



ADUR & WORTHING
COUNCILS

Joint Audit & Governance Committee

26 September 2023

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 2023-24 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 March 2023 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 addressed as part of this project and agreement was made between the Director for Digital, Resources and Sustainability, the Chief Financial Officer, 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

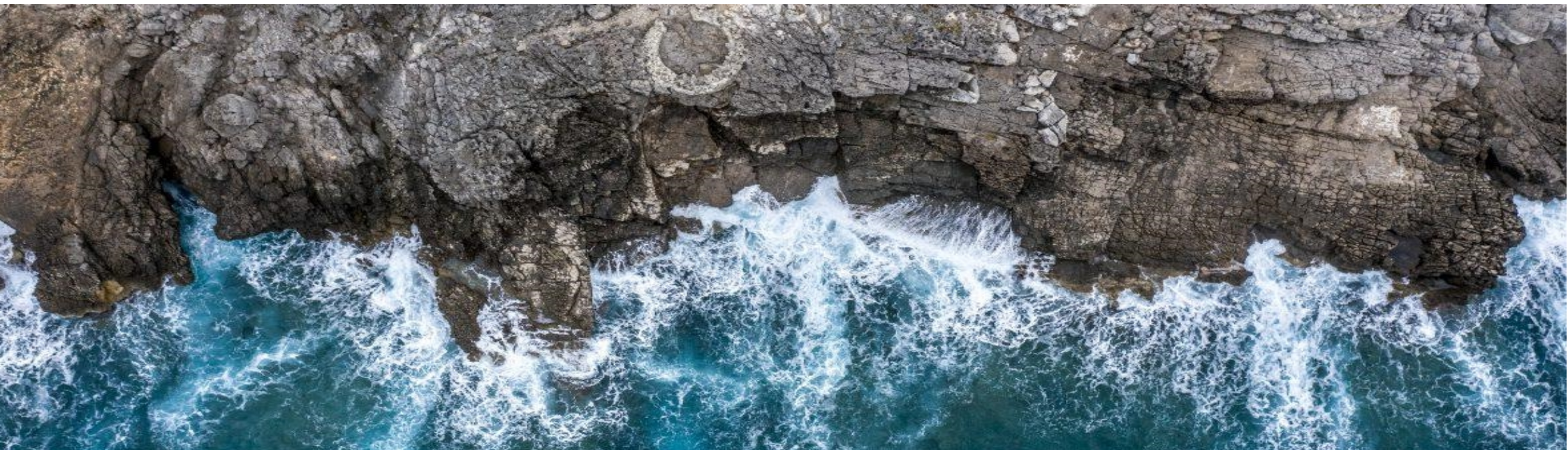
Matter considered and no issues identified.

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
September 2023

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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 March 2023 and includes:

- An update on progress in delivering the 2023/24 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 2023/24 Internal Audit Plan (Plan) on 23 March 2023.

The Plan provided for 20 internal audits totalling 406 days, including 35 days for IT audits, 44 days for Contract audit and 60 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. So far, no changes have been made to the initially approved 2023/24 Plan, though some reviews originally timetabled for the summer months were delayed due to availability of auditees. However, we have proposed revised timings to ensure fieldwork is completed by 31 March 2024.

The table below provides a summary of current progress relevant to the 2023/24 Plan:

Audit Status	Number of reviews	Percentage %
Finalised/complete	0	0%
Draft report	2	10%
Fieldwork complete & audit under review	3	15%
Fieldwork in progress	1	5%
Not yet started	14	70%
Total	20	100%

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.

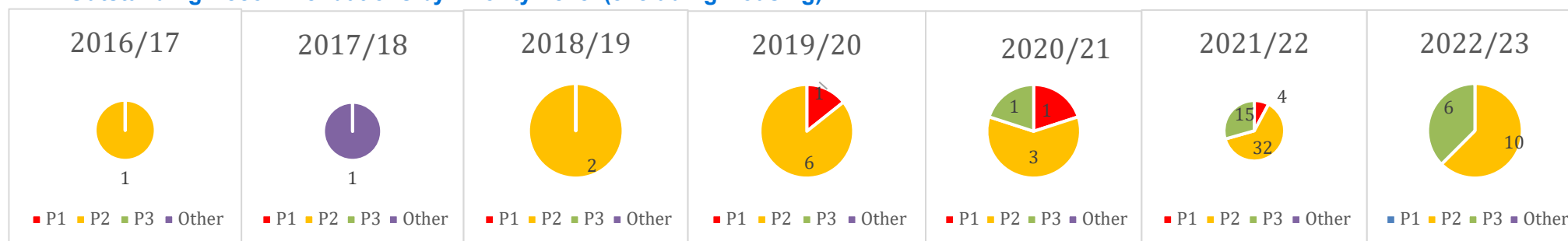
No final reports from the 2023/24 Plan were issued in this reporting period. However, since our last progress report, we have finalised the following reports relating to the 2022/23 Plan.

Internal Audit Title	Assurance Level	Plan Year
Commercial Waste	Limited	2022/23
Creditors	Limited	2022/23
Information Governance	Limited	2022/23
Small Business Growth Grants & Apprenticeship Grants	Satisfactory	2022/23
Markets	Satisfactory	2022/23
Risk Management	Satisfactory	2022/23

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.

Outstanding Recommendations by Priority Level (excluding 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, there are 83 recommendations in the Audit App due to be followed up, 60 of which are overdue (3 P1s, 43 P2s, 13 P3s and 1 other). In addition to these 83 recommendations there are 32 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 32 recommendations are detailed within Appendix A2 of this report, with the latest update received from the Housing Team on implementation progress Internal Audit will undertake an independent review of the implementation of housing related recommendations in Q4 of 2023/24.

Further detail of the three overdue Priority 1 recommendations (excluding Housing) is included in Appendix A3 of this report. We followed up with the responsible Officers for implementing these actions in advance of the Committee and received an update from one of them. The remaining two did not provide updates at the time of drafting this report.

We have discussed and agreed with the Chief Financial Officer that all overdue recommendations will be reported in detail to the Council's CLT for escalation and to remind responsible Officers to implement these as soon as practical and in line with agreed / revised timescales.

05 Other Matters

Fiscal pressure & inflation challenges for the public & social sector – 23/24 survey

Against a backdrop of political uncertainty, unprecedented strike action and the prevailing cost of living crisis – itself a consequence of the conflict in Ukraine among other factors – many of the UK's most vulnerable communities are at risk of becoming more marginalised and desperate. In response, we sought to understand how the public sector plans to support vulnerable people, communities, and service users in 2023/24.

For full details, please refer to Appendix A5 below in this report.

A1 Current Status – 2023/24 Plan

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Supply of Affordable Housing	Draft	Limited	1	2	1
Planned Maintenance Programme	Work complete and under review		-	-	-
Legal Services	Draft	Satisfactory	-	2	3
Disabled Facilities Grants	Work complete and under review		-	-	-
Key Financial Systems	In Progress				
Safeguarding (Children and Adults)	Starts 3 October 2023		-	-	-
Accounts Receivable	Starts 23 October 2023		-	-	-
Discretionary Housing Payments (Cost of Living Response)	Starts 2 November 2023		-	-	-
Civica/Connect HR system	Starts 2 November 2023		-	-	-
Energy Supplier - Procurement & Contract Management	Starts 7 December 2023		-	-	-
Health & Safety (Corporate Buildings)	Starts 13 December 2023		-	-	-
Invoicing of Housing services - EATA	Starts 14 December 2023		-	-	-
Workforce Planning	Starts 15 December 2023		-	-	-

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Events - Processing and Management	Starts 8 January 2024		-	-	-
Bereavement Services	Starts 15 January 2024		-	-	-
Carbon Reduction Programme	Starts 16 January 2024		-	-	-
Follow up on Housing Recommendations	Starts 23 January 2024		-	-	-
Members Expenses	Starts 19 February 2024		-	-	-
IT					
Audit Needs Assessment	Starts in Q3		-	-	-
Digital Strategy	Starts in Q4		-	-	-
Total			1	4	4

A2 Outstanding Housing Recommendations

Below are the detailed recommendations and the reported status from the Housing Team as of July 2023. An internal audit will be undertaken in Q4 of 2023/24 to confirm the implementation of these.

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
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	On Track
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 	P1 - Major Issue	30/09/2018	31/03/2023	Implemented

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		<ul style="list-style-type: none"> 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 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	On Track
		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	Implemented
		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	P1 - Major Issue	31/03/2019	30/09/2023	On Track

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		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.				
		3.34 Where leaseholders request additional time to pay their invoices, a process should 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.	P2 - Important Issue	31/03/2019	31/03/2023	Implemented
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	On Track
		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	On Track
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	On Track

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		3.12 Adur Homes Post Inspection requirements should be documented within a Policy.	P2 - Important Issue	31/03/2021	22/12/2022	On Track
		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 awaiting variation authorisation, which were created as long ago as July 2018 and take corrective action to cancel/close these jobs.	P2 - Important Issue	30/09/2021	31/03/2023	On Track
		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	Completed
		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	On Track
		3.29 Enhancement of the Mats system is required to enable reporting of Pls once agreed.	P2 - Important Issue	30/09/2021	22/12/2022	On Track
Rent in Advance/Rent Deposit Scheme	2019/20	3.2 The RiA/DG process should be reviewed and the documented procedure updated to reflect the necessary process requirements for this scheme only.	P2 - Important Issue	30/06/2020	30/11/22	Completed

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		<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>				
		<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 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>	P1 - Major Issue	30/06/2020	30/11/22	Completed
		<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	Completed

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		3.12 Performance targets should be set, monitored and reported on a regular basis to senior management & Members.	P2 - Important Issue	31/03/2020	31/03/2023	Completed
Regulatory Compliance - Housing	2019/20	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.	P2 - Important Issue	01/06/2021	31/08/2023	On Track
		3.2 All regulatory documents should be retained in a central location (Google Drives). Documents known to be held in other locations should be moved to the central repository. Staff should be reminded of this requirement and advised not to retain documents in any other area, particularly within local drives.	P2 - Important Issue	30/09/2020	31/08/2023	Completed
		3.4 Adur Homes should review when the last Asbestos management surveys were undertaken and urgently progress any outstanding ones. 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.	P1 - Major Issue	01/12/2020	31/08/2023	Completed

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 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	Completed
		<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 recommendations and/or legislation timescales.</p>	P2 - Important Issue	01/03/2021	31/08/2023	Completed
		<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>	P1 - Major Issue	01/11/2020	31/08/2023	Completed

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		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).				
		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. This should include any non-compliances in order that immediate follow-up can occur.	P2 - Important Issue	01/12/2020	31/08/2023	Completed
Contract Management and Procurement - Housing	2019/20	2.1 (i) The Contracts Register should be reviewed for completeness and brought up to date. (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. (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.	P1 – Major Issue	31/12/2022	31/08/2023	On Track
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	P2 - Important Issue	31/03/2022	30/04/2023	On Track

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		to all staff and updated on the Adur & Worthing Councils website.				
		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	On Track
		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	On Track
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	Completed
Leaseholder Charges	2020/21	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.	P2 - Important Issue	31/12/2021	30/05/2023	On Track

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline	Reported Status by Housing Directorate (July 2023)
		Furthermore, the service standards should be documented within the Leaseholders Handbook.				
		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	On Track

A3 Outstanding Priority 1 Recommendations (Past Implementation Date)

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

Recommendation (Reference & content)	Agreed Action and Comments	Follow Up Comments	Proposed Completion Date
<p>2.1 Linkage to Business Continuity Planning</p> <p>1. For critical high-risk services, a report showing the supporting IT applications and IT services should be extracted from the MATS BIA data and provided to IT that also shows the related recovery time objective to the overall service.</p> <p>2. Upon annual review of the BIA, business unit managers should be informed that the IT recovery arrangements are assumed to rely on overnight backups and therefore up to 24 hours data could be lost following an incident. If this is not deemed acceptable, they should be encouraged to liaise with IT to discuss their requirements.</p> <p>3. The Incident Management Plan should be updated to reflect changes to the delivery of IT services since the CenSus partnership was terminated.</p> <p>4. Residual business units yet to complete a business impact assessment should do so within the next three months.</p> <p>5. The Safety and Resilience Manager and IT should meet regularly to review the status of disaster recovery arrangements. The meeting should cover;</p> <ul style="list-style-type: none"> • Business continuity requirements; • Adequacy of measures to avoid a disaster; 	<p>1. The Critical Services list of the Incident Management Plan will be reviewed ahead of submitting it to the council leadership team for ratification, and from this, the supporting critical IT applications will be prioritised.</p> <p>2. Agreed. Information about the use of backups and the potential loss of data will be included in the above paper to the council leadership team.</p> <p>3. Agreed.</p> <p>4. This historical reference is no longer relevant and will be removed at the next review.</p> <p>5. Agreed – a regular meeting will be arranged quarterly.</p>	<p>The Digital Delivery Manager advised that work is still going to develop the plan and this is being delivered by Digital.</p>	<p>30/11/2023</p>

Recommendation (Reference & content)	Agreed Action and Comments	Follow Up Comments	Proposed Completion Date
<ul style="list-style-type: none"> • Adequacy of disaster recovery arrangements; and • Testing of disaster 			

Governance of Property Purchases – (Final Issued November 2022)

Recommendation (Reference & content)	Agreed Action and Comments	Follow Up Comments	Proposed Completion Date
<p>2.1 Identification and Analysis of Options, Decisions and Purchase - Central Retention of Property Information</p> <p>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>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 further updates received on request.</p>	<p>31/01/2023</p>

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

Recommendation (Reference & content)	Agreed Action and Comments	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>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 assessment of whether project documentation is being managed in accordance with the PMF is being achieved.</p>	<p>No further updates received on request.</p>	<p>31/01/2023</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 Other Matters

Fiscal pressure & inflation challenges for the public & social sector – 23/24 survey

Against a backdrop of political uncertainty, unprecedented strike action and the prevailing cost of living crisis – itself a consequence of the conflict in Ukraine among other factors – many of the UK's most vulnerable communities are at risk of becoming more marginalised and desperate. In response, we sought to understand how the public sector plans to support vulnerable people, communities, and service users in 2023/24.

Key Findings at a Glance

1. Supporting vulnerable communities is a public and social sector imperative: The public sector is taking proactive steps to strengthen support and service delivery to deprived communities, but could more be done to safeguard vulnerable citizens?

To support people, communities, and service users, 61% said they are seeking new funding/income streams to maintain services; and 54% said they are reassessing the breadth and depth of services. In particular, respondents highlighted the creation of hardship funds, diversion of critical services, and streamlining of internal processes.

81% said lack of funding; 67% said lack of staffing resources; and 46% said focus on short term not long term all pose the greatest barrier to supporting vulnerable people and communities.

2. Innovation and collaboration are key enablers in the fight against financial constraints: As the public sector moves to meet rising demand with renewed vigour, what role will innovation and collaboration play in the fight against poverty?

The majority of public sector organisations are looking externally for support and solutions, with 90% agreeing that external collaboration could strengthen their response to deep-running fiscal challenges and 87% of respondents positive that engaging with third parties could improve efficiency and productivity organisation wide. There were similar reflections about the importance of leveraging internal networks, with 83% of respondents agreeing that staff collaboration across their organisation, e.g. cross-departmental, would improve efficiency and productivity. Organisations are therefore advocating a unified approach, which values the existing workforce's skills and insight, and supplements this with external perspectives to diversify thinking and continually improve.

Both innovation and technology were identified as potential opportunities for improved service delivery. Respondents highlighted the need for digital transformation strategies, sharing good practice, and using artificial intelligence to identify the people and communities most at risk. Efficient and digitised services have the potential to free up resources and there was a particular spotlight on self-help tools for their dual function in creating capacity and empowering citizens.

3. The Public and social sector must redefine its place in an evolving economic landscape: Many service providers are still thinking short-term. How can we ensure public services are future fit, and what will the biggest priorities be over the next 12-24 months?

Organisations referred to targeting priorities across both key inputs (31% securing funding; 41% continuous employee wellbeing and development) and outputs (54% improving citizen/service user experience; 45% supporting local communities to cope with rising living costs).

Public sector organisations remain alert to issues on the external horizon that could impact success, with uncertainty both in relation to energy costs and inflation (90%) and the current UK political landscape (79%) being a key concern for most respondents. Instability in the workforce completed the top three concerns, with 77% of organisations responding that higher level skills shortages were having a high (43%) or medium (34%) impact.

These themes are consistent with previous findings – employees need to be nurtured, new funding streams secured, and significant efficiency gains made. Upstream investment in people and relationships should intrinsically support the achievement of outputs and outcomes, maximising medium to long term impact. However, our survey suggests the sector needs an injection of confidence that there will be the financial and political security to deliver this success.

[Our full report of the survey and responses can be downloaded for free from our website.](#)



A6 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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