent review for the other units in the estate.
One VWHDC property, approval for rent review has not been issued as Arcadis is currently negotiating with the tenants regarding the repair works required.
It is noted that the rent review process for the 17 properties have been completed, however negotiations with the tenants are still ongoing, therefore the review to confirm that the Concerto system is updated after rent review could not be undertaken.

5.2.3 Tenants pay their rent periodically, i.e. annually, half yearly, quarterly or monthly, which is stated on the lease agreement with the councils. A periodic payment spreadsheet is sent to Capita exchequer services, which includes the property details, tenant, annual rent and the payment terms. Review of 17 (14 SODC and three VWHDC) properties found that:
for one SODC invoice, the direct debit was rejected and the estates team (Arcadis) was notified. It is noted that Arcadis will be contacting the tenant regarding the arrangement for payment.

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

5.3 **Property valuations**

5.3.1 There are two types of property valuations undertaken, accounting valuation and insurance valuation. Accounting valuation is to establish the value of the property for balance sheet purposes, while insurance valuation is to establish the value to rebuild the property. The 5CP service specification states that both valuations will be undertaken on a five year cycle, however the risk and insurance officer stated that a verbal agreement is in place for insurance valuations to be undertaken on a three year cycle. Arcadis has developed a five year schedule for accounting valuation which is split into the following categories:
Year one (2016/2017) - car parks;
Year two (2017/2018) - leisure centres, parks, cemeteries, allotments and open spaces;
Year three (2018/2019) - public convenience, civic estates and housing (inc. mobile homes park);
Year four (2019/2020) - investment properties and long leases;
Year five (2020/2021) - TNRP (ex. Investments and long leases), community centres and surplus/vacant sites.

5.3.2 The six Oxfordshire councils have a joint four years' framework in place to have to undertake property valuations on behalf of the councils, which started in May 2014. It is noted that the framework consists of six contractors, including Bruton Knowles. The process for undertaking accounting valuation starts in November each year, where approval of the valuation schedule is obtained from the section 151 officer, as required by CIPFA guidance. The section 151 officer approved year one of the valuation schedule and Bruton Knowles undertook the 2016/2017 car parks accounting valuation. There were 35 (21 SODC and 14 VWHDC) car parks revalued and review found that:
Two SODC car parks (High Street & Station Road) were initially valued as one car park by Bruton Knowles, which was rejected. However, after the car parks were valued again as two separate car parks, the councils received the valuation report after accountancy (Capita) closed the 2016/2017 accounts, therefore the revaluation could not be included. It is noted that external audit (Ernst & Young) have been made aware and this will be included as part of the 2017/2018 close down.
Two (one SODC and one VWHDC) car parks had an issue due to assets split in valuation, but not split in the fixed asset register.

5.3.3 The estates team (Arcadis) undertake the insurance valuation and in May 2017, undertook the valuation of all of the council owed properties. The valuation was undertaken using the Building Cost Information Service (BCIS) index, which is part Royal Institution of Chartered Surveyors (RICS) and review of 20 (ten SODC and ten VWHDC) properties confirmed that the valuation amounts on the insurance spreadsheet agrees with the amounts on BCIS reports.

5.3.4   Area assurance: Satisfactory
        Two recommendations have been made as a result of our work in this
        area (Recs 3 and 4).

5.4   **Property asset register**

5.4.1   The estates team (Arcadis) hold the property register on the Concerto
        system, while the accountancy team (Capita) maintain the fixed asset
        register. The property valuations are recorded on the fixed asset
        register and the book value at the end of each financial year is adjusted
        to allow for any depreciation, additions, disposals or revaluations.
        Review of both the property register and the fixed asset register
        confirmed that the registers are in line with councils' financial procedure
        rules and CIPFA guidelines.

5.4.2   The property register was reviewed and established that since the
        capital management and accounting review, which was undertaken in
        March 2017, there have been no additions to the property portfolio and
        four properties are currently in process for disposal. Review of the
        properties currently in progress for disposal established that the
        process undertaken is in line with the councils' financial procedure
        rules. As the properties are currently in the disposal process both the
        property register or fixed asset register have not been updated. It is
        noted that regular reconciliations are not undertaken between the two
        registers to confirm that the valued land and buildings on the property
        register agree to the land and buildings on the fixed asset register.

5.4.4   Area assurance: Satisfactory
        One recommendation has been made as a result of our work in this
        area. (Rec 5).

5.5   **Property Maintenance**

5.5.1   The lease agreements between the councils and tenants state
        responsibility for the maintenance of the properties. The
        responsibilities are entered onto the Concerto system within the lease
        details section. Review of 20 (ten SODC and ten VWHDC) leases
        confirmed that responsibility for maintaining the properties are clearly
        entered on the Concerto system and agree to the lease agreements.

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

5.6   **Contract management arrangements**

5.6.1   As part of the five councils' partnership, which started on 1 August
        2016, the councils' property management service was contracted out to
        Vinci. It is noted that Vinci subcontracted the property management
        service to Arcadis. A service delivery plan (SPD) has been developed
        and is in place stating the service that will be provided.

5.6.2   The councils manage and monitor the contract through monthly meetings between the councils and Arcadis, and also in place is a service improvement group that meets monthly and includes Vinci. The councils receive monthly performance reports from Vinci, however, the property manager (5CP client) stated that the performance indicators for property management are currently being reviewed.

5.6.4   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 1**
Medium risk	Other control weakness for local management action	**Rec 5**
Low risk	Recommended best practice to improve overall control	**Recs 2, 3 and 4**

OBSERVATIONS AND RECOMMENDATIONS

PROPERTY RENT

1. Periodic invoicing review   (High Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> The periodic invoice spreadsheet is regularly reviewed, correct and agrees to the amount rental amount on the Concerto system and that the tenants are invoiced the appropriate rental amount for the property they lease. <u>Findings</u> The periodic invoice spreadsheet, which is sent to exchequer services, is not reviewed against the Concerto system on a regular basis. <u>Risk</u> If the periodic invoice spreadsheet is not regularly	A regular review should be undertaken on the periodic invoice spreadsheet to ensure that all rent amounts agree to the amount on the Concerto system.	Estates Manager (Arcadis)

reviewed, there is a risk of tenants being invoiced incorrectly resulting in a financial risk to the councils.		
Management Response		**Implementation Date**
Recommendation is **Agreed** A review will need to be undertaken to ensure the Concerto system matches the invoice spreadsheet. Going forward, the Concerto system will have integration with the Council's new finance system, Integra (once this system is implemented) which will negate the need for manual intervention. Management response: Estates Manager (Arcadis)		31 December 2017

2. Rent review notifications   (Low Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> Rent review notifications are issued prior to the rent review due date allowing sufficient time to invoice for revised rents. <u>Findings</u> Review of 17 (14 SODC and three VWHDC) leased properties found that for seven properties, notification of rent review was issued after the rent review due date as stated on the lease agreement. <u>Risk</u> If rent review notifications are not issued prior to the review due date, there is a financial risk to the councils as there is a delay in any increase in rental income being received.	Rent review notifications are issued prior to the rent review due date, so that delays are kept to a minimum due to negotiations with tenants.	Estates Manager (Arcadis)
Management Response		**Implementation Date**
Recommendation is **Agreed** To be undertaken as part of a wider review of Concerto data. Management response: Estates Manager (Arcadis)		31 March 2018

PROPERTY VALUATIONS

3. Insurance valuations   (Low Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> Property insurance valuations are undertaken in accordance with the written agreement between the councils and the contractor. <u>Findings</u>	The councils should establish if Arcadis will charge an additional fee for undertaking insurance property valuations on a more frequent basis, every three years, than stated in the contract specification.	Risk and Insurance Officer

The estates team (Arcadis) undertake the valuations for insurance purposes. It is noted that verbal agreement has been made between the estates manager (Arcadis) and the risk & insurance officer to undertake a full valuation every three years. However, the five districts corporate services - service specification: property management states that valuations are undertaken on a five year cycle. Risk If a written agreement is not in place with the contractor, there is a risk of additional charges outside of the contract.	A formal agreement should be put in place between Arcadis and the councils if all parties agree to undertake insurance valuation on a three yearly basis.	
Management Response		**Implementation Date**
Recommendation is **Agreed** I will liaise with Arcadis to ascertain costs. Management response: Risk and Insurance Officer		31 March 2018

4. Splitting of Assets   (Low Risk)

Rationale	Recommendation	Responsibility
Best Practice The properties on the fixed asset register are split as stated in the valuation report and the property register (Concerto). Findings Review of 35 (21 SODC car parks & 14 VWHDC car parks) property valuations undertaken in 2016/2017 found that: For one SODC car park (Cattlemarket, Thame), the value on the fixed asset register was greater than the value on the valuation report by £400,000.00. This is due to historically the car park and the actual cattlemarket building were valued as one asset, and the estates team (Arcadis) requested that the car park is valued separately. This is currently classed as one on the fixed asset register and requires to be split. Two VWHDC car parks (Cattlemarket, Abingdon and Civic, Abingdon) are shown as one car park (Civic, Abingdon) on the fixed asset register, which requires to the be split.	The fixed asset register should be reviewed against the property register, Concerto, and assets are split accordingly to ensure that both registers agree.	Estates Manager (Arcadis) Chief Accountant (Capita)

Risk		
If property assets are merged on the fixed asset register, there is a risk of the valuation amount on the register being incorrect resulting in inaccuracy to the councils' balance sheet.		
Management Responses - Arcadis		**Implementation Date**
Recommendation is **Agreed** A review will need to be undertaken to ensure the Concerto system matches the FAR held by Capita accountancy. Going forward, the Concerto system will have integration with the councils' new finance system, Integra (once this system is implemented) which will negate the need for manual intervention. The next asset valuations will be instructed in December. Management response: Estates Manager (Arcadis)		31 December 2017
Management Responses - Capita		**Implementation Date**
Recommendation is **Agreed** The general ledger will be reconciled to the asset register as provided. Management response: Chief Accountant (Capita)		31 May 2018

PROPERTY ASSET REGISTERS

5. Property asset registers reconciliation   (Medium Risk)

Rationale	Recommendation	Responsibility
Best Practice The property assets on the fixed asset register are reconciled to the property register (Concerto) on a regular basis. Findings Whilst it is noted that the fixed asset register only includes land and properties with a value and the property register includes all land and properties owned by the councils, a reconciliation between the fixed asset register and the property register (Concerto) is not undertaken. Risk If a reconciliation is not undertaken between the property register (Concerto) and the fixed asset register, there is a risk of one or both registers being inaccurate resulting in errors to the balance sheet.	A reconciliation should be undertaken between the accountancy (Capita) managed fixed asset register and the property register, held on the Concerto system, to confirm that the valued land and properties agree on both registers.	Staff Officer
Management Response		**Implementation Date**
Recommendation is **Agreed**		31 December 2017

| A review will need to be undertaken to ensure the Concerto system matches the FAR held by Capita accountancy. Going forward, the Concerto system will have integration with the councils' new finance system, Integra (once this system is implemented) which will negate the need for manual intervention. The next asset valuations will be instructed in December.

Management response: Estates Manager (Arcadis) | |

2. Credit Card Usage – 2017/2018

1. INTRODUCTION

1.1   This report details the internal audit review of procedures, controls and the management of risk in relation to credit card usage. The audit has been undertaken in accordance with the 2017/2018 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:

appropriate credit card usage policies and procedures are in place which are adhered to and appropriate guidance is given to applicants which reflect the new arrangements under the five councils' partnership (5CP); use of council credit cards is restricted to relevant officers and cards are correctly authorised and issued;
the usage of credit cards is correct and appropriate;
credit card transactions are appropriately recorded and supported by relevant documentation;
credit card usage is regularly and appropriately recorded and reconciled.

2. BACKGROUND

2.1   Credit cards have been issued to 14 council officers. These are the head of finance, the finance officer (Five Council Partnership client team), the arts manager (Cornerstone), the café bar supervisor (Cornerstone), the leisure manager and nine housing needs officers. The housing needs officers have been issued with council credit cards in order to fulfil the council's duties to provide emergency temporary accommodation.

2.2   From 1 August 2016, SODC and VWHDC accountancy services was outsourced to Capita, who manage the service under the Five Councils Partnership (5CP). Capita accountancy team provide the system administration for credit card usage and input the monthly transactions through the financial management system Agresso.

2.3   SODC have used Barclaycard credit cards since the council started banking with Barclays (approx. 1976). VWHDC moved from the Co-op to Barclays in 2014. The overall credit limit is £27,000 for SODC and £27,000 for VWHDC.

3. PREVIOUS AUDIT REPORTS

3.1   SODC
Credit card usage was last subject to an internal audit review in January 2014 and five recommendations were raised. All recommendations were agreed. A satisfactory assurance opinion was issued. A follow up audit was undertaken in July 2015 and it was identified that three recommendations had been implemented. Two recommendations on spending limits and register of cards have been revised and incorporated into this report (Recs 2 and 4).

3.2   VWHDC
Credit card usage was last subject to an internal audit review in January 2014 and three recommendations were raised. Two recommendations were agreed and one was agreed in principle. A satisfactory assurance opinion was issued. A follow up audit was undertaken in July 2015 and it was identified that two recommendations had been implemented. One recommendation on register of cards have been revised and incorporated into this report (Rec 4).

4. 2017/2018 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   Eleven joint recommendations have been raised in this review. Two high risk, four medium risk and five low risk.

5. MAIN FINDINGS

5.1   **Policies and procedures**

5.1.1   A formal 'use of credit card' guidance document is available on the councils' intranet for cardholders detailing the terms and conditions of credit card usage.

5.1.2   There have been minor changes to the process of credit card administration after the implementation of the Five Councils' Partnership (5CP) contract on 1 August 2016. The minor amendments that have been made are structural as the accountancy team is now managed by Capita and the finance officer (5CP) is the official VWHDC account holder (employed by SODC and VWHDC) and has a credit card. The head of finance remains the SODC account holder. The current administrators for the SODC and VWHDC Barclaycard account are Capita employees and require written approval from the head of finance prior to making any administrative changes.

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

5.2   **Credit card issue and authorisation**

5.2.1   Internal audit reviewed the 14 credit cards currently in use by the
         council and found that VWHDC credit cards had been suitably
         authorised prior to the issue. The cards issued have no facility for
         cash withdrawals and do not have reward schemes. It was not
         possible to perform the same review for SODC credit cards as the
         paperwork had been destroyed in the Crowmarsh council building fire
         that took place in January 2015. Further review identified that no
         efforts had been made to get copies of key documents from
         Barclaycard for the council's records.

5.2.2   It was established there are currently no signed records of officers
         being issued with the documented guidance on the use of the cards
         and signing to accept the terms and conditions of being a credit card
         holder. A request for information was sent to the 14 credit cardholders
         in regards to the security measures they employ on the credit cards.
         Thirteen out of the 14 credit card holders responded and confirmed that
         they are aware of the security requirements for its use and the need to
         keep the card secure. Internal audit received no response from one of
         the credit card holders despite several requests for their security
         arrangements during the audit. This has been escalated to the head of
         finance.

5.2.3   Area assurance: Limited
         Eight recommendations have been made as a result of our work in this
         area (Recs 1 - 8).

5.3   **Credit card usage**

5.3.1   In order to assess the credit card usage, internal audit conducted a
         review of 15 (seven SODC and eight VWHDC) randomly selected
         credit card transactions using the statements from May 2016 to July
         2017. It was identified that all transactions were found to be
         appropriate although a few weaknesses were found in the
         administration of the credit cards. Issues identified included the need
         to remind cardholders to utilise accounts payable system where
         possible and independent reviews of credit card purchases are lacking.

5.3.2   Area assurance: Satisfactory
         Three recommendations have been made as a result of our work in
         this area (Recs 9 - 11).

5.4   **Transactions documented and recorded**

5.4.1   The individual cardholder's Barclaycard monthly statements with the
         monthly expenditure from credit cards are downloaded online when
         they are made available, normally from the second of each month.

Cardholders are required to complete a pro forma for expenditure items, attach receipts of purchases for VAT purposes, and send this to the accountant (Capita) each month. The individual proformas and supporting documentation for transactions was reviewed in the audit tests undertaken in 5.3.1 whilst checking usage was appropriate.

5.4.2   Area assurance: Satisfactory
No recommendations have been made as a result of our work in this area. Findings from this area are incorporated within recommendations from 5.3 of this review (Recs 9 -11).

5.5   **Reconciliations**

5.5.1   A monthly reconciliation is undertaken by the accountant (Capita) who maintains a listing of credit card expenditure in a spreadsheet. The reconciliation spreadsheet records and balances the monthly credit card statement amounts with the journals to code the individual transactions, including VAT. The balance on the Barclaycard account for all cardholders is detailed on monthly statements and payment is automatically debited to the council's general bank account on or immediately after the tenth of each month. Interest or unnecessary charges are therefore avoided.

5.5.2   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	**Recs 3 and 6**
Medium risk	Other control weakness for local management action	**Recs 2, 8, 9 and 11**
Low risk	Recommended best practice to improve overall control	**Recs 1, 4, 5, 7 and 10**

OBSERVATIONS AND RECOMMENDATIONS

CREDIT CARD ISSUE AND AUTHORISATION

1. SODC Barclaycard contract   (Low Risk)

Rationale	Recommendation	Responsibility
Best Practice All signed contracts and agreements are retained and readily available when required. Findings Due to the Crowmarsh building fire in January 2015, SODC no longer have paperwork which states the council's agreement with Barclaycard including the terms and conditions of the contract for credit cards issued. Risk The council may not be acting in accordance to the agreed terms and conditions of the contract.	The council should contact Barclaycard and request for SODC copies of the terms and conditions and agreement for their records.	Strategic Finance Manager
Management Response		**Implementation Date**
Recommendation is **Agreed** Management response: **Strategic Finance Manager**		31 March 2018

2. Spending Limit   (Medium Risk)

Rationale	Recommendation	Responsibility
Best Practice The overall account limit is at least as high as the total for all individual cards. Findings The individual cardholders have expenditure limits that total £33,000 for SODC and £32,000 for VWHDC but the overall account limit is £27,000 for each council. Risk If the overall account expenditure limit is less than the total for the individual cards, then officers may be prohibited from making expenditure such as provision of emergency housing. There is also a risk of potential charges from the credit card issuer for going over the credit limit fee.	The overall account limit for the credit card expenditure should be reviewed when new cards are approved or spending limits are amended to ensure they are set at an appropriate level.	N/A
Management Response		**Implementation Date**
Recommendation is **Not Agreed**		N/A

Under normal operating circumstances the combined limit does not need to be as high as the individual cards. In exceptional circumstances, alternative arrangements could be made.	
Management response: **Strategic Finance Manager**	

3. Credit cards online access details   (High Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> A register is maintained and updated regularly with details of the card numbers issued to officers. <u>Findings</u> The full details of the Barclaycard online access username and passwords are written on the lever arch file used to retain the bank statements. The file was kept in an unlocked filing cabinet. It was noted that the access details allow the administrator to solely activate/reactivate/deactivate accounts, order new/cancel credit cards, increase and decrease credit card limits from Barclaycard when required. <u>Risk</u> There is a risk of unauthorised use which could result in potentially fraudulent activities.	Passwords for Barclaycard log-ins stored on the lever arch files should be destroyed immediately. The log in details (excluding individual passwords) need to be stored in a secure place and accessible only to the appropriate account administrators.	Principal Accountant (Capita)
Management Response		**Implementation Date**
Recommendation is **Agreed** Management response: **Principal Accountant (Capita)**		Implemented – 30/09/2017

4. Administration of credit cards   (Low Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> A register is maintained and updated regularly with details of the card numbers issued to officers. <u>Findings</u> Whilst there is central electronic listing of cards that have been issued, the following was identified: The head of finance's card records for VWHDC were not included on the council's credit card register; At the time of the audit, the Beacon team leader had left the council in June 2017 and was still appearing on the credit card register. Four out of the 15 (three SODC and one VWHDC) credit card transactions had the supporting	The electronic register maintained of the card numbers issued to officers should be updated to reflect the head of finance's VWHDC credit card records and removal of the Beacon team leader. All supporting documentation relating to financial transactions made via credit card should be reviewed to ensure they are correct and retained in an appropriate central folder.	Strategic Finance Manager

documentation sent to the accountant's email (electronic) and saved in the accountant's personal inbox only. The supporting documentation was not saved in the appropriate credit card reconciliation folder. Risk If inaccurate records are maintained of cards issued, there may be delays in obtaining relevant information should queries arise.		
Management Response		**Implementation Date**
Recommendation is **Agreed** Management response: **Strategic Finance Manager**		31 March 2018

5. Reward incentives   (Low Risk)

Rationale	Recommendation	Responsibility
Best Practice Any personal rewards or incentive schemes offered on behalf of council purchases are reported and managed by the finance team. Findings The 'use of corporate credit cards' guidance states: *The council does not envisage that the corporate Barclaycard will attract any* *personal reward or incentives (e.g.: air miles, reward points, cashback). Should* *any incentive scheme be offered or received, then these are the property of* *the councils and must be declared to Accountancy as soon as possible.* *Incentive schemes from suppliers should not influence the use of the business* *card, but staff can make use of special promotions and discounts if applicable.* Internal audit identified a payment via the credit card that had a Tesco club card used. Further review of this purchase identified that the Tesco club card had been registered to SODC name and address although the club card was issued in the name of an officer who is not in the finance team. Risk There is a risk of misuse of council owned rewards by officers which	All users of credit cards should be reminded of the use for purchases that attract any personal reward or incentives. All reward incentives earned by the council should be kept centrally by the finance team with information shared out to card users of their availability if required, as stated in the council's credit card guidance.	Strategic Finance Manager

can lead to potential financial loss and reputational damage.		
Management Response		**Implementation Date**
Recommendation is **Agreed in Principle** The Strategic Finance Manager will discuss a review of guidance and procedures for credit card administration and usage with Capita. However, any changes in guidance and procedures may need to be accommodated in the move to Target Operating Model by Capita. Management response: **Strategic Finance Manager**		30 November 2018

6. Issued credit cards   (High Risk)

Rationale	**Recommendation**	**Responsibility**
<u>Best Practice</u> Credit card activity is monitored with immediate action taken where changes have occurred. <u>Findings</u> A review of the cards registered by Barclaycard as issued was undertaken and the following was identified: SODC The arts manager (Cornerstone) had left the council in December 2016 and Barclaycard had not been informed of this at the time of the audit. It can be confirmed that the card had not been retrieved by the council and no transactions have been taken since the employee left the council. VWHDC The Head of Housing who left council employment in April 2014 was still appearing on the Barclaycard register as they had not been informed to close the account. <u>Risk</u> There is a risk of misuse of credit cards by officers who have left the council leading to potential financial loss and reputational damage.	The credit card system administrator should be added to the leavers list sent out by HR to ensure that any credit card holders who have left the council have returned the cards and are removed from the system as soon as possible.	Client Manager - HR (5CP)
Management Response		**Implementation Date**
Recommendation is **Agreed** The HR leavers form will be updated to prompt the line manager to request for any corporate credit cards issued to the officer when they leave the council. Management response: **Client Manager – HR (5CP)**		31 March 2018

7. Inactive credit cards
<div align="right">

(Low Risk)
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Rationale	Recommendation	Responsibility
Best Practice All cards that are no longer required are be returned to finance for destruction and updating of records as soon as possible. Findings The Barclaycard register noted that there were 14 SODC and 14 VWHDC inactive cards that had been issued to credit card holders. Internal audit were informed that this was due to Barclaycard moving from using VISA credit cards to MASTERCARD credit cards in 2016, therefore every account user was issued with the new corporate credit card. Further review also identified that the 'use of corporate credit card' guidance states: *The cardholder should never dispose of nor destroy the card (even if expired). Cards that are no longer required must be returned to the accountancy manager (technical) for destruction and updating of records.* The head of finance, finance officer (5CP) and the accountant (Capita) confirmed that there have been none of the inactive VISA cards that had been returned when the switch over of the corporate credit card (Barclaycard) from VISA to MASTERCARD took place. It should be noted that internal audit performed a test on the old VISA card held by the head of finance to ensure that it had been deactivated. The results identified that the purchase was declined as the card was deactivated. Risk If inactive credit cards are not collected, then there is a risk of non-compliance with the council's credit card policy and procedures.	Attempts should be made to recover the inactive credit cards where possible. Credit card holders need to be reminded to ensure that all cards that are no longer required are returned to finance for destruction and updating of records as stated in the 'use of credit card' guidance.	N/A Strategic Finance Manager

Management Response	Implementation Date
Recommendation a) is **Not Agreed.**	N/A
Recommendation b) is **Agreed in principle** The Strategic Finance Manager will discuss a review of guidance and procedures for credit card administration and usage with Capita. However, any changes in guidance and procedures may need to be accommodated in the move to Target Operating Model by Capita.	30 November 2018

Management response: **Strategic Finance Manager**	

8. Cardholder terms and conditions   (Medium Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> All credit card holders have signed and agreed to the council's terms and conditions for credit card usage. <u>Findings</u> There is no requirement for new credit cardholders to confirm receipt of their credit cards from the card issuer (Barclaycard). There is also no evidence of a requirement of the cardholders signing to show they accept the terms and conditions of being a council credit card holder. Six out of the 15 credit card transactions (four Cornerstone (SODC), one housing (VWHDC) and one Beacon (VWHDC)) tested were reconciled to the bank statement. However, there was no evidence of the appropriate council's pro-forma being completed to show the required pre-authorisation as documented in the credit card guidance. <u>Risk</u> There is a risk of misuse of credit cards, financial loss and reputational damage to the council if the terms and conditions of the approved credit cards are not issued to cardholders.	A procedure must be put in place to ensure cardholders sign to confirm they have received their credit cards and that they have read and understood the 'use of corporate credit card' guidance as agreement to the terms of usage. The 'use of corporate credit cards' guidance should be amended to reflect Cornerstone and The Beacon's use of cards, i.e. pre and post purchase authorisation requirements.	Strategic Finance Manager
Management Response		**Implementation Date**
Recommendation is **Agreed in principle** The Strategic Finance Manager will discuss a review of guidance and procedures for credit card administration and usage with Capita. However, any changes in guidance and procedures may need to be accommodated in the move to Target Operating Model by Capita. Management response: **Strategic Finance Manager**		30 November 2018

CREDIT CARD USAGE

9. Appropriate use of credit card   (Medium Risk)

Rationale	Recommendation	Responsibility
<u>Best Practice</u> All credit cards are used only for exceptions where the councils' accounts payable system is not feasible.	A reminder should be sent to credit card holders to ensure that purchases are made in accordance with the council's credit card guidance, i.e. cards are	Strategic Finance Manager

Findings	only used in exceptional	
The 'use of corporate credit cards' guidance states: *Cards are only to be used in exceptional circumstances, where the usual procedure of raising an order and processing the invoice is not feasible.* Two Cornerstone (SODC) credit card transactions for food supplies and equipment had been paid via the credit card which could have been paid via accounts payable as they had received an invoice with a 30-day payment term.	circumstances where the usual procedure of raising an order and processing the invoice via accounts payable is not feasible.	
Risk If the credit card is not used appropriately the council may not be taking advantage of supplier terms and conditions i.e. of payment periods, thereby increasing the council's creditworthiness.		

Management Response	**Implementation Date**
Recommendation is **Agreed** Management response: **Strategic Finance Manager**	31 December 2017

10. Credit card proforma - housing   (Low Risk)

Rationale	**Recommendation**	**Responsibility**
Best Practice Credit card forms are consistent and have sections that endure cardholders provide full details of the transactions.	The housing credit card proforma should be edited to include a section that requires description of purchase and reason why it is being made.	Housing needs manager
Findings The housing pro-forma used to document credit card purchases and budget codes does not ask the cardholder to record the purchase details and reason justifying the purchase.		
Risk If evidence of credit transactions are not documented appropriately, there is a risk of fraudulent activity taking place and not being easily identified.		

Management Response	**Implementation Date**
Recommendation is **Agreed** Housing will update the proforma as suggested. Management response: **Housing Needs Manager**	Implemented – 01/10/2017

11. Credit card transaction review   **(Medium Risk)**

Rationale	Recommendation	Responsibility
Best Practice Independent review of credit card transactions is undertaken by an appropriate officer. Findings Internal audit's testing identified that 12 out of 15 credit card purchases did not show evidence of an independent review from an appropriate management team member confirming that purchases are in line with departmental expenditure requirements. It should be noted that purchase requests made through finance have an independent review undertaken by the cardholder. However, where the cardholder commits to an expenditure there is a lack of independent review. Risk If credit transactions are not independently reviewed appropriately, then any inappropriate expenditure may not be detected until after it has been paid out leading to a risk of financial loss to the council.	A requirement should be introduced for senior management to review credit card expenditure to ensure that the expenditure is adequate and in line with the agreed use of the card.	Strategic Finance Manager/Housing Needs Manager

Management Response	Implementation Date
Recommendation is **Agreed in Principle** The housing management team will review credit card expenditure when a procedure is in place. Management response: **Housing Needs Manager.** Recommendation is **Agreed in principle** Procedures for credit card usage are to be reviewed and this will be taken into account as part of that review. Management response: **Strategic Finance Manager**	31 March 2018

3. <u>Follow Up - Review of Crowmarsh Fire March 2015</u>

1. INTRODUCTION

1.1   This report details the findings from internal audit's follow-up review of the review of the councils' response to the Crowmarsh fire 15 January 2015. The original review was undertaken in the months following the incident and the final report was issued in September 2015. A follow-up has been undertaken in 2017/2018 at the request of the audit and governance committee of South Oxfordshire District Council (SODC)

and Vale of White Horse District Council (VWHDC), to ensure that the agreed recommendations have been implemented within the timescales provided.

2. INITIAL REVIEW FINDINGS

2.1   The final report made 19 recommendations and listed 16 lessons learnt.

3. FOLLOW UP MAIN FINDINGS

3.1   The review found that of the 19 recommendations, five have been implemented and one is no longer applicable. Revised dates have been agreed for the remaining 13 recommendations which have been partly implemented. Most of the partly implemented recommendations will be implemented once draft continuity and emergency plans are approved and rolled out.

3.2   Two of the 16 lessons learnt had been implemented at the time the final report was issued and seven more have been found to have been implemented. Revised dates are agreed for the remaining seven lessons learnt which will also be addressed once draft plans are approved.

4. ACKNOWLEDGEMENTS

4.1   Internal audit would like to take this opportunity to thank all staff involved for their assistance with the follow-up audit.

FOLLOW-UP OBSERVATIONS

RECOMMENDATIONS

1. Assessment of risk   (Medium Risk)

Recommendation	Implementation date
Each service area should undertake an exercise to assess the risk of potential threats occurring and the impact to business operations those threats, if realised, might cause. This information should be used by service areas to inform their contingency planning, and published on the councils' websites in accordance with the requirements of the Civil Contingencies Act 2004.	30 September 2016
Follow-up observations	
The new risk management strategy and framework was endorsed at JAGC in Sept 2017, and is now being rolled out across the councils. This incorporates risk registers at a service team level and senior management level being regularly reviewed and monitored. The first risk forum was undertaken 31/10/2017 to commence this process of review, and SMT met on 10/01/18 to undertake the first corporate risk register review.	**Implemented**

2. Identification of key services   (Medium Risk)

Recommendation	Implementation date
a) Each service area should list their key services, activities, functions, partnerships, supply chains and relationships with interested parties, and then for each one assess the likelihood and impact of disruption on service delivery and customers. b) From the key services assessment, each service area should identify their critical activities, the risk to these critical activities and the resources that are required to deliver the activities in the event of an incident. c) Each service area should identify the critical information/documents that need to be maintained and accessible in the event of an incident.	30 September 2016
Follow-up observations	
Initial meetings have been undertaken across all service areas, and existing business continuity plans are in use and being updated. However, a new business continuity template is being developed as part of a new integrated assurance approach, and this will incorporate detailed business impact assessments. The emergency planning officer has been tasked with this review, and it will be taken forward as part of the new corporate services team.	**Partly Implemented** Revised Implementation date: 30 June 2018

3. Business continuity strategy   (Medium Risk)

Recommendation	Implementation date
The business continuity strategy should be reviewed and updated to ensure that it clearly defines the scope, aims and objectives of business continuity management arrangements across both councils. Accountability and resources to deliver the strategy should be clearly defined and approved by the audit and governance committee.	31 March 2016

Follow-up observations	
This is being reviewed by the emergency planning officer as a part of the new integrated assurance approach, and will ensure that partner business continuity arrangements are included.	**Partly Implemented** Revised Implementation date: 30 June 2018

4. Crisis management plan   (Medium Risk)

Recommendation	Implementation date
The crisis management plan should be reviewed and updated to ensure that it clearly defines the scope, aims and objectives of managing a response to an incident. Service requirements should be assessed, prioritised and agreed by senior management within the plan, and accountability, resources and relevant contacts to deliver the response should be clearly defined and record maintenance requirements documented.	30 September 2016
Follow-up observations	
A revised crisis management plan has been drafted which includes: • A revised crisis response framework linking in with Oxfordshire County Council; • A new initial incident procedure with relevant working templates; • Defined roles and responsibilities for the crisis response team and updated contacts; and • Detailed emergency operation centre protocols This is currently under review by management prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018

5. Communications plan   (Medium Risk)

Recommendation	Implementation date
A comprehensive communications plan should be implemented which covers alternative methods of communications delivery should normal channels be disrupted, target audiences and contact information, key messages objectives and templates to collate/disseminate required information.	31 December 2016
Follow-up observations	
Communication routes and methods are embedded within draft plans, following discussions between emergency planning and communications. These will be finalised when the draft plans are approved and testing/training is rolled out.	**Partly Implemented** Revised Implementation date: 30 June 2018

6. Temporary accommodation arrangements   (Medium Risk)

Recommendation	Implementation date
Suitable temporary accommodation arrangements need to be identified should any of the council offices not be available due to an incident. The arrangements should include the provision of an incident room and sufficient accommodation for agreed critical activities and staff. Necessary supplies, equipment and welfare requirements should be identified and sourced. The relevant officers should be notified of the arrangements.	31 December 2016
Follow-up observations	
The draft crisis management plan includes detailed emergency operation centre protocols, which includes activation routes, room layouts, technical set ups and alternative recovery sites.	**Partly Implemented** Revised Implementation date: 31 March 2018

This is currently under review by management prior to final approval.	

7. Emergency finance procedures   (Medium Risk)

Recommendation	Implementation date
Corporate emergency finance procedures that can be implemented immediately during a BC incident should be documented and agreed. They should include the authorisation of emergency purchases, security of cash and assets, the drawing of funds and use of credit cards and the monitoring of expenditure.	30 September 2016
Follow-up observations	
The draft crisis management plan includes emergency finance procedures. This is currently under review by management prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018

8. Business continuity template   (Medium Risk)

Recommendation	Implementation date
The business continuity plan template should be reviewed and updated to ensure that it clearly defines the scope, aims and objectives of managing a service area response to a business continuity incident over certain timeframes. Each service area should assess and prioritise their service requirements, critical activities and documents and resource requirements, and these should be documented, agreed by senior management and updated as changes occur. Accountability, welfare requirements and relevant contacts to deliver the service area response should be clearly defined and record maintenance requirements documented.	30 September 2016
Follow-up observations	
Initial meetings have been undertaken across all service areas, and existing business continuity plans are in use and being updated. However, a new business continuity template is being developed as part of a new integrated assurance approach, which will be more flexible to meet varying business continuity incidents. The emergency planning officer has been tasked with this review, and it will be taken forward as part of the new corporate services team.	**Partly Implemented** Revised Implementation date: 30 June 2018

9. Local resilience forums   (Medium Risk)

Recommendation	Implementation date
The councils should have adequate representation at local resilience forums for business continuity, and share business continuity management information with local responders to ensure a co-ordinated and agreed response in the event of an incident.	Immediate
Follow-up observations	
Internal audit reviewed the minutes of the following group meetings and can confirm that the emergency planning officer attends on a regular basis: - - OAFP - Oxford Area Flood Partnership; - ORG - Oxford Resilience Group; - OSFSG - Oxfordshire Strategic Flooding Sub Group; - Oxfordshire Multi-Agency Risk and Learning Group; - S&V Joint Agency Flood Partnership;	**Implemented**

- SAG - Safety Advisory Group; - TVLRF - Thames Valley Local Resilience Forum	

10. Co-ordination of plans   (Medium Risk)

Recommendation	Implementation date
The councils' crisis management plan, business continuity plans, emergency plan and disaster recovery plan should be linked to ensure a co-ordinated council response to an incident and to facilitate appropriate resources being committed to the response.	30 September 2016
Follow-up observations	
Since the risk and insurance officer has been appointed, and more recently a dedicated emergency planning officer, officers are now moving towards an integrated assurance approach. A framework and draft plans are in place, which are currently being reviewed by management prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018

11. Emergency plan   (Medium Risk)

Recommendation	Implementation date
The emergency plan should be reviewed and updated to ensure that it clearly defines the scope, aims and objectives of managing an emergency planning response both within the county when supporting Oxfordshire County Council and other local responders within the district and when the council would be the lead response authority. Accountability, resources, welfare requirements and relevant contacts to deliver the response should be clearly defined and record maintenance requirements documented.	30 September 2016
Follow-up observations	
The emergency planning framework has been reviewed and documented, which includes defining the councils' role within a wider county/district incident. A detailed emergency plan has been drafted to underpin the framework and is currently being reviewed by management prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018

12. Testing arrangements   (Medium Risk)

Recommendation	Implementation date
The nature and frequency of testing the arrangements for business continuity, disaster recovery and emergency planning should be agreed by senior management and adhered to. An adequate review process of the tests should be held, with documented lessons learnt being shared with all relevant officers/external parties.	30 September 2016
Follow-up observations	
Full testing and training will be implemented once revised plans and strategies are approved. However, aspects of the councils' emergency response have been tested either in-house or as part of county-wide training.	**Partly Implemented** Revised Implementation date: 30 September 2018

13. Disaster recovery plan   (Medium Risk)

Recommendation	Implementation date
The disaster recovery plan should be reviewed and updated to ensure that it clearly defines current DR arrangements, accountability, resources, welfare requirements, record	30 September 2016

maintenance requirements and relevant contacts to deliver the response.	

Follow-up observations	
Disaster recovery arrangements now rest with Capita as the IT provider and are as set out in the 5 Councils Partnership contract.	**Implemented**

14. Training   (Medium Risk)

Recommendation	Implementation date
All officers that would be involved in responding strategically to an incident should be trained adequately in their response role, and updated regularly on any changes to the business continuity, disaster recovery and emergency planning arrangements.	30 September 2016

Follow-up observations	
Full testing and training will be implemented once revised plans and strategies are approved. However, aspects of the councils' emergency response have been tested either in-house or as part of county-wide training.	**Partly Implemented** Revised Implementation date: 30 September 2018

15. Promotion   (Medium Risk)

Recommendation	Implementation date
There should be adequate promotion of business continuity, disaster recovery and emergency planning arrangements across both councils, supported by guidance on officer expectations and whom they can contact if they have concerns during an incident.	30 September 2016

Follow-up observations	
Awareness will be raised through training and testing which will be implemented once revised plans and strategies are approved.	**Partly Implemented** Revised Implementation date: 30 September 2018

16. Awareness   (Medium Risk)

Recommendation	Implementation date
A range of methods should be utilised to make information available to the public about civil protection matters and the council's arrangements to respond to civil protection incidents.	30 September 2016

Follow-up observations	
The council has reviewed and provided information through the councils' websites regarding what to do in an emergency and where to obtain further information. Furthermore, the Emergency Planning Officer (EPO): • attends town and parish forums to disseminate information through town and parish councils; • visits town and parish councils; • delivers community workshops with partners; and • is preparing emergency planning templates and handouts.	**Implemented**

17 Tenants, partners and key suppliers   (Medium Risk)

Recommendation	Implementation date
Arrangements should be in place to ensure that tenants, partners and key suppliers are notified and kept up to date at the commencement and throughout a council response to an incident, and that their own business continuity arrangements are up to date and adequate where there are council dependencies on their services.	30 September 2016
Follow-up observations	
MEPC have created a resilience forum for Milton Park, and the first meeting was spring 2017. The 5CP suppliers have business continuity plans which have been reviewed by the council as part of the contract, and will be subject to ongoing review. Other partner business continuity plans are reviewed on a continuous basis. The draft emergency plan includes external communication requirements across all service teams, partners and suppliers during an incident response.	**Partly Implemented** Revised Implementation date: 31 March 2018

18. Business and voluntary organisations   (Medium Risk)

Recommendation	Implementation date
In accordance with the Civil Contingencies Act 2004, the council should offer advice and assistance to business and voluntary organisations about business continuity management either directly or through Oxfordshire County Council.	30 September 2016
Follow-up observations	
Workshops have been held with town and parish councils and the assurance manager has presented a roadshow to various organisations across the country on the business continuity management of the Crowmarsh fire.	**Implemented**

19. Disaster recovery review   (Medium Risk)

Recommendation	Implementation date
A response review needs to be undertaken between the councils and Adam Continuity (DR contractor) to ensure that lessons learnt are fed into the disaster recovery plan review.	31 March 2016
Follow-up observations	
Disaster recovery arrangements are now a part of the 5 Councils Partnership arrangements and are incorporated within the 5CP contract.	No longer applicable as a council action.

LESSONS LEARNT

1. CMT availability   (Medium Risk)

Lesson learnt	Implementation date
All members of the crisis management team should ensure that they are contactable at all times to prevent any delays in responding to an incident.	Immediate
Follow-up observations	
All members of the initial response crisis management team are contactable as outlined in the 'South and Vale out of hours workbook' where mobile phone numbers and home numbers can be accessed.	**Implemented**

2. Contact details report   (Medium Risk)

Lesson learnt	Implementation date
a) Ensure that the contact details report from HR Pro captures all home telephone numbers and personal mobile numbers for officers, and contact details for agency staff and tenants. b) Review the circulation list to ensure that all core members of the crisis management team and heads of service receive the emergency contacts report on a monthly basis. c) Implement a stand-alone text alert system that can be utilised during a response to an incident when all council systems are down.	31 December 2015
Follow-up observations	
Following the move from OpenHR to MyView, a monthly contacts list is provided by Capita HR extracted from the MyView HR system, which is e-mailed to relevant officers. Contact details for agency staff and tenants are held by individual service area plans. A range of communication mechanisms have now been established, to ensure that communication is not reliant solely on council systems.	**Implemented**

3. DR equipment   (Medium Risk)

Lesson learnt	Implementation date
Ensure that all essential DR equipment is held off-site from the main council servers at all times.	Implemented

4. Strategic roles and responsibilities   (Medium Risk)

Lesson learnt	Implementation date
Strategic roles and responsibilities for the senior management board need to be clearly defined and adhered to during an incident response.	30 September 2016
Follow-up observations	
Roles and responsibilities have been clearly defined within the draft emergency plan, which is currently being reviewed by management prior to final approval. This will be reinforced by training and testing.	**Partly Implemented** Revised Implementation date: 31 March 2018

5. Site security and site safety   (Medium Risk)

Lesson learnt	Implementation date
Ensure that site security and site safety considerations are undertaken immediately by the crisis management team to incident sites, and the necessary actions implemented.	30 September 2016
Follow-up observations	
All related plans now have an element for site security following the lessons learnt from the incident at Crowmarsh. There is regular review of this by the risk and insurance officer and facilities management.	**Implemented**

6. Home-working arrangements   (Medium Risk)

Lesson learnt	Implementation date
An assessment of resourcing and implementing home-working arrangements during an incident response to be considered and	30 September 2016

included in the councils' disaster recovery plan and business continuity plans.	
Follow-up observations	
The councils' systems now facilitate the ability for home-working arrangements, which can be utilised pending business requirements. Following the move to the 5CP working arrangements, the IT infrastructure to support this was reviewed and laptops, surface pros and mobile phones provided where a business need was identified. New business requests can be submitted to Capita for review and resourcing.	**Implemented**

7. Health and safety   (Medium Risk)

Lesson learnt	Implementation date
Ensure that all health and safety requirements are adequately considered during a response to an incident.	30 September 2016
Follow-up observations	
Health and safety requirements have been incorporated into the draft plans, which are currently under management review prior to final approval. There is ongoing consultation with the councils' health and safety officer.	**Partly Implemented** Revised Implementation date: 31 March 2018

8. Salvage   (Medium Risk)

Lesson learnt	Implementation date
A client briefing from the salvage contractors and insurers on 'what to expect during a salvage process' would be useful to assist in managing staff expectations on what can be salvaged from incident sites.	Immediate
Follow-up observations	
A debrief was held on 18 November 2016 with the loss adjusters and Zurich insurers, to discuss lessons learnt from the fire and salvage operation.	**Implemented**

9. Officer expectations   (Medium Risk)

Lesson learnt	Implementation date
Officer expectations need to be appropriately and consistently managed during the initial response to an incident and throughout the recovery process.	30 September 2016
Follow-up observations	
This has been incorporated into the draft plans, which are currently under management review prior to final approval. This will be reinforced through training and testing.	**Partly Implemented** Revised Implementation date: 30 June 2018

10. Financial arrangements   (Medium Risk)

Lesson learnt	Implementation date
Templates should be established within the crisis management plan to assist with forecasting of any expenditure relating to an incident.	30 March 2016

Follow-up observations	
These have been incorporated into the draft plans, which are currently under management review prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018

11. Critical documents   (Medium Risk)

Lesson learnt	Implementation date
All critical documents should be electronically scanned and hard copies held in a secure environment.	31 December 2015
Follow-up observations	
The council offices now have multifunctional devices which incorporate a scanning feature which is utilised by all service areas. Critical documents returned to the council following the fire are now stored at an offsite secure facility.	**Implemented**

12. Decisions/actions log   (Medium Risk)

Lesson learnt	Implementation date
A decisions/actions log should be maintained and reviewed by the crisis management team throughout the incident response to ensure that response efforts are co-ordinated and aligned to agreed response priorities.	30 September 2016
Follow-up observations	
This has been incorporated into the draft plans, which are currently under management review prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018

13. Access   (Medium Risk)

Lesson learnt	Implementation date
All core members of the crisis management team should have 24 hour access to identified business continuity response locations to ensure that they can respond to an incident appropriately	Immediate
Follow-up observations	
All core members of the crisis management team have appropriate access to business continuity response locations.	**Implemented**

14. Corporate credit cards   (Medium Risk)

Lesson learnt	Implementation date
Corporate credit cards should be set up to allow the withdrawal of funds.	**Implemented**

15. Officer utilisation   (Medium Risk)

Lesson learnt	Implementation date
Officer utilisation should be monitored and assessed throughout a response to an incident to ensure that resources can be deployed effectively.	30 September 2016
Follow-up observations	
This has been incorporated into the draft plans, which are currently under management review prior to final approval. It will be reinforced through the new integrated assurance templates.	**Partly Implemented**

	Revised Implementation date: 30 June 2018

16. Incident presence   (Medium Risk)

Lesson learnt	Implementation date
On-site presence at an incident site should be sufficient to direct local responders to relevant structural and content	30 September 2016
Follow-up observations	
This has been incorporated into the draft plans, which are currently under management review prior to final approval.	**Partly Implemented** Revised Implementation date: 31 March 2018