



ADUR & WORTHING  
C O U N C I L S

Joint Governance Committee

26 January 2021

Agenda Item 7

Key Decision: No

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 An update on Priority 1 recommendations outstanding past the agreed implementation dates.

**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 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 Council's, including the role of the Head of Internal Audit is outsourced to Mazars LLP.

## 4. Issues for Consideration

### 4.1 Covid-19

As reported within our previous progress reports to the Committee, Internal Audit continued to operate post the Covid-19 lockdown restrictions from 23 March 2020, but the progression of work from both the 2019/20 and 2020/21 plans was impacted. Our work re-commenced in July 2020 but due to the nature of remote auditing and our reliance on Council staff providing information, there have been some delays in the completion of audits. At the time of drafting this report, we are in the third national lockdown, however there has been no additional impact on delivery of work to date.

### 4.2 Internal Audit Performance - 2020/21

Further to 4.1, at 31<sup>st</sup> December 2020, 235.4 (48.74%) of the plan days had been delivered. Attached as **Appendix 1** is a summary of the current status of audits in the plan. Two audits from the 2019/20 plan are also still in progress due to delays in receipt of information.

Internal Audit attends monthly meetings with the Chief Financial Officer (CFO) and is in regular contact with her in respect of progress against the plan.

### 4.3 Final Reports

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 internal 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 used for the Council's are:

<b>Full Assurance</b>	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.
<b>Satisfactory Assurance</b>	There is a basically sound system but 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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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.

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

<b>Priority 1</b>	Major issues for the attention of senior management and the Joint Governance Committee.
<b>Priority 2</b>	Other recommendations for local management action.
<b>Priority 3</b>	Minor matters.

Since our report to the Committee in September 2020, five reports have been finalised (two from the 2019/20 plan and three from the 2020/21 plan). The two reports from 2019/20 were both given a Limited Assurance opinion (Homelessness Reduction Act Compliance and Management of the Commercial Property Portfolio). Three P1 recommendations were raised within the Limited Assurance final report on Management of the Commercial Property Portfolio.

A summary of the final reports issued since our last report to this Committee, including the key issues raised, is attached as **Appendix 2**. Details of the Priority 1 and Priority 2 recommendations raised within these reports have also been circulated to Members prior to the meeting in a separate briefing note.

#### **4.4 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 three years is shown in the tables below:

**Status of recommendations 2017/18**

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	Not Due	Total
<b>P1</b>	37	34	<b>91.9%</b>	0	<b>0%</b>	3	8.1%	0	0%	<b>8.1%</b>	0	37
<b>P2</b>	86	70	<b>81.4%</b>	6	<b>7%</b>	10	11.6%	0	0%	<b>18.6%</b>	0	86
<b>P3</b>	27	22	<b>81.5%</b>	2	<b>7.4%</b>	3	11.1%	0	0%	<b>18.5%</b>	0	27
<b>Other</b>	1	0	<b>0%</b>	0	<b>0%</b>	1	100%	0	0%	<b>100%</b>	0	1
<b>Total</b>	<b>151</b>	<b>126</b>	<b>83.4%</b>	<b>8</b>	<b>5.3%</b>	<b>17</b>	<b>11.3%</b>	<b>0</b>	<b>0%</b>	<b>16.6%</b>	<b>0</b>	<b>151</b>

**Status of recommendations 2018/19**

	Total Due	Imp	%	Carried Over (Not Impl'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Impl'd	Not Due	Total
<b>P1</b>	17	13	<b>76.5%</b>	0	<b>0%</b>	3	<b>17.6%</b>	1	<b>5.9%</b>	<b>23.5%</b>	1	18
<b>P2</b>	102	91	<b>89.2%</b>	0	<b>0%</b>	9	<b>8.8%</b>	2	<b>2%</b>	<b>10.8%</b>	14	116
<b>P3</b>	37	34	<b>91.9%</b>	0	<b>0%</b>	3	<b>8.1%</b>	0	<b>0%</b>	<b>8.1%</b>	5	42
<b>Total</b>	<b>156</b>	<b>138</b>	<b>88.5%</b>	<b>0</b>	<b>0%</b>	<b>15</b>	<b>9.6%</b>	<b>3</b>	<b>1.9%</b>	<b>11.5%</b>	<b>20</b>	<b>176</b>

## Status of recommendations 2019/20

	Total Due	Imp	%	Carried Over (Not Imp'd)	%	Overdue	%	Overdue & No Response	%	Total % NOT Imp'd	FU Not Due	Total
P1	12	6	50%	0	0%	4	33.3%	2	16.7%	50%	2	14
P2	57	44	77.2%	0	0%	7	12.2%	6	10.6%	22.8%	14	71
P3	13	13	100%	0	0%	0	0%	0	0%	0%	1	14
Total	82	63	76.8%	0	0%	11	13.4%	8	9.8%	23.2%	17	99

Attached as **Appendices 3, 4 & 5**, are tables which summarise the outstanding 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 7 recommendations (all Priority 2) which remain outstanding from audits contained in the 2016/17 Audit Plan.

We have also highlighted in **Appendix 6** those Priority 1 recommendations which remain outstanding after the agreed implementation dates.

There are 13 outstanding Priority 1 recommendations detailed within this report compared to 9 reported to the Committee on 22 September 2020.

## 5. Engagement and Communication

5.1 Internal Audit attends monthly meetings with the CFO on progress against the plan. Issues arising and potential plan changes are discussed both at these meetings and whenever necessary. This has included specific discussions in relation to the Covid-19 situation and impact on Internal Audit work.

## 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**

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**

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

## Status of 2020/21 Internal Audit Plan

## Appendix 1

	Audit	Field Work complete	Draft Issued	Final Issued	Assurance level	1	2	3	Total	P1 issues
2	Env Serv - Review of Procurement arrangements	Y	UR							
2	Rent Collection and Recovery	Y	Y	Y	Satisfactory	0	1	1	2	No P1 recs.
2	Covid-19 Governance	Y	UR							
2	Food Depot	Y	Y	Y	Satisfactory	0	0	2	2	No P1 recs.
3	Building Control	Y	UR							
3	Leaseholder Services	WIP								
3	Elections & Referendums	Y	UR							
3	Budget Monitoring	Y	Y	Y	Full	0	0	0	0	
3	Community Grants	WIP								
3	Revenues & Benefits additional discounts	Y	UR							
3	Environmental Services - Stores	Y	Y							
3	Adur Promotions Service	Y	Y							
3	Incident & Problem Management	Y	Y							
3	Theatres - Procurement & Contract Management	WIP								
3	Housing – Contracts Fact Find	WIP								
3	Project Management	Y	UR							
4	Disabled Facilities Grants	P								
4	Governance of Property Purchases & Disposals									
4	Supply of Affordable Housing									
4	Out of Hours Service	P								
4	Risk Management	P								
4	Payroll	P								
4	Key Controls Compliance	P								
4	Cyber Security									
4	GDPR compliance									

### Key:

WIP – Work in progress

P – Audit has been planned

UR – work is under review

**Key issues from finalised audits****Appendix 2**

<b>Audit (Plan Year)</b>	<b>Assurance Level &amp; Number of Issues</b>	<b>Summary of key issues raised</b>
Management of the Commercial Property Portfolio (19/20)	<b>Limited</b>  (Three Priority 1, Four Priority 2 and One Priority 3 recommendations)	The Priority 1 recommendations raised were for: <ul style="list-style-type: none"><li>- The need for background &amp; identity checks for new lessees</li><li>- Timely completion of lease renewals; and</li><li>- Timely completion of rent reviews</li></ul>
Homelessness Reduction Act Compliance (19/20)	<b>Limited</b>  (Three Priority 2 and two Priority 3 recommendations)	No Priority 1 recommendations raised.
Rent Collection & Arrears (20/21)	<b>Satisfactory</b>  (One Priority 2 and One Priority 3 recommendations)	No Priority 1 recommendations raised.
Food Depot (20/21)	<b>Satisfactory</b>  (Two Priority 3 recommendations)	No Priority 1 recommendations raised.
Budget Monitoring	<b>Full</b>  (No recommendations)	No recommendations raised.

# Status of outstanding audit recommendations 2017/18

# APPENDIX 3

	Joint Audit	Final Report Date	Assurance level	Total No of Recs	Number of agreed recs completed	1	2	3	Other	% of recs completed	Recs carried over into next audit	%of recs carried over	Number of recs outstanding	1	2	3	Other	% of recs outstanding	Comments
<b>Director for Communities</b>																			
<b>Housing</b>																			
Rent Collection and Collection of Arrears	ADC	Jan-18	Satisfactory	2	1	0	1	0	0	50%			1	0	0	1	0	50%	Update provided in Dec 20 that more time was needed to test - deadline revised to 31/3/21 6 recs still outstanding are being progressed deadlines revised to 31/11/21 to allow for current actions to be completed. New audit of processes started 30 November 20. Updates had been provided in respect of the 2 outstanding recs and deadlines revised to 30/11/20 - no update provided due to staff changes - owners revised.
Leaseholder Charges	ADC	Mar-18	No	39	33	12	18	3	0	85%			6	3	3	0	0	15%	
Gas Safety Inspections	ADC	Jul-18	Limited	16	14	3	11	0	0	88%			2	0	2	0	0	13%	
Housing Repairs	ADC	Feb-19	Limited	2	2	0	2	0	0	100%									
Handyman Service	*	Jan-18	Limited	1	1	1	0	0	0	100%									COMPLETE - Decision taken to discontinue service therefore all other recs no longer applicable.
<b>Wellbeing</b>																			
Contract Management audit - Voluntary &	*	Feb-18	Satisfactory	1	1	0	1	0	0	100%									COMPLETE
<b>Director of Digital &amp; Resources</b>																			
<b>Finance</b>																			
Budget Management	*	Dec-17	Satisfactory	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	2	1	1	0	0	33%			4	0	3	1	0	67%	Plans made to implement recs were impacted by Covid-19 deadlines were revised to 31/10/20 - update requested 5/11 & 11/1
Creditors	*	Feb-18	Satisfactory	2	2	0	0	2	0	100%									COMPLETE
Debtors	*	Feb-18	Satisfactory	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
<b>Legal</b>																			
Corporate Governance & Ethical Standards	*	Jan-18	Satisfactory	2	2	0	2	0	0	100%									COMPLETE
<b>Design &amp; Digital</b>																			
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
<b>People</b>																			
Human Resources	*	Feb-18	Limited	6	6	3	3	0	0	100%									COMPLETE
<b>Revenues &amp; Benefits</b>																			
Revenues (Council Tax & NDR)	*	Jul-18	Satisfactory	4							4	100%							Recommendations re-iterated in 18/19 audit
Benefits	*	Feb-18	Satisfactory	2	2	0	2	0	0	100%									COMPLETE
<b>Computer Audits</b>																			
Firewall & Cyber Security	*	Oct-17	Satisfactory	5	5	0	1	4	0	100%									COMPLETE
GDPR Readiness Gap Analysis	*	Apr-18	Limited	16	16	9	5	2	0	100%									COMPLETE
Revs & Bens - Academy application	*	Jan-19	Limited	4	4	2	1	1	0	100%									COMPLETE
Mats - Application Audit	*	Oct-19	Satisfactory	6	3	0	2	1	0	50%			3	0	2	1	0	50%	Deadlines have been revised for the 3 outstanding recs to 31/11/21 & 31/3/21
Review of Technology Strategy	*	Apr-18	No opinion given	1									1	0	0	0	1	100%	update provided confirmed Draft Strategy to TIB 9/3/2021 Final 20/4/2021
<b>Contract Audits</b>																			
Procurement Compliance	*	Sep-18	Satisfactory	6	6	1	2	3	0	100%									COMPLETE
				151	126	34	70	22	0	83%	8		17	3	10	3	1		



Director for Economy																	
<b>Culture</b>																	
Theatres Box Office	WBC	Feb-19	Satisfactory	8	8	0	2	6	0	100%							COMPLETE
<b>Place &amp; Investment</b>																	
Asset Management	*	Mar-20	Limited	4	4	1	3	0	0	100%							COMPLETE
<b>Planning &amp; Development</b>																	
Place & Economy	*	Sep-18	Satisfactory	8	8	0	6	2	0	100%							COMPLETE
Development Management	*	Feb-19	Satisfactory	7	6	0	6	0	0	86%	1	0	1	0	0	14%	COMPLETE deadline for remaining rec revised to April 21 to allow process to be completed at year end
<b>Computer Audits</b>																	
Data Centre Access Procedure	*	Jul-19	Limited	11	9	1	8	0	0	82%	2	0	2	0	0	18%	Update provided through App confirmed deadlines extended to 31/3/21 & 30/9/21.
Content Management (Website- Internet)	*	May-20	Limited	9	8	0	5	3	0	89%	1	0	1	0	0	11%	One remaining rec is overdue and deadline extended to 31/3/21
<b>Contract Audits</b>																	
Construction - Adur Civic Centre Phase 1	*	DRAFT															
Fire Doors	ADC	DRAFT															
Car Parks - LED lighting replacement	WBC	Jan-19	Satisfactory	5	5	0	1	4	0	100%							COMPLETE
<b>Cross Service Audits</b>																	
Emergency Planning	*	Nov-18	Satisfactory	3	3	0	2	1	0	100%							COMPLETE
Energy Management	*	Aug-19	Satisfactory	3	3	0	2	1	0	100%							COMPLETE
				176	138	13	91	34	0	78%	38	5	25	8	0		

# Status of outstanding audit recommendations 2019/20

# APPENDIX 5

	Joint Audit	Final Report Date	Assurance level	Total No of Recs	1	2	3	Other	Number of agreed recs completed	1	2	3	Other	% of recs completed	Number of recs outstanding	1	2	3	Other	Percentage of recs outstanding	Comments
<b>Director for Communities</b>																					
<b>Housing</b>																					
Tenancy Management	ADC only																				
Rent in Advance	*	Mar-20	Limited	11	1	9	1	0	4	0	3	1	0	36%	7	1	6	0	0	64%	6 recs now overdue. No recent updates provided including P1. Update requested 20/10, 6/11 & 11/1
Regulatory Compliance	ADC only	Aug-20	Limited	8	2	6	0	0							8	2	6	0	0	100%	4 recs now overdue, update provided and deadlines revised.
Homeless Reduction Act compliance	*	Sep-20	Limited	5	0	3	2	0	5	0	3	2	0	100%							COMPLETE
Allocations	*	Dec-19	Satisfactory	2	0	1	1	0	2	0	1	1	0	100%							COMPLETE
<b>Wellbeing</b>																					
Management of Community Buildings	*	DRAFT																			
<b>Director of Digital &amp; Resources</b>																					
<b>Revenues &amp; Benefits</b>																					
Revenues & Benefits	*	Feb-20	Satisfactory	1	0	0	1	0	1	0	0	1	0	100%							COMPLETE
<b>Financial Services</b>																					
General Ledger	*																				
Exchequer (Creditors & Debtors)	*																				
Cashiering	*	Feb-20	Satisfactory	1	0	1	0	0	1	0	1	0	0	100%							COMPLETE
Budget Development	*	Oct-19	Satisfactory	1	0	1	0	0	1	0	1	0	0	100%							COMPLETE
VAT Arrangements	*	Oct-19	Satisfactory	1	0	0	1	0	1	0	0	1	0	100%							COMPLETE
<b>Customer &amp; Digital Services</b>																					
Management of Call Centre volumes	*	Aug-19	Satisfactory	1	0	1	0	0	1	0	1	0	0	100%							COMPLETE
Risk Management	*	Apr-20	Satisfactory	4	0	4	0	0	3	0	3	0	0	75%	1	0	1	0	0	25%	3 Recs have been actioned & the deadline for the remaining one extended to 30/6/21
<b>Legal Services</b>																					
Corporate Governance	*	Jan-20	Satisfactory	1	0	0	1	0	1	0	0	1	0	100%							COMPLETE
Decision Making	*	Sep-19	Satisfactory	1	0	1	0	0							1	0	1	0		100%	Rec was due on 31/10/19 - update requested 7/9, 20/10 & 11/1
<b>Human Resources</b>																					
Data input & accuracy	*	Feb-20	Limited	10	1	8	1	0	10	1	8	1	0	100%							COMPLETE
Apprenticeships	*	Apr-20	Satisfactory	5	0	5	0	0	4	0	4	0	0	80%	1	0	1	0	0	20%	Rec will be followed up through the App when due
<b>Business &amp; Technical Services</b>																					
Asbestos Management (non Housing)	*	Jul-20	Satisfactory	1	0	1	0	0	1	0	1	0	0	100%							COMPLETE
Business Continuity	*																				
Building Maintenance Compliance (non Housing)	*	Jul-20	Limited	9	4	5	0	0	6	2	4	0	0	67%	3	2	1	0	0	33%	Outstanding 3 recs now overdue. Updates provided for all and deadlines extended.
<b>Director for Economy</b>																					
<b>Planning &amp; Development</b>																					
Land Charges	*	DRAFT																			
Planning Enforcement	*	Jan-20	Limited	9	0	8	1	0	8	0	7	1	0	89%	1	0	1	0	0	11%	Update provided for outstanding rec - deadline revised to 26/2/21
<b>Major Projects &amp; Investment</b>																					
Management of Major Projects	*																				
Management of the Commercial Property Portfolio	*	Oct-20	Limited	8	3	4	1	0	2	0	1	1	0	25%	6	3	3	0	0	75%	P1 rec overdue - update provided 12/1 and deadline extended to 31/3/21 - Other recs to be followed up through App when due
<b>COMPUTER AUDITS</b>																					
Network Architecture and Resilience	*	Jun-20	Limited	7	0	4	3	0	4	0	2	2	0	57%	3	0	2	1	0	43%	update provided confirmed 4 actioned other recs will be followed up through the App when due
Account Security	*	Aug-20	Limited	6	0	6	0	0	1	0	1	0	0	17%	5	0	5	0	0	83%	One rec due has an update and deadline extended - other recs will be updated through the App when due
GDPR Compliance	*	Apr-20	Limited	6	3	3	0	0	6	3	3	0	0	100%							COMPLETE
<b>CONTRACT AUDITS</b>																					
Management of Capital Programme	*																				
Contract audit - Concrete Repairs Grafton Car Park	WBC only																				
Procurement & Contract Management - Housing	*																				
<b>CROSS SERVICE REVIEWS</b>																					
Councils preparedness for EU exit	*	Dec-19	Satisfactory	1	0	0	1	0	1	0	0	1	0	100%							COMPLETE
				<b>99</b>	<b>14</b>	<b>71</b>	<b>14</b>	<b>0</b>	<b>63</b>	<b>6</b>	<b>44</b>	<b>13</b>	<b>0</b>		<b>36</b>	<b>8</b>	<b>27</b>	<b>1</b>	<b>0</b>		

## 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><b>3.1</b> 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"> <li>• Outline any local policy decisions in respect of the management of leaseholders, recovery of charges etc. and detail how these requirements will be achieved;</li> <li>• 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</li> <li>• 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).</li> </ul> <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 - 30<sup>th</sup> 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>Update provided by Housing Operations Manager on 4<sup>th</sup> March 2020 confirmed:-</p> <p>The Repairs policy has been rejected on the grounds of a lack of consultation. A clearer consultation strategy will be needed as part of the process of approving this policy. The aim will be to define this in March 2020. The policy may not be approved therefore until after the local election in May 2020. The target for this needs to be revised to May/June 2020.</p> <p>Updated provided by Interim Leasehold Manager on 3<sup>rd</sup> April 2020 confirmed:-</p> <p>Policy drafted. Consultation vehicle or forum for leaseholders needs to be set up in line with AH resident engagement strategy. Not practical to progress during Covid situation. Deadline extended.</p> <p>Update provided by Interim Leasehold Manager on 31<sup>st</sup> July 2020 stated "Adur Informal Cabinet agreed in July that draft policy could go forward to JSC</p>	<p>31<sup>st</sup> January 2021</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>September and then to leaseholder consultation. Not clear if will have to go back to members hence precautionary backstop revised deadline".</p> <p>Update provided on 9<sup>th</sup> September 20 stated "Draft policy updated after Adur Informal Cabinet; report going to JSC October".</p> <p>Update provided by Interim Leasehold Manager on 6<sup>th</sup> November stated "Approved JSC October, proceeding with consultation with leaseholders and will then come back to JSC".</p>	
<p><b>3.32</b> 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>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 arrangements will be reviewed with Finance and Legal.</p> <p>Deadline - 31<sup>st</sup> March 2019</p>	<p>As above.</p> <p>Update provide by Housing Operations Manager on 4<sup>th</sup> March 2020 confirmed:-</p> <p>The Leasehold Manager is drafting options for payment for leaseholders. Once this is completed sign off by Finance will be needed. Finance has been consulted as part of the process of drawing up these options.</p> <p>Update provided on 29<sup>th</sup> June 2020 confirmed this recommendation is being processed in line with other recommendations and the deadline has been revised.</p> <p>Update provided on 9<sup>th</sup> September 2020 confirmed that the updated policy with be presented to Informal Cabinet in Oct/Nov – deadline revised.</p>	<p>31<sup>st</sup> January 2021</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>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"> <li>• 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.</li> <li>• 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.</li> <li>• The Cabinet decision in July 2010 states the administration fee for deferred payments as £100 yet the Paying for Major Work information states £90.</li> </ul> <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 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</p>		<p>Update provided by Interim Leasehold Manager on 30<sup>th</sup> November stated "we are in discussion with Boom about their managing MW extended payment/"loan" arrangements. Waiting for their proposal. will then go to members".</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>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><b>3.33</b> 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.</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</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>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,</p>	<p>This will be reviewed with Finance and Legal.</p> <p>Deadline - 31<sup>st</sup> March 2019</p>	<p>As above.</p>	<p>31<sup>st</sup> January 2021</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>how supporting information/ documentation should be retained.</p>	<p>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"> <li>• how instalments and interest would be applied to Owner Accounts;</li> <li>• monitoring;</li> <li>• how the Council would legally stand in recovering any arrears of interest etc. if charges were not made against properties; and</li> <li>• their ability to calculate interest on loans and setting-up loan/instalment agreements with interest;</li> </ul> <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> <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>			

**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. 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"> <li>• The need to register and publish notice of key and exempt decisions at least 28 days in advance; and</li> <li>• The need to inform the Monitoring Officer of any sub-delegations of duty.</li> </ul> <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 &amp; 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 - 31<sup>st</sup> December 2019</p>	<p>Update provide by Monitoring Officer on 24<sup>th</sup> February 2020 confirmed that “induction training is being developed. It is anticipated that this will cover ethics, officer code of conduct, risk management, officer scheme of delegations, committee structure, decision making and key and decisions, exempt information and access to information.</p> <p>It is anticipated that a cycle of the training being delivered every 6 months to new starters will commence this summer”.</p> <p>Deadline has been revised to allow for first cycle of training to be conducted.</p> <p>Update provided by Monitoring Officer on 6<sup>th</sup> November 2020 confirmed Governance and decision making training (28 day notice, publication of decisions etc) was completed in October 2019 and sub delegation training was conducted with every head of service by the end of 2019.</p> <p>Induction training on governance matters is not yet in place.</p> <p>The deadline has therefore been extended to allow for the completion of this training.</p>	<p>30<sup>st</sup> April 2021</p>

## Building Services – Stocks & Stores 2018/19 (Final Issued October 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>3.2 Adur Homes should develop a policy that defines, amongst others:</p> <ul style="list-style-type: none"> <li>- How Building Services will procure materials (i.e. through the use of one contracted supplier and/or the use of local suppliers);</li> <li>- The quality standards expected when purchasing materials;</li> <li>- Levels of stock to be held;</li> <li>- Considerations to be made when purchasing (i.e. whether purchasing more costly LED lights will reduce Operative and overhead costs in the long term);</li> <li>- Any specific brands to be prioritised when purchasing, considering any historic use of these and the lower cost and time implications in replacing these; and</li> <li>- When and/or how the Service will stock vans (i.e. Operatives are only given the supplies to do each job and/or there will be a minimum stock level of certain types of incidentals such as nails, screws or other materials that they keep on each van).</li> </ul> <p>Where standards are established, they should be documented and reviewed on an annual basis. Management should then monitor to ensure that standards are met.</p>	<p>Maintaining a Policy on how equipment and materials are procured, standards required and van stocking etc. will assist management ensure that materials and equipment is purchased and used in line with both service and Council objectives (such as the Sustainable Procurement Strategy).</p> <p>We confirmed that at present, Building Services do not have any contract arrangement with a particular supplier for the provision of materials and equipment. Furthermore, there is no documented policy in place defining how the Service will procure its materials, standards required, stock levels, or how it will stock its vans.</p> <p>Where there is no written policy in place determining how materials are purchased etc, there is an increased risk that irregular and/or inadequate purchasing/stocking occurs leading to poor value for money, non-compliance with Council objectives, inefficiencies and possible financial loss.</p>	<p>The proposed direction of travel is to outsource the management of stocks and stores and a suitable point in the future.</p> <p>The need to create some interim policy/procedure or guidance is accepted so that the stocks and stores can be managed in the interim in order to improve our scrutiny and compliance.</p> <p>Deadline - 31<sup>st</sup> March 2020</p>	<p>Update provided on the 7<sup>th</sup> July 2020 by the Housing Operations Manager confirmed "There have been a few decisions made about this matter both within Adur Homes and with a wider procurement group. An in principle decision has been made to outsource the bulk of our stores purchasing in a potential 3 - 5 year contract.</p> <p>The two decisions remaining will be:</p> <ul style="list-style-type: none"> <li>• How we run down our existing stock and manage risk</li> <li>• The level of threshold stores that we will retain' somewhere between £3K - £10k.</li> </ul> <p>We are significantly adrift of audit timelines at present. The main cause of this has been the delay in appointment of the new Repairs Modernisation Manager post and the impact of Covid".</p> <p>Update provided on 9<sup>th</sup> Sept 20 states that:-</p> <p>Adur Homes are working with procurement on creating a 2 - 3 year framework contract for procuring future stocks and stores. A preferred framework</p>	<p>31<sup>st</sup> March 2021</p>

			<p>had been identified (PFH) and a provisional timetable for moving across from the current arrangement to the new one. As well as the procurement exercise there will be a need to follow internal governance arrangements.</p> <p>It is anticipated that the new Framework will be in place from January 2021 onwards. This will address the following issues highlighted in the audit in due course.</p> <ul style="list-style-type: none"> <li>- How Building Services will procure materials</li> <li>- The quality standards</li> <li>- Considerations to be made when purchasing</li> <li>- Levels of stock to be held;</li> <li>- When and/or how the Service will stock vans</li> </ul> <p>Procedural guidance will be developed in parallel with the above under the headings indicated. These will show interim arrangements for the period October 2020 - January 2021 and then future arrangements from January 2021 onwards.</p> <p>Updated provided on 27th October 2020 confirmed that arrangements will not be in place until the procurement has been completed. Deadline extended.</p>	
<p>3.3 The Building Services Team should ensure value for money is sought when purchasing materials.</p>	<p>The Council's Contract Standing Orders requires that where purchases are less than £25,000, it is best practice for a minimum of two written quotes to be obtained.</p>	<p>Agreed - The proposed direction of travel is to outsource the management of stocks and stores and a suitable point in the future. In the interim the intention is to</p>	<p>As above</p>	<p>31<sup>st</sup> March 2021</p>

	<p>In the absence of a Building Services Procurement Policy or any contract arrangement, we tested 10 recent purchases of materials and noted that, in all cases:</p> <ul style="list-style-type: none"> <li>- The value of the purchase was under £1,000; and</li> <li>- There was no evidence to support value for money was sought in the forms of quotes being obtained.</li> </ul> <p>Where quotes are not obtained, there is a risk that Contract Standing Order requirements are not being complied with and that the Council is not achieving value for money.</p>	improve our scrutiny and compliance.		
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### Rent in Advance/Rent Deposit Scheme 2018/19 (Final Issued March 2020)

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>3.3 Every form used in the Rent in Advance/Rent Deposit (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>	<p>The Data Protection Act (DPA) 2018 and General Data Protection Regulation (GDPR) contain specific requirements that the Councils must comply with when collecting and processing a client's personal data, including obtaining consent and providing privacy notices.</p> <p>From our examination of the 'In Principle Financial Assistance Approval' and 'Vulnerability &amp; Suitability' forms we noted that neither contain any details about consent or a privacy notice.</p> <p>As some of the information required to be provided in the 'Vulnerability &amp; Suitability' form can relate to disabilities or illnesses, the personal information being provided is considered sensitive personal data and is therefore subject to more rigorous requirements under the DPA 2018. Furthermore, as sensitive personal</p>	<p>These forms are part of the homelessness prevention process and are therefore covered by the consents given when a homelessness application is made. The Homeless application form also includes the link to the Councils privacy notice which specifically relates to homelessness related processes.</p> <p><b>Audit Comment</b> – Advice sought from the Councils SIGO has confirmed a privacy notice link is required on all forms which are used to collect personal data and that depending on the process, consent information may also be required. Therefore we recommend that the SIGO is contacted in order to review the process and confirm whether</p>	No update yet provided.	None set yet.

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>information relating to any other residents in the same dwelling as the client is also being requested, separate privacy notices for these other residents will also be required.</p> <p>Where the required consent and privacy notices are not contained on forms, the Council is in breach of the DPA 2018 and GDPR and should the ICO investigate this the Council may face significant fines.</p>	<p>consents are required within these forms.</p> <p>Housing Needs Manager – Agreed Deadline – 30<sup>th</sup> June 2020</p>		

### Housing Repairs – Matsoft Processes 2019/20 - (Final Issued March 2020)

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>3.17</p> <p>1) Adur Homes should review the arrangements in place for the contractors used to provide repair works, and where necessary, arrange for contract procurement exercises to be undertaken.</p> <p>2) Furthermore, regular meetings should be held with contractors to whom Adur Homes regularly allocate repair works and action points arising from each meeting should be documented. The Dashboard information on pending jobs should be used in contract management meetings</p>	<p>The Council's Contract Standing Orders require that where spend over certain levels occurs, specific procurement processes are followed in order that contracts are in place for the provision of services. Regular contract monitoring meetings help to ensure that the performance of contractors is discussed and dealt with in a timely manner.</p> <p>It was established from discussions with the Contracts Compliance Manager that, for many of the contractors used by the Repairs service, there is no contract or Service Level Agreement (SLA) in place and regular contract monitoring meetings do not take place. We also noted his concerns that where arrangements are not in place that the Council has limited means of ensuring a job is completed in time, see example in recommendation 3.8 where a job has been waiting completion by a</p>	<p>Agreed. There has been a recent meeting with Procurement and Directors to look at the Contracts Register and create a programme to review contractors used in order to get contracts and Service Level Agreements (SLAs) in place. For each contractor used the review should look at and consider spend, value for money and current service.</p> <p>Deadline – 30<sup>th</sup> November 2020</p>	<p>None yet provided</p>	<p>None yet set</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>specific contactor since June 2018. The recommendation in relation to contract monitoring meetings was also raised in the 2017/18 Housing Repairs audit report.</p> <p>Where contracts are not in place for companies providing regular repairs works, there is a risk that the Council is failing to comply within its' Contract Standing Orders. Where there is no contract in place with a works supplier there is a risk that the Council has no means of enforcing that contractors complete works in the required timescales and this may lead to poor customer service. Where there are no regular monitoring meetings, there is a risk of inadequate control over the performance of contractors.</p>			

### Building Maintenance Compliance (Housing) 2018/19 (Final Issued July 2020)

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 Roles and responsibilities in respect of ensuring regulatory compliance for Council buildings should be defined and communicated to the relevant Council teams and officers.</p> <p>This should confirm which properties are managed by the Estates Team and which ones are deemed to be Corporate Buildings and therefore managed by the Technical Services Team.</p> <p>This could be defined within each of the Policies recommended above or encompassed into a separate</p>	<p>Premises Health and Safety is a complex issue, with at least 16 different legislative requirements being in place; therefore, monitoring of compliance with these requirements requires a high level of knowledge. The Councils need to ensure compliance with regulatory requirements is achieved for all of their buildings and documenting the roles and responsibilities for this will assist in ensuring that staff know and are aware of their responsibilities.</p> <p>At present and in practice, there is an expectation that the Technical Services</p>	<p>This is a programmed project with Digital to deliver an in-house compliance / asset management system. Delays have occurred due to other work commitments relating to COVID19. Need to consider service responsibilities for lease, compliance and other regulatory issues which may change depending on the status of the property. The project was awaiting a dedicated project manager to lead on the client relationship and development of the application. There is a</p>	<p>Update provided by the Safety &amp; Resilience Manager on 9<sup>th</sup> September 2020 stated "We are currently in discovery phase to procure / design new compliance software. The ownership of assets will form part of this work. Demos have been undertaken with noticeable apathy for feedback hence this has made the selection process more complex. Next steps to agree at the Digital Board a way forward.</p>	<p>31<sup>st</sup> January 2021</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>document. Furthermore, consideration should be given to the development of a central record of Council buildings whereby responsibilities and compliance information is recorded and can therefore be accessed by relevant staff to give a complete picture of regulatory compliance for Council buildings.</p> <p>A reconciliation exercise would need to be undertaken between Estates and Technical Services to ensure all Council properties are captured and compliance arrangements defined.</p>	<p>Team are responsible for Corporate Buildings and those properties owned by the Councils that are not under a full repair lease (i.e. Southwick Community Centre and Lancing Leisure Centre), with the Estates Team being responsible for properties which have been let under a full repair lease and those under a multi-leased arrangement with Savills where service charges are raised.</p> <p>However, through discussions with both teams during the audit, it is clear that communications could be improved and assurances obtained from both sides that compliance is being achieved. There was no centralised way of monitoring overall compliance and ensuring all properties are being covered by either Estates or Technical Services.</p> <p>Where roles and responsibilities are not adequately defined and communicated to the relevant officers and there is no means of confirming overall compliance, there is an increased risk that regulatory compliance is not adequately managed and this may lead to the health and safety of staff and others being put at risk.</p>	<p>requirement to re-engage with the Head of Service to prioritise recruitment.</p> <p>Safety &amp; Resilience Manager Deadline – 31<sup>st</sup> October 2020</p>	<p>Update provided by the Safety &amp; Resilience Manager on 12<sup>th</sup> October 2020 stated “This work is still being undertaken. A gap analysis is being prepared by the Contracts and Compliance officer to determine all compliance activity. Asset lists are being worked on to clarify ownership responsibilities. Demos of a compliance system have carried out however, there has been disappointing participation from service areas and therefore feedback has not been forthcoming. The matter has been raised with Head of Service and Director”.</p>	
<p>3.8 The different recommendations raised by Contractors during their inspections and/or maintenance visits should be prioritised in order to allow issues to be addressed as soon as practical depending on the significance of these.</p>	<p>Prioritising rectification works will assist management in ensuring that works orders are raised and works are performed in a timely manner. The Councils will then be ensuring that any actions which may impact on the health and safety of staff and the public, particularly in relation to fire safety, are being addressed promptly.</p> <p>From our testing on a sample of ten rectifications actioned by the Councils, we noted one case where issues raised by the contractor on 17 June 2019 were</p>	<p>Agreed. The compliance application will plug any gaps in process.</p> <p>Senior Building Surveyor (Facilities &amp; Maintenance) Deadline – 31<sup>st</sup> October 2020</p>	<p>Update provided by Senior Building Surveyor on 8<sup>th</sup> October 2020 stated “The Council are currently in the process of appraising various compliance / asset management systems to see if it would be preferable to utilise one of these "off the shelf" systems rather than building our own compliance system.</p> <p>This will then enable the prioritisation and tracking of all recommended actions identified</p>	<p>31<sup>st</sup> March 2021</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>not raised in a works order until 12 August (45 days later). The contractor, Southern Fire Alarms, recommended the "Supply, install and commission 2 No batteries to the Sounder PSU, 1 No battery to the Autodialler PSU and 1 No Heat Detector to kitchen to replace faulty detector" at the Pavilion Theatre.</p> <p>Where issues identified from compliance checks are not prioritised or works orders are not raised in a timely manner, there is an increased risk that the Councils continue to be non-compliant with regulation and the health and/or safety of the public and staff is put at risk. Should incidents occur during the intervening period between safety issues being identified and the remedial works being contracted, there is a risk that the Council may not be able to demonstrate due diligence.</p>		<p>when service inspections/ reports are carried out.</p> <p>This will mean that we will be able to identify and monitor any due or outstanding actions to ensure they are dealt with within prioritised deadlines until they are confirmed as completed on the system.</p> <p>Update provided by Senior Building Surveyor on 17<sup>th</sup> December 2020 stated "we are still progressing the options for the Councils own MATs based compliance app against the off the shelf options to produce a compliance record system which will help monitor compliance checks and help us track items identified during compliance checks/servicing . We have had now had various companies demonstrate their systems to us and we are in the process of assessing these and getting approval for the direction we should be taking. The Covid situation has hampered this progress."</p>	

### Regulatory Compliance (Housing) – (Final Issued August 2020)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
3.4 Adur Homes should review when the last Asbestos management surveys were undertaken and urgently progress any outstanding ones. Furthermore, the	Section 4 of the CAR12 requires that every property has to have an asbestos management plan and that an asbestos register is retained. Asbestos surveys are	We have recently undertaken re-inspections on our blocks and this will continue to be done annually.	Update provided on 29/12/20 confirmed that "Adur Homes do not have anyone in position to progress this action at present,	31 <sup>st</sup> March 2021

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>outcomes of the surveys should be recorded and monitored, and a monitoring process should be effected to ensure that assessments are undertaken every 12 months.</p>	<p>required to be conducted every 12 months. An 'Asbestos Management Survey' spreadsheet exists to record where asbestos has previously been identified within housing properties. We tested a sample of ten properties to establish when the last asbestos survey had been completed and found that:</p> <ul style="list-style-type: none"> <li>• nine had not had a survey carried out within the last 12 months, (eight were last undertaken in 2017 with the remaining one in 2018), and</li> <li>• the outcomes of two surveys had not been recorded on the 'Asbestos Management Survey' spreadsheet. Where the Council does not carry out an asbestos survey every 12 months, the Council is in breach of the regulations and can face penalties. There is also a risk that residents health and safety is put at risk leading to potential lawsuits, financial penalties and reputational damage.</li> </ul>	<p>We are still lacking data for many of the dwellings and do not have an up to date asbestos register that can be viewed and edited onsite, Adur and Worthing Councils are in the process of purchasing an asbestos management system called Alphatracker which will store all of our asbestos surveys and data and will be able to be viewed and edited from site so that records remain up to date.</p> <p>Deadline - 1<sup>st</sup> December 2020</p>	<p>so this action deadline will need to be extended".</p>	
<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. Where applicable, any documentation (inspection reports, new certificates etc) received which support the completion of rectification works should be retained. Rectification of recommended actions and/or issues identified should be performed in a timely manner and/or in line with established timescales (i.e. recommended by specialists or legislation).</p>	<p>Any issues identified during regulatory inspections should be remedied in a timely manner to ensure that staff and the public are safe and that Council is compliant with relevant legislation. Testing of the inspections required across 60 properties (for the six different key areas examined) found that:</p> <ul style="list-style-type: none"> <li>• Asbestos: Eight (out of ten) properties needed follow up works to be carried out as asbestos had been identified as part of the most recent inspections (2017/18) but no follow up works had been evidenced as carried out for these eight properties.</li> <li>• Electrical: Two (out of ten) properties tested included recommendations as a result of the most recent inspections undertaken. These were all 'C3' recommendations which are</li> </ul>	<p>Agreed, any actions arising from compliance inspections should be recorded and rectified in a timely manner.</p> <ul style="list-style-type: none"> <li>• Asbestos: We have recently undertaken re-inspections of all sites which have asbestos identified in the 2017/18 reports, any actions required as a result of these inspections will be recorded and prioritised accordingly. Mark Whitfield is assisting us with reviewing the re-inspections as Adur Homes does not currently have a member of staff with P405 qualification.</li> <li>• Electrical: Due to budget pressures we do not undertake C3</li> </ul>	<p>This action has been partially resolved, For <b>Gas</b> compliance we employ PCM to review LGSR certificates, installations and servicing. PCM raise issues directly with the gas servicing contractor (K&amp;T) and provide Adur Homes with a monthly report which details any open issues. This data will also be reviewed in contract management meetings.</p> <p>For <b>Electrical</b> we have a process whereby the electrical contractor will submit a request for remedial works following an electrical test via our repairs system, this ensures that any instances of non-compliance are tracked and</p>	<p>31st March 2021</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>deemed to be 'best practice' and non-urgent. We confirmed that for one of the properties remedial actions were taken in December 2018 but for the remaining property no works had been undertaken.</p> <ul style="list-style-type: none"> <li>• Water/Legionella: All ten properties tested had recommendations raised as part of the most recent report obtained from Envirocure in January and February 2019 but none of these recommendations were acted upon until work notices were issued on 23 January 2020 for all properties.</li> <li>• Lifts: Two (out of ten) lifts tested where in need of further remedial actions. In one case this was undertaken 76 days from the report/inspection date. For the remaining case, there was no evidence of remedial works being undertaken. Both these cases were stair lifts and not passenger lifts.</li> <li>• Gas: In all ten cases inspections had been undertaken and none of the properties tested had any follow-up actions noted.</li> <li>• Fire: Seven (out of ten) properties had a Fire Risk Assessment completed within the last year, the reports were retained and results recorded. The other three were in progress.</li> </ul> <p>Where issues identified from compliance checks are not rectified in a timely manner and management do not monitor these to ensure that rectification occurs in a timely manner, there is an increased risk that the Council continues to be non-compliant and risks the health and/or safety of the public/staff.</p>	<p>recommendations unless the property is in an overall state whereby it requires a rewire due to other C1 and C2 failures. It is not a regulatory requirement for the Council to undertake C3 recommendations.</p> <ul style="list-style-type: none"> <li>• Legionella and Lifts: All actions have now been completed, we are looking to increase staff resources in compliance so that each of the services has an assigned contract manager. Currently the Compliance Manager is responsible for all services within compliance which. A Compliance and asset management system would automate this and would highlight areas of noncompliance via regular reporting. We currently have to manage action lists across compliance manually which can lead to actions being missed due to time pressures and human error.</li> <li>• FRA: There have been some minor delays with fire risk assessments but we are now on target to have all sites fire risk assessed within the required timescales (annual for Sheltered and Bi-annual for General needs).</li> </ul> <p>Maintenance Manager</p> <p>Deadline – 1<sup>st</sup> November 2020</p>	<p>resolved in a timely manner. This data will also be reviewed in contract management meetings.</p> <p><b>Asbestos</b> - We use Functio Ltd to undertake reviews of asbestos management surveys, the outcomes of these are monitored in the asbestos task and finish group. We are aware that we need to undertake more monitoring of all surveys and are currently seeking to recruit a Housing Compliance and Fire Safety Officer to fulfil this duty.</p> <p><b>Legionella</b> - Following water risk assessments and monthly sampling being undertaken, any defects or remediations are quoted via email, follow on jobs are then raised and are monitored via our repairs system. We are in the process of making our water service provider an online contractor so that defects can be raised and monitored on the compliance system which will ensure that defects are tracked and reported on by the 31st December 2020, this data will also be reviewed in contract management meetings.</p> <p>Can we extend the deadline until 31st January 2021 as we are in the process of recruiting to a post which if successful will enable us to carry out the additional asbestos monitoring.</p> <p>Update provided on 24<sup>th</sup> December stated</p> <p>“Recruitment of the Compliance</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
			Fire Safety Officer role has been completed and expected start date is 12th January 2021. The new recruit will need to undertake the relevant Asbestos training, before any asbestos monitoring can be carried out, so this action will also need to be extended".	

### Management of the Commercial Property Portfolio 2019/20 - (Final Issued October 2020)

Recommendation (Reference & content)	Findings and Risk as outlined in Final Audit Report	Agreed Action, Comments & Original Implementation deadline	Follow Up Comments	Proposed Completion Date
3.2 The Councils should ensure background checks are completed on all new tenants. Evidence of this should be maintained in a centralised location in order that both the Estates and Legal teams have access.	Undertaking and maintaining supporting evidence of background and identity checks will assist the Councils confirm that their properties are only let to bone-fide persons. During the audit we confirmed with both the PIM and Legal Services that background and identity checks are not being performed in respect of new tenants. Where background and identity checks are not completed on new tenants and the evidence held in a central location, there is a risk that Council properties may be let to persons whom the Council has no knowledge of. This may lead to inappropriate use of Council premises and/or loss of income if the new tenant has financial issues.	Where properties are marketed through appointed agents (RICS) Anti-Money Laundering checks are undertaken by the Councils' agents, however we propose that installation of a new process (and addition as part of the lease renewal process on the app) to check tenant identifications. Reference and learning will be undertaken from <a href="https://www.rics.org/globalassets/rics-website/media/upholding-professionalstandards/standards-of-conduct/countering-money-laundering-1st-edition-rics.pdf">https://www.rics.org/globalassets/rics-website/media/upholding-professionalstandards/standards-of-conduct/countering-money-laundering-1st-edition-rics.pdf</a> and a relevant whole team CPD to ensure that both officers are trained and understand both the process and risks associated. Work will also be undertaken to provide assurance that these checks are being undertaken and	Update provided on 12 <sup>th</sup> January 2021 by Property & Investment Manager states "In relation to the AML requirements, significant progress has been made. The Principal Property Surveyor has met with Legal and Finance colleagues to put in place a new process. The Council must have an appointed AML officer, which is currently un-filled and following the most recent departure of the Head of Legal, information is awaiting from the Interim Head of Legal as to where this responsibility will sit. It is expected that this role will take responsibility for completing any required AML checks for property transactions. We will continue to work with legal colleagues to agree this process and work is underway but unavoidably delayed to-date".	31 <sup>st</sup> March 2021

<b>Recommendation (Reference &amp; content)</b>	<b>Findings and Risk as outlined in Final Audit Report</b>	<b>Agreed Action, Comments &amp; Original Implementation deadline</b>	<b>Follow Up Comments</b>	<b>Proposed Completion Date</b>
		legal services consulted as part of the above. Deadline - 31 <sup>st</sup> December 2020		