



Adur & Worthing Councils
Internal Audit Progress Report
Joint Audit & Governance Committee – 23 September 2024

Date Issued: 17 September 2024

Strictly private and confidential

Contents

- 01** Snapshot of Internal Audit Activity 2023/24
- 02** Overview of Internal Audit Plan 2023/24
- 03** Snapshot of Internal Audit Activity 2024/25
- 04** Overview of Internal Audit Plan 2024/25
- 05** Follow-Up Activity

Disclaimer

This report (“Report”) was prepared by Forvis Mazars LLP at the request of the Adur District Council and Worthing Borough Council (“the 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.

The Report was prepared solely for the use and benefit of the Councils and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.




01. Snapshot of Internal Audit Activity 2023/24

Below is a snapshot of the final position of the delivery of the **2023/24 Internal Audit Plan (Plan)**.



■ In Planning
 ■ ToR Agreed
 ■ Fieldwork
 ■ Review
 ■ Draft Issued
 ■ Deferred
 ■ Final Issued



JAGC decisions needed

- Note the progress being reported and consider final reports included separately in the paper pack;
- Note the 2023/24 Annual Reports and Opinion (provided as separate papers).

RAG status of delivery of plan to timetable
Complete

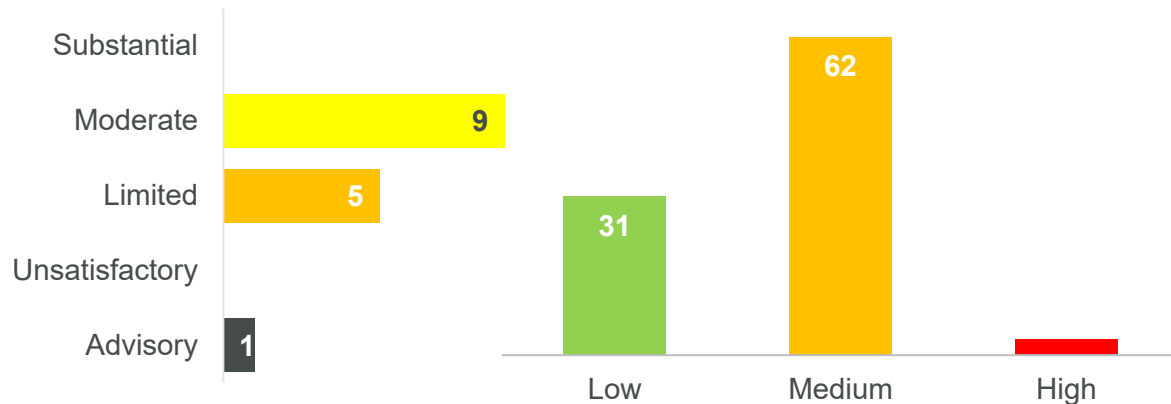
Work Finalised
 Since the July 2024 Joint Audit & Governance Committee (JAGC) meeting, we have finalised the reports for our reviews of: **Member Expenses, Civica/Connect HR system, Follow up on Housing Recommendations, Accounts Receivable, and Key Financial Systems**. It should be noted that the latter two reports did not receive management responses, but were finalised following reminders and a final deadline of 11 September 2024.

A draft annual report for 2023/24 was provided to the July JAGC. Following finalisation of the above remaining audits, this has been reviewed and finalised for completed work. An updated paper is included separately in the papers.

Other Matters
 We have held monthly (at minimum) catch-up meetings with the Assistant Director (Finance) in order to monitor progress and plan improvements / resolve concerns.

Assurance opinions to date

Audit recommendations to date



02. Overview of Internal Audit Plan 2023/24

The table below lists the final status of all reviews within the 2023/24 Plan.

Review	Days	Audit Sponsor	Status	Target Start	Assurance Level	Total	High	Medium	Low
Supply of Affordable Housing	12	Head of Housing	Final Report	Q1	Moderate	2	-	1	1
Planned Maintenance Programme	15	Senior Building Surveyor	Final Report	Q1	Moderate	7	-	3	4
Legal Services	12	Head of Legal Services	Final Report	Q2	Moderate	4	-	2	2
Disabled Facilities Grants	10	Head of Housing	Final Report	Q2	Limited	11	-	11	-
Safeguarding (Children and Adults)	12	Head of Wellbeing	Final Report	Q3	Limited	5	-	4	1
Discretionary Housing Payments (Cost of Living Response)	12	Revenue and Benefits Operations Manager	Final Report	Q3	Limited	7	-	2	5
Energy Supplier - Procurement & Contract Management	15	Strategic Procurement Manager	Final Report	Q1	Moderate	4	-	1	3
Health & Safety (Corporate Buildings)	15	Assistant Director (Finance)	Final Report	Q2	Moderate	4	-	3	1
Events - Processing and Management	12	Head of Place and Economy	Final Report	Q4	Moderate	3	-	-	3
Bereavement Services	15	Head of Wellbeing	Final Report	Q2	Limited	9	-	6	3
IT Policies (Advisory Review)	20	Head of Digital Strategy	Final Report	Q4	Advisory	-	-	-	-

* Totals exclude days allocated to management of the Internal Audit plan.

02. Overview of Internal Audit Plan 2023/24 (Contd.)

The table below lists the final status of all reviews within the 2023/24 Plan.

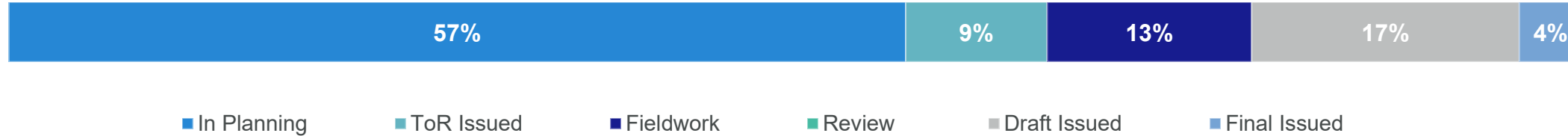
Review	Days	Audit Sponsor	Status	Target Start	Assurance Level	Total	High	Medium	Low
Workforce Planning	15	Head of HR	Final Report	Q3	Moderate	6	-	5	1
Invoicing of Housing Services - EATA	10**	Head of Housing	Deferred to 2024/25**	Q3	N/A	-	-	-	-
Key Financial Systems	40	Assistant Director (Finance)	Final Report	Q4	N/A – Effectiveness Testing only	14	2	11	1
Member Expenses	10	Head of Legal Services	Final Report	Q4	Moderate	6	-	2	4
Civica/Connect HR system	12	Head of HR	Final Report	Q3	Limited	9	1	6	2
Follow up on Housing Recommendations	15	Head of Housing	Final Report	Q4	N/A	-	-	-	-
Accounts Receivable	15	Assistant Director (Finance)	Final Report	Q3	Moderate	5	-	5	-
Carbon Reduction Programme	14**	Director- Operations & Sustainability	Deferred to 2024/25**	Q4	N/A	-	-	-	-
IT Audit Needs Assessment	15**	Head of Digital Strategy	Deferred to 2024/25**	Q3	N/A	-	-	-	-
Totals*	257*				Totals	96	3	62	31


* Totals exclude days allocated to management of the Internal Audit plan.

** Deferred audits excluded from total days

03. Snapshot of Internal Audit Activity 2024/25

Below is a snapshot of the current position of the delivery of the **2024/25 Internal Audit Plan (Plan)**.





JAGC decisions needed

- Note the progress being reported.

RAG status of delivery of plan to timetable

On Track

Work Finalised and In Progress
 Since the July 2024 JAGC meeting, we have finalised the report for the **Land Charges** audit and completed fieldwork our audits of **Homelessness, Commercial Property Estate, FoI Requests and Savings Achievement, and Cash Office.**

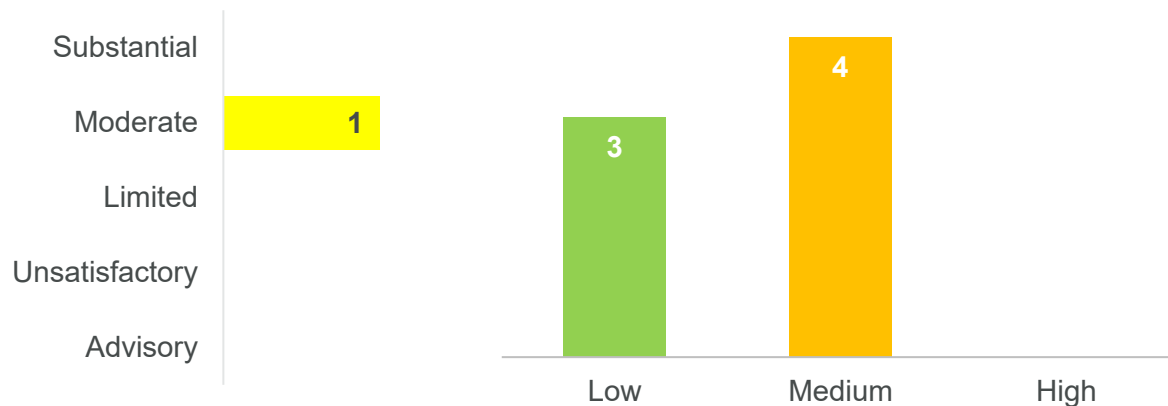
We have contacted sponsors/contacts for all audits on the Plan to commence planning and confirm fieldwork dates. Further details are set out within Section 4.

Other Matters
 We have held monthly (at minimum) catch-up meetings with the Assistant Director (Finance) in order to monitor progress and plan improvements / resolve concerns. The most recent is scheduled 18 September 2024.

Within Section 05 we have provided an update over outstanding recommendations and our follow-up activity.

Assurance opinions to date

Audit recommendations to date



04. Overview of Internal Audit Plan 2024/25

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Days	Audit Sponsor	Status	Target Start	Start Date	Assurance Level	Total	High	Medium	Low
Improvement Plan Review	15	Director for Housing & Communities	Planning	Q4	29/01/25	-	-	-	-	-
Debt Management and Collection	20	Director for Housing & Communities	Planning	Q3	13/01/25	-	-	-	-	-
Homelessness	15	Assistant Director - Homelessness & Prevention	Fieldwork Complete	Q2	22/07/24	-	-	-	-	-
Corporate Complaints	15	Head of Resident Services	Planning	Q3	21/10/24	-	-	-	-	-
Land Charges	15	Head of Planning	Final Issued	Q1	28/05/24	Moderate	7	-	4	3
Commercial Property Estate	15	Assistant Director - Regenerative Development	Draft Issued	Q2	20/06/24	-	-	-	-	-
Building Control	15	Head of Planning	Planning	Q4	10/02/25	-	-	-	-	-
Invoicing of Housing services - EATA	10	Director for Housing and Communities	Planning	Q3	04/11/24	-	-	-	-	-
Emergency Planning	15	Director for Sustainability & Resources	Draft ToR issued	Q2	30/09/24	-	-	-	-	-
FoI Requests	15	Assistant Director - Legal & Democratic Services	Draft Issued	Q2	15/07/24	-	-	-	-	-
Key Financial Systems	40	Assistant Director - Finance	Planning	Q4	13/01/25	-	-	-	-	-
Cash Office	15	Assistant Director - Finance	Draft Issued	Q1	31/05/24	-	-	-	-	-

* Totals exclude days allocated to management of the Internal Audit plan.

04. Overview of Internal Audit Plan 2024/25 (Contd.)

The table below lists the status of all reviews within the 2024/25 Plan.

Review	Days	Audit Sponsor	Status	Target Start	Start Date	Assurance Level	Total	High	Medium	Low
Savings Achievement	15	Assistant Director - Finance	Draft Issued	Q1	07/05/24	-	-	-	-	-
Electoral Services	15	Assistant Director - Legal & Democratic Services	Planning	Q3	28/10/24	-	-	-	-	-
Treasury Management	15	Assistant Director - Finance	Planning	Q3	25/11/24	-	-	-	-	-
Environmental Health - Licensing	20	Assistant Director - Operations and Sustainability	Planning	Q4	23/01/25	-	-	-	-	-
Carbon Reduction Programme	14	Director- Operations & Sustainability	Draft ToR issued	Q4	06/01/25	-	-	-	-	-
Capital Programme	15	Assistant Director - Finance	Planning	Q4	20/01/25	-	-	-	-	-
IT - Audit Needs Assessment *	15	Head of Technology and Design	Fieldwork	Q1	29/07/24	-	-	-	-	-
IT - Housing System - accuracy of data (Rent accounts) *	20	Director for Housing & Communities	Fieldwork	Q2	01/07/24	-	-	-	-	-
Project Assurance - Worthing Integrated Care Centre and Union Place Joint Venture)	20	Director for Place	Planning	Q3	07/10/24	-	-	-	-	-
NFI Testing	30	Assistant Director - Finance	Planning	Q4	TBC	-	-	-	-	-
Follow Ups	20	Assistant Director - Finance	Fieldwork	Ongoing	Ongoing	-	-	-	-	-
Totals*	404*					Totals	7	-	4	3



05. Follow-Up Activity

Following the request/agreed action at the JAGC in July 2024, we have summarised the current status of the Councils' outstanding Internal Audit actions, previous work to follow-up on these, and future activities. As part of our reports, we confirm implementation timescales for all agreed recommendations in consultation with the action owners, and routinely conduct Follow-Up review in order to assess progress made in implementing these – or revised implementation dates where needed. Internal Audit is not responsible for action implementation, with controls being the responsibility of relevant management, but conduct assurance activity to independently assess changes made against agreed responses.

During the 2023/24 year action tracking was to be managed through the Council's Audit App, with action owners to update the status of actions; and Internal Audit to then periodically review those reported as complete, gaining assurance that the steps taken to implement the recommendation would satisfactorily negate the risk identified. . This approach resulted in challenges with some actions not being updated for status by the recommendation owner, and others being closed off/removed from the tracker without alerting Internal Audit beforehand, before internal Audit has been able to provide independent verification/comment. Following discussion with the Assistant Director of Finance, we have now reverted to use of a tracker of all live actions, held by Internal Audit, as the basis for confirming action status and directing Follow-Up activity. Actions will not be marked as "Complete" on this tracker without evidence of completion being provided by the recommendation owner and verified by Internal Audit.

Follow-Up activity in the 2023/24 year continued, principally through:

- A review of 107 recommendations in February 2024, as a result of which we found that 86 were Not Implemented (three of which subsequently revised their implementation date into 2025), 20 were found to have been Implemented, and one was Superseded; and
- A review of 32 Housing recommendations April-July 2024, as a result of which we found that eight could be closed (six Implemented, two Superseded) and 24 had not been implemented. Management responses were provided for the 24 not implemented to set out reasons, as well as revised target timescales.

In the 2024/25 plan to-date, we have been engaging with action owners in order to secure updates over latest status in managements view, and to complete Follow-Up review for those actions indicated as being complete. Upon receipt of further responses, we will be conducting further rolling review of recommendations reported complete over the year.

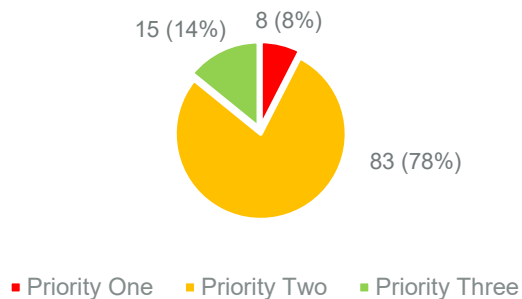
As of September 2024, there are 109 outstanding actions from reports which are awaiting Follow-Up. N.B. This number is subject to rolling changes as new reports are finalised and verified actions are removed from the tracker. Of the 109 in total, 106 have now passed their due date. Further details are provided on the following page.



05. Follow-Up Activity, continued

As of September 2024, there are 106 outstanding actions from reports which are awaiting Follow-Up. We have provided key details of these for the JAGC's reference as below:

Overdue Recommendations

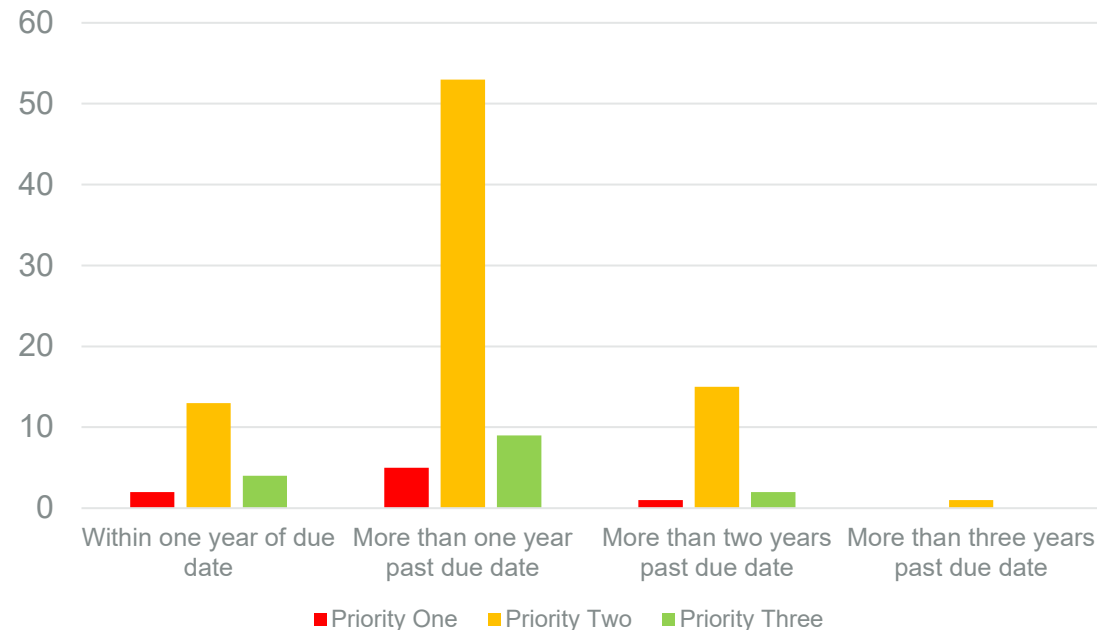


Of the overdue recommendations, 87 (82%) were due for completion in 2023 or earlier.

The oldest recommendation with outstanding actions is from 2018/19 (Bereavement Services – Priority 2).

With agreement from the Assistant Director of Finance, Internal Audit conducted a cleanse of the tracker by accepting emailed confirmation of status for all recommendations from 2016/17 to 2020/21, and Priority 3 recommendations. 22 recommendations were marked as completed, and four were marked as superseded/no longer relevant.

Breakdown of Audit Recommendations now Due/Overdue



Contact

Forvis Mazars

Graeme Clarke

Partner, Forvis Mazars
Tel: +44 7794 031 307
graeme.clarke@mazars.co.uk

Sam Lowe

Internal Audit Manager, Forvis Mazars
Tel: +44 7881 283 818
samuel.lowe@mazars.co.uk

Rob Grant

Internal Audit Assistant Manager, Forvis Mazars
Tel: +44 7583 138 152
robert.grant@mazars.co.uk

Statement of Responsibility

We take responsibility to Adur District Council and Worthing Borough Council (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.

This report is confidential and must not be disclosed to any third party or reproduced in whole or in part without our prior written consent. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation amendment and/or modification by any third party is entirely at their own risk.

Registered office: 30 Old Bailey, London, EC4M 7AU, United Kingdom. Registered in England and Wales No 0C308299.