



ADUR & WORTHING
COUNCILS

Key Decision: No

Ward(s) Affected: N/A

INTERNAL AUDIT PROGRESS REPORT
REPORT BY THE HEAD OF INTERNAL AUDIT

Executive Summary

1. Purpose

- 1.1 This report provides an update on Internal Audit progress and key findings to the Committee.

2. Recommendations

2.1 Recommendation One

That the report be received and progress against the 2022-23 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

2.2 Recommendation Two

That Members consider whether there are further updates from officers on particular issues that they would like provided at the next meeting.

3. Context

3.1 Background

Progress

Each quarter, a report is produced for the Joint Governance Committee (Committee) which details the Internal Audit Section's performance against the Annual Internal Audit Plan as well as a summary of work carried out in the period. Internal Audit Services to the Councils, including the role of the Head of Internal Audit is outsourced to Mazars LLP.

Attached as Appendix A is the Internal Audit Progress Report.

4 Issues for Consideration

4.1 Follow-Up of Housing Recommendations

As reported in November 2022 to the Committee, the Councils' Housing Service has been undergoing a Transformation Project since January 2020. Housing Management have confirmed that the actions required to address outstanding audit recommendations will be taken as part of this project and agreement was made between the Director for Digital, Resources and Sustainability, the Chief Financial Officer, previous Head of Internal Audit, and Head of Housing and Transformation Manager that an "amnesty" on the follow up of outstanding housing recommendations will be implemented to allow the Transformation Project to be completed.

All outstanding housing recommendations have therefore been removed from our ongoing progress reporting. Once the Transformation Project is complete a detailed follow-up will be completed to confirm the implementation of all of these recommendations which is aimed to start in Q4 of 2023/24.

5 Engagement and Communication

5.1 Internal Audit hold monthly meetings with the Chief Financial Officer on progress against the plan. Issues arising and potential plan changes are discussed both at these meetings and whenever necessary.

6 Financial Implications

6.1 There may be financial implications regarding implementing internal audit recommendations depending on the nature of the area and recommendations made. However, any such implications are considered by Management as part of the consideration of the recommendations raised. Some audit recommendations are also designed to improve value for money and financial control.

7. Legal Implications

7.1 There are no legal matters arising as a result of this report.

Background Papers

None

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Sustainability & Risk Assessment

1. Economic

1.1 Matter considered and no issues identified.

2. Social

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified.

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Internal Audit identifies weaknesses in the control environment. Therefore, implementing recommendations improves the control environment and hence the risk management.



Adur District & Worthing Borough Councils
Internal Audit Progress Report
March 2023

01 Introduction	1
02 Internal Audit Progress	1
03 Audit Reports Issued	2
04 Follow-Ups	3
A2 Outstanding Housing Recommendations	8
A3 Outstanding Priority 1 Recommendations (Past Implementation Date)	17
A4 Definitions of Assurance	20
A5 Statement of Responsibility	21
Contacts	22

Contents

Disclaimer

This report (“Report”) was prepared by Mazars LLP at the request of Adur District & Worthing Borough Councils (Councils), and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently, no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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01 Introduction

Internal Audit is required to provide a quarterly report on progress and key findings to the Joint Audit and Governance Committee (Committee). This report covers internal audit activity and performance since our last report to the Committee in November 2022 and includes:

- An update on progress in delivering the 2022/23 Plan;
- A summary of audit reports issued and high priority recommendations raised; and
- An update on follow-up activity and any recommendations outstanding for implementation.

02 Internal Audit Progress

The Committee considered and approved the 2022/23 Internal Audit Plan (Plan) on 22 March 2022.

The Plan provided for 27 internal audits totalling 515 days, including 55 days for IT audits, 45 days for Contract audit and 40 days for management which includes the Head of Internal Audit role. The audits in the Plan comprised a mixture of key financial systems, service-specific (operational and financial), corporate-wide, and IT reviews.

Since our last report presented in November 2022, the following Plan changes have been made:

- *Invoicing of Housing Services – Housing Repairs (Contractors)* – Added to the Plan at the request of the Head of Housing and in agreement with the CFO. However, this audit did not start in Q4 as planned due to the Housing Transformation Programme taking place and the team's resources being constrained. This audit has been deferred to the 2023/24 IA Plan.
- *Invoicing of Housing Services – EATA* – Added to the Plan at the request of the Head of Housing and in agreement with the CFO. However, this audit did not start in Q4 as planned due to the Housing Transformation Programme taking place and the team's resources being constrained. This audit has been deferred to the 2023/24 IA Plan
- *Councils response and impacts of Welfare Reform & Cost of Living*: The Director of Communities requested to focus on Discretionary Housing Payments. These payments are managed by the Councils' Revenues Team who are in their busiest season including annual billing. This audit has been deferred to the 2023/24 IA Plan

The impact of the changes above (and those previously reported to the Committee) mean that the Plan now contains 20 reviews totalling 382 days.

The table below provides a summary of current progress relevant to the 2022/23 Plan:

Audit Status	Number of reviews	Percentage %
Finalised/complete	6	31%
Draft report	4	21%
Fieldwork complete & audit under review	2	11%
Fieldwork in progress	5	26%
Not yet started	2*	11%
Total	19	100%

**Risk Management (start date 6 March 2023) and Adur Leisure Contract Management (start date 13 March 2023)*

For reference, additional detail of the audits, progress and timings, is included in Appendix A1 of this report.

03 Audit Reports Issued

We have four categories by which we classify internal audit assurance over the processes we examine: Full, Satisfactory, Limited or None.

Internal Audit categorises recommendations as Priority 1, 2 or 3 to differentiate between the types of recommendation made. These categories give management an indication of the importance and urgency of implementing the recommendations. Details on our Assurance Definitions are contained within Appendix A4.

The table below lists the internal audits for which final reports were issued since our last report to the Committee.

Internal Audit Title	Assurance Level	Plan Year	Previously Reported in Annual Report √ / X
Fire Safety – Commercial Provision	Satisfactory	2022/23	X
Recruitment and Selection	Satisfactory	2022/23	X
Self-Isolation Grants	Full	2022/23	X

No Priority 1 recommendations were raised in these reports. Further details of the recommendations raised in each of these reports can be found in the summary briefing provided separately to Members.

04 Follow-Ups

Since the last Committee meeting, the Councils' Audit App has continued to be populated with new recommendations from finalised internal audit reports.

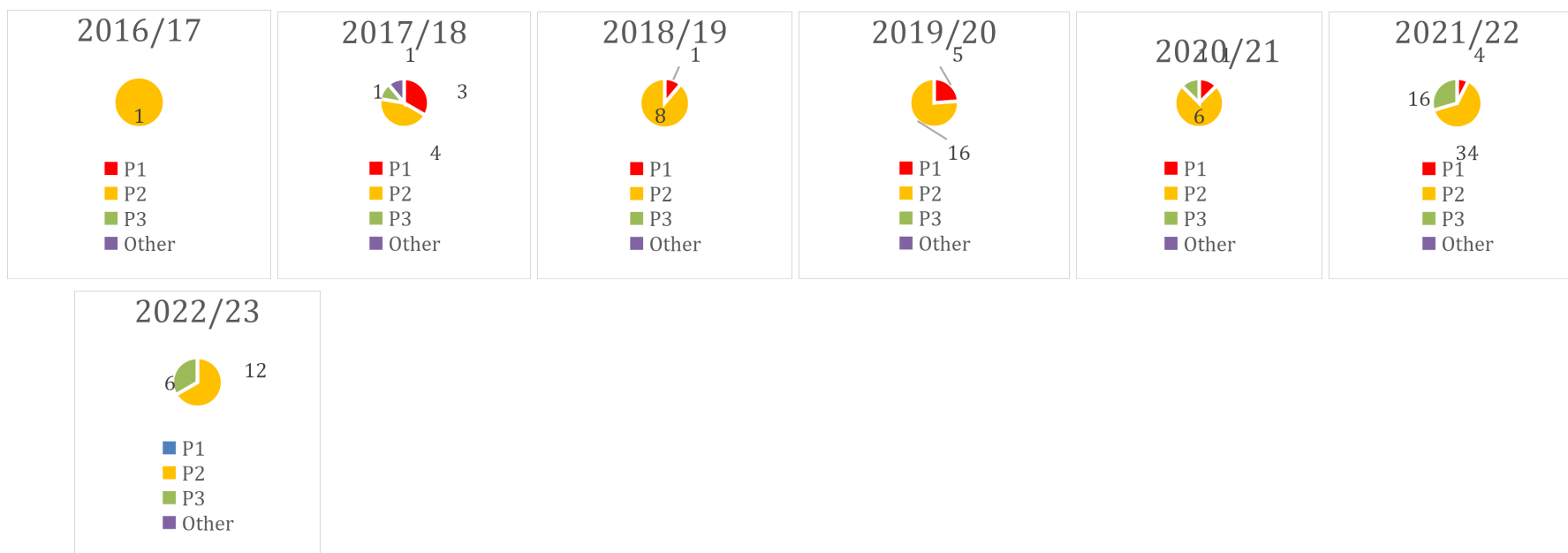
Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully resolved according to the action plans agreed with the service managers. The Councils' target for internal audit recommendations/issues to be resolved at the time of the follow-up is 100% for priority 1 recommendations/issues and 80% for all priority 2 & 3 recommendations/issues.

Performance Objective	Target	Performance (to date)						
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23

Percentage of Priority 1 actions implemented	100%	100%	92%	94%	71%	75%	0%	0%
Number of Priority 1 recommendations (for reference)		17	37	18	17	4	4	0
Percentage of all actions implemented	80%	100%	94%	95%	81%	86%	17%	5%

Specific details on follow-up performance are included in the briefing note provided separately to Members.

Outstanding Recommendations by Priority Level (including Housing)



In addition to monitoring management updates on progress within the Audit App, Internal Audit can undertake spot checks to confirm that recommendations are being implemented in practice. A Follow Up Protocol is in place which contains a procedure to escalate recommendations that have not been implemented as agreed to this Committee where necessary.

As at production of this report, which includes recommendations from the finalised reports detailed above, there are 120 recommendations due for follow-up (split 14 P1, 81 P2, 24 P3 and 1 other), of these 59 are overdue (split 10 P1, 41 P2, 7 P3 and 1 other).

Within these 120 recommendations are 31 which relate to Housing and which, as detailed in paragraph 4.1 of the covering report, these are being progressed through the Housing Transformation Project and which will actively be monitored until completion of that project. These 31 recommendations, detailed within Appendix A2 of this report, are split 8 P1, 22 P2 and 1 P3 and 30 are overdue (7 P1, 22 P2 and 1 P3).

Further detail of the three overdue Priority 1 recommendations (excluding Housing) is included in Appendix A3 of this report.

A1 Current Status – 2022/23 Plan

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Community Infrastructure Levy	Final	Satisfactory	-	1	1
Housing Complaints	Draft				
Recruitment and Selection	Final	Satisfactory	-	3	2
Self-Isolation Grants	Final	Full	-	-	-
Information Governance	Draft				
Commercial Waste	Draft				
Fire Safety – Commercial Provision	Final	Satisfactory	-	4	2
BEIS Grants - Post Assurance Plan work	Work complete	N/A - Advisory	-	-	-
Creditors	Draft				
Key controls testing – continuous testing	In Progress				
Governance of Property Disposals	Work complete and under review				
Economic Development - Small Business Growth Grants & Apprenticeship Grants	Work complete and under review				
Safety of Commercially Leased Buildings	In Progress				
Markets	Work complete and under review				
Risk Management	Starts 6 March 2023				
Invoicing of Housing Services – Emergency & Temporary Accommodation	<i>Postponed to 2023/24 Plan</i>				
Councils' response and impacts of Welfare Reform, Cost of Living, Covid-19	<i>Postponed to 2023/24 Plan</i>				

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Carbon Reduction Programme	<i>Postponed to 2023/24 Plan</i>				
Invoicing of Housing Services – Housing Repairs (Contractors)	<i>Postponed to 2023/24 Plan</i>				
Civica/Connect HR system	<i>Postponed to 2023/24 Plan – Reported in November 2022</i>				
Supply of Affordable housing	<i>Postponed to 2023/24 Plan – Reported in November 2022</i>				
Workforce Planning	<i>Postponed to 2023/24 Plan – Reported in November 2022</i>				
Contract Audit					
Condition Surveys contract - vertical audit	Audit Cancelled - Reported in November 2022				
Fire Door Contract Management	In Progress				
Adur Leisure Contract management	Starts 13 March 2023				
Energy Supplier - Procurement & Contract Management	<i>Postponed to 2023/24 Plan – Reported in November 2022</i>				

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Planned Maintenance Programme	<i>Postponed to 2023/24 Plan – Reported in November 2022</i>				
IT					
Device Management	Final	Satisfactory	-	4	3
Applications Development	Draft				
Digital Strategy	<i>Postponed to 2023/24 Plan</i>				
Total			-	12	8

A2 Outstanding Housing Recommendations

Housing Recommendations are being addressed as part of Housing Transformation project - no further follow-up agreed until this project is completed.

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
Rent Collection and Collection of Arrears	2017/18	3.2 An alternative solution to the regular payment of housing benefit into the Rent's suspense account for Worthing Emergency Housing before it is allocated out by the Cashiers, should be established.	P3 - Minor Issue	31/03/2018	31/03/2023
Leaseholder Charges	2017/18	<p>3.1 The Council should document a Leasehold Management Policy, which outlines the legislative framework (and timescales) within which it is required to operate for the various leasehold functions and services that it provides. The policy should:</p> <ul style="list-style-type: none"> • Outline any local policy decisions in respect of the management of leaseholders, recovery of charges etc. and detail how these requirements will be achieved; • Clearly state how the Council will deal with major repair costs, including outlining the statutory processes that have to be completed and the timescales to ensure the recovery of costs (e.g. invoice or issue S20B notice within 18 months of cost being incurred; and • State at what level the cost of repairs will be pursued (e.g. minor costs above the £250 legislative rate may not be cost effective for the Council to pursue where there are only a few leaseholders, but if 	P1 - Major Issue	30/09/2018	31/03/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		there were several then the costs and effort would be worth it). Once documented, the Policy should be approved by the relevant senior management, member and Committee.			
		3.5 Once the Council's policy re leasehold management has been agreed, and procedures have been reviewed and updated, training should be provided to all relevant staff on how processes should be undertaken, particularly in relation to major works. Evidence should be retained to support training provided, to whom and when.	P2 - Important Issue	30/06/2018	31/7/2023
		3.32 The Council's Policy in respect of options available to leaseholders for payment of major works should be reviewed, approved by ADC Executive and then consistently applied.	P1 - Major Issue	31/03/2019	31/05/2023
		3.33 Once the Major Works Payment Policy has been decided the Council should review how implementing payment loans/arrangements will for major works will be achieved. An agreed process, which reflects policy requirements should be effected to ensure that any future loans/arrangements are correctly actioned. Legal Services and Finance should be involved in any discussions to ensure that all legal and financial requirements are met The agreed process should be formalised in a documented procedure which details the forms that need to be completed, by whom and when and how supporting information/documentation should be retained.	P1 - Major Issue	31/03/2019	30/09/2023
		3.34 Where leaseholders request additional time to pay their invoices, a process should	P2 - Important Issue	31/03/2019	31/03/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		exist for assessing their affordability. Once decided, the method for accessing affordability should be included within the Major Works Payment Options Policy recommended in 3.32 above.			
Gas Safety Inspections	2017/18	3.1 The Council should have a documented, approved policy which sets out its' objectives and legal obligations, and how these will be achieved, in respect of the servicing of gas installations within its' properties.	P2 - Important Issue	30/09/2018	22/12/2022
		3.2 Documented procedures should be developed to detail all processes undertaken in respect of gas servicing. Once developed, these procedures should be reviewed and updated regularly and subject to version control. Procedures should be made available to all relevant staff within a central location.	P2 - Important Issue	30/09/2018	31/03/2023
Housing Repairs (Matsoft Process)	2018/19	3.8 The process for making variations to works should be documented within a procedure and be available to all relevant staff.	P2 - Important Issue	31/03/2021	31/03/2023
		3.12 Adur Homes Post Inspection requirements should be documented within a Policy.	P2 - Important Issue	31/03/2021	22/12/2022
		3.23 1) The reporting element of the Mats system should be expanded to include the facility for a report on varied jobs to be created. Once established, this report should be run on a regular basis and reviewed by management in order to monitor the overall level and value of variations. 2) Furthermore, management should investigate why the Mats system contains jobs	P2 - Important Issue	30/09/2021	31/03/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		awaiting variation authorisation, which were created as long ago as July 2018 and take corrective action to cancel/close these jobs.			
		3.24 Adur Homes' management should discuss with Digital how the system can be enhanced to require post inspection of repair projects costing over £1,000.	P1 - Major Issue	30/09/2021	22/12/2022
		3.25 Once agreed the requirements of the Inspection Policy will need to be built into the Mats system.	P2 - Important Issue	30/06/2021	22/12/2022
		3.29 Enhancement of the Mats system is required to enable reporting of PIs once agreed.	P2 - Important Issue	30/09/2021	22/12/2022
Rent in Advance/Rent Deposit Scheme	2019/20	<p>3.2 The RiA/DG process should be reviewed and the documented procedure updated to reflect the necessary process requirements for this scheme only.</p> <p>In addition, the process to be followed if the applicant is only going to claim DHP should be recorded in a separate procedure.</p> <p>Once updated/generated documented procedures should be dated and be made available to all relevant staff and any procedural changes should be highlighted to staff.</p>	P2 - Important Issue	30/06/2020	30/11/22
		<p>3.3 Every form used in the RiA/RD process which is used to collect the personal data of the client (and/or their family members) needs to be reviewed and a relevant privacy notice added.</p> <p>Furthermore, where personal data is collected and recorded within forms and the Councils</p>	P1 - Major Issue	30/06/2020	30/11/22

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		<p>are relying on a client's consent to process the information then the relevant consent(s) need to be obtained.</p> <p>The Housing Needs Manager should liaise with the Councils' Senior Information Governance Officer (SIGO) in order to effect this.</p>			
		<p>3.11 Relevant debt recovery actions should be taken in respect of all outstanding RiA Debts.</p> <p>Housing Management should be provided by Exchequer Services, with details of those agreements where debts are not being repaid, as agreed, in order that they are aware of such outstanding issues.</p>	P2 - Important Issue	30/06/2020	31/03/2023
		<p>3.12 Performance targets should be set, monitored and reported on a regular basis to senior management & Members.</p>	P2 - Important Issue	31/03/2020	31/03/2023
Regulatory Compliance - Housing	2019/20	<p>3.1 The Council should reconcile the different regulatory compliance schedules and timetables with other Council property systems, (such as the property terrier, housing management system etc.) to ensure that all and every single housing property is included in the different regulatory compliance schedules and timetables used to ensure compliance with the various legislative requirements.</p>	P2 - Important Issue	01/06/2021	31/08/2023
		<p>3.2 All regulatory documents should be retained in a central location (Google Drives).</p> <p>Documents known to be held in other locations should be moved to the central repository.</p>	P2 - Important Issue	30/09/2020	31/08/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		Staff should be reminded of this requirement and advised not to retain documents in any other area, particularly within local drives.			
		<p>3.4 Adur Homes should review when the last Asbestos management surveys were undertaken and urgently progress any outstanding ones.</p> <p>Furthermore, the outcomes of the surveys should be recorded and monitored and a monitoring process should be effected to ensure that assessments are undertaken every 12 months.</p>	P1 - Major Issue	01/12/2020	31/08/2023
		<p>3.5 The Electrical Testing spreadsheet should continue be reviewed and updated to ensure it accurately reflects those properties where an inspection has been undertaken with completion dates and outcomes recorded.</p> <p>As noted in rec 3.2 above, certificates obtained from inspections should then be retained in a centralised location.</p>	P2 - Important Issue	01/10/2020	31/08/2023
		<p>3.6 The Council should ensure that appropriate processes are in place to ensure compliance with the LOLER.</p> <p>An internal monitoring record should be developed to ensure that all lifts are maintained/inspected every 6 or 12 months in accordance with requirements.</p> <p>Results of these inspections and/or maintenance visits should be centrally maintained and recorded to allow for any remedial actions to be undertaken in line with</p>	P2 - Important Issue	01/03/2021	31/08/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		recommendations and/or legislation timescales.			
		<p>3.7 Management should monitor and record the outcomes of inspections and/or maintenance visits to ensure any rectification needed is identified. Management should also ensure that any rectifying actions undertaken address the issues originally identified/raised.</p> <p>Where applicable, any documentation (inspection reports, new certificates etc) received which support the completion of rectification works should be retained.</p> <p>Rectification of recommended actions and/or issues identified should be performed in a timely manner and/or in line with established timescales (i.e. recommended by specialists or legislation).</p>	P1 - Major Issue	01/11/2020	31/08/2023
		<p>3.8 Adur Homes should expand the compliance reports produced for the H&S Board to include complete and detailed information for all relevant areas, such as lift safety compliance.</p> <p>This should include any non-compliances in order that immediate follow-up can occur.</p>	P2 - Important Issue	01/12/2020	31/08/2023
Contract Management and Procurement - Housing	2019/20	<p>2.1 (i) The Contracts Register should be reviewed for completeness and brought up to date.</p> <p>(ii) A timetable of all contracts that are greater than £100,000 and due to terminate should be produced and the tender evaluation panel and evaluation criteria should be timetabled for agreement and documenting in accordance with the Joint Councils CSOs.</p>	P1 – Major Issue	31/12/2022	31/08/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		(iii) The Joint Councils CSOs should be updated to stipulate that initial evaluations undertaken by individual tender evaluation panel members should be retained on file.			
Tenancy Management	2019/20	2.1 (i) The Tenancy Strategy should be reviewed and updated regularly (i.e. every three years). (ii) Once updated and finalised the new Tenancy Strategy should be made available to all staff and updated on the Adur & Worthing Councils website.	P2 - Important Issue	31/03/2022	30/04/2023
		2.2 Once generated, documented procedures should be dated and be made available to all relevant staff. Procedures should be reviewed and updated annually. (ii) The 'maximising rental income' procedure should also be subject to regular reviews and updated.	P2 - Important Issue	31/03/2022	31/12/2022
		2.3 (i) Management should develop a mechanism to record and maintain appeals processes documentation. (ii) Considerations should also be given to undertake spotchecks ensuring compliance with the process described, including an independent review of appeals cases.	P2 - Important Issue	31/03/2022	31/03/2024
Rent Collection and Recovery of Arrears	2020/21	3.2 The rent collection procedure should be updated to reflect the current actions being taken to collect arrears. This should include following the suggested actions on Orchard as well as alternative actions taken when Orchard suggested actions are not considered appropriate.	P2 - Important Issue	30/02/2021	31/12/2022

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
Leaseholder Charges	2020/21	<p>2.2 Minimum leaseholder service standards, to which the Council commits, should be set and the Leasehold Team should devise KPIs based on the service standards, to allow the standard of service to be more easily monitored and measured.</p> <p>Furthermore, the service standards should be documented within the Leaseholders Handbook.</p>	P2 - Important Issue	31/12/2021	30/05/2023
		2.3 The Council should agree an approach to the way in which leaseholder observations, responses and correspondence are held.	P2 - Important Issue	31/12/2021	31/12/2023

A3 Outstanding Priority 1 Recommendations (Past Implementation Date)

Disaster Recovery 2021/22 - (Final Issued July 2022)

A recommendation related developing a Disaster Recovery Plan is overdue which had an implementation date of December 2022. Members can see details related to this in the briefing reports provided to Members.

Governance of Property Purchases – (Final Issued November 2022)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>2.1 All files relating to property acquisition must be stored in a central location, such as the MATS system that the AMP suggests. Access to this information should then be restricted to relevant officers only.</p> <p>Staff should be reminded that all documentation relating to property acquisitions should only be stored centrally and should not be kept within their email account.</p> <p>Consideration should be given to the introduction of a generic email address which can be used by the Estates Team to receive information relating to commercial property acquisitions so that this issue of documentation being held in individual officers' email archives can be negated.</p>	<p>We were not provided with documentation requested in respect of six of eight property acquisitions since 2019/20 that we selected for testing.</p> <p>We were therefore not able to perform testing to establish whether the purchases were conducted in line with the governance requirements laid down in the CPIF.</p> <p><i>Risk:</i> Non-compliance with the formal governance approach can lead to inappropriate purchases, mismanagement of funds and loss of reputation for the Councils.</p>	<p>Head of Major Projects and Investments – Agreed.</p> <p>Audit Comment – a completion timescale of 31st January 2023 has been added so that implementation of actions can be monitored.</p>	<p>No comments received in the IA App. Raised with CLT.</p>	<p>31/03/2023</p>

Workspaces AW Accommodation Review 2021/22 - (Final Issued November 2022)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
<p>Project Managers should be provided with access to all relevant documentation relating to the project that they are managing, especially when they take over management from a predecessor.</p> <p>Furthermore, the Councils should ensure that sufficient handover occurs where project managers change during delivery of a key projects, in order that corporate knowledge is retained.</p>	<p>Key documents that were requested were not made available for the audit as the new Project Manager could not provide them.</p> <p><i>Risk:</i> Where key documentation cannot be provided or is not available, the governance of the project cannot be demonstrated.</p>	<p>Head of Major Projects and Investments – Accept that requested documentation was not provided. The Councils’ policy which states the data management and information management requirements on development projects for all project managers should be complied with.</p> <p>Audit Comment – The issue of central retention of project documentation was raised in the Project Management Final report issued In June 2021 and a priority 1 recommendation raised. This is being addressed by revision to the Project Management Framework (PMF) that will require Project Managers need to allow access for stakeholders to access project information and this should be achieved by creating a shared google document.</p> <p>Heads of Service should ensure that this requirement is communicated to all project managers and compliance confirmed.</p> <p>An implementation timescale has been added in order that</p>		<p>31/03/2023</p>

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
		<p>assessment of whether project documentation is being managed in accordance with the PMF is being achieved.</p> <p>Deadline: 31st January 2023</p>		

A4 Definitions of Assurance

Definitions of Assurance Levels		
Level	Description	
Full	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.	
Satisfactory	While there is a basically sound system, there are weaknesses that put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.	
Limited	Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.	
No	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.	
Definitions of Recommendations		
Priority	Definition	Action required
Priority 1 (Fundamental)	Major issues for the attention of senior management and the Joint Governance Committee.	Remedial action must be taken urgently and within an agreed timescale.
Priority 2 (Significant)	Other recommendations for local management action.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.

Priority 3 (Housekeeping)	Minor matters.	Remedial action should be prioritised and undertaken within an agreed timescale.
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A5 Statement of Responsibility

We take responsibility to the Councils for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management’s responsibilities for the application of sound management practices.

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