



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 an update 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 2022-23 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

2.2 Recommendation Two

That Members consider whether there are further updates from officers on particular issues that they would like provided at the next meeting.

3. Context

3.1 Background

Progress

Each quarter, a report is produced for the Joint Governance Committee (Committee) which details the Internal Audit Section's performance against the Annual Internal Audit Plan as well as a summary of work carried out in the period. Internal Audit Services to the Councils, including the role of the Head of Internal Audit is outsourced to Mazars LLP.

Attached as Appendix A is the Internal Audit Progress Report.

4 Issues for Consideration

4.1 Follow-Up of Housing Recommendations

The Councils' Housing Service has been undergoing a Transformation Project since January 2020. Discussions with Housing Management have confirmed that the actions required to address outstanding audit recommendations will be taken as part of this project and agreement was made between the Director for Digital, Resources and Sustainability, the Chief Financial Officer, Interim Head of Audit, Head of Housing and Transformation Manager that an "amnesty" on the follow up of outstanding housing recommendations will be implemented to allow the Transformation Project to be completed.

All outstanding housing recommendations have therefore been removed from our ongoing progress reporting at present but are detailed in Appendix 2 of the attached Internal Audit Progress Report, for reference. Once the Transformation Project is complete a detailed follow-up will be completed to confirm the implementation of all of these recommendations.

Fraud

4.2 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 1/11/21 to 31/10/22.

Successful investigations:

74 X Housing Register Applications (74 X £3,240) = £239,760

30 X Homeless Assistance Applications (30 X £3,240) = £97,200

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

Abandonment (1 X £82,500) = £82,500

Total savings period 01/11/21 to 31/10/22 = £585,060.

CIT have conducted full pre-investigations on 421 Homeless Assistance applications and 858 Housing Applications and 53 Right to Buy Applications, during the period 01/11/21 to 31/10/22, to ascertain their entitlement to access social housing within the Adur & Worthing areas. From these pre-investigations, a further 242 full investigations were conducted (107 of which were found to be fraudulent). CIT currently have 1 case of illegal subletting with our Legal Department and five abandoned properties in the process of being recovered.

5 Engagement and Communication

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

6 Financial Implications

6.1 There 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.



**Adur District & Worthing Borough Councils
Internal Audit Progress Report
November 2022**

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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 Audit and Governance Committee (Committee). This report covers internal audit activity and performance since our last report to the Committee in March 2022 and includes:

- An update on progress in delivering the 2022/23 Plan;
- A summary of audit reports issued and high priority recommendations raised; and
- An update on follow-up activity and any recommendations outstanding for implementation.

02 Internal Audit Progress

2022/23 Internal Audit Plan

The Committee considered and approved the 2022/23 Internal Audit Plan (Plan) on 22 March 2022.

The Plan provided for 27 internal audits totalling 515 days, including 55 days for IT audits, 45 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.

Since the Plan was approved in March 2022, the following changes have been made:

- *Condition Surveys contract - vertical audit* – re-scheduled from the 2021/22 Plan and, following discussions with the CFO regarding the need to focus audit resources on other contract audits, has since been cancelled from the 2022/23 Plan.
- *Supply of Affordable Housing* – rescheduled from the 2021/22 Plan and now transferred to 23/24 Plan in order for recruitment of a new Affordable Housing Liaison Officer can be completed and the officer be in post.
- *Civica/Connect HR System* – rescheduled from the 2021/22 Plan and now transferred to Q1 23/24 Plan at the request of the Head of Human Resources due to resource capacity and organisational re-design.
- *Fire Doors Contract Management* – Audit added to the Plan at the request of the CFO.
- *Planned Maintenance Programme* – Audit postponed to Q1 of the 2023/24 Plan at the request of the CFO in order to accommodate the above audit.
- *Invoicing of Housing Services – Housing Repairs (Contractors)* – Added to the Plan at the request of the Head of Housing and in agreement with the CFO.
- *Workforce Planning* – transferred to Q2 23/24 Plan following discussions with the CFO regarding organisational re-design.

- *Energy Supplier - procurement & contract management* – transferred to Q3 of the 23/24 Plan following discussion with the CFO and the decision to restrict contract audits to two each year.

The impact of these changes mean that the Plan now contains 24 reviews totalling 456 days.

The table below provides a summary of current progress relevant to the 2022/23 Plan:

Audit Status	Number of reviews	Percentage %
Finalised/complete	2	8%
Draft report	3	12.5%
Fieldwork complete & audit under review	3	12.5%
Fieldwork in progress	4	17%
Scoping/Planning complete	5	21%
Not yet started	7	29%
Total	24	100%

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

03 Audit Reports Issued

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

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

The table below lists the internal audits for which final reports were issued since our last report to the Committee.

Internal Audit Title	Assurance Level	Planned Year	Previously Reported in Annual Report √ / X
Environmental Services - Risk Assessments	Satisfactory	2021/22	√
Governance of Property Purchases	Limited	2021/22	√

Internal Audit Title	Assurance Level	Planned Year	Previously Reported in Annual Report √ / X
Housing – Compliance with general corporate controls	Satisfactory	2021/22	√
Key Controls Testing	Limited	2021/22	X
Workspaces AW – Accommodation Review	Limited	2021/22	X
Cloud Management	Satisfactory	2021/22	X
Staff Wellbeing	Satisfactory	2021/22	X
Device Management	Satisfactory	2022/23	X
Community Infrastructure Levy (Worthing)	Satisfactory	2022/23	X

Two Priority 1 recommendations were raised in these reports. Further details of the Priority 1 and 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 continued to be populated with new recommendations from finalised internal audit reports.

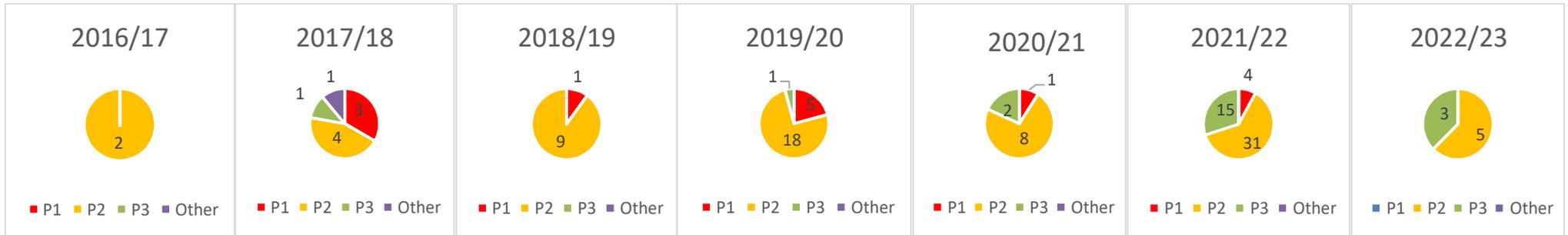
Follow-up audits are undertaken to ensure that all the recommendations/issues raised have been successfully resolved according to the action plans agreed with the service managers. The Councils' target for internal audit recommendations/issues to be resolved at the time of the follow-up is 80% for all 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	2021/22	2022/23
Percentage of Priority 1 actions implemented	100%	100%	92%	94%	71%	75%	0%	0%
Number of Priority 1 recommendations (for reference)		17	37	18	17	4	4	0

Percentage of all actions implemented	80%	99%	94%	94%	78%	80%	14%	0%
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Specific details on follow-up performance are included in the briefing note provided separately to Members.

Outstanding Recommendations by Priority Level (including Housing)



In addition to monitoring management updates on progress within the Audit App, Internal Audit can undertake spot checks to confirm that recommendations are being implemented in practice. A Follow Up Protocol is in place which contains a procedure to escalate recommendations that have not been implemented as agreed to this Committee where necessary.

When we reported to this Committee in July 2022 there were 110 outstanding recommendations (split 12 P1, 79 P2, 18 P3 and 1 other) of these 83 were overdue (split 9 P1, 59 P2, 14 P3 and 1 other). As at production of this report, which includes recommendations from the finalised reports detailed above, there are 114 recommendations due for follow-up (split 14 P1, 77 P2, 22 P3 and 1 other), of these 59 are overdue (split 10 P1, 41 P2, 7 P3 and 1 other).

Within these 114 recommendations are 31 which relate to Housing and which, as detailed in paragraph 4.1 of the covering report are being progress through the Housing Transformation Project and which will actively be monitored until completion of that project. These 31 recommendations, detailed within Appendix 2 of this report, are split 8 P1, 22 P2 and 1 P3 and 30 are overdue (7 P1, 22 P2 and 1 P3).

Further detail of the three overdue Priority 1 recommendations (excluding Housing) is included in Appendix A3 of this report.

A1 Current Status – 2022/23 Plan

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Community Infrastructure Levy	Final	Satisfactory	-	1	1
Housing Complaints	Draft				
Recruitment and Selection	Draft				
Self-Isolation Grants	Draft				
Information Governance	Work complete and under review				
Commercial Waste	Work complete and under review				
Fire Safety – Commercial Provision	Work complete and under review				
BEIS Grants - Post Assurance Plan work	In Progress				
Creditors	In Progress				
Key controls testing – continuous testing	In Progress				
Governance of Property Disposals	In Progress				
Invoicing of Housing Services – Emergency & Temporary Accommodation	Q3 – Planned Dec 22				
Economic Development - Small Business Growth Grants & Apprenticeship Grants	Q3 – Planned Dec 22				
Safety of Commercially Leased Buildings	Q4				
Risk Management	Q4				
Councils' response and impacts of Welfare Reform, Cost of Living, Covid-19	Q4				
Carbon Reduction Programme	Q4				

Audit area	Progress	Assurance Opinion	Recommendations		
			High	Medium	Low
Markets	Q4				
Invoicing of Housing Services – Housing Repairs (Contractors)	Q4				
Civica/Connect HR system	Postponed to 2023/24 Plan				
Supply of Affordable housing	Postponed to 2023/24 Plan				
Workforce Planning	Postponed to 2023/24 Plan				
Contract Audit					
Condition Surveys contract - vertical audit	Audit Cancelled				
Fire Door Contract Management	Q3 – Planned Dec 22				
Adur Leisure Contract management	Q4 – Planned Mar 23				
Energy Supplier - Procurement & Contract Management	Postponed to 2023/24 Plan				
Planned Maintenance Programme	Postponed to Q1 23/24 Plan				
IT					
Device Management	Final	Satisfactory	-	4	3
Applications Development	Q3 – Planned Dec 22				
Digital Strategy	Q4				
Total			-	5	4

A2 Outstanding Housing Recommendations

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
Rent Collection and Collection of Arrears	2017/18	3.2 An alternative solution to the regular payment of housing benefit into the Rent's suspense account for Worthing Emergency Housing before it is allocated out by the Cashiers, should be established.	P3 - Minor Issue	31/03/2018	31/03/2023
Leaseholder Charges	2017/18	<p>3.1 The Council should document a Leasehold Management Policy, which outlines the legislative framework (and timescales) within which it is required to operate for the various leasehold functions and services that it provides. The policy should:</p> <ul style="list-style-type: none"> • Outline any local policy decisions in respect of the management of leaseholders, recovery of charges etc. and detail how these requirements will be achieved; • Clearly state how the Council will deal with major repair costs, including outlining the statutory processes that have to be completed and the timescales to ensure the recovery of costs (e.g. invoice or issue S20B notice within 18 months of cost being incurred; and • State at what level the cost of repairs will be pursued (e.g. minor costs above the £250 legislative rate may not be cost effective for the Council to pursue where there are only a few leaseholders, but if there were several then the costs and effort would be worth it). Once documented, the Policy should be 	P1 - Major Issue	30/09/2018	31/03/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		approved by the relevant senior management, member and committee.			
		3.5 Once the Council's policy re leasehold management has been agreed, and procedures have been reviewed and updated, training should be provided to all relevant staff on how processes should be undertaken, particularly in relation to major works. Evidence should be retained to support training provided, to whom and when.	P2 - Important Issue	30/06/2018	31/7/2023
		3.32 The Council's Policy in respect of options available to leaseholders for payment of major works should be reviewed, approved by ADC Executive and then consistently applied.	P1 - Major Issue	31/03/2019	31/05/2023
		3.33 Once the Major Works Payment Policy has been decided the Council should review how implementing payment loans/arrangements will for major works will be achieved. An agreed process, which reflects policy requirements should be effected to ensure that any future loans/arrangements are correctly actioned. Legal Services and Finance should be involved in any discussions to ensure that all legal and financial requirements are met The agreed process should be formalised in a documented procedure which details the forms that need to be completed, by whom and when and how supporting information/documentation should be retained.	P1 - Major Issue	31/03/2019	30/09/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		3.34 Where leaseholders request additional time to pay their invoices, a process should exist for assessing their affordability. Once decided, the method for accessing affordability should be included within the Major Works Payment Options Policy recommended in 3.32 above.	P2 - Important Issue	31/03/2019	31/03/2023
Gas Safety Inspections	2017/18	3.1 The Council should have a documented, approved policy which sets out its' objectives and legal obligations, and how these will be achieved, in respect of the servicing of gas installations within its' properties.	P2 - Important Issue	30/09/2018	22/12/2022
		3.2 Documented procedures should be developed to detail all processes undertaken in respect of gas servicing. Once developed, these procedures should be reviewed and updated regularly and subject to version control. Procedures should be made available to all relevant staff within a central location.	P2 - Important Issue	30/09/2018	31/03/2023
Housing Repairs (Matsoft Process)	2018/19	3.8 The process for making variations to works should be documented within a procedure and be available to all relevant staff.	P2 - Important Issue	31/03/2021	31/03/2023
		3.12 Adur Homes Post Inspection requirements should be documented within a Policy.	P2 - Important Issue	31/03/2021	22/12/2022
		3.23 1) The reporting element of the Mats system should be expanded to include the facility for a report on varied jobs to be created.	P2 - Important Issue	30/09/2021	31/03/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		<p>Once established, this report should be run on a regular basis and reviewed by management in order to monitor the overall level and value of variations.</p> <p>2) Furthermore, management should investigate why the Mats system contains jobs awaiting variation authorisation, which were created as long ago as July 2018 and take corrective action to cancel/close these jobs.</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.	P1 - Major Issue	30/09/2021	22/12/2022
		3.25 Once agreed the requirements of the Inspection Policy will need to be built into the Mats system.	P2 - Important Issue	30/06/2021	22/12/2022
		3.29 Enhancement of the Mats system is required to enable reporting of PIs once agreed.	P2 - Important Issue	30/09/2021	22/12/2022
Rent in Advance/Rent Deposit Scheme	2019/20	<p>3.2 The RiA/DG process should be reviewed and the documented procedure updated to reflect the necessary process requirements for this scheme only.</p> <p>In addition, the process to be followed if the applicant is only going to claim DHP should be recorded in a separate procedure.</p> <p>Once updated/generated documented procedures should be dated and be made</p>	P2 - Important Issue	30/06/2020	30/11/22

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		available to all relevant staff and any procedural changes should be highlighted to staff.			
		<p>3.3 Every form used in the RiA/RD process which is used to collect the personal data of the client (and/or their family members) needs to be reviewed and a relevant privacy notice added.</p> <p>Furthermore, where personal data is collected and recorded within forms and the Councils are relying on a client's consent to process the information then the relevant consent(s) need to be obtained.</p> <p>The Housing Needs Manager should liaise with the Councils' Senior Information Governance Officer (SIGO) in order to effect this.</p>	P1 - Major Issue	30/06/2020	30/11/22
		<p>3.11 Relevant debt recovery actions should be taken in respect of all outstanding RiA Debts.</p> <p>Housing Management should be provided by Exchequer Services, with details of those agreements where debts are not being repaid, as agreed, in order that they are aware of such outstanding issues.</p>	P2 - Important Issue	30/06/2020	31/03/2023
		3.12 Performance targets should be set, monitored and reported on a regular basis to senior management & Members.	P2 - Important Issue	31/03/2020	31/03/2023
Regulatory Compliance - Housing	2019/20	3.1 The Council should reconcile the different regulatory compliance schedules and timetables with other Council property systems, (such as the property terrier, housing	P2 - Important Issue	01/06/2021	31/08/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		management system etc.) to ensure that all and every single housing property is included in the different regulatory compliance schedules and timetables used to ensure compliance with the various legislative requirements.			
		<p>3.2 All regulatory documents should be retained in a central location (Google Drives).</p> <p>Documents known to be held in other locations should be moved to the central repository.</p> <p>Staff should be reminded of this requirement and advised not to retain documents in any other area, particularly within local drives.</p>	P2 - Important Issue	30/09/2020	31/08/2023
		<p>3.4 Adur Homes should review when the last Asbestos management surveys were undertaken and urgently progress any outstanding ones.</p> <p>Furthermore, the outcomes of the surveys should be recorded and monitored and a monitoring process should be effected to ensure that assessments are undertaken every 12 months.</p>	P1 - Major Issue	01/12/2020	31/08/2023
		3.5 The Electrical Testing spreadsheet should continue be reviewed and updated to ensure it accurately reflects those properties where an inspection has been undertaken with completion dates and outcomes recorded.	P2 - Important Issue	01/10/2020	31/08/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		As noted in rec 3.2 above, certificates obtained from inspections should then be retained in a centralised location.			
		<p>3.6 The Council should ensure that appropriate processes are in place to ensure compliance with the LOLER.</p> <p>An internal monitoring record should be developed to ensure that all lifts are maintained/inspected every 6 or 12 months in accordance with requirements.</p> <p>Results of these inspections and/or maintenance visits should be centrally maintained and recorded to allow for any remedial actions to be undertaken in line with recommendations and/or legislation timescales.</p>	P2 - Important Issue	01/03/2021	31/08/2023
		<p>3.7 Management should monitor and record the outcomes of inspections and/or maintenance visits to ensure any rectification needed is identified. Management should also ensure that any rectifying actions undertaken address the issues originally identified/raised.</p> <p>Where applicable, any documentation (inspection reports, new certificates etc) received which support the completion of rectification works should be retained.</p> <p>Rectification of recommended actions and/or issues identified should be performed in a timely manner and/or in line with established</p>	P1 - Major Issue	01/11/2020	31/08/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		timescales (i.e. recommended by specialists or legislation).			
		3.8 Adur Homes should expand the compliance reports produced for the H&S Board to include complete and detailed information for all relevant areas, such as lift safety compliance. This should include any non-compliances in order that immediate follow-up can occur.	P2 - Important Issue	01/12/2020	31/08/2023
Contract Management and Procurement - Housing	2019/20	2.1 (i) The Contracts Register should be reviewed for completeness and brought up to date. (ii) A timetable of all contracts that are greater than £100,000 and due to terminate should be produced and the tender evaluation panel and evaluation criteria should be timetabled for agreement and documenting in accordance with the Joint Councils CSOs. (iii) The Joint Councils CSOs should be updated to stipulate that initial evaluations undertaken by individual tender evaluation panel members should be retained on file.	P1 – Major Issue	31/12/2022	31/08/2023
Tenancy Management	2019/20	2.1 (i) The Tenancy Strategy should be reviewed and updated regularly (i.e. every three years). (ii) Once updated and finalised the new Tenancy Strategy should be made available to	P2 - Important Issue	31/03/2022	30/04/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		all staff and updated on the Adur & Worthing Councils website.			
		2.2 Once generated, documented procedures should be dated and be made available to all relevant staff. Procedures should be reviewed and updated annually. (ii) The 'maximising rental income' procedure should also be subject to regular reviews and updated.	P2 - Important Issue	31/03/2022	31/12/2022
		2.3 (i) Management should develop a mechanism to record and maintain appeals processes documentation. (ii) Considerations should also be given to undertake spotchecks ensuring compliance with the process described, including an independent review of appeals cases.	P2 - Important Issue	31/03/2022	31/03/2024
Rent Collection and Recovery of Arrears	2020/21	3.2 The rent collection procedure should be updated to reflect the current actions being taken to collect arrears. This should include following the suggested actions on Orchard as well as alternative actions taken when Orchard suggested actions are not considered appropriate.	P2 - Important Issue	30/02/2021	31/12/2022
Leaseholder Charges	2020/21	2.2 Minimum leaseholder service standards, to which the Council commits, should be set and the Leasehold Team should devise KPIs based on the service standards, to allow the standard	P2 - Important Issue	31/12/2021	30/05/2023

Audit Title	Audit Plan Year	Recommendation	Priority	Original Deadline	Revised Deadline
		<p>of service to be more easily monitored and measured.</p> <p>Furthermore, the service standards should be documented within the Leaseholders Handbook.</p>			
		<p>2.3 The Council should agree an approach to the way in which leaseholder observations, responses and correspondence are held.</p>	<p>P2 - Important Issue</p>	<p>31/12/2021</p>	<p>31/12/2023</p>

A3 Outstanding Priority 1 Recommendations (Past Implementation Date)

Management of Community Buildings 2019/20 - (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
<p>A policy (or a set of policies) should be developed that set out the Councils goals and objectives for the use of and management of community buildings. This policy should include, as a minimum, strategic objectives as well as the key operational practices needed to achieve these objectives. Once developed, the policy should be reviewed and approved by Senior Management and should be subject to regular reviews to ensure it is kept up to date and still relevant to the Council's objectives and/or strategic goals. Version control should be applied to any policy to ensure readers can ensure that they are referring to the current version</p>	<p>Maintaining policies assists in ensuring that staff are aware of and can work towards ensuring corporate goals and objectives are being met. From discussions with the Community and Third Sector Lead we established that there was no corporate steer or corporate policy on how the use of community buildings fit into the Councils corporate objectives or what the expectations were from lessees/tenants. Without such policies, the Councils could be developing new community centres without any review on whether these were needed across the communities or assessing what the needs of communities were in those areas to ensure that the buildings were put to the best use to meet identified needs. Where there is no corporate steer/policy over the use of community buildings, there is a risk that the Councils are failing to meet their goals and objectives and may be missing the opportunity to provide services within those buildings which meet the needs of the local community. Community objectives may also therefore not be achieved.</p>	<p>Agreed, although we are limited to our actions as most Community Centres are on long leases and agreement. The policy will address how closer working with community organisations can be achieved but will balance where the Councils can effect change in premises already leased, where terms cannot be changed and the relationship with the occupiers is purely that of landlord and tenant. 31st March 2022 Adur District & Worthing Borough Councils – Final Report 7 This is being picked up as part of the corporate landlord work. We now have a working group to further develop our work with Community Centres and are working towards clarity over what we want to see in all of our Community Centres. I suggest this forms part of the corporate assets group as a policy approach to centres, stating what each centre needs to have. Note there is not additional resource for this - this work forms part of an existing role and therefore we need to be</p>	<p>Update provided to IA confirmed that work is underway to develop a Community Assets Framework that will sit within the Corporate Assets Policy, clearly laying out the approach in the allocation, management and disposal of the Councils' community assets. This will clarify and strengthen the multi-disciplinary work and will create a more robust system of management/ oversight of community assets and greater transparency of the decisions the Councils make around the allocation of space to groups and organisations</p>	<p>31st December 2022</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>realistic in relation to monitoring meetings. We do not have the resources to commit to this across our whole estate.</p> <p>Deadline: 31st March 2022</p>		

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
<p>2.5 The Scrutiny and Risk Officer must ensure that all necessary steps in the planning and executing of a 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>During the audit testing, it became clear that the list of project managers that we had been provided with was inaccurate.</p> <p>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.</p> <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. Without accurate records of who project managers are, there is a risk that project management efforts will be highly ineffective.</p>	<p>The Councils will do some follow up training for staff from Autumn 2021 to clarify the project cycles.</p> <p>Deadline 31st October 2021</p>	<p>Update provided to IA confirmed that a major initiative is now underway to ensure that the Councils programme of projects is better managed and resourced and is realistic given the staff numbers we have and a programme of Project Management training for staff will be investigated as part of this.</p>	<p>31st March 2023</p>

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

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>1. For critical high-risk services, a report showing the supporting IT applications and IT services should be extracted from the MATS Business Impact Assessment (BIA) data and provided to IT that also shows the related recovery time objective to the overall service.</p> <p>2. Upon annual review of the BIA, business unit managers should be informed that the IT recovery arrangements are assumed to rely on overnight backups and therefore up to 24 hours data could be lost following an incident. If this is not deemed acceptable, they should be encouraged to liaise with IT to discuss their requirements.</p> <p>3. The Incident Management Plan should be updated to reflect changes to the delivery of IT services since the CenSus partnership was terminated.</p> <p>4. Residual business units yet to complete a business impact assessment should do so within the next three months.</p> <p>5. The Safety and Resilience Manager and IT should meet regularly to review the status of disaster recovery</p>	<p>Disaster recovery arrangements should provide the technical means by which the business continuity plans could successfully mitigate a severe incident. Therefore, the business continuity plans business impact assessment is a key input to disaster recovery. The results of the latest BIA are summarised in schedule B of the Incident Management Plan, which according to recovery time objectives, prioritise the Councils' services to be recovered following a major incident. However, this does not list the IT systems required for these Council services or detail relevant recovery point objectives (RPOs).</p> <p>As the BIA collated details of supporting IT systems for each service but did not record RPOs, these omissions reflect design gaps to the MATS BIA system used to manage and record the BIA for each business unit. We also note that the Incident Management Plan schedule states it to be incomplete as for several services, a BIA is still required. In considering ICT, the Incident Management plan refers to CenSus ICT which was a tripartite partnership with two other local authorities, yet the partnership came to an end on 30th September 2017. Despite the</p>	<p>1. The Critical Services list of the Incident Management Plan will be reviewed ahead of submitting it to the Council Leadership Team for ratification, and from this, the supporting critical IT applications will be prioritised.</p> <p>2. Agreed. Information about the use of backups and the potential loss of data will be included in the above paper to the Council Leadership Team.</p> <p>3. Agreed.</p> <p>4. This historical reference is no longer relevant and will be removed at the next review.</p> <p>5. Agreed – a regular meeting will be arranged quarterly.</p> <p>Deadline 31st July 2022.</p>	<p>Monthly meetings have been established between the Safety and Resilience Manager and the Digital Team. The scope of this work is significant and a new post of Information Security Officer has been created and the officer tasked with writing a detailed DR Plan. The plan will conform to ISO standards to provide an opportunity of Central Government funding in the future.</p> <p>The Business Continuity Mats data cannot be easily extracted from the system as the original design did not encompass this reporting tool. As development time is not available at this time, this functionality is not planned in. We have established a protocol for prioritising systems and software and a process is underway to risk manage these. For high and medium systems granular response plans will be created together with identifying dependencies and RPOs. The timeline for this work is due to be completed by March 2023.</p>	<p>23rd January 2023</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>arrangements. The meeting should cover;</p> <ul style="list-style-type: none"> • Business continuity requirements; • Adequacy of measures to avoid a disaster; • Adequacy of disaster recovery arrangements; and • Testing of disaster recovery arrangements. 	<p>relationship between the Business Continuity Plan and the disaster recovery arrangements, in separate discussions with IT management, who are responsible for disaster recovery processes, and the Safety & Resilience Manager, who is responsible for business continuity, we noted that there is no ongoing communication between the two teams and that continuity requirements arising from the BIA have not been communicated to IT.</p> <p>Risk: Disaster recovery arrangements designed and implemented by IT may not meet the requirements of the directorates, to for example, satisfy their statutory obligations under the Civil Contingencies Act.</p>		<p>A review date has been set for January 2023 to update this audit, by which time regular meetings would have continued to take place track and work through the formation of the DR Plan.</p>	

A4 Definitions of Assurance

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