

26 JULY 2022

INTERNAL AUDIT – AUDIT UPDATE

SUMMARY:

This report describes:

- The work carried out by Internal Audit since the last report;
- An update on the overall progress on completing the 2021/22 Audit Plan;
- A progress update on the 2022/23 Audit Plan; and
- An update on outstanding audit issues from reports issued in 2019/20, 2020/21 & 2021/22.

RECOMMENDATION:

Members are requested to:

- i. Note the audit work carried out in Quarter 4 2021/22 and Quarter 1 2022/23 to date.
- ii. Note the update to the expected deliverables for Quarters 1 & 2 2022/23.
- iii. Note the outstanding high-risk audit issues and engagement by the Services to address them.

1 Introduction

1.1 This report is to provide Members with:

- An overview of the work carried out by Internal Audit in Q4 2021/22 and Q1 2022/23 to date;
- An update on progress towards completing the Audit Plan for 2021/22;
- A progress update on the 2022/23 Audit Plan;
- A schedule of work expected to be delivered in Q1 & Q2 2022/23; and
- An update on the outstanding audit issues from Internal Audit reports covering 2019/20, 2020/21 & 2021/22 focusing on the high-risk issues.

2 Overview of Work Carried Out in Q4 2021/22 & Q1 2022/23 to date

2.1 Since the last report, Internal Audit continued to work with Heads of Service and Service Managers to action and update the outstanding audit issues from 2019/20 and 2020/21 Audit reports. This has been extended to the issues from 2021/22.

2.2 Internal Audit issued the audit report for the Sales Ledger (Sundry Debtors).

2.3 Internal Audit is finalising the audit the Voyager House Capital Project. The draft report is being reviewed currently and issues are with management.

2.4 Internal Audit is also involved in the ongoing Union Yard Capital Project in a consultative capacity.

2.5 Internal Audit carried out a fraud investigation, following a Stage 1 complaint over non-payment of invoices recently (section 5).

- 2.6 Internal Audit is currently conducting both a review over the Park Crematorium and a follow-up review of Alderwood Leisure Centre (ALC). The fieldwork for the Park Crematorium has been completed and the draft report has been compiled. For ALC, the fieldwork is in progress.
- 2.7 Internal Audit is currently working on a strategy paper for the function, which will be shared with the Committee in due course.

3 Progress towards completing the 2021/22 Audit Plan

- 3.1 Since the last update to the Committee, there have been no further changes to the 2021/22 Audit Plan.
- 3.2 The table below provides a summary of progress relevant to the 2021/22 Audit Plan:

Audit Status	Number of reviews	%
Finalised	8	44.4
Draft report with Auditee for management responses	1	5.6
In progress	1	5.6
Not yet started	1	5.6
Postponed to 2022/23	5	27.7
Cancelled	2	11.1
Total	18	100%

- 3.3 The table shows that 10 of the 11 audits (91%) to be delivered in 2021/22 are completed, being finalised or in progress. The Union Yard Capital Project will continue to be “in progress” until completion of the project in 2024. However, the remaining audit, on the CIPFA Financial Management Code, will commence in Q2 2022/23.

4. Audit Work Completed

- 4.1 The table below provides an overview of the assurance opinions, given to completed audits since the last update, based on Internal Audit’s assessment of the control environment:

Audit Title	Assurance Opinion	Recommendations by Priority		
		High	Medium	Low
2021/22 Internal Audit Plan				
Sales Ledger	Reasonable	1	7	2

- 4.2 The table above shows one audit for Finance.

The high-risk issue relates to Debt Management. The audit highlighted the inconsistent approach to managing debts by the different services including

reacting to reports from Finance and taking ownership for timely action once invoices remain unpaid after a specific period of time.

Whilst the issue has responsibility shared across the services, the Executive Head of Finance has agreed that Finance should guide the services regarding efficient and effective debt management. This will be done in conjunction with the findings of the Savings & Transformation Programme (STP).

Other issues of note in the report concern overall debt management information dissemination and escalation, as well as the inconsistent approach to how specific services invoice their clients.

Again, Finance has agreed to guide the services in conjunction with the STP findings.

5. Fraud Investigation

5.1 In June 2022, the Executive Head of Finance was made aware that payments had been made to a supplier where the Council's procedures for updating supplier information had not been followed.

Specifically, bank account details relating to the supplier were updated without an independent verification back to the supplier that the change requested was valid.

5.2 Following an initial review by the Finance Team, it was apparent that the supplier's email account had been compromised and that the Council was subject to a "spear-phishing" attack. The supplier lodged a Stage One complaint with the Council citing a number of concerns.

5.3 The investigation has been concluded with a number of recommendations made about ensuring the adequacy of the controls around updating supplier information in the financial system.

6. Expected Deliverables for Q1 & Q2 2022/23

6.1 The Audit Plan for 2021/22 has not been completed. Consequently, the work being carried out to complete it is having to be done in Q2 2022/23 and is detailed within the table below:

Service	Audit/ follow up/descriptor	Status
Property, Estates & Technical Services	Voyager (Capital Project) – <i>A review of the regeneration project</i>	Draft report with management

Regeneration	Union Yard (Capital Project) – <i>Audit is providing Project Assurance and will be working alongside the Project Manager</i>	In progress until the project is completed in 2024
Finance	CIPFA Financial Code – <i>A key financial system review looking at compliance with the code</i>	Planned Q2 2022/23
Operations	Crematorium – <i>A review over the operations and administration</i>	In progress
Democracy	Alderwood Leisure Centre – <i>A follow-up of the audit from 2020/21</i>	In progress
Finance	Council Tax Billing, Collection & Recovery – <i>A review of CT with a focus on debtors and recovery</i>	Planned Q2 2022/23
HR&OD	Staff Recruitment & Retention – <i>A review over staff vacancies, especially key positions, and the measures taken to keep staff</i>	Planned Q2 2022/23

6.2 The Audit Plan for 2022/23 has commenced simultaneously.

7. Outstanding Audit Issues from 2019/20, 2020/21 & 2021/22

7.1 From a review of the Audit reports issued during 2019/20, 2020/21 & 2021/22, the following information was identified:

Year	# of Reports	# of Issues	# Implemented (@26/05/22)	% Implemented (@26/05/22)
2019/20	12	106	78 (69)	74 (65)
2020/21	12	118	72 (64)	61 (54)
2021/22	8	52	9	17

7.2 Overall, there has been some implementation of the outstanding issues from the first two years since the last report, but only a few issues implemented for 2021/22.

7.3 For 2019/20, of the 106 issues raised, 17 were high-risk and 15 (88%) have been implemented, which is four more than the previous report.

For 2020/21, of the 118 issues raised, 17 were high-risk and 9 (53%) have been implemented, which is two more from the previous report.

For 2021/22, of the 52 issues raised, 10 were high-risk and 3 (30%) have been implemented.

7.4 Details of the outstanding high-risk issues for the three years are attached in Appendix A below. They include management updates and, in some cases, revised target dates.

8. Recommendation

8.1 Members are requested to note the information provided within the report in relation to the Audit work carried out in Q4 2021/22 and Q1 2022/23 to date, the expected deliverables for Q1 2022/23 and the outstanding high-risk audit issues from 2019/20, 2020/21 & 2022/23.

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HEAD OF SERVICE: David Stanley, Executive Head of Financial Services

References: *Internal Audit – Audit Plan 2021/22 and 2022/23* reports, presented to the Committee on 29 March 2021 and on 28 March 2022 respectively.

[Agenda for Corporate Governance, Audit and Standards Committee on Monday, 29th March, 2021, 7.00 pm - Rushmoor Borough Council](#)

[Agenda for Corporate Governance, Audit and Standards Committee on Monday, 28th March, 2022, 7.00 pm - Rushmoor Borough Council](#)

OUTSTANDING HIGH-RISK AUDIT ISSUES

Year of Audit	2019/20		
Report	Key findings	Management response and agreed action	Action by whom and when
PCI DSS	<p>a) The Council are allegedly paying a fine as a result of not being fully compliant with PCI DSS standards. This is due to the card terminal within the Princes Hall Theatre not transferring Cardholder data securely to the in-house CAPITA 360 system. This could not be confirmed at the time of audit.</p> <p>b) There is no management or oversight of the alleged fine within the Council, with no one being able to provide details i.e. start date, monthly amount, expiry date or whether this was still ongoing.</p>	<p>Current Situation <i>Update: a) The Council pays CAPITA an additional processing fee. There is no fine. Issue addressed.</i> <i>b) A project has been established to ensure the Council is PCI DSS compliant with options available depending on the way in which car payments flow through the Council's systems.</i> <i>An independent assessment has been completed by a SAQ Assessor and the options detailed in the report are being analysed.</i> <i>It is unlikely the project will be completed until Q1/Q2 2022/23 given the complexity and IT solutions.</i></p> <p>Original Response AGREED The Council has been making a monthly payment to CAPITA since late-2018 in respect of "CAPITA PCI DSS ANNUAL MGMT FEE". Whilst the charge is relatively low (£10 per month) it is unclear what this fee covers. In the absence of any detailed knowledge or awareness across</p>	<p>David Stanley, Executive Head of Finance 30/09/2022</p>

		Finance and IT teams, the Executive Head of Finance will review.	
S106 SANGS	<p>a) There should be a plan in place as to how the funds are properly utilised and regular meetings to monitor this. This needs to include a plan of how to utilise monies that the Council may currently hold over 5 years or determine to repay sums. This would ensure that all monies that have been paid to the Council are utilised appropriately and prevent Developers successfully requesting funding back.</p> <p>b) There should be knowledge of who manages this fund. There should be regular meetings to discuss the value to enable full oversight.</p>	<p>Current Situation <i>Update: This process is ongoing due to the extent of the work. Additional funds have been identified over 5 years. The focus is on ensuring expenditure and developing proposals for an officer who will deliver these projects funded from s106, which will be considered by ELT shortly and it is anticipated this will be agreed. 21/12/21: Infrastructure Funding Statement completed for 19/20 and will be published on web prior to 31/12/21 deadline. Work ongoing to identify potential spend. Revised target date suggested.</i></p> <p>Original Response Recommendation agreed. As part of the process of compiling the register and cleansing data any sums held for over 5 years will be identified. Regular meetings will be held between the Head of Economy, Planning and Strategic Housing, Planning and finance will be held quarterly starting in September All sums will be allocated to specific officers and teams and monitored through the quarterly meetings.</p>	<p>Tim Mills, Head of Economy, Planning and Strategic Housing 30/11/2021 Revised 30/06/2022 Revised 30/09/2022</p>

OUTSTANDING HIGH-RISK AUDIT ISSUES

Year of Audit			
Report	Key findings	Management response and agreed action	Action by whom and when
Alderwood Leisure Centre	It is unclear to identify if payments have been received for all of the bookings made as clear payment records are not held on the EZ facility system and unclear narratives on the Integra code.	<p>Current Situation <i>Update: This is a system connectivity issue. However, until a solution is found, a manual workaround is in place.</i> 30/06/22: A follow up audit is underway to verify implementation of issues.</p> <p>Original Response EZ confirm certain aspects can be tied into RBC system. Nigel Swan emailed for guidance 30/11/21.Meeting with Alex Shiell 6/01/2021 to discuss requirements to integrate the two systems.</p>	Chris Beckett, ALC Manager 31/03/2022 Revised 30/06/2022 Revised 30/09/2022
Application Patch Management	<p>IT are in the process of documenting processes, although application change management/patching has not yet been covered. When this is documented both overall and system specific arrangement need to be addressed.</p> <p>Linked to this further investigation needs to be carried out regarding systems where there is limited user testing of changes (see findings below, on roles and responsibilities). Specific to Express future changes need to be applied to test and tested/signed off, prior to migration to live.</p> <p>Retain evidence for future nontrivial changes/patches applied. This should aim to capture:</p>	<p>Current Situation <i>Update: Change Management – Jul 2022 (now Oct) as dependent on a new service desk system that incorporates Change.</i> UAT – Live Asset Management – This will now be implemented as part of the new service desk system – by Oct 22.</p> <p>Original Response The council has a small IT team and tends to focus its limited resources on key line of business applications support. There are plans to recruit a</p>	Nick Harding, Head of ICT, Facilities & Projects 30/10/2021 Revised 31/07/2022 Revised 31/10/2022

	<ul style="list-style-type: none"> • Identification of change/patch, i.e. what was applied. • Evidence of testing (unit, integration and user, as applicable) and outcomes. • Sign offs/approval. <p>Longer term a Configuration Management Database (CMDB) could be investigated, to store this information in a structured manner.</p> <p>IT are in the process of increasing the IT Team, specifically recruiting additional staff to support changes to applications, including bringing back in-house changes currently processed by third parties; this should continue as planned.</p> <p>Batching is a symptom of current under resourcing and reliance on third parties. While a pragmatic approach is sensible, current batching levels are excessive. How batching is approached needs to be covered in documentation (i.e. assessment and decision for each change) and, as far as possible, minimised.</p>	<p>service delivery manager to improve consistency of application support. It should be noted that key systems e.g. payments, payroll, revenues and benefits, business rates are well supported, including the use of external support companies – to ensure applications are patched and upgraded to the correct level.</p> <p>The regulatory services applications e.g GIS/LLPG, Confirm and Uniform have dedicated IT staff employed to carry out upgrade works and maintain the systems to the correct level.</p> <p>It is agreed that the exception is the financial system, which is of ongoing concern. There are plans for a major review planned for 2021 as part of the ICE programme.</p> <p>On Risk, the over-reliance point is more a management prioritisation issue both for Heads of IT and Finance.</p>	
Application Patch Management	<p>Locate/put in place fit for purpose contracts for all systems. At a high level these should:</p> <ul style="list-style-type: none"> • Be up to date/in date. • Refer/link to current legislation. • Set out performance expectations, ideally quantified. • Set out support arrangements/response times. • Set out a realistic level of reporting, to confirm that performance/support expectations are being met. For example, annual/quarterly reports, against contract expectations. 	<p>Current Situation <i>Update: Review of contracts status completed. Further work planned. Reviews with suppliers completed for core applications, but will continue to be done throughout use of application Where agreed re-negotiation needs to take place – throughout 2022. Occurring with key applications, e.g., Finance & Uniform</i></p> <p>Original Response</p>	<p>Nick Harding, Head of ICT, Facilities & Projects 31/12/2022</p>

	<ul style="list-style-type: none"> Identify a realistic level of oversight, for example, periodic calls/meetings with account managers. 	<p>Disagree – this is in medium priority and not a priority at this time/ the ICE and C19 projects have a higher priority. If additional resources are provided this task could be agreed.</p> <p>Many of the Council’s line of business applications have been in place with suppliers for many years and over time contracts have not been reviewed as the systems and support have been satisfactory. The council have good ongoing working and support arrangements, so contracts have only been reviewed as services have decided to change applications. If for any reason, we needed to request an up-to-date contract from a supplier this would be possible. Given the amount of work involved we have not been able to allocate resources from IT to Legal to carry this task.</p>	
<p>Contract Management Follow Up</p>	<p>There is no Contract Management corporate framework in place to provide guidance for Contract Managers, Procurement and management to:</p> <ol style="list-style-type: none"> Assess the level of contract management required, e.g. formal, ad-hoc, ‘light touch’; Assess the risk to the business, e.g. financial, Health and Safety, reputational, business continuity, etc; To re-assess the level of contract management as the contract becomes established and client relationships evolve; Set out the requirement of recording meeting minutes / contract issues / progress, including the need for a standard template; 	<p>Current Situation <i>Update: Procurement responsibility changed September 2021 with Portsmouth CC (PCC) providing support. Head of Finance and Asst CEX to review Q1 2022</i></p> <p>Arrangements are being reviewed in light of this change and contract management training/awareness will be rolled out to relevant officers later in 2022/23.</p> <p>Original Response The New Constitution with the Contract Standing Orders, which covered the elements highlighted in the</p>	<p>Principal Procurement Officer 30/06/2022 Revised 30/09/2022</p>

	<p>e) Set out the steps to take if a contractor's performance / quality of delivery is inadequate, e.g. KPIs.</p> <p>f) Set out the process for the review / monitoring of continual contracts, e.g. HAGS/SMP Ltd, those contracts with expiry dates and any action required, e.g. PHS;</p> <p>g) Set out the process for adding on to the Contract Register;</p> <p>h) Set out the process when handing over an on-going contract to a new manager to oversee, e.g. PHS.</p> <p>i) Set out the reporting requirements to senior management and Members</p>	<p>recommendation, went to Cabinet in May and was agreed. The Policy and Project Advisory Board (PAB) were consulted on the Council's Procurement Strategy 2020-2024 at their meetings in November 2019 and June 2020. A final draft of the Procurement Strategy was considered by Cabinet in August 2020. Training and Guidance will be produced for all officers involved in the procuring of services following the adoption of the revised Contract Standing Orders and Procurement Strategy.</p>	
<p>Contract Management Follow Up</p>	<p>There is no corporate guidance that sets out the clear roles and responsibilities for the Contract Managers, Procurement and management</p>	<p>Current Situation <i>Update: Procurement responsibility changed September 2021 with PCC providing support. Head of Finance and Asst CEX to review Q1 2022</i> Arrangements are being reviewed in light of this change and contract management training/awareness will be rolled out to relevant officers later in 2022/23.</p> <p>Original Response The updated Contract Standing Orders (CSO) sets out the roles and responsibilities. However, training on the update CSO will be given in the next few months so that contract managers are aware are their roles and responsibilities.</p>	<p>Principal Procurement Officer 30/06/2022 Revised 30/09/2022</p>
<p>Purchase Ledger</p>	<p>The 2017/18 Internal Audit Report identified a lack of segregation of duties within the Purchase Ledger System and limited controls in place.</p>	<p>Original Response Agreed – Executive Head of Finance to review as part of the Finance Improvement Plan and subject to</p>	<p>David Stanley, Executive Head of Finance 30/09/2022</p>

	<p>The 2020/21 audit has confirmed this continues to be the position. The same officer can raise a requisition and authorise payment if the amount is within their authorisation limit; they may also be the budget holder and therefore, responsible for monitoring expenditure on the account. In addition, no checks are made before a supplier is added to the system by the Purchase Ledger team. The IAS system does not enable a confirmation of receipt of the goods and services purchased; this increases the risk of duplicate payments and payment for goods/services not received.</p> <p>Following the 2017/18 audit, management agreed a set of actions which included: - introducing a new supplier form to ensure adequate checks before setting up new suppliers; Heads of Service were to remind their teams of the need to raise POs, although it was decided that this would not be made mandatory. It was agreed that this would be supported by a message on the 'Hub' to raise the profile and importance of raising POs. Further, it was agreed that there was a need to update the Inform page and add the process for raising a PO (albeit that this is restricted to those who have the correct access). However, this current audit has concluded that these actions have not been adopted sufficiently to mitigate the risk.</p>	<p>appointment of Principal Accountant and Systems Accountant to the new finance structure.</p> <p>The Finance team lacks the skills/knowledge to make significant change to the Purchase Ledger element of Integra and these changes and will require additional support from Capita.</p> <p>Executive Head of Finance will reaffirm to HoS/CMT need to maintain adequate separation of duties</p>	
Purchase Ledger	<p>The FPRs, Part 4, Section E1 specify that: "the Chief Finance Officer (S151 Officer) is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by Executive Directors, Head of Service and Service Managers to the existing financial systems, or the establishment of new systems must be approved by the Chief Finance Officer (S151 Officer). However, Executive Directors, Head of Service and</p>	<p>Original Response FPRs were updated in 2019 and will be reviewed in 2022.</p> <p>Executive Head of Finance is satisfied that adherence to FPRs is strong and that advice is sought from Finance/s151 on financial matters.</p>	<p>David Stanley, Executive Head of Finance 31/12/2022</p>

	<p>Service Managers are responsible for the proper operation of financial processes in their own services. (E3) Any changes to agreed procedures by Executive Directors, Head of Service and Service Managers to meet their own specific service needs must be agreed with the Chief Finance Officer (S151 Officer) prior to implementation". It has not been clarified whether a corporate decision has been taken, with Council approval, that the current approach is within the Council's risk appetite and whether exemption is given from complying with FPRs.</p>	<p>Executive Head of Finance to ensure HoS/SMs include a statement on adherence to FPRs within their assurance statements in support of the 2021/22 Annual Governance Statement</p>	
<p>Purchase Ledger</p>	<p>A new supplier form devised as a result of the previous audit concern raised in the 2017/18 to carry out validity checks on new suppliers has not been implemented.</p>	<p>Original Response As per previous 2017/18 IA management comments, an independent verification of changes to bank details and audit of this work by Finance team feels sufficient.</p> <p>Executive Head of Finance to review arrangements for PL controls upon appointment of Principal Accountant and Systems Accountant to the new finance structure.</p>	<p>David Stanley, Executive Head of Finance 30/09/2022</p>

OUTSTANDING HIGH-RISK AUDIT ISSUES

OUTSTANDING HIGH-RISK AUDIT ISSUES			
Year of Audit	2021/22		
Report	Key findings	Management response and agreed action	Action by whom and when
Contractors & IR35	Under the current Policy, IR35 checks must be conducted and evidenced prior to a contractor being engaged. Heads of Service should also review their current contractors and conduct IR35 checks. Care must be taken when determining the nature of the contract including duration. If the role could be seen as a substitute for an Office Holder role, it would fall within the scope of IR35. Also, the result should be sent to the contractor as well.	Current Situation <i>Update 30/06/22: The new Corporate Manager for HR&OD will review the policy on contractors and guide Heads of Service thereafter.</i> Original Response Agreed.	Heads of Service 31/01/2022 Revised 30/09/2022
Risk Management	The CRR and underpinning SRR should be aligned to the strategic and corporate objectives where relevant, which will allow for consistency in risks, thus enabling RBC's risk management issues and resulting actions to be integrated into RBC's Performance Management Framework. This will give RBC a holistic view of the effectiveness of service delivery and better reflect a more mature Risk Management process.	Current Situation <i>Update 30/6/22: In progress and training being rolled out to relevant managers.</i> Original Response Alignment of the Corporate Risk Register and Service Risk Registers with the Council's corporate and strategic objectives will take place following the agreement of the new Council Plan which is expected to be agreed in February 2022.	Rachel Barker, Assistant Chief Executive / Roger Sanders, Corporate Risk Manager 30/06/2022 Revised 30/09/2022
Insurance	Uninsured Properties (Partial Repeat from 2019-20). As a matter of urgency, it should be verified whether the two properties identified are included in the current cover with the insurer.	Current Situation <i>Update 30/6/22: Executive Head of Finance to follow-up with broker current property insurance position. At recent Hampshire Insurance Forum (HIF) meeting on 15 July 2022 it was evident</i>	David Stanley, Executive Head of Finance / Tim Mills, Interim Head of Property, Estates and Technical Services

		<p><i>that the broker (AoN) has not provided Hampshire authorities with a complete set of documents regarding the recent renewal.</i></p> <p>Original Response A query will be asked of Protector as to whether both these assets are currently on the RBC insured list and, the relevant action taken,</p> <p>a) The property was added to the Councils vacant property list in April 2021 when the agreement for surrender of the tenant's lease was completed. This was shared with the Insurance Manager on 8th April 2021, but had previously already been confirmed as imminent.</p> <p>Reinstatement valuation to be sent to Executive Head of Finance, as it cannot be verified that information was sent/received and actioned. The sum advised in May 2021 was £3.854 million.</p> <p>b) The insurance status of the Ski Slope will be established corporately within CLT and a valuation acquired.</p>	<p>30/04/2022 Revised 30/09/2022</p>
Insurance	<p>Key Person Risk (Partial Repeat from 2019-20).</p> <p>a) Senior Management, e.g., CMT, need to urgently review how the insurance service is managed and what contingency plans need to be put in place to provide a continuous and effective service.</p> <p>b) A plan should be instigated to ensure that knowledge is acquired, and shared, to enable the</p>	<p>Original Response</p> <p>a) In the short-term, administration support for the insurance service has been sought within RBC, or will be resourced via agency assistance.</p> <p>b) In the longer term, the Finance Improvement Plan (FIP) will assist</p>	<p>David Stanley, Executive Head of Finance 30/09/2022</p>

	<p>delivery of the insurance service across all RBC services.</p> <p>c) Procedures/guidance to be implemented for administering the insurance service and communicating with other services, plus guidance for services with links to insurance, e.g., Property, Regeneration, IT, Legal, Operations, etc, to set out their responsibilities in managing assets and communicating with the service, e.g., claims handling, asset status and information flow, etc.</p> <p>d) Insurance guidance and documents, e.g., driving on company business, claim forms, year-end / renewal requirements, etc, should be placed on the RBC intranet for access to all officers.</p>	<p>towards the sharing of knowledge with future posts to include a Principal Accountant and Systems Accountant. There will also be consideration of assistance from the Hampshire Insurance Forum (HIF).</p> <p>c) and d) We are aware that there is a need to improve communication and guidance on all insurance related matters across RBC. These will be implemented.</p>	
Insurance	<p>Reconciling Asset Records (Partial Repeat from 2019-20). a) With the new Concerto Property system now in place, this is an opportune time to ensure that records also match those of insurance and finance. This would include leaseholds with 'peppercorn' rent. A periodic reconciliation routine should also be established.</p> <p>b) A corporate master list of all properties should be introduced.</p> <p>c) A corporate identification reference should be applied to each individual property to aid communication and reconciliation between Property, Insurance, Finance and other services.</p>	<p>Original Response</p> <p>a) Concerto has offered an opportunity to reconcile across Finance, Property and Legal systems and to the best of our ability this will complete by the end of March 2022.</p> <p>A complete list of property assets is now included in Concerto regardless of whether a charge is raised or insurance required, e.g., FRI leases, leaseholds with peppercorn rent.</p> <p>Finance and Insurance have partial records because they do not require all additional assets in their information. PCN updates from Property will be issued to both Finance and Insurance.</p> <p>In terms of a regular reconciliation between the three records, the</p>	<p>David Stanley, Executive Head of Finance / Tim Mills, Interim Head of Property, Estates and Technical Services 30/09/2022</p>

		<p>validation exercise will enable Insurance and Finance records to be updated to reflect the current Property records and future regular reconciliations should be straightforward as a result of this.</p> <p>b) Closed - There is a current corporate master list of properties held by Property in the form of the Concerto records. Process to be mapped on how this will be maintained post-implementation</p> <p>c) Closed – A common asset reference now exists via Concerto. This has required a master reference to be allocated to every asset (free or leasehold). e.g., A0034. We have also recorded the lease/licence reference used by Legal, e.g., LEA234 and Concerto also required any existing Integra Customer Refs.</p> <p>Other references have also been required for Landlords, where Rushmoor is the tenant (prefix L12345) and for Managing Agents (prefix by agent name - Avison Young is AY12345). These are where properties are invoiced externally by managing agents.</p>	
Insurance	Insurance Reinstatement Values (Repeat from 2019-20). A programme of Insurance Reinstatement Valuations for all RBC properties needs to be agreed via the Property Team and undertaken.	<p>Original Response A new program of insurance reinstatement valuation is now in hand (January 2022) alongside the annual Asset Valuation exercise for 31 March.</p>	<p>Tim Mills, Interim Head of Property, Estates and Technical Services 30/06/2022 Revised 30/09/2022</p>

		With high value investment properties having been purchased since 2016 and being valued at that time, the accuracy of these investment properties is better than the general portfolio.	
Sales Ledger	<p>Debt Management</p> <p>a) Accounts in arrears date back to 2006 and aged debts over 4 years old apply across various services.</p> <p>b) There is variable engagement from the services in regard to managing debts, replying to monthly reports, identifying next actions, write-offs, etc</p> <p>c) Property Services-Rent and Housing-Rent Deposits are the two highest debts (70% of total) and there is currently no specific approach to manage these with a greater focus.</p> <p>d) Within the services, there is uncertainty as to their role and responsibility in the management and recovery of debt and how this aligns with the role of the Finance team.</p> <p>e) The monthly debt report provided by Finance to the services is in PDF format, which is not user friendly for filtering, analysing, note making, etc.</p> <p>f) The use of Enforcement Agency / Bailiffs for sundry debtors was put on hold in March 2020 and debts have not been identified by the services, in conjunction with Finance, for recovery via this route.</p> <p>g) The 000999 Holding/Suspense Account balance is £13,540.29 (as at mid-May 2022). The recent high-value items are regularly cleared but the historical items dating back to July 2000 need review. Additionally, services are not aware of how to access the account for their debt follow up purposes.</p>	<p>A Corporate project team has been established as part of the Savings and Transformation Programme and is reviewing the processes in place to collect income and debt.</p> <p>The Executive Head of Finance will, upon conclusion of the project, provide updated guidance for Heads of Service and Service Managers on the process for collecting income, aged debt collection and recovery.</p> <p>The Executive Head of Finance will also review the relevance, timeliness and accuracy of management information that is provided to Heads of Service and Service Managers.</p>	<p>David Stanley, Executive Head of Finance 30/09/2022</p>

	h) Notes on Integra on debt monitoring and follow up action were sporadic ranging from none to detailed narrative.		
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