



ADUR & WORTHING COUNCILS

Ward(s) Affected: N/A

INTERNAL AUDIT PROGRESS REPORT

REPORT BY THE ACTING HEAD OF INTERNAL AUDIT

Executive Summary

1. Purpose

This report seeks to update Members of this Committee with:

- 1.1 The current performance of the Internal Audit Section.
- 1.2 Summary information on the key issues raised in final audit reports issued since our last report to the Committee.
- 1.3 The current status on the implementation of agreed audit recommendations.
- 1.4 Fraud work conducted by the Councils' Corporate Investigations Team.

2. Recommendations

2.1 Recommendation One

That the Committee note the contents of this report.

3. Context

3.1 Background

Each quarter, a report is produced for this Committee which details the Internal Audit Section's performance against the current Annual Internal Audit Plan and summarises the results of audit work carried out.

4. Issues for Consideration

4.1 Internal Audit Performance - 2019/20

The 2019/20 Annual Internal Audit Plan presented to the Joint Governance Committee on 26th March 2019 contained 510 days and 35 items of audit work to be undertaken by the Internal Audit Service during the year.

Since approval, the audit plan has been revised to accommodate requests to move audits to different parts of the year and to take account of changes in requirements. The current plan is summarised as:

Period	Audits planned	No of days planned	% of days planned
Quarter 1 (April – June)	2	42.5	8.3%
Quarter 2 (July – September)	9	104.5	20.5%
Quarter 3 (October – December)	8	135.5	26.6%
Quarter 4 (January – March)	17	227.5	44.6%
	36	510	100%

As at 31st December, 263.3 (51.6%) of the planned days had been delivered. Attached as **Appendix 1** is a summary of the current status of audits in the plan.

4.2 Final Audit Reports

Recommendations made in audit reports are categorised according to their level of priority as follows:

Priority 1	Major issues for the attention of senior management.
Priority 2	Other recommendations for local management action.
Priority 3	Minor matters.

Internal Audit's assurance opinions accord with an assessment of the controls in place and the level of compliance with these controls. During the course of an audit, a large number of controls will be examined for adequacy and compliance. The assurance level given is the best indicator of the system's control adequacy. The assurance levels and their associated explanations are:

Full Assurance	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
Satisfactory Assurance	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 Assurance	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 Assurance	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.

A summary of the final reports issued since our last report to this Committee, including the key issues raised, is attached as **Appendix 2**.

Since our report to the Committee in September 2019, eight reports have been finalised. Seven were given a Satisfactory Assurance opinion and one report was

a Limited Assurance opinion. Three P1 recommendations were raised within these reports, (all being in the limited assurance audit).

Details of the Priority 1 and Priority 2 recommendations raised within these reports have been circulated to Members prior to the meeting in a separate briefing note.

4.3 **Follow up of Audit Recommendations**

In accordance with the Council's Follow-Up Protocol, we have continued following-up the status of implementation of recommendations contained in final audit reports.

Follow-up is undertaken to ensure that all recommendations raised have been successfully implemented according to the action plans agreed with the service managers. The Follow-up Protocol requires implementation of 80% of all priority 2 and 3 recommendations and 100% of priority 1 recommendations. The current performance in relation to these targets for the last 3 years is shown in the tables below:

Status of recommendations 2017/18

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	FU & No Response	%	Total % NOT Impl'd	Not Due	Total
P1	36	25	69.4%	0	0%	10	27.8%	1	2.8%	30.6%	1	37
P2	81	51	63%	6	7.4%	20	24.7%	4	4.9%	37%	5	86
P3	24	21	87.5%	2	8.3%	0	0%	1	4.2%	12.5%	3	27
Other	1	0	0%	0	0%	1	100%	0	0%	100%	0	1
Total	142	97	68.3%	8	5.6%	31	21.8%	6	4.2%	31.7%	9	151

Status of recommendations 2018/19

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	FU & No Response	%	Total % NOT Impl'd	Not Due	Total
P1	10	6	60%	0	0%	2	20%	2	20%	40%	2	12
P2	83	56	67.5%	0	0%	17	20.5%	10	12%	32.5%	8	91
P3	34	28	82.4%	0	0%	2	5.9%	4	11.8%	17.6%	0	34
Total	127	90	70.9%	0	0%	21	16.5%	16	12.6%	29.1%	10	137

Status of recommendations 2019/20

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	FU & No Response	%	Total % NOT Impl'd	FU Not Due	Total
P1	0	0	0%	0	0%	0	0%	0	0%	0%	0	0
P2	3	1	33.3%	0	0%	2	66.7%	0	0%	66.7%	1	4
P3	3	2	66.7%	0	0%	1	33.3%	0	0%	33.3%	1	4
Total	6	3	50%	0	0%	3	50%	0	0%	50%	2	8

Attached as **Appendices 3, 4 & 5**, are tables which summarise the current follow-up status of recommendations made in final audit reports from audits contained in the 2017/18, 2018/19 and 2019/20 Audit Plans. The shaded boxes indicate where changes have occurred since our last report.

We are also continuing to follow up on 11 recommendations (all Priority 2) which remain outstanding from audits contained in the 2016/17 Audit Plan.

As requested at the Committee's meeting on 22nd January 2019 we have highlighted in **Appendix 6** attached, those Priority 1 recommendations which remain outstanding after the agreed implementation dates.

4.4 **Fraud**

We periodically provide an update/summary of fraud work conducted within the Councils. Attached as **Appendix 7** is an update on the work completed by the Councils' Corporate Investigations Team since April 2019.

5. **Engagement and Communication**

5.1 Internal Audit attends 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 are no financial implications arising from this report.

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

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

The report does not seek to meet any particular Council priority.

	Project	Field Work complete	Draft Issued	Final Issued	Assurance level	1	2	3	Total	P1 issues
1	HR Data Input & accuracy	Y	Y	UR						
1	Decision Making	Y	Y	Y	Satisfactory	0	2	0	2	No P1 recs
2	Rent in Advance	Y	Y							
2	VAT Arrangements	Y	Y	Y	Satisfactory	0	0	1	1	No P1 recs
2	Housing Allocations	Y	Y	Y	Satisfactory	0	3	1	4	No P1 recs
2	Budget Development	Y	Y	Y	Satisfactory	0	1	0	1	No P1 recs
2	Management of Call Centre volumes	Y	Y	Y	Satisfactory	0	2	0	2	No P1 recs
2	Corporate Governance	Y	Y	Y	Satisfactory	0	0	2	2	No P1 recs
2	Building Maintenance Compliance (non Housing)	Y	Y							
2	Account Security	WIP								
2	Planning Enforcement	Y	Y							
3	Revenues & Benefits	Y	Y							
3	Councils preparedness for EU exit	Y	Y	Y	Satisfactory	0	0	1	1	No P1 recs
3	Management of Community Buildings	WIP								
3	Apprenticeships	Y	UR							
3	Regulatory Compliance (Housing)	WIP								
3	Homeless Reduction Act compliance	WIP								
3	Cashiering	Y	Y							
3	Land Charges	WIP								
4	Asbestos Management (non Housing)	WIP								
4	GDPR Compliance	WIP								
4	Management of Major Projects	P								
4	Management of the Commercial Property Portfolio	P								
4	Tenancy Management	P								
4	General Ledger	P								
4	Exchequer (Creditors & Debtors)	P								
4	Risk Management	P								
4	Business Continuity	P								
4	Contract audit - Concrete Repairs - Grafton Car Park									
4	Welfare Reform									
4	Supplier & Contract Management									
4	Device Security									
4	Procurement & Contract Management Housing									
4	Management of Capital Programme									
4	Network Architecture and Resilience									
4	Incident & Problem Management									

KEY

WIP - Work in Progress

UR - Work under review

P - Work in planning stage/planned to start

Key issues from finalised audits**Appendix 2**

Audit Title (Year)	Assurance Level & Number of Issues	Summary of key issues raised
Matsoft Application audit (2018-19)	Satisfactory (Five Priority 2 and Three Priority 3 recommendations)	No Priority 1 recommendations
ADC Building Services – Stocks & Stores (2018-19)	Limited (Three Priority 1 and Five Priority 2 recommendations)	Priority 1 recommendations were raised in respect of:- <ul style="list-style-type: none"> • The need for a policy for how goods are procured and stocked; • Ensuring Value for Money is achieved during the procurement of stock items; and • The need to maintain up to date and adequate stock records.
Budget Development (2019-20)	Satisfactory (One Priority 2 recommendation)	No Priority 1 recommendations
VAT Arrangements (2019-20)	Satisfactory (One Priority 3 recommendation)	No Priority 1 recommendations
Decision Making (2019-20)	Satisfactory (Two Priority 2 recommendations)	No Priority 1 recommendations
Housing Allocations (2019-20)	Satisfactory (Three Priority 2 and One Priority 3 recommendations)	No Priority 1 recommendations
Councils Preparedness for EYU Exit (2019-20)	Satisfactory (One Priority 3 recommendation)	No Priority 1 recommendations
Corporate Governance (2019-20)	Satisfactory (Two Priority 3 recommendations)	No Priority 1 recommendations

	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	1	2	3	Other	Percentage of recs completed	Recs carried over into next audit	%of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees	Comments
Director for Communities																					
Housing																					
Rent Collection and Collection of Arrears	ADC	Jan-18	Satisfactory		2	1	0	1	0	0	50%			1	0	0	1	0	50%	P Turner	The update provided confirmed rec is in progress & Capita have been engaged to undertake the work - implementation estimated
Leaseholder Charges	ADC	Mar-18	No		39	13	5	5	3	0	33%			26	10	16	0	0	67%	N Freeman	The update provided confirmed work was being undertaken on outstanding recs - estimated implementation dates revised
Gas Safety Inspections	ADC	Jul-18	Limited	4	16	12	3	9	0	0	75%			4	0	4	0	0	25%	C Barber	Update provided through App on 30/10/19 confirmed 4 outstanding recs still in progress. Estimated implementation dates revised to
Housing Repairs	ADC	Feb-19	Limited	13	2	2	0	2	0	0	100%										Outstanding recommendations from this audit have been superceded by an 18/19 audit of the Housing Repairs process through Matsoft COMPLETE - Decision taken to discontinue the Service therefore all other recs no longer applicable.
Handyman Service	*	Jan-18	Limited	10	1	1	1	0	0	0	100%										
Wellbeing																					
Contract Management audit - Voluntary & Community contract	*	Feb-18	Satisfactory	1	1	1	0	1	0	0	100%										COMPLETE
Director of Digital & Resources																					
Finance																					
Budget Management	*	Dec-17	Satisfactory	1	1	1	0	1	0	0	100%										COMPLETE
General Ledger	*	Mar-18	Satisfactory		5	4	0	2	2	0	80%	1	20%								COMPLETE
Capital Accounting	*	Apr-18	Satisfactory		1	1	0	1	0	0	100%										COMPLETE
Treasury Management	*	Dec-17	Satisfactory		2	2	0	1	1	0	100%										COMPLETE
Compliance with IR35 - Tax legislation	*	Feb-19	Limited		6									6	1	4	1	0	100%	S Gobey	Update required re 5 recs now overdue
Creditors	*	Feb-18	Satisfactory		2	2	0	0	2	0	100%										COMPLETE
Debtors	*	Feb-18	Satisfactory	1	2	2	0	2	0	0	100%										COMPLETE
Payroll	*	Apr-18	Satisfactory		4	3	1	1	1	0	75%	1	25%								1 outstanding recommendation re-raised in 18/19 audit
Cashiering	*	Mar-18	Satisfactory		2	2	0	1	1	0	100%										COMPLETE
Legal																					
Corporate Governance & Ethical Standards	*	Jan-18	Satisfactory		2	2	0	2	0	0	100%										COMPLETE
Design & Digital																					
Compliance with the Data Protection Act	*	Apr-18	Satisfactory		9	9	1	7	1	0	100%										COMPLETE
Risk Management	*	Apr-18	Satisfactory		4	2	0	2	0	0	50%	2	50%								2 outstanding recommendations re-raised in 18/19 audit
People																					
Human Resources	*	Feb-18	Limited	1	6	6	3	3	0	0	100%										COMPLETE
Revenues & Benefits																					
Revenues (Council Tax & NDR)	*	Jul-18	Satisfactory	1	4							4	100%								Recommendations re-iterated in 18/19 audit
Benefits	*	Feb-18	Satisfactory		2	2	0	2	0	0	100%										COMPLETE
Computer Audits																					
Firewall & Cyber Security	*	Oct-17	Satisfactory		5	5	0	1	4	0	100%										COMPLETE
GDPR Readiness Gap Analysis	*	Apr-18	Limited	4	16	16	9	5	2	0	100%										COMPLETE
Revs & Bens - Academy application	*	Jan-19	Limited	3	4	2	1	0	1	0	50%			2	1	1	0	0	50%	P Tonking	Recommendation not due till March 2020 & will be followed up through Audit App when due
Mats - Application Audit	*	Oct-19	Satisfactory	2	6									6	0	4	2	0	100%	S Miller	Recommendations to be followed up through Audit App when due
Review of Technology Strategy	*	Apr-18	No opinion given		1									1	0	0	0	1	100%	P Brewer	update provided confirmed new ICT Manager is reviewing - deadline extended to Mar 2020.
Contract Audits																					
Procurement Compliance	*	Sep-18	Satisfactory		6	6	1	2	3	0	100%										COMPLETE
					151	97	25	51	21	0	64%	8	5%	46	12	29	4	1	30%		

	Joint Audit	Final Report Date	Assurance level	Recs not applicable for follow up	Total No of Recs	Number of agreed recs completed	1	2	3	Other	Percentage of recs completed	Recs carried over into next audit	%of recs carried over	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Key auditees	Comments
Director for Communities																					
Adur Worthing Contract Services																					
Waste Management	*	Mar-19	Satisfactory		7	6	0	4	2	0	86%			1	0	0	1	0	14%	M Marchant	Update provided through App has confirmed completion of recs. Management of service has changed and responsibility re-assigned to M Marchant on 19/12/19 for the outstanding rec.
Environment																					
Bereavement Services	*	Nov-18	Satisfactory		4	1	1	0	0	0	25%			3	0	3	0		75%	K Greening	Implementation date for the 3 outstanding recs has passed but no update received from the rec owner on progress.
Housing																					
Building Services - Stocks & Stores	ADC	Oct-19	Limited		8									8	3	5	0	0	100%	A Alexander	No update yet provided for 6 recs now passed their implementation date.
Right to Buy	ADC	Jul-18	Satisfactory		3	3	0	2	1	0	100%										
Rent Collection and Collection of Arrears	ADC	May-19	Satisfactory		4	3	1	1	1	0	75%			1	0	1	0	0	25%	S Gobey	COMPLETE Outstanding recommendation relates to write-offs - no update yet provided on status of implementation.
Housing Repairs - Matsoft processes	ADC																				
Wellbeing																					
Food Safety & Registration for Businesses	*	May-19	Limited	2	11	10	0	8	2	0	91%			1	0	0	1	0	9%	D Currie	The recommendation owner has set a revised estimated implementation date of 10/1/20 to implement the outstanding recs
Air & Water Quality	*	Mar-19	Satisfactory		4	3	0	3	0	0	75%			1	0	1	0	0	25%	N Shad	The recommendation owner has estimated a revised completion date of 1/2/20 for completion of o/s rec
Director of Digital & Resources																					
Business & Technical Services																					
Business Travel - Vehicles	*	Jan-19	Satisfactory	3	8	8	1	4	3	0	100%										
Health & Safety	*	Jun-19	Satisfactory		2	2	0	2	0	0	100%										
Customer Contact																					
NSL Contract Management	*	Sep-18	Full																		No Follow up due as no recommendations made
Customer & Digital Services																					
Risk Management	*	May-19	Satisfactory		7	5	0	4	1	0	71%			2	0	2	0	0	29%	M Lowe	One rec due by 31/12. Rec owner has revised the implementation date for the other rec to 28/2/20.
Compliance with the Freedom of Information Act	*	Mar-19	Limited	6	9	2	0	2	0	0	22%			7	2	5	0	0	78%	M Koltsova	Responsibility for implementation of recommendations has been assigned to new Information Governance Officer - deadlines for recs have been revised to allow new officer time to action
Finance																					
General Ledger	*	May-19	Satisfactory		3	3	0	2	1	0	100%										
Capital & Fixed Asset Accounting	*	Mar-19	Full																		COMPLETE No Follow up due as no recommendations made
Treasury Management	*	Nov-18	Full																		No Follow up due as no recommendations made
Creditors	*	Nov-18	Satisfactory		2									2	0	2	0		100%	Y Stillwell	Recs to be followed up when 19/20 audit of new system is conducted
Debtors	*	Dec-18	Satisfactory	1	2									2	0	2	0		100%	S Corner	Recs to be followed up when 19/20 audit of new system is conducted
Payroll	*	May-19	Satisfactory	5	1									1	0	1	0	0	100%	G Townsend & N Hughes	A document has been attached to the App as requested by the rec owner - rec is being addressed - revised implementation date estimated as 31/1/20 COMPLETE
Cashiering	*	Nov-18	Satisfactory		1	1	0	1	0	0	100%										
Legal																					
Corporate Governance	*	Mar-19	Satisfactory		9	3	0	2	1	0	33%			6	1	2	3	0	67%	S Gobey & S Sale	Estimated implementation date has been revised for 1 o/s P2 rec to 31/5/20. No update yet provided for 5 o/s recs, including P1 rec which had a 31/12/19 deadline. Recent annual corporate gov audit noted the actions from this audit are still to be addressed and this was noted in the draft report issued on 2/12/19.

Revenues & Benefits																						
Revenues (Council Tax & NDR)	*	Mar-19	Satisfactory		3	2	1	0	1	0	67%			1	0	1	0	0	33%	S Large	Estimated implementation has been revised to 31/1/20 for outstanding rec. O/S rec not due was due 31/12/19 - no update yet provided	
Benefits	*	Feb-19	Satisfactory		4	3	1	0	2	0	75%			1	0	0	1	0	25%	P Tonking		
Director for Economy																						
Culture																						
Theatres Box Office	WBC	Feb-19	Satisfactory	1	8	8	0	2	6	0	100%										COMPLETE	
Place & Investment	*	DRAFT																				
Asset Management	*	Sep-18	Satisfactory	8	8	0	6	2	0	0	100%										COMPLETE	
Planning & Development	*	Feb-19	Satisfactory	7	5	0	5	0	0	0	71%			2	0	2	0	0	29%	L Lord	Update provided through Audit App confirmed completion of 5 recs. Update re o/s 2 requested 19/12/19	
Place & Economy	*																					
Development Management	*																					
Computer Audits																						
Data Centre Access Procedure	*	Jul-19	Limited		11	5	1	4	0	0	45%			6	0	6	0	0	55%	S Dewar	Update provided through App confirmed 5 recs as completed. 2 recs not due until 31/3/20 and estimated implementation dates extended for the 4 already due.	
Content Management (Website- Internet)	*	DRAFT																				
Contract Audits																						
Construction - Adur Civic Centre Phase 1	*	WIP																				
Fire Doors	ADC	DRAFT																				
Car Parks - LED lighting replacement	WBC	Jan-19	Satisfactory		5	5	0	1	4	0	100%										COMPLETE	
Cross Service Audits																						
Emergency Planning	*	Nov-18	Satisfactory		3	3	0	2	1	0	100%			2	0	2	0	0	67%	F Iliffe	COMPLETE	
Energy Management	*	Aug-19	Satisfactory	1	3	1	0	0	1	0	33%											Recs to be followed up through App when due.
					137	90	6	55	29	0	66%	0	0%	47	6	35	6	0	34%			

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Director for Communities																						
Housing																						
Tenancy Management	ADC only	DRAFT																				
Rent in Advance	*																					
Regulatory Compliance	ADC only																					
Homeless Reduction Act compliance Allocations	*		Dec-19	Satisfactory	2	2									2	0	1	1	0	100%	M Butler	Recs will be followed up through the App when due
Wellbeing																						
Management of Community Buildings	*																					
Director of Digital & Resources																						
Revenues & Benefits																						
Revenues & Benefits	*	DRAFT																				
Financial Services																						
General Ledger	*																					
Exchequer (Creditors & Debtors)	*																					
Cashiering	*	DRAFT																				
Budget Development	*	Oct-19	Satisfactory		1									1	0	1	0		100%	S Gobey	Estimated implementation date has been revised to 28/1/20	
VAT Arrangements	*	Oct-19	Satisfactory		1	1	0	0	1	0	100%										COMPLETE	
Customer & Digital Services																						
Management of Call Centre volumes	*	Aug-19	Satisfactory	1	1	1	0	1	0	0	100%										COMPLETE	
Risk Management	*																					
Legal Services																						
Corporate Governance	*	Jan-20	Satisfactory	1	1	1	0	0	1	0	100%										COMPLETE	
Decision Making	*	Sep-19	Satisfactory	1	1									1	0	1	0		100%	N Terry	Rec was due on 31/10/19 but no update provided yet.	
Human Resources																						
Data input & accuracy	*	DRAFT																				
Apprenticeships	*																					
Business & Technical Services																						
Asbestos Management (non Housing)	*																					
Business Continuity	*																					
Building Maintenance Compliance (non Housing)	*	DRAFT																				
Director for Economy																						
Planning & Development																						
Land Charges	*	DRAFT																				
Planning Enforcement	*																					
Major Projects & Investment																						
Management of Major Projects	*																					
Management of the Commercial Property Portfolio	*																					
COMPUTER AUDITS																						
Network Architecture and Resilience	*																					
Account Security	*																					
Device Security	*																					
Incident & Problem Management	*																					
Supplier & Contract Management	*																					
GDPR Compliance	*																					
CONTRACT AUDITS																						
Management of Capital Programme	*																					
Contract audit - Concrete Repairs Grafton Car Park	WBC only																					
Procurement & Contract Management - Housing	*																					
CROSS SERVICE REVIEWS																						
Welfare Reform	*																					
Councils preparedness for EU exit	*	Dec-19	Satisfactory		1									1	0	0	1		100%	A Higgins	Rec to be followed up through App when due	
							8	3	0	1	2	0	38%	0	0%	5	0	3	2	0	63%	

Outstanding Priority 1 Recommendations

Appendix 6

Leaseholder Service Charges (2017-18 (Final Report issued March 2018))

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>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.</p> <p>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 there were several then the costs and effort would be worth it). <p>Once documented, the Policy should be approved by the relevant senior management, member and committee.</p>	<p>There is currently no approved documented policy for Leasehold Management.</p> <p>Where an up to date documented and approved policy does not exist, there is a risk that the Council's objectives and/or responsibilities are not known and may not therefore be achieved.</p>	<p>An overarching policy will be developed. This will be supported by a set of detailed policies and procedures. Work has already begun on identifying those that are required and this will be used as an action plan to ensure all required actions are completed.</p> <p>Deadline - 30th September 2018</p>	<p>Update provided by Interim Leasehold Manager confirmed that a policy was drafted but that the process of consultation and approval needed to be agreed and then completed.</p>	<p>31st March 2020</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>3.6 The HMS should be updated to indicate which properties have leases which are considered “defective” and information should be recorded within the system notes as to how this impacts on the leaseholder in respect of charging etc.</p> <p>Furthermore, these leases should be reviewed by Legal Services to establish whether anything can be done to correct these, or to establish whether the Council has the ability to review and update these upon re-sale of the property.</p>	<p>During the audit, we were advised that the Council has approximately 70 "defective" leases which restrict the Council in respect of the charges that it can pass on to the leaseholder.</p> <p>We confirmed that details of the leaseholder accounts affected were not contained in Orchard HMS and were further advised by the Tenancy Services Manager that there was a list of these leases but he was unsure where. The list was requested but not provided.</p> <p>Where key information is not held within the relevant system, or is not available, there is an increased risk that resources are wasted working on consultations etc. where the cost of works cannot be recharged to the leaseholder.</p> <p>Where the restrictions of a lease are not known, there is also the risk that the Council attempts to charge a leaseholder leading to possible dispute, complaint and reputation loss.</p>	<p>“Defective” is a term used by the previous Leasehold Manager and relates to older leases where the cost of improvements may not be recoverable. We have already identified four different types of lease and will need additional resources to look through all the current leases in order that we can identify and record those where there are restrictions.</p> <p>A policy/procedure will then be developed for dealing with issues identified from “defective” leases.</p> <p>Legal will be involved in this review.</p> <p>Deadline - 30th June 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed:-</p> <ul style="list-style-type: none"> - The material differences between the two leases types have been identified. - Process underway to check leases on block basis as part of major works process. - Legal advice on requested on interpretation of key clauses affecting recoverability of certain costs. 	<p>31st March 2020</p>
<p>3.10 Debt recovery procedures should be established, documented and undertaken regularly. Regular reports of outstanding debts for service charges, ground rents, major works and any other charge made to leaseholders should be generated and monitored by relevant staff. Any action taken, i.e. issuing of reminder notes to leaseholders, should be recorded within the HMS and copies of documents attached to the leaseholder accounts on I@W.</p>	<p>Discussions with the TSM at the start of this audit established that, as a result of system changes within Leaseholder Services, including changes in invoicing, debt recovery procedures were not undertaken during the 2016/17 financial year and at the start of the 2017/18 financial year. We were advised that this was being reviewed and tested within the HMS so debt recovery procedures could start being undertaken by relevant officers and we acknowledge that some debt recovery work has now occurred.</p>	<p>Will be developed in line with recommendations 3.1 & 3.3.</p> <p>Deadline - 31st March 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed that a list of areas where policies and procedures need to be developed has been drafted and an action plan with priorities and timescales needs to be put in place to deliver.</p>	<p>31st March 2020</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>We obtained aged debts reports and as at 16/10/17 the outstanding balances were:</p> <ul style="list-style-type: none"> - Main A/C £146,266.03 - Major works £161,477.44. <p>As invoicing has only occurred through HMS since April 2016, this volume of debt is that outstanding since then.</p> <p>Outstanding debts, prior to April 2016 were generated through and are being monitored and recovered through the Council's Debtors system.</p> <p>Where debt recovery procedures are not in place, there is a risk that monies owed to the Council are not collected and this may impact on the HRA and the Council's finances.</p>			
<p>3.12 Management monitoring should be regularly undertaken to ensure that Service Standards are met.</p>	<p>The following Service Standards are detailed within the Leaseholder Handbook:</p> <ol style="list-style-type: none"> 1. Pg 6 - Annual service charge accounts will be sent out by the first week of October each year. 2. Pg 8 - Advise leaseholders of their service charge bill by the first week in October with a breakdown of costs. 3. Pg 10 - Information of what the leaseholder pays for - "you will receive a service charge bill once a year in October. The period you are paying for is the previous six months which is an actual cost and the following six months which is an estimated cost". 4. Pg 11 - details how the service charge can be paid - in full or 10 monthly instalments. 	<p>The Councils' Star Survey will be examined and used to develop standards and KPIs/recordable outcomes to monitor performance.</p> <p>Ways to report and communicate performance to customers will also be considered.</p> <p>Deadline - 31st December 2018</p>	<p>Update provided by Interim Leasehold Manager confirmed that service standards need reviewing and revising in line with the Leaseholder Policy once it is completed and a method for monitoring put in place.</p>	<p>30th June 2020</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>5. Pg 13 - details on management charges (25% of repair costs & 10% major works costs).</p> <p>During our walkthrough of an account we noted the following variances from these standards:</p> <p>1 & 3. – The service charges actuals invoices for 2015/16 were sent on 14/12/2016 not in October.</p> <p>2. – The actual/estimated service charges account was not dated so we were unable to confirm when it was sent.</p> <p>4. Invoice sent on 14/12/2016 does not contain any details on the leaseholder being entitled to pay by instalments.</p> <p>5. Actual/estimated service charges account states Admin Charge@ 10% + £75.</p> <p>Where Service Standards are not met, there is an increased risk of leaseholder dissatisfaction, complaint and reputation loss to the Council.</p>			
<p>3.25 A complete revamp of how major works are invoiced is required in order to ensure that works are accurately billed in line with costs incurred, lease requirements and the requirements of Section 20B of the Landlord & Tenant Act 1985.</p> <p>Furthermore clarification should be sought from the relevant experts as to how VAT should be dealt with in respect of recharging leaseholders the cost of major works.</p>	<p>The Landlord and Tenant Act 1985 details specific requirements for invoicing. Accuracy of invoicing also assists the Council recover all sums expended.</p> <p>From our review of the major works monitoring spreadsheet, we noted that in many instances, invoicing did not occur until final figures have been received from Technical Services regardless of when the works were completed or when costs were incurred.</p> <p>From our testing on the invoicing for five</p>	<p>A complete overhaul of the major works invoicing process will be undertaken in line with the development of new processes. Training will then be provided and the Leaseholder Handbook and website information will be updated accordingly.</p> <p>The Government Guidelines on VAT and residential service charges will be considered and complied with during the invoicing</p>	<p>Update provided by Interim Leasehold Manager confirmed that this recommendation is being considered as part of the wider review in Adur Homes for the planning, management and delivery of the capital programme.</p>	<p>31st March 2020</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>major works we identified:</p> <ul style="list-style-type: none"> - 1 (85-89 Buci Crescent - Porch) where we found no evidence to confirm that the completed works have been invoiced to the leaseholder or that a Section 20B notice had been served. The contractor's invoice for these works (valued at £3,729.60) was dated 31/1/2015 so under the Section 20B the 18 month rule may no longer be recoverable. <p>These works were consulted on and there is evidence of such within the N drive and I@W however after the 2nd stage consultation we found no further evidence to support how the works progressed or whether a Section 20B notice was issued. We have noted that these works were generated through the HMS order and monitored by ADC Maintenance Officers rather than through Technical Services.</p> <ul style="list-style-type: none"> - For 2/4 works (387 Brighton Road – wall ties and 14-18 Lisher Road - replacement of metal railings, balustrades & external decorations), we were unable to locate a copy of the invoice sent to the leaseholder to confirm whether the invoice specifically detailed the actual costs incurred (as required by Section 20B). - For the other 2 works (Grange Court – fire safety and 72-78 Buci Crescent – soil stack) the invoices contain no detail of the actual costs incurred. - 1 (Fire Safety works - Grange Court/Sea House/Locks Court) where the final account figure of £102,811.95 (used to calculate the invoices sent to the leaseholders) does not equate to the sum 	<p>process.</p> <p>Deadline - 31st March 2019</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>of the invoices paid to the contractor for these works (£136,067.94).</p> <p>- 1 (72-78 Buci Crescent - Soil Stack) where the tender value was £1,328 yet the final invoice value claimed was £2,096. There is no final account for these works as they were raised as an order through HMS so were managed by a Maintenance Officer. However, the original estimated cost to each leaseholder was £365.20 with the final invoice figure being £371.25. This small increase does not seem to equate to the £768 increase in overall cost of the works.</p> <p>We have also noted during testing that the contracted works attracted VAT yet VAT is not included in any recharge made to leaseholders.</p> <p>Where accurate and detailed invoicing does not occur, there is an increased risk that the Council is failing to meet legislative requirements, that leaseholder challenge may occur and that financial loss will result.</p>			
<p>3.31 A process needs to be effected whereby any potential works where the costs may not be recoverable (i.e. due to defective lease/emergency works etc.) are identified at the earliest opportunity and a decision taken by the Head of Housing (HoH) as to whether the works proceed and the costs are borne by the HRA.</p> <p>Where this decision is taken, an authorisation form should be fully completed and certified by the HoH and a copy of the form attached to the</p>	<p>The cost of some works to leasehold properties may not be recoverable due to restrictions of the lease, emergency etc.</p> <p>Authorisation by the Head of Service is therefore required in order to accept that the cost will be borne by the HRA.</p> <p>We were advised that a Write Off Authorisation Form should be completed where the cost of works is considered unrecoverable.</p> <p>Examination of the N drive found ten such forms, none of which are dated and none</p>	<p>The process will need to distinguish between decisions made in advance not to charge leaseholders (i.e. emergency works) and decisions after works carried out on the grounds of "reasonableness". The levels of authority for such decisions will need to be considered also.</p> <p>Deadline - 31st March 2019</p>	<p>As above</p>	<p>31st March 2020</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>relevant job within HMS/I@W in order that an audit trail exists to support that the costs are not being pursued.</p> <p>Discussions on whether works may be un-recoverable should form part of the regular meetings recommended above with Technical Service & Maintenance Officers.</p>	<p>of which are copies of an actual form authorised by the HoH. Some contain notes as to why the costs are un-recoverable but many do not and all look like they have been raised retrospectively rather than as part of a process whereby a decision is taken in advance not to recover the cost. Seven of the ten were related to jobs raised through the HMS.</p> <p>We also noted an example of an order for works (1-6 Warren Court) valued at £9,200 and raised through HMS where an email suggests that the previous HoH agreed the works should be done with no charge to any leaseholder but no write off form for this was found on the N drive.</p> <p>Where the recovery of work costs is not considered at the inception of the works, there is an increased risk that any unrecoverable costs are not authorised in advance of their being incurred and this may lead to increased costs to the HRA.</p>			
<p>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.</p>	<p>On 15 June 2010, the ADC Cabinet decided the payment option arrangements for leaseholders, this includes the provision of ten year loans. Furthermore, on 13 July 2010 the ADC Cabinet decided additional deferred payment arrangements for works costing more than £5,000 in any financial year.</p> <p>We have not identified any other reports/decisions which revise the decisions taken by the ADC Cabinet in June/July 2010 therefore these decisions would appear to be the most recent and therefore constitute the current policy.</p>	<p>The arrangements will be reviewed with Finance and Legal.</p> <p>Deadline - 31st March 2019</p>	<p>As above</p>	<p>31st March 2020</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>These policy decisions are not, however accurately reflected in the current Leaseholders Handbook which states "If you are not able to pay for the cost of major works in full at the time of invoicing, then we offer an interest free loan up to five years depending on the size of the bill and individual circumstances. In this case you will pay in monthly instalments by either direct debit or payment card".</p> <p>The policy decisions were also not detailed correctly in the Paying for Major Works information that was sent to leaseholders in March 2017 with their invoices. The differences being:</p> <ul style="list-style-type: none"> • The interest added column on the Paying for Major works information states 5.4% for all works costing more than £500 yet this is not what is detailed in the decision by Cabinet. • The Cabinet decision in June 2010 states that "for loans exceeding £1,500, a Land Registry charge would be taken out" the Land Registry requirement on the Paying for Major Works information states N/A for works costing £1,500-£5,000. • The Cabinet decision in July 2010 states the administration fee for deferred payments as £100 yet the Paying for Major Work information states £90. <p>Our walkthrough of a loan arranged in 2015 has shown that he was advised that the charges added to the loan for £10,998 would be 4.4% interest (reviewed</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>annually), £50 admin fee, £40 Land Registry fee and £295 legal costs. This contradicts the Cabinet's decision which states an administration fee of £90 and a Land Registry fee of £50. Furthermore, the reports to the ADC Cabinet in 2010 made no mention of legal costs (nor did the information sent to leaseholders in 2017). The amounts actually invoiced to this leaseholder were £1209.59 interest (so no annual review), £295 legal costs and £40 Land Registry fee (so no admin fee and incorrect LR fee).</p> <p>We have further confirmed that as a result of invoices sent in February 2017, one leaseholder requested to pay their major works costs (£3,072.49) over a period of 24 months. The email sent to this leaseholder confirms that no interest has been added and that monthly standing order payments should be arranged by the leaseholder. The policy requires DD payments and there is no mention of admin or Land Registry costs that the policy requires and no evidence can be seen on HMS/I@W to confirm that costs have been invoiced.</p> <p>Where approved policies are not known or accurately and consistently applied, there is an increased risk that loans are incorrectly arranged or that incorrect fees are charged. This may result in financial loss to the Council.</p>			
<p>3.33 Once the Major Works Payment Policy has been decided the Council should review how implementing payment loans/arrangements will for</p>	<p>Proper arrangements are required to ensure that the Council effects payment arrangements correctly and in line with any policy and legal requirements.</p>	<p>This will be reviewed with Finance and Legal. Deadline - 31st March 2019</p>	<p>As above</p>	<p>31st March 2020</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>major works will be achieved.</p> <p>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.</p> <p>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.</p>	<p>We found some procedures and forms (including a Service Charge Loan Application Form) on the N Drive and emails between the Finance and Leasehold teams going back several years. Our examination of this information suggests that the information provided by the leaseholder on the loan application form would seem to be the primary source for calculation of affordability.</p> <p>Any payment arrangements were effected by Finance until April 2016, when the arrangements transferred to the Adur Homes Leasehold Team.</p> <p>We were advised by the Leasehold Officers that they are very unsure regarding the procedures to be followed, whether they are up-to-date, lines of responsibility etc. They also had queries regarding:</p> <ul style="list-style-type: none"> • how instalments and interest would be applied to Owner Accounts; • monitoring; • how the Council would legally stand in recovering any arrears of interest etc. if charges were not made against properties; and • their ability to calculate interest on loans and setting-up loan/instalment agreements with interest; <p>We have noted elsewhere in the audit inconsistencies with arranging loan agreements and lack of supporting information which would suggest that current arrangements are not effective.</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>Where a defined process for effecting payment arrangements does not exist, there is an increased risk that arrangements are not correctly made or that legal requirements are not satisfied and this may impact on the Council's ability to recover all relevant costs leading to possible financial loss.</p>			
<p>3.36 Adur Homes should rationalise and define within a policy where and how documentation to support the various leaseholder processes should be retained.</p> <p>Staff should then be notified as to the policy requirements.</p>	<p>Defining where and how information should be retained will assist management ensure that all required information is held correctly in a consistent manner.</p> <p>During the audit we confirmed that there are different systems and network locations where staff can access relevant documentation in respect of leaseholder processes.</p> <ul style="list-style-type: none"> • Procedure guidance notes are held within the Council's N: network drive; • Leaseholder Handbook accessible from the Council's Website; • Service Charges, including ground rents information is held within the N: Drive and could be held within Information@ Works; • Supporting documents such as invoices and notices sent to Leaseholders are scanned and held within Information@ Work System or the N drive; • Supporting documents in respect of major works are held within the N: Drive; and 	<p>There are two main areas to be considered:</p> <p>(1) – location of policies, procedures & guidance notes and (2) supporting documentation for calculation of charges, management of accounts etc. Document retention will be incorporated in all relevant procedures.</p> <p>Training will be provided once the policy is agreed.</p> <p>Deadline - 31st March 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed that a list of areas where policies and procedures need to be developed has been drafted and an action plan with priorities and timescales needs to be put in place to deliver.</p>	<p>31st March 2020</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
	<ul style="list-style-type: none"> Since the introduction of Google information is also now held on Google drives. <p>Testing in all areas of this audit confirmed the need for regularisation on the retention of supporting information/ documentation as there is limited information and notes held within the HMS system related to leaseholders, documentation could be held in either I@W, the N drive, or in both and in many instances tested not at all.</p> <p>Where documentation is held in a variety of locations or not at all, there is an increased risk that the Council would be unable to demonstrate actions taken if a leaseholder were to challenge charges made upon them. This may lead to dissatisfaction, compliant, Tribunal investigation and potentially financial loss.</p>			
<p>3.37 The issue with indexing documents onto I@W should be rectified as soon as possible and once this is actioned, all outstanding paper records should be scanned and indexed onto the system in order that a complete record of documents is electronically available for each leaseholder account.</p>	<p>The Council's New Ways of Working policy requires for the retention of information electronically.</p> <p>Leasehold Team documents should be retained electronically through the I@W system. However, during the audit, it was confirmed that no indexing was done in 2015/16 or 2016/17 in respect of charging and that currently paper documents are held in boxes.</p> <p>The RTB&LO has confirmed that she indexed the documents relating to the 2017/18 charges and invoicing but Housing have experienced problems with locating documents that have been scanned and indexed into I@W and that</p>	<p>We are reliant on IT to sort the issue – in the meantime we will explore the possibility of bulk filing to I@W to a central folder for each year as an interim solution. Additional resources may be required in order the scanning backlog to be actioned.</p> <p>Deadline - 30th June 2019</p>	<p>Update provided by Interim Leasehold Manager confirmed that a list of areas where policies and procedures need to be developed has been drafted and an action plan with priorities and timescales needs to be put in place to deliver.</p>	<p>31st March 2020</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>despite this being reported to IT the issue has not been rectified. This has been evidenced within the audit when incorrect documents have been viewed on another leaseholder's account.</p> <p>Where documents are not retained electronically against the correct leaseholder account, there is an increased risk that staff are unable to access all relevant information. The Council's policy in respect of New Ways of Working is also not being achieved. Retaining paper documents in boxes may also increase the risk that information is lost.</p>			

Compliance with IR35 Tax Legislation 2017-18 (Final Report issued February 2019)

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>3.4 Evidence to support that an IR35 assessment has been conducted should be retained centrally for all interims and consultants.</p> <p>Furthermore an IR35 assessment should be performed for Mia Design Consultancy Limited and the supplier should be set up on the Payroll system if deemed to be an employee.</p>	<p>IR35 assessments are required in order to determine the employment status of new interims and consultants.</p> <p>During the audit we were advised that departments decide whether IR35 applies to the worker. This assessment is not provided to the Creditors team when payments are made so ensuring that the assessment has been done cannot be verified.</p> <p>Reports listing payments to consultants and agency staff were obtained from the general ledger for Adur, Worthing and Joint Services. From these reports 16 instances were identified where repeated payments were made to suppliers who</p>	<p>Managers will be reminded to refer cases to the Chief Financial Officer for assessment rather than doing their own.</p> <p>On issue of the draft audit report the case of Mia Design Consultancy Ltd had been discussed with the Head of Business and Technical Services and the worker was due to be added to the Payroll system. This will be checked to confirm completion.</p> <p>Deadline - 31st March 2019</p>	<p><i>No update yet provided</i></p>	<p><i>None set</i></p>

	<p>could be sole traders. Examination of supplier websites confirmed that 8 of these suppliers were not sole traders.</p> <p>Testing on the remaining sample of 8 suppliers, identified one (Mia Design Consultancy Limited) relating to a sole trader who had a Council email address and appeared in the Adur & Worthing phone book. This supplier received regular monthly payments via the Creditors system in 2017/18 and therefore appears to fall under the scope of the IR35 tax legislation.</p> <p>Where an IR35 assessment is not carried out when necessary and evidence of that assessment is not held centrally, there is a risk that the Councils do not identify and correctly process off payroll workers. This would result in non-compliance with the legislation and place the Councils at risk of paying deductions due, interest and a financial penalty.</p>			
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Compliance with the Freedom of Information Act 2018/19 (Final report issued in March 2019)

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>3.7 A process should be effected to ensure that all staff have completed the mandatory FOI training, especially those staff who are responsible for responding to FOI requests.</p>	<p>A record of all those who completed the FOI training course on the Learning Hub was provided as was a record of contacts from the MatSoft system. Whilst the majority of the contact addresses provided related to a shared inbox, 24 direct email addresses were provided. Those 24 staff were checked against the record of those who had completed the training but only one member of staff from this list had completed the training.</p> <p>The list of those staff who had completed</p>	<p>The SIGO will be carrying out a series of workshops for Service Information Officers during the months of March and April 2019. The SIGO is also currently reviewing the FOI training Course on the Learning hub as it is not fit for purpose. Once this is updated the SIGO will re-launch the learning module, which will be mandatory and it will be the responsibility of Heads of Service to ensure their teams complete</p>	<p>Update provided by Head of Customer & Digital Services on 9/8/19 confirmed that the SIGO held workshops with key officers in May and June 2019 but had since resigned and a new SIGO would take up position in October 2019.</p> <p>Update provided on 31/10/19 confirmed that new FOI training has been identified and funding allocated. New</p>	<p>29th February 2020</p>

	<p>the mandatory training only contained 86 staff. This is significantly less than the 850 staff that the Councils have. It was not possible for a report to be run confirming the staff who had not completed the training. However, our test clearly demonstrates that there is currently no effective process in place for ensuring that mandatory training is completed. This issue was also raised in the previous FOI audit.</p> <p>Where mandatory FPI training is not completed and there is no process for monitoring that such training has been completed, there is a risk that staff responsible for completing FOI requests are not sufficiently trained and that requests will not be responded to appropriately and may result in reputational damage or financial loss.</p>	<p>this training.</p> <p>Deadlines:-</p> <p>Workshops: 30th April 2019</p> <p>E-learn: 31st May 2019</p>	<p>SIGO started in post on 14/10/19 and rolling out training is on priority list.</p> <p>Update provided by SIGO on 31/12/19 confirmed that this issue was ongoing due to lack of resources both within the Information Governance team and in Services. Training for SIOs is scheduled for 24/02/20.</p>	
<p>3.10 All FOI requests should be responded to within 20 working days in accordance to the statutory requirements.</p>	<p>The FOI Act requires that FOI requests are replied to within 20 working days.</p> <p>Tests on the sample of ten FOI requests identified three cases where the responses were made after the 20 working day requirement. We also identified a further two cases which did not appear to have been responded to.</p> <p>Where FOI requests are not responded to within twenty working days, there is an increased risk of customer dissatisfaction leading to complaints and investigation by the Information Commissioner. The Councils' reputation will be damaged and they may be fined due to non-compliance.</p>	<p>The SIGO has already taken steps to address this. Any FOI that goes over the deadline becomes the responsibility of the Head of Service. Notifications are also sent to Directors where deadlines are at risk of being missed. Responsibility is escalated as early as possible. Compliance has improved but further work needs to be done. The FOI workshops and online training mentioned above should also highlight the need to respond</p> <p>Deadline - 31st May 2019</p>	<p>Update provided by Head of Customer & Digital Services on 9/8/19 confirmed that performance on FOI responses had improved significantly since the audit and is being reported to CLT but the SIGO position had been vacant since July 2019 but a new officer was starting in October 2019 who will continue to progress the good work completed so far.</p> <p>Update provided by SIGO on 31/12/19 confirmed that this issue was ongoing due to lack of resources both within the Information Governance team and in Services. Training for SIOs is scheduled for 24/02/20.</p>	<p>29th February 2020</p>

Corporate Governance 2018/19 (Final Report issued March 2019)

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>3.8 Mandatory training in respect of governance (such as ethics and risk management) should be provided to all staff when they start at the Councils, as a refresher on a tri-annual basis and when any legislative changes occur.</p> <p>The Monitoring Officer should consult with Human Resources (HR) through the People Working Group or by other means in order to highlight issues and gaps in officer awareness, and identify satisfactory means by which relevant staff could have these areas matched to their training plans.</p>	<p>There is currently no mandatory governance training provided to staff and there is no longer centralised induction training provided where such issues may be raised.</p> <p>Whilst we noted that HR are currently in the process of reviewing training provision, including at time of induction, through the People Working Group, the group did not that time have any representation from Legal/Democratic Services.</p> <p>During the audit we noted a number of areas in which officers expressed reservations about wider staff awareness of core governance requirements including:</p> <ul style="list-style-type: none"> • The need to register and publish notice of key and exempt decisions at least 28 days in advance; and • The need to inform the Monitoring Officer of any sub-delegations of duty. <p>Where officers are unfamiliar with governance requirements, there is a risk that constitutional and/or statutory responsibilities will not be met which could result in unlawful or mismanaged decisions and actions.</p>	<p>Governance and Decision Making Training has been offered on 3 separate occasions to all Senior Managers, Heads of Service & Directors during the last 6 months. This included training about key and exempt decisions.</p> <p>Training on Scheme of Delegations to Officers is being undertaken on a one to one basis with each Head of Service and their managers and there is a rolling programme being undertaken to review all sub delegations and publish the register of sub- delegations. It is anticipated this will be completed by December 2019.</p> <p>Training on ethics should be completed by line managers at induction time with reference to the Officer Code of Conduct and Protocol for Relationships which form part of the constitution and are available to all staff on the website.</p> <p>Deadline - 31st December 2019</p>	<p><i>No update yet provided</i></p>	<p><i>None set</i></p>

Building Services – Stocks & Stores 2018/19 (Final Issued

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>The stock control spreadsheet should be kept up to date in order that it accurately reflects the current physical existence of materials in both the main storage and operatives' vans.</p>	<p>Maintaining up to date records assists management in ensuring the accuracy of its' stock levels and provides for effective stock management to be implemented.</p> <p>At the time of the audit, the Building Services Team was revamping its stock control processes. We were informed that an exercise was being undertaken to ensure clear and accurate records are being maintained by the Team in respect of stock type and quantity.</p> <p>Where up to date and accurate stock records are not maintained, there is an increased risk of loss or misappropriation of stock, which would result in a direct financial loss for the Council</p>	<p>Building Services have done some work to revamp processes. Housing Operations Manager to check what the improvements have been insofar as they may resolve some of the action points in the audit report.</p> <p>Deadline - 31st December 2019</p>	<p><i>No update yet provided</i></p>	<p><i>None set</i></p>

Corporate Investigations Team (CIT) – Fraud update
(statistical information from 1 April 2019 to 31 December 2019)

Update on work since last report to JGC in March 2019

Since 16/07/2019, the Corporate Investigations Team have been conducting a full review of all persons currently receiving a 25% single person discount on their Council Tax in the Adur area. We verified replies from a total of 6743 households in Adur, to ascertain whether they should continue to receive a 25% discount. We found 6.45% of all SPDs claimed in Adur were false, which is above the national average of 4% (National Audit Commission 2019).

CIT have also conducted full pre-investigations on 102 Homeless Assistance applications and 935 Housing Applications, during the period 01/04/2019 to 31/12/19, to ascertain their entitlement to access social housing within the Adur & Worthing areas.

Detailed below is the recovery/savings achieved by the CIT from their successful investigations since April 2019:

Investigation type	No of successful investigations	* Saving per case £	Recovery/Saving £
Adur SPD exercise	435	Varying amounts by CT Band	138,583.80
Housing – Housing Register	41	3,240*	132,840
Housing – Homeless Assistance Application	3	3,240*	9,720
Council Tax Reduction	5	Varying Amounts	4,373.82
Council Tax – Adur SPD NFI Matches	148	Varying amounts by CT Band	61,239.40
Council Tax – Worthing SPD NFI	187	Varying amounts by CT Band	50,230.79
			479,787.81

** The figures used in the above calculations are those used in the National Fraud Initiative Report 2018.*

