



ADUR & WORTHING  
COUNCILS

Key Decision: No

Ward(s) Affected: N/A

**INTERNAL AUDIT PROGRESS REPORT  
REPORT BY THE ACTING HEAD OF INTERNAL AUDIT**

**Executive Summary**

**1. Purpose**

- 1.1 This report provides the quarterly report on Internal Audit progress and key findings to the Committee.
- 1.2 This report also provides an update on fraud work conducted by the Councils' Corporate Investigations Team.

**2. Recommendations**

**2.1 Recommendation One**

That the report be received and progress against the 2021-22 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

**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 Councils, including the role of the Head of Internal Audit is outsourced to Mazars LLP.

Attached as Appendix 1 is the Internal Audit Progress report to 31<sup>st</sup> October 2021.

## **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 and for which there has been a further impact on the current 2021/22 plan.

- 4.2** Resourcing problems, due to unforeseen circumstances, impacted on performance in the earlier part of the year. Resources were focussed on completing 2020/21 work but there is a plan in place to deliver audits in the 2021/22 Plan and we are working to ensure that this is achieved.

### **Fraud**

- 4.3** We periodically provide an update/summary to the Committee of fraud work conducted within the Councils. This work is not undertaken or managed by Internal Audit and any questions should be directed to the Chief Financial Officer who is responsible for it. Detailed below is an update on the work completed by the Councils' Corporate Investigations Team (CIT) during the period 1/4/21 to 31/10/21.

#### **Successful investigations:**

43 X Housing Register Applications (43 X £3,240) = £139,320

14 X Homeless Assistance Applications (14 X £3,240) = £45,360

1 X Council Tax Reduction = £369.59

Right to Buy Applications (2 X £82,500) = £165,600

**Total savings period 01/04/21 to 31/10/21 = £350,049.59.**

CIT have conducted full pre-investigations on 170 Homeless Assistance applications and 707 Housing Applications, during the period to ascertain entitlement to access social housing within the Adur & Worthing areas. From these pre-investigations, a further 145 full investigations were conducted (87 of which were found to be fraudulent). CIT currently have two cases going to court for long term non-occupancy of Adur Homes properties (Savings value 2 X £82,500 = £165,600) and are currently planning to conduct a full Tenancy Audit of Adur Homes properties, from December 2021.

## **5. Engagement and Communication**

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

### **Officer Contact Details:**

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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.



**Adur District & Worthing Borough Councils  
Internal Audit Progress Report  
November 2021**

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### ***Disclaimer***

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

The Report was prepared solely for the use and benefit of the Councils, and to the fullest extent permitted by law, Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

## 01 Introduction

Internal Audit is required to provide a quarterly report on progress and key findings to the Joint Governance Committee (Committee).

The purpose of this report is to outline the following in respect of Internal Audit Activity during the period:

- An update on progress in delivering the 2021/22 Plan;
- A summary of any Limited/No Assurance reports issued and high priority recommendations raised; and
- An update on follow up activity and any recommendations outstanding for implementation.

This report covers internal audit activity and performance since our last report to the Committee in September 2021.

## 02 Internal Audit Progress

The Committee considered and approved the 2021/22 Internal Audit Plan (Plan) on 23 March 2021.

The Plan provided for 28 internal audits totalling 500 days, including 70 days for IT audits, 27 days for Contract audit and 40 days for management which includes the Head of Internal Audit role. The audits in the Plan comprised a mixture of key financial systems, service-specific (operational and financial), corporate-wide, and IT reviews.

Due to unforeseen resource issues at the start of the year and following further discussions with the Councils Chief Finance Officer (CFO) and audit sponsors to agree specific timings, changes have been made to the Plan. Further to those reported to the last Committee in September, the following additional changes have been made: :

- *Markets*- Officer capacity to accommodate this was impacted due to the addition of the Public Realm audit. This was discussed with the CFO and it has been agreed that the audit will be postponed to the 2022/23 Plan and the days allocated to Contingency be used for another priority area if required by the Councils.
- *Self-Isolation Grants*- Due to Officers workload and availability to receive this audit, the Manager requested this audit be deferred and undertaken later in the year. We discussed and agreed with the CFO that this audit will be re-scheduled to the 2022/23 Plan.

The impact of these changes along with those previously reported to Committee mean there are 33 reviews totalling 565.50 days in the Plan. The additional days being transferred from the 2020/21 Plan.

The table below provides a summary of progress relevant to the 2021/22 Plan as at 31<sup>st</sup> October 2021:

Audit Status	Number of reviews	Percentage %
Finalised/complete	2	6%
Draft	4	12%
Fieldwork in progress	6	18%
Scoping/Planning complete	12	37%
Not yet started	9	27%
<b>Total</b>	<b>33</b>	<b>100%</b>

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

## 03 Audit Reports Issued

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

Internal Audit categorises recommendations as Priority 1, 2 or 3 to differentiate between the types of recommendation made. These categories give management an indication of the importance and urgency of implementing the recommendations. Details on our Assurance Definitions are contained within Appendix A3.

The table below lists the internal audits for which final reports were issued since our last report to the Committee; all of which relate to prior year reports.

Internal Audit Title	Assurance Level	Planned Year	Previously Reported in Annual Report √ / X
Tenancy Management	Satisfactory	2019/20	√
Community Grants	Satisfactory	2020/21	√
GDPR & Data Privacy – Development Management	Limited	2020/21	√

No Priority 1 recommendations were raised in these reports. Further details of the Priority 2 recommendations raised in each of these reports can be found in the summary briefing provided separately to Members.

## 04 Follow-Ups

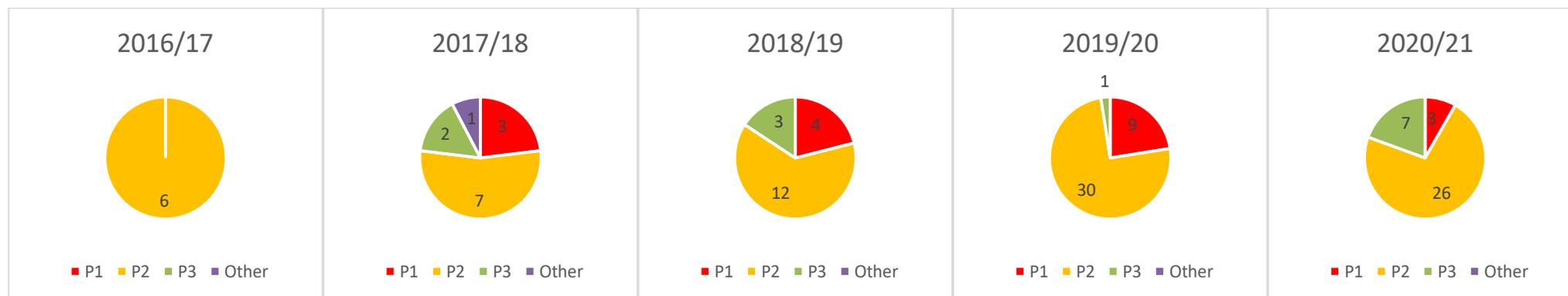
Since the last Committee meeting, the Councils' Audit App has been populated with new recommendations from finalised internal audit reports.

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

Performance Objective	Target	Performance (to date)				
		2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of Priority 1 actions implemented	<b>100%</b>	100%	92%	78%	47%	0%
Number of Priority 1 recommendations (for reference)		17	37	18	17	3
Percentage of all actions implemented	<b>80%</b>	96%	91%	89%	63%	27%

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

### Outstanding Recommendations by Priority Level



We reported to the Council's CLT on 2 November 2021 regarding the status of outstanding and overdue recommendations. Details have been provided to Directors in order that relevant Officers can be reminded to update the Audit App with progress on implementing their outstanding recommendations. It has also been agreed that the Internal Audit Manager will report to Departmental Management Teams on a regular basis on the status of outstanding recommendations.

In addition to monitoring management updates on progress within the Audit App, Internal Audit can undertake spot checks to confirm that recommendations are being implemented in practice.

A Follow Up Protocol is in place which contains a procedure to escalate recommendations that have not been implemented as agreed to this Committee where necessary. In addition to the 12 previously reported Priority 1 recommendations outstanding, there are four new Priority 1 recommendations outstanding (i.e. past their agreed implementation date). Further detail of outstanding Priority 1 recommendations is included in Appendix A2 of this report.

## 05 Other Matters

This section is used to set out other matters which maybe of interest to the Committee and in **Appendix A4** we have provided details on a recent report produced by Mazars on social value and the issues faced by public and social sector organisations.

Social value has always been at the heart of the public and social sector, it defines its meaning and purpose. ESG (referring to environmental, social and governance matters) is an increasingly common term and is quickly penetrating the public and social sector. ESG is a huge opportunity for sector transformation to reposition environmental and social value at the forefront of decision making across an entire organisation.

Failure to identify and effectively manage ESG-related risks poses serious threats to an organisation's ability to achieve its strategic objectives. In addition, there are wide-ranging opportunities to be seized in the ESG space such as talent attraction and retention, access to funding and increased sustainability and resilience.

Sustainability and ESG encompass a much wider remit than social value. This may be causing confusion as leadership teams struggle to articulate this remit, how best to manage its implementation, and in many cases how to get started. This is particularly true of achieving net zero, which we address in our report.

## A1 Current Progress – 2021/22 Plan

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
BEIS Grants - Post Assurance Plan work	WIP	N/A – not opinion work	-	-	-
Key controls testing	WIP				
NFI Testing	WIP	N/A – not opinion work	-	-	-
Street Naming & Numbering	<b>Final</b>	<b>Satisfactory</b>	-	-	1
Governance of Property Purchases	<b>Draft</b>				
Out of Hours Service	<b>Draft</b>				
Payroll	<b>Draft</b>				
Compliance & Enforcement Grant	Complete	N/A – not opinion work	-	-	-
Corporate Governance	<b>Draft</b>				
Cash Collection	WIP				
IT Asset Management	Starts 1/12/21				
Housing - General Compliance	Starts 25/11/21				
Carbon Reduction Programme	Starts 28/2/22				
Anti-Social Behaviour	Starts 24/1/22				
Adur Homes - Regulatory Compliance - Fire Safety	Starts 13/12/21				
Staff Wellbeing	Starts 20/12/21				
Workspaces AW - Accommodation Review	Planned 10/1/22				

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Civica/Connect HR system	Planned 24/1/22				
Planning Policy	Starts 3/12/21				
Adur Homes - Capital works programme	Starts 7/2/22				
Supply of Affordable housing	Planned 14/2/22				
Debt Management	Planned 21/2/22				
Equalities Act Compliance	Starts 24/2/22				
Markets	Postponed to 22/23 Plan	-	-	-	-
Allocation of Costs for Town Centre/Public Realm Improvements	Starts 1/3/22				
Risk Management	Starts 7/3/22				
Welfare Reform	Planned 14/3/22				
Env Services - Risk Assessments	Postponed to Q4 – date to be re-arranged				
Self-Isolation Grants	Postponed to 22/23 Plan	-	-	-	-
<b>Contract Audit</b>					
Theatres - Procurement & Contract Management	WIP				
Condition Surveys contract - vertical audit					
Other contract audit - to be determined					
<b>IT</b>					
Network Infrastructure			-	-	-

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Disaster Recovery	WIP				
Device Management & Security	Starts 22/2/22				
Cloud Computing	Planned 7/3/22		-	-	-
<b>Total</b>			<b>0</b>	<b>0</b>	<b>1</b>

## A2 Outstanding Priority 1 Recommendations (Past Implementation Date)

### 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</li> </ul>	<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.</p>	<p>30<sup>th</sup> September 2021</p>

<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>
<p>there were several then the costs and effort would be worth it).</p> <p>Once documented, the Policy should be approved by the relevant senior management, member and committee.</p>			<p>Not practical to progress during Covid situation. Deadline extended.</p> <p>Update provided by Interim Leasehold Manager on 31<sup>st</sup> July 20 stated "Adur Informal Cabinet agreed in July that draft policy could go forward to JSC 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 2020 stated "Approved JSC October, proceeding with consultation with leaseholders and will then come back to JSC".</p> <p>Update provided by the new Leasehold and Right to Buy Manager stated "The Leasehold Management Policy has been drafted and has been presented for final comments to the newly formed Leasehold Forum, and</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
			will hopefully be finally signed off by the JSC in Sept".	
<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 policy decisions were also not detailed correctly in the Paying for Major Works information that was sent to</p>	<p>The arrangements will be reviewed with Finance and Legal. 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 will be presented to Informal Cabinet in Oct/Nov – deadline revised.</p> <p>Update provided by Interim Leasehold Manager on 30<sup>th</sup> November 2020 stated “we are in discussion with Boom about their managing MW extended</p>	<p>30<sup>th</sup> September 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>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</p>		<p>payment/"loan" arrangements. Waiting for their proposal. will then go to members".</p> <p>Update provided by the new Leasehold and Right to Buy Manager stated "the Major Works Payment Options Policy has been drafted and has been submitted to the Leasehold Forum for comment, again this will be submitted for sign of by the JSC in Sept".</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>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><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>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</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>30<sup>th</sup> November 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>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>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"> <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>			

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 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</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</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</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</p>	<p>30<sup>st</sup> April 2021</p>

<p>satisfactory means by which relevant staff could have these areas matched to their training plans.</p>	<p>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>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>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>The Interim Head of Legal confirmed that she needs to review this and will provide an update.</p>	
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**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</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>31<sup>st</sup> December 2021</p>

<p>should then monitor to ensure that standards are met.</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 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</p>	
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			<p>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>Update provided on 24th August 2021 confirmed that the procurement is out to tender. Deadline extended.</p>	
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### Housing Repairs – Matsoft Processes 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>3.17</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</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>Update provided on 1 July 2021 states "We have identified the top 4 most urgent contracts to procure and are working on the specification. We also have an external consultant working to help writing the documents.</p> <p>Recommendation is partly implemented - deadline extended.</p>	<p>31<sup>st</sup> December 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 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 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>			
3.24 Adur Homes' management should discuss with Digital how the system can be enhanced to require post inspection of repair projects costing over £1,000.	Adur Homes has a Post Inspections Policy requirement for all jobs with an invoiced value of £1,000 or more to be post inspected. The way that the Mats system is set up means that jobs are now known as Repair Projects which consist of "jobs", some of which are works whilst others are activities such as inspections. Through discussion with the Contracts	This issue has been raised with Digital and included within the requirements for Stage 2 development of the system.  30th September 2021 (for enhancement of system).	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
	Compliance Manager, we were advised that the Mats system only automatically selects jobs over £1,000 for post inspection and not Repair Projects, which may consist of smaller SOR elements that total £1,000. The service are not therefore post inspecting all works over £1,000 in line with their policy and there is a risk that projects costing over £1,000 are not being post inspected.			

#### Rent in Advance/Rent Deposit Scheme 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>3.3 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</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'</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</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
Information Governance Officer (SIGO) in order to effect this.	<p>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 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>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 consents are required within these forms.</p> <p>Housing Needs Manager – Agreed Deadline – 30<sup>th</sup> June 2020</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 outcomes of the surveys should be recorded and monitored, and a monitoring process should be effected	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 required to be conducted every 12 months. An 'Asbestos Management Survey' spreadsheet exists to record where asbestos has previously been	<p>We have recently undertaken re-inspections on our blocks and this will continue to be done annually.</p> <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</p>	Update provided on 29 <sup>th</sup> December 20 confirmed that "Adur Homes do not have anyone in position to progress this action at present, so this action deadline will need to be extended".	31 <sup>st</sup> December 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
to ensure that assessments are undertaken every 12 months.	identified within housing properties. We tested a sample of ten properties to establish when the last asbestos survey had been completed and found that: • 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 • 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.	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.  Deadline - 1 <sup>st</sup> December 2020	1st July 2021 update states "The C&FSM has now been recruited (18/01/21) once their training is completed they will be reviewing the risk assessments and identifying where further action is required. This is currently being looked at by our external contractors. They are carrying out a gap analysis of properties and garages. They will then procure a contractor to carry out these works. looking to use t100 to help monitor and record actions/requirements".  Deadline extended	
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	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: • 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. • Electrical: Two (out of ten) properties tested included	Agreed, any actions arising from compliance inspections should be recorded and rectified in a timely manner.  • 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	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&T) and provide Adur Homes with a monthly report which details any open issues. This data will also be reviewed in contract management meetings.  For <b>Electrical</b> we have a process whereby the electrical contractor will submit a request for remedial	31st December 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>line with established timescales (i.e. recommended by specialists or legislation).</p>	<p>recommendations as a result of the most recent inspections undertaken. These were all 'C3' recommendations which are 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</p>	<p>have a member of staff with P405 qualification.</p> <ul style="list-style-type: none"> <li>• Electrical: Due to budget pressures we do not undertake C3 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.</li> <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 o have all sites fire risk</li> </ul>	<p>works following an electrical test via our repairs system, this ensures that any instances of non-compliance are tracked and 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</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>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>assessed within the required timescales (annual for Sheltered and Bi-annual for General needs). Maintenance Manager Deadline – 1<sup>st</sup> November 2020</p>	<p>December 2020, this data will also be reviewed in contract management meetings.</p> <p>Can we extend the deadline until 31<sup>st</sup> 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 "Recruitment of the Compliance Fire Safety Officer role has been completed and expected start date is 12<sup>th</sup> 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".</p> <p>I July update states " Emergency lighting function and discharge testing and weekly fire alarm testing is now on T100. This allows the results to be tracked and prompts users to raise remedial works should it be required. SHO's and Building Services are using these checklists. The FSM and C&amp;FSO monitor T100 for</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>compliance. FRAs are now 80% on T100 and all actions from the FRAs have been uploaded and allocated. In addition to previous comments, we are looking to use t100 to ensure records and requirements of estate inspections are recorded, this is being undertaken in conjunction with NPS".</p> <p>Deadline extended.</p>	

#### 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
<p>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.</p>	<p>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.</p> <p>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.</p> <p>Where background and identity checks are not completed on new tenants and</p>	<p>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-">https://www.rics.org/globalassets/rics-website/media/upholding-</a></p>	<p>Update provided on 12<sup>th</sup> January 2021 by Property &amp; 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</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>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.</p>	<p>professionalstandards/standards-of-conduct/countering-money-laundering-1st-edition-rics.pdf 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 legal services consulted as part of the above.</p> <p>Deadline - 31<sup>st</sup> December 2020</p>	<p>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”.</p>	
<p>3.5 Lease renewal processes should be started in sufficient time to allow for the new lease to be completed to take effect when the current lease expires. Starting the renewal process well before expiry would also provide the Council with the time to re-let the premises should the current tenant not wish to renew their lease.</p>	<p>Timely lease renewal ensures that the Councils can complete renewal processes or re-letting of the lease prior to the current lease expiring and thus ensuring that income is maximised.</p> <p>From our testing on a sample of ten lease renewals we identified:</p> <ul style="list-style-type: none"> <li>- two instances (191017 and 200214) where the DAR was signed off by the PIM after the lease expiry date; and</li> <li>- four instances (191007, 191017, 191031 and 200214) where the new lease was not completed in a timely manner (being 31, 117, 91 and 155 days respectively) between the lease expiry date and the new lease date.</li> </ul> <p>Where lease renewals are not carried out in a timely manner, there is an increased</p>	<p>This is agreeable for leases that are contracted out of the Landlord and Tenant Act 1954. For properties that hold over or have acquired ‘act rights’ and have a legal right to a continuation tenancy timing is not of the essence and property managers are able to take a view on potential risk of reducing the income or impacting the flexibility to end the secure tenancy by triggering a new lease if this is not necessary. For leases that are contracted outside of the LTA '54, renewals should be undertaken in sufficient time. Ongoing and regular tenant engagement is critical to helping property management surveyors make informed decisions in</p>	<p>No update provided</p>	<p>None set yet</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
	risk that there is a period where no lease agreement is in place and this may result in loss of income.	relation to the portfolio management with regards to tenants' plans and potential voids etc. Additional capacity in the estates team means that inspections are already undertaken in a more timely manner and the lease expiries noted above and those considered as part of the audit. Where renewals are not completed prior to expiry tenants should be put on a tenancy at will to cover any interim period and will enable both parties positions to be protected. New leases can be backdated and this should only be used for shorter periods of up to 1 year unless a highly complex cases. Where possible new leases should be in place prior to expiry, or at least heads of terms agreed.  Deadline 31 <sup>st</sup> March 2021		
3.7 Rent reviews should be conducted in a timely manner. Where it is not possible to conduct the review when it is due or there is a delay in conducting the review, the reason should be recorded within the App against the relevant property for future reference.	Rent review requirements, and the date they are due, are stipulated in the lease. Completing rent reviews in a timely manner assists the Councils in ensuring that any rent changes are effected as near to the review date as possible in order that the Council can maximise rental income. From our testing of the two rent reviews undertaken during the last year we identified that both were not	There are often strategic and political reasons for rent reviews not being implemented and it is thought that this will be exacerbated as a result of the current Covid-19 pandemic. Legally rent reviews, unless stated in the lease, are not 'time of the essence'. It is accepted that undertaking rent reviews in a	No update 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
	completed in a timely manner from when they were due. One was completed in excess of two years after it was due and the other was completed six years after it was due. Where rent reviews are not completed in a timely manner, there is an increased risk that rental income is impacted.	timely manner reduces the risk to loss of income. We would agree that tenants should be notified of rent review at the rent review date and negotiations undertaken in a timely manner where appropriate for the individual tenancy and circumstances. Where there are reasons for not progressing rent reviews in a timely manner, these will be clearly documented in the notes section of the Estates App.  Deadline 29 <sup>th</sup> June 2021		

**Project Management 2020/21 - (Final Issued June 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
2.3 It should be made clear to Council staff involved in projects that “project manager” is not a loose term but a specific role. It should be an individual who is personally responsible for reporting the project’s progress to the Scrutiny and Risk Officer.  Also, the Scrutiny and Risk Officer must take special care to ensure that the records of project managers are accurate.	During the audit testing, it became clear that the list of project managers that we had been provided with was inaccurate.  Several individuals named on the list as project managers replied to tell us that they were not. In some cases, confusion also ensued as to who the project manager was. For example:  • Coast Protection Works: Shoreham Harbour Wall Project – the project	The Councils do not have a Project Management Office. Not all projects are managed by dedicated project management resources within Services.  However, Projects are reported through the Platforms for Places: Going further reporting process and it is clear in these documents who the appropriate lead officer is. At a project level, however, the Councils recognise that there does	Update provided by Policy Officer on 11 <sup>th</sup> September 21 stated “further time required to complete this work”.  Deadline extended	31 <sup>st</sup> December 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>The Scrutiny and Risk Officer should request and receive regular updates on projects progress and so should take care to update the project details in records when updates are received.</p>	<p>manager was named as Cian Cronin, but it is Phil Graham; and</p> <ul style="list-style-type: none"> <li>Miscellaneous: Customers of Concern – project manager was quoted as Simon Millier, but it is Mark Whitfield.</li> </ul> <p>Even in other cases, it became clear that “project manager” is not always treated as a specific responsibility assigned to an individual, leading to some confusion about whether some individuals were or were not project managers.</p> <p>Without accurate records of who project managers are, there is a risk that project management efforts will be highly ineffective.</p>	<p>need to be better recognition of who is the Project Manager and who is the Project sponsor and this will be addressed.</p> <p>Deadline 31<sup>st</sup> October 2021</p>		
<p>2.4 The Scrutiny and Risk Officer should create a shared drive for maintaining key documentation relating to projects.</p> <p>The PMF should be amended to include the requirement to save documentation centrally.</p> <p>Where applicable, project managers themselves or the Scrutiny and Risk Officer should be responsible for uploading such documentation.</p> <p>When there is a single, coordinated location for key documentation to be retained, it can be assumed that</p>	<p>There is no central retention of key project documentation.</p> <p>During the audit, we intended to test a sample of 10 projects to ensure that controls have been operating effectively.</p> <p>None of the documentation that we required was retained centrally by the Scrutiny and Risk Officer. As a result, it was necessary to request it from individual project managers.</p> <p>Over the course of several weeks and numerous follow-ups, there were still four projects for which we had received no documentation at the end of audit fieldwork:</p>	<p>The Councils do not consider that a fully centralised system is achievable, however, clear expectations will be set for Project Managers to address the issues raised in this recommendation. As part of the Project Management framework refresh the Councils will indicate that we expect Project Managers to create a shared google document structure which allows access for stakeholders to access project information.</p> <p>Deadline 30<sup>th</sup> September 2021</p>	<p>Update provided by Policy Officer 11<sup>th</sup> September 21 stated “further time required to complete this work”.</p> <p>Deadline extended</p>	<p>31<sup>st</sup> December 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>documentation not maintained there does not exist.</p> <p>This allows exceptional projects to be quickly identified without the need for weeks of additional document searching.</p>	<ul style="list-style-type: none"> <li>• Allotments: Rolling programme of replacements and improvements (Works to include pathways, old water pipes and fencing)</li> <li>• Park &amp; Open Spaces: Buckingham Park - Contribution to the replacement of the pavilion</li> <li>• Public Health: Asbestos removal from Council buildings</li> <li>• Delivering Good Services: SaaS Solutions – Building Control</li> </ul> <p>In addition to restricting our ability to verify the effectiveness of controls, this poses many risks in itself.</p> <p>The fact that the Scrutiny and Risk Officer have no centralised access to this documentation means documentation cannot quickly be inspected to ensure that projects have been properly approved.</p> <p>Indeed, as noted below, a project was identified in testing that had not completed all necessary steps for approval but was in the Scrutiny and Risk Officer's records as "ongoing".</p> <p>This creates an acute risk that projects that have not followed the Councils' PMF will not be identified and corrected.</p>			
<p>2.5 As above, the Scrutiny and Risk Officer must ensure that all necessary steps in the planning and executing of a</p>	<p>As noted above, there were four projects in which no documentation was provided,</p>	<p>The Councils will do some follow up training for staff from Autumn 2021 to clarify the project cycles.</p>	<p>Update provided by Policy Officer 11<sup>th</sup> September 21 stated "It has not been possible for this work to be undertaken and more</p>	<p>31<sup>st</sup> December 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>project are followed, and documentation is retained.</p> <p>In addition to centralised document retention (which would make gaps in documentary evidence more obvious), the Scrutiny and Risk Officer should track the stages at which each project stands and ensure that all necessary documentation for that stage has been completed before projects progress.</p>	<p>despite repeated attempts to contact the named project managers.</p> <p>In addition, for the six projects that we did examine, there were various pieces of project documentation that the project managers were unable to provide. For example:</p> <p><i>Consideration and approval by a project board</i></p> <p>This was not provided for:</p> <ul style="list-style-type: none"> <li>• Coast Protection Works: Shoreham Harbour Wall Project</li> <li>• Crematorium: Provision of a walkway above the cremators to enable maintenance and ventilation to the roof area above the cremators</li> </ul> <p><i>Project evaluation</i></p> <p>This was not provided for:</p> <ul style="list-style-type: none"> <li>• Crematorium: Provision of a walkway above the cremators to enable maintenance and ventilation to the roof area above the cremators</li> <li>• Miscellaneous: Customers of concern: <ul style="list-style-type: none"> <li>• Moving to digital operating models: CRM</li> </ul> </li> <li>• Communities: Tascomi Environmental Health and Licensing</li> </ul> <p><i>Approval to close</i></p>	<p>Deadline 31<sup>st</sup> October 2021</p>	<p>time is required. A revised deadline has been 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
	<ul style="list-style-type: none"> <li>• Crematorium: Provision of a walkway above the cremators to enable maintenance and ventilation to the roof area above the cremators</li> <li>• Moving to digital operating models: CRM Communities: Tascomi Environmental Health and Licensing</li> </ul> <p>In addition to there being an incomplete audit trail, this also leads to a risk of projects which are not progressing in line with agreed milestones not being identified and remedial actions being taken in a timely manner leading to failure of projects. This in turn could lead to significant financial and reputational damage to the Councils.</p>			

## A3 Definitions of Assurance

Definitions of Assurance Levels		
Level	Description	
Full	There is a sound system of control designed to achieve the system objectives and the controls are being consistently applied.	
Satisfactory	While there is a basically sound system, there are weaknesses that put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.	
Limited	Weaknesses in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.	
No	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.	
Definitions of Recommendations		
Priority	Definition	Action required
Priority 1 (Fundamental)	Major issues for the attention of senior management and the Joint Governance Committee.	Remedial action must be taken urgently and within an agreed timescale.
Priority 2 (Significant)	Other recommendations for local management action.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
Priority 3 (Housekeeping)	Minor matters.	Remedial action should be prioritised and undertaken within an agreed timescale.

# A4 Demystifying ESG – A pathway to enhance social value in the public and social sector

Our latest research, based on a survey of 57 public and social sector leaders, highlights the challenges and progress being made with ESG. The report is available to download via the link below and focusses on the issues specifically faced by public and social sector organisations.

