

<b>Licensing</b>			
	<b>Recommendation</b>	<b>Management response</b>	<b>Status</b>
1	<p><b>Performance Monitoring</b></p> <p>There are no formalised performance monitoring arrangements in place. The Regulatory Services Manager receives regular updates on the progress of licensing applications through monthly one-to-one meetings, but these are not formally recorded. There is currently no reporting to the Corporate Management Team. We recommended that the Council introduces performance monitoring arrangements. The Council should clearly define KPIs for application processing and debt recovery, which should be reported to the Corporate Management Team on a quarterly basis.</p>	<p><b>Agreed</b></p> <p>Performance Monitoring to be implemented with defined KPIS and reported to Director of Community Services. Regulatory Services Manager to investigate if CMT wish to receive performance monitoring report.</p> <p><b>Implementation date</b> 31 July 2019</p>	<p><b>Overdue</b></p> <p>The Council has not implemented a formalised performance monitoring procedure. The Council is still planning to implement the agreed recommendation later this year as this will be addressed corporately through Future Guildford.</p> <p><b>Due date</b> 30 December 2019</p>
2	<p><b>Licensing Team debt monitoring</b></p> <p>Licence Officers exercise judgement on when and how often to chase outstanding debt which could result in inconsistencies. In addition, we found that there were variations relating to the issue of Suspension Warning Letters and we recommend that there are clearly defined guidance notes to be followed by the Licensing Team. Licensing Officers should issue Suspension Warning Letters consistently in line with this timeline and should keep appropriate documentation of all completed debt recovery actions.</p>	<p><b>Agreed</b></p> <p>Procedure is being drafted and will be implemented.</p> <p><b>Implementation date</b> 30 April 2019</p>	<p><b>Implemented</b></p> <p>A new policy and procedure document has been drafted. It now states the timeline that must be followed for debt monitoring, for example the first warning letter is sent ten days after the debt due date. We have reviewed the new policy document that shows a clear timeline of debt chasing policy.</p>

	<b>Recommendation</b>	<b>Management Response</b>	<b>Status</b>
<b>3</b>	<p><b>Houses in Multiple Occupation inspections</b></p> <p>When junior staff carry out an inspection of Houses in Multiple Occupation (HMOs) they use a checklist to ensure that everything is covered. More experienced staff do not use the check list as they are expected to be familiar with the requirements. This gives rise to a risk that the inspections are incomplete or of varying quality and could lead to licences being granted inappropriately. We recommended that the checklist is used regardless of the level of experience of the officer. The checklist should be uploaded to Tascomi as part of the licence application records.</p>	<p><b>Agreed</b></p> <p>Procedure is being drafted and will be implemented.</p> <p><b>Implementation date</b> 30 April 2019</p>	<p><b>Overdue</b></p> <p>Staff have now been told that the checklist must be used for all HMO inspections but it has not yet been formally included in the policy.</p> <p><b>Implementation date</b> 30 December 2019</p>
<b>4</b>	<p><b>Record keeping</b></p> <p>There were several instances where supporting records from the licensing application process were not kept. These included:</p> <ul style="list-style-type: none"> <li>•Checklists which are completed by reception;</li> <li>•Checklists completed by the Business Support team</li> <li>•Supporting documents including a MOT certificate, an application form and a passport</li> <li>•The scorecards or checklists used for consistency in inspections by the Licensing Team or Private Property Services Team.</li> </ul> <p>This increases the risk of challenge through inconsistencies in applying our policy and application process</p>	<p><b>Agreed</b></p> <p>Monthly monitoring will be incorporated into the overarching licensing policy and spots checks will be implemented as part of performance monitoring.</p> <p><b>Implementation date</b> 31 July 2019</p>	<p><b>Overdue</b></p> <p>Monthly monitoring has not yet been incorporated into policy and spot checks are not yet being completed.</p> <p><b>Implementation date</b> 30 November 2019</p>

<b>Parking</b>			
<b>Recommendation</b>		<b>Management Response</b>	<b>Status</b>
<b>1</b>	<p><b>Review of successful appeals</b></p> <p>Parking officers are responsible for reviewing challenges to penalty charge notices (PCNs) and determining whether they should be cancelled. We found that individual judgement is exercised in determining whether a PCN should be cancelled. There is no second review of the appeals. We reviewed the cancellation rates of each enforcement officer and noted that the cancellation rates vary from 37% successful appeal rate to 61%, suggesting a subjectivity in the review process. There is a risk that cases are not assessed in a consistent way. We recommended that spot reviews of appeals are carried out, in order to ensure that appeal decision making is consistent and objective across the team.</p>	<p><b>Agreed</b></p> <p>The processing team supervisor will undertake monthly spot checks of 10 cancelled PCNs per processing team member and undertake an annual review, to identify any discrepancies and the possible reasons for these.</p>	<p><b>Implemented</b></p> <p>Since December 2018, spot checks have been carried out on a sample of PCNs to ensure consistency between which cases warrant a cancellation. The policy has also been amended to provide staff with more stringent cancellation criteria following appeals in order to reduce the variation in cancellation rates between staff. The policy now features specific criteria and evidence required for a cancellation.</p>
<b>2</b>	<p><b>Out of date policies and procedures</b></p> <p>Parking policies and procedures have not been updated since 2014 and do not have references to the more recent updates to services. There is no reference to reconciliations performed and details of standard practice where investigation is required of variances over a certain threshold. Without up to date policies in place there is a risk that staff undertaking new roles and responsibilities are not properly informed resulting in inefficiencies in the process occurring.</p>	<p><b>Agreed</b></p> <p>Following the closure of the office counter in November 2018, it is our intention to undertake a root and branch review of all our policies and procedures.</p> <p><b>Due date</b> 31 December 2019</p>	<p><b>Not yet due</b></p> <p>The Council has made good progress with this recommendation and aims to complete it by the deadline of December 2019. Around 70% of the parking policies and procedures have been updated in draft. We have reviewed two as examples of this occurring, comparing the current and previous versions for evidence of changes.</p>

	<b>Recommendation</b>	<b>Management Response</b>	<b>Status</b>
<b>3</b>	<p><b>Income discrepancies</b></p> <p>The finance team perform a reconciliation of parking meter income using figures reported by the parking team and actual cash banked. Where there are discrepancies between the two figures the finance team forward the details back to the parking team to investigate. However, we noted that discrepancies queried by the finance team are not always followed up. Failure to follow up discrepancies could result in failure to identify instances of fraud. The Council should identify a process for investigating discrepancies reported by the finance team and follow these up with respective parties (CSS or otherwise) to ensure that they are resolved.</p>	<p><b>Agreed</b></p> <p>The reconciliation discrepancy threshold of £10 was set in the early 2000s. We will redouble our efforts to ensure that all discrepancies more than £10 are reviewed, and also review whether the £10 threshold is still appropriate</p>	<p><b>Implemented</b></p> <p>Reconciliations are completed over the parking meter cash boxes in each instance that money is pooled (i.e. when the machine is filled) and additionally at the end of each month. In all reconciliations, any discrepancies above £5 are investigated.</p>
<b>4</b>	<p><b>Enacting Regulation 10 Penalty Charge Notices (PCNs)</b></p> <p>In our testing we found that these cases had been cancelled as a result of the driver of the vehicle driving away before the PCN could be issued. This is because the parking system is not set up to automatically request the vehicle owner's details from the DVLA and progress with debt chasing. The Traffic Management Act 2004 gives local authorities the power to serve PCNs by post where the driver drives away before a PCN can be issued. In the period April to September 2018 there have been 66 such instances, representing lost revenue to the Council.</p>	<p><b>Agreed</b></p> <p>This recommendation is agreed.</p> <p><b>Due Date</b></p> <p>30 April 2019</p>	<p><b>Overdue</b></p> <p>Currently this recommendation has not been implemented due to software issues and has been postponed. These issues have been identified and are being managed and the new functionality is expected to go live within the next few months.</p> <p><b>Due date</b></p> <p>The updated implementation date is now 31 December 2019.</p>

<b>Former Tenants Arrears</b>			
<b>Recommendation</b>			
<b>1</b>	<p>The testing found that in some instances there was an extended delay in issuing the first debt chasing letter. We found that this was due in the main to delays in applying the relevant housing benefit adjustments. Additionally, during testing we found that in some cases the details supporting the debt had not been documented on the Orchard system which could affect the Council's ability to collect the arrears. There is now a review process in place and there are spot checks to confirm that the processes have been followed and appropriate documentation retained.</p>	<p><b>Agreed</b> Policy and Procedure to be written to cover the FTA tracing work with Reigate &amp; Banstead.</p>	<p><b>Implemented</b> Immediately after the review, the policy was changed in response to the recommendation. Staff were made aware that when a monitoring officer was not available to carry out the review process it should be completed by the Rent Officer or Income Manager.</p>
<b>2</b>	<p><b>Policies and procedures</b> The Council has recently agreed a contract with Reigate and Banstead Borough Council for tracing services for untraceable former tenants. There is currently no guidance or procedure documents on how to the Council will use and monitor the performance of this agreement and there is a risk that the Council does not have mechanisms in place to ensure they are getting value from the contract.</p>	<p><b>Agreed</b> Policy and Procedure to be written to cover the FTA tracing work with Reigate &amp; Banstead.</p>	<p><b>Implemented</b> A new Policy and Procedure has now been written for the Reigate and Banstead Collection Agency agreement. As recommended, the policy includes the author, version and date of document. It also includes step-by-step guidance over contacting the debtors and the document features a template Former Tenant Referral form.</p>

<b>Payroll</b>			
	<b>Recommendation</b>	<b>Management response</b>	<b>Status</b>
<b>1</b>	<p><b>Leavers</b></p> <p>We noted that there is an inconsistency in how HR are informed that a member of staff is leaving. It can be either the manager or the employee who contacts HR which can cause delays or confusion and lead to errors and overpayments. We recommended that the process for processing leavers should be the responsibility of the line manager, rather than the employee. They should complete a leavers' form with appropriate details and ensure they capture details required by HR and Payroll teams to ensure that the risk of over-payment are minimised. Leavers forms should be available on the intranet and managers should be encouraged to complete them as early as possible.</p>	<p><b>Agreed</b></p> <p>Leaver process to be created with a 'leavers form' for managers to complete and send HR.</p>	<p><b>Implemented</b></p> <p>A new leavers form has been designed and is being used. The form is filled out by the line manager and is forwarded onto HR.</p> <p><b>Audit Note</b></p> <p><b>This issue will be resolved with the introduction of the new ERP system in 2020</b></p>
<b>2</b>	<p><b>Policies and procedures</b></p> <p>We noted that there are no policies and procedures in place for processing payroll amendments and running the monthly pay-run. Though the payroll staff experienced and knowledgeable there is a risk that in periods of absence there is insufficient shared understanding of how to carry out these processes in a timely manner. Policies and procedures should be drafted and available on the intranet for easy access by payroll/HR staff and line managers. The policies should detail roles and responsibilities, make reference to other relevant policies (i.e. exit interviews for leavers) and include reference to any relevant HR/Payroll staff training.</p>	<p><b>Agreed</b></p> <p>Leaver process to be created. Payroll processes to be process mapped and procedures written. These will be placed on the HR portal.</p> <p><b>Implementation date</b></p> <p>31 March 2019</p>	<p><b>Overdue</b></p> <p>Phase A of Future Guildford commenced in March 2019 and incorporated the Payroll and HR teams. This is a major programme of restructuring, the aim of which is to streamline processes, including those of Payroll and HR. As a part of Future Guildford a series of knowledge based articles have been designed. These are in depth guidance for employees and their line managers on actions to take in the event of a range of changes in circumstances.</p>

<b>Payroll</b>			
	<b>Recommendation</b>	<b>Management response</b>	<b>Status</b>
			<p>We reviewed one of these articles, which appeared comprehensive. These will be available on the Council's intranet in due course.</p> <p><b>Revised deadline</b> 30 June 2020</p>
3	<p><b>Un-signed employment contracts</b></p> <p>We were unable to evidence the existence of signed employment contracts for all starters in the testing sample. In addition, we found that the contracts for some payroll amendments relating to changes in posts were not signed by the employee. Commencing work in the absence of a formal signed contract, implies that the employee has accepted the contract and from a legal standpoint, is expected to comply with the terms and conditions. However, there is a risk that without a signed contract the employee could believe that they do not have to comply with the conditions, for example, fulfilling their notice period when they decide to terminate their contract. The Payroll team should not accept the record until signed contracts are saved on the Staff site.</p>	<p><b>Agreed</b></p> <p>Electronic signatures are already accepted, contracts are issued by email and returned electronically. Payroll process for new starters will include a signed contract check before accepting the record.</p> <p><b>Implementation date</b> 31 March 2019</p>	<p><b>Implemented</b></p> <p>The importance of ensuring that employment contracts are signed has been emphasised to the HR and Payroll teams. There has been more of an emphasis placed on contracts being signed electronically, to move towards a more efficient paperless system.</p>
4	<p><b>Timely authorisation of payroll amendments</b></p> <p>During sampling we noted that formal written authorisation was not obtained prior to processing an amendment on Selima. This was for recruitment to a new post, which must be authorised by an appropriate manager. This authority was not obtained in writing until 7 days after the amendment was accepted and implemented on the payroll system. When queried we were advised that verbal authorisation was given, however there is no documentary record of this.</p>	<p><b>Agreed</b></p> <p>HR team advised not to make appointments until the formal authorisation has been received in all cases.</p> <p><b>Implementation date</b> 31 March 2019</p>	<p><b>Overdue</b></p> <p>The requirement to await formal authorisation before implementing amendments has been communicated to relevant staff. However, this requirement has not been formalised in policy. The introduction of the new ERP system will include a</p>

Payroll			
	Recommendation	Management response	Status
			<p>review of all processes and aiming to streamline these, with new policies and procedures to be implemented in due course.</p> <p><b>Revised deadline</b> 30 June 2020</p>
5	<p><b>Value for money assessment for over-time (OT) payments</b></p> <p>From our data and analytics we noted that 35% of total employees paid during the six months under review incurred overtime payments. Rates vary depending on timing on work with 1.5x and 2x base salary paid for OT on weekends and evening work. 193 staff were paid OT at increased rates in the period, with increased rate payments equivalent to more than 20% of gross salary paid for 28 staff. Total OT payments during the six month period total £430k equivalent to 4% of total gross pay. We recommend that the Council conduct a value for money assessment of overtime paid across departments, to satisfy the Council that overtime pay is the most cost effective option available.</p>	<p><b>Agreed</b></p> <p>The use of overtime across the organisation is currently being reviewed by our Business Improvement team. The Council is facing a major reorganisation of services. This Future Guildford programme, will address this issue.</p> <p><b>Implementation date</b> 31 March 2021</p>	<p><b>Audit Note</b></p> <p>This is an area, which is already being looked at as part of the Future Guildford programme and is a corporate wide review of overtime, agency staff, contractors and casual staff costs. Alternative working patterns to replace overtime are also being considered.</p>

<b>Creditors</b>			
	<b>Recommendation</b>	<b>Management response</b>	<b>Status</b>
<b>1</b>	<p><b>Review of supplier amendments</b></p> <p>When a department completes a payment requisition form (PRF) with the suppliers' bank details it is assumed that they have verified suppliers' bank details via independent verification. There is no requirement to forward the external evidence received from the supplier to the Payments team and they rely on the services to satisfy themselves as to the validity of the bank details. This creates a risk that inappropriate changes and potentially fraudulent transactions are processed. We recommend that there are monthly exception reports detailing all amendments made to supplier details and that these are reviewed and spot checked.</p>	<p><b>Agreed</b></p> <p>Corporately, all areas will be made aware that when they fill out a payment requisition, they need to attach the documentation of their checks they do to make sure bank details are correct by adapting the same method the Payments team use.</p> <p><b>Implementation date</b> Immediately</p>	<p><b>Overdue</b></p> <p>Internal departments continue to send payment requisition forms without proof of verification of any amendments in suppliers' bank details. Where there is an invoice attached, the Payments team will verify bank details, The S151 Officer will issue corporate guidance and instruction to all services to provide evidence of verification. The Payments team would then be able to reject all payment requisitions with insufficient verification.</p> <p><b>Deadline 30 December 2019</b></p>
<b>2</b>	<p><b>Maintaining policies and procedures</b></p> <p>We noted that there are no written policies and procedures in relation to the payments process. Without widely available policies and procedure notes there is a risk that staff are unaware of their roles and responsibilities, particularly when staff from various departments have a role in the process for authorising invoices and verifying changes to suppliers' bank details. This in turn may result in inefficiencies in the process and the risk that appropriate detective and preventative controls are not in place to detect instances of fraud.</p>	<p><b>Agreed</b></p> <p>Policies and procedures to be created.</p> <p><b>Implementation date</b> Immediately</p>	<p><b>Overdue</b></p> <p>Phase A of Future Guildford commenced in March 2019 and incorporated the Finance team. This is a major programme of restructuring, the aim of which is to streamline processes, including those of Finance. The payments process has been one of those subject to review, with new policies to follow.</p> <p><b>Revised deadline</b> 1April 2020</p>