

West Oxfordshire District Council

Report of Internal Audit Activity

March 2024

Contents

The contacts at SWAP in connection with this report are:

Lucy Cater

Assistant Director

Tel: 01285 623340

lucy.cater@swapaudit.co.uk

Jaina Mistry

Principal Auditor

Tel: 01285 623337

jaina.mistry@swapaudit.co.uk

- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No**
- **Limited**
- **Reasonable**
- **Substantial**



Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

Categorisation of Recommendations	
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Key Financial Control	Payroll 2022/23	Final Report	High Substantial	0				Reported in September
Operational	Climate Change (Operational)	Final Position Statement	N/A	0				Reported in September
Governance	Freedom of Information	Final Report	Medium Reasonable	4	-	2	2	Reported in September
Operational	Taxi Licensing Safeguarding	Final Position Statement	N/A	0	-	-	-	Report Included
Operational	Estates Services	Final Position Statement	N/A	0	-	-	-	Report Included
Operational	Property Services	Final Report	Medium Limited	4	1	2	1	Report Included
Key Financial Control	Bank Reconciliation	Final Report	Low Substantial	2	-	-	2	Report Included
ICT	ICT Business Continuity Management	Final Report	Low Substantial	2	0	1	1	Report Included
Governance	Transparency Data	Final Report	High Substantial	0	-	-	-	Report Included
Key Financial Control	Revs and Bens - Council Tax and NNDR	Final Report	High Reasonable	2	-	-	2	Report Included
Key Financial Control	Revs and Bens - Housing Benefit and Council Tax Support	Final Report	High Substantial	0	-	-	-	Report Included
Core Financial	Contractors – Use of Waivers	Final Report	Low Substantial	2	-	-	2	Report Included
Advisory	Revenues and Benefits Service Review	Draft Position Statement						
Governance	Data Breaches	Draft Report						
Governance	Risk Management	Draft Report						

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Core Financial	Accounts Payable	In Progress						
Operational	S106s	In Progress						
Operational	Appointment of Contractors	In Progress						
Operational	Planning Validation	In Progress						
Operational	Human Resources	Audit Ready						
Core Financial	Payroll	Audit Deferred to 2024/25						Audit deferred due to tasks to be completed by Payroll team to support Publica Review / Transition
Operational	Accounts Payable – Qtly Review	In Progress						
Grant Certification	Changing Places Fund	Complete						
Grant Certification	Carbon Data 2022/23	In Progress						
Grant Certification	DEFRA – Weekly Food Waste Collections	Complete						
Support	Business Grant Funding – Aged Debt	On-Going						Quarterly review of Business Grant Overpayment Aged Debts with Head of Service, Counter Fraud and Enforcement Unit for reporting to BEIS

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Advisory	Environmental Services Improvement Programme	On-Going						
Advisory	Procurement and Commissioning Group	On-Going						
Advisory	Health and Safety Working Group	On-Going						
Advisory	Risk Management Group	On-Going						
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

Taxi Licensing – Final Position Statement – November 2023

Introduction / Background

An assurance audit for Taxi Licensing Safeguarding was originally included in the agreed Audit Plan. Amendments to statutory guidance regarding safeguarding practices were made in 2020; the objective of this audit was to assess the effectiveness of current processes and to ensure compliance with these safeguarding obligations.

As the audit commenced it became evident that processes and procedures are being reviewed in this service area. The aim of this is to strengthen existing controls and to align processes across the three partner Councils. These changes have not progressed as quickly as the service would have liked due to long term staff illness and resource constraints.

We are issuing this Position Statement having reviewed current processes, undertaken limited testing, reviewed information available on the Council's website and held discussions with the Team Leader. The suggestions / areas for consideration below are designed to aid the service as it progresses with its internal review.

Findings

1. Policy

In September 2021, the Hackney Carriage & Private Hire Licensing Policy, which includes the changes to statutory guidance, was approved by the Miscellaneous Licensing Sub-Committee. The Council works closely with the Oxfordshire Joint Operating Framework, however, this is not specifically mentioned in the Policy or noted on the Council's website.

Observation: *Although, not high risk, if the Council were to acknowledge working within a countywide approach, it may deter those drivers who have been refused a licence from a neighbouring authority from applying again at another authority. This could provide potential efficiencies in terms of application processing times.*

Management Response: The Policy and the Council's website will be updated. We have been advised that the Policy does not need to go back through Committee as only adding a 'communication' type narrative and nothing that changes the Policy.

2. Application Processing and Records Management

Officers are required to complete a series of checks and mark as 'satisfactory' before the Uniform system will produce a new or renewal licence. However, there were many instances where evidence was not maintained within IDOX (document management system). For example, missing documentation included medical reports, evidence of safeguarding training, Tax code and NR3S Register checks (National Register of Taxi Licence Refusals, Revocations and Suspensions), proof of ID, etc. Insufficient audit trails could potentially result in the Council not being able to defend themselves if challenged.

Suggestion: *Officers should be reminded to upload all evidence to IDOX to support licences issued. Introducing management checks will help to mitigate the risk of insufficient records maintenance.*

Management Response: Officers have been advised of the importance of ensuring all documents are uploaded. Management/monitoring check of 10% of cases will be introduced to provide additional assurance.

3. Safeguarding Training

Training is provided by Oxfordshire County Council. Drivers are required to pass a 45 minute compulsory multi choice test and must read and understand the Safeguard & Disability Training manual which assesses their understanding of the course content.

We noted that some drivers are not up to date with safeguarding training; refresher training must be completed every 3 years as detailed in the Policy. The Licensing Team Leader (LTL) advised that a phased approach period to ensure that all drivers have undertaken this training was agreed. The officer explained that a process had not been put

in place during the pandemic. However, a project is currently underway to ensure that all drivers have undertaken refresher training by 30/06/24 or risk having their licence suspended. This is also stated on the Council's websites.

Observation: *Consider if the Uniform system can be configured to produce reports which will identify safeguarding training renewal data.*

Management Response: Safeguarding training has now been put in place.

4. Complaints Monitoring

The LTL advised that Customer Service officers log customer contact/communications in the Uniform system as a 'Service Request' and will often use a 'Complaint' prefix when the call is not really a complaint. The officer was in the process of developing new guidance for Customer Service staff to ensure complaints are accurately determined. The LTL allocates service requests to the team daily, and any communications that are complaints are processed in accordance with the Hackney Carriage & Private Hire Licensing Policy. Initial investigations are undertaken by the service area and reviewed by the LTL/Business Manager. Reports/appeals are presented to the Licensing Committee depending on circumstances as detailed in the Policy.

No separate records are maintained, and service requests must be manually linked to the Licensing module, which means that potentially repeat offenders/incidents or trends will not be identified. The LTL explained that she undertakes ad hoc monitoring, but evidence is not maintained. The officer stated the service is firefighting and with previous long term sickness within the team, it is difficult to be as efficient as hoped.

Service Request data from April 2022 – August 2023 identified 21 cases. 6 cases reviewed found 3 instances which resulted in a warning being issued to the driver. All requests were actioned and closed within 30 days.

Suggestion: *The difference between a complaint and a service request should be clearly defined (to include examples) and cascaded to all relevant officers. Periodic monitoring of service request data should be implemented to identify trends and/or repeat offenders, which will help the service be more proactive than a reactive service.*

Management Response: The LTL will work with Customer Services to ensure identified complaints and service requests are separated more clearly.

5. Income Reconciliation

The Council's Financial Rules I5.1, states that 'Budget holders are responsible for reconciling income systems with the council's main accounting system monthly to ensure that all income received has reached the correct budget head and investigating where there is a discrepancy'. The LTL confirmed she does not complete this reconciliation, but she does forward reports to Finance at year end. The LTL advised this is something she was looking to implement.

Suggestion: *The LTL should liaise with Finance and develop a process to undertake monthly reconciliations as per the Financial Rules.*

Management Response: The LTL will develop a process to undertake monthly reconciliation which will be of use to both the service area and Finance.

6. Data Analysis

We discussed undertaking data analysis to determine if there were any anomalies or trends that would benefit from further review. But the LTL explained that the Uniform system needs 'housekeeping' and therefore there was no value at this current time. The officer explained Uniform is reviewed as and when time allows, and that currently focus was on ensuring business as usual is delivered.

Observation: *Data analysis can be a useful tool but is only effective if the integrity of the data can be assured. It would benefit the service if as part of the internal review, some time was set aside to ensure 'housekeeping' is undertaken and to consider how best to use the data held within the Uniform system.*

Management Response: Work will be undertaken with the team and support sought from the Performance team / Data & Performance Analyst.

Conclusion

The 2020 amendments to statutory guidance specifically relating to driver safeguarding issues, have been implemented at WODC.

Robust procedures are being implemented as part of the internal review which seeks to align processes across the three partner Councils. For this reason, we have issued this Position Statement to provide a 'critical friend' point of view.

We hope to revisit the area and provide assurances once the service has completed its review.

Estates Compliance – Final Position Statement – February 2024

Introduction / Background

The objective of this audit was to review the effectiveness of processes undertaken by the Estates Management team in relation to the management of the Council's assets and to assess compliance with statutory and legislative regulations. The review was requested by the Business Manager Property and Estates and was undertaken in conjunction with a Property Services review of Health and Safety arrangements. The Estates Management review included:

- Compliance with Legislation and Professional Body guidance.
- Landlord responsibilities
- Landlord Inspections, Lease and Rent Reviews
- Maintenance and Complaints
- Insurance and Empty Properties
- Documentation Retention

This audit was originally planned to be an assurance piece of work utilising walkthrough, discussion with staff, substantive testing, and evidence review. However, no up to date information could be provided for the audit and therefore we have drafted this position statement with our findings.

Key Findings

West Oxfordshire District Council (WODC) has an estate (property) value of £72,768,978 which includes £51,305,000 of investment properties. In addition to this, WODC hold a community asset value of £993,713 and surplus assets of £3,361,762.

Compliance and Legislative requirements

We requested specific compliance and legislative requirements that the Estates Management Team should adhere to; we were directed to leases, statutes, planning and building control services. We were provided with a RICS Practice Information document on strategic public sector property asset management and were informed that Estates Management need to be compliant with this document. We were also advised that there are no current performance indicators ensuring these compliance requirements are identified and complied with.

Suggestion: Service area to undertake a self-assessment of the RICS guidance to identify gaps in compliance

Management Response: *The Strategic public sector property asset management RICS practice information, 3rd edition, September 2021 relates to the processes and strategic framework for the management of Assets. The scope and funding requirements for an Asset Management Strategy and Plans are currently being prepared. Compliance with this guidance will be ensured as part of the new Asset Management Strategy and Asset Management Plans. Following the adoption of the new Strategy there may also be a need to make changes to the Constitution enabling delegated decisions to facilitate efficient decision making on the management of assets. These new strategic documents and processes will align with the RICS guidance.*

Suggestion: Introduce performance indicators for council assets e.g. reduce total energy consumption in operational properties (to be defined in AMP).

Management Response: *Agreed. Advice will be sought from the consultants preparing the Asset Management Strategy on the best performance indicators to provide assurance on Council asset performance.*

Policy, Process and Training

There is no overarching policy (Asset Management Plan / Strategy); an action has been agreed in the Property Audit in respect of the importance of an Asset Management Plan. Outdated policies for Acquisitions and Disposals and an Asset Management plan are held by the Council but have neither been updated or altered for many years. We were advised that there is no 'service' induction process for new starters, the only requirement is that they hold an appropriate degree and are RICS members. The Asset Manager offers support to the team but a more formal service induction and training, relevant to Publica and its partner Councils, will enhance the service provided. The Property Management and Estates Management teams, work closely with each other, and it has been identified that roles and responsibilities are not sufficiently defined. There is a risk that work is duplicated, and the service being provided is not as effective, or efficient, as it could be.

Suggestion: An Asset Management Plan (AMP) is a key document to support the management, and future workplans, for the Council's estate. Service area to support the Council on the drafting of an AMP (action included in property audit).

Management Response: *The benefits and costs of an Asset Management Strategy have been discussed with Executive informally and with Political Group Leaders. A Scope for an Asset Management Strategy has been drafted and shared with Senior Officers, once agreed costs will be procured and a report then prepared for Executive to enable the work to start in the Spring.*

Suggestion: Service area (Property and Estates) review Job Descriptions to ensure roles are sufficiently defined and an induction programme to be created to ensure new team members are aware of their responsibilities to Publica and the Partner Councils.

Management Response: *There is no formal induction process for the service because there are many different roles so we would not be able to have a one size fits all. The basic induction for Business World and other systems is done by the Resource Managers in person and online. Job related induction consists of either Asset Manager or one of the Estates officers being in the office with the new person every day for the first 2/3 weeks to go through different aspects of information systems and support on tasks. This includes governance and Publica/Council interactions which again is tailored based on the level and type of role. There is therefore no plan to introduce a generic induction programme as it would provide less support and training than the tailored support which is currently provided.*

Roles will need to be extensively reviewed as part of the Publica Review which has commenced, it is therefore suggested that the review of roles and responsibilities forms part of the service redesign work that will need to follow TUPE transfer to partner Councils.

Annual Landlord Inspections.

A condition of every lease is that annual landlord inspections can be undertaken, along with regular lease reviews and rent reviews. We were advised that Annual Landlord Inspections have not been regularly undertaken since 2019 due to a lack of resource, and no evidence was available for inspections that were undertaken.

Suggestion: (to be included in the AMP) a schedule of property inspections is drafted to ensure all properties are inspected on a regular basis, enabling a more proactive approach to maintenance (when appropriate).

Management Response: *There is not a lease condition that Landlord inspections are carried out but it is good practice and something we would like to recommence on a portfolio wide basis. Landlord Inspections are currently carried when officers visit site and issues then brought forward. Issues reported by the tenants are acted upon. Carrying out annual inspections would require additional staff resources and the financial cost is likely to outweigh the benefits as the Council still has recourse to remedy defects when a tenancy ends through the Schedule of Dilapidations. Where existing resources allow, landlord inspections will be prioritised based on building and tenant factors.*

Lease and Rent reviews.

The rental income from 2022/23 for investment properties is £4,149,434 which is an increase of 2% based on the previous financial year. Evidence was not available to demonstrate that Lease and Rent reviews were being undertaken in a timely manner.

Suggestion: Lease and Rent reviews are undertaken on a regular basis ensuring the income due to the Council is appropriate.

Management Response: *Whilst 2% may seem like a low figure the economy has impacted on rental potential with most lease values stagnating or even reducing, The raw data stated does not consider the number or value of properties within the portfolio during the different periods. The Team has prioritised lease renewals but is now working through the backlog of rent reviews. The Council does not lose any income if rent reviews are completed after the review date as any increase in rent is backdated.*

The Team will start using the Uniform system to record and monitor all estate and property matters from 1st April, once the system has been set up and historic data has been uploaded (March 2024). Information will be uploaded to Uniform including flags for when rent / lease reviews are due to be undertaken. All reviews will be recorded on Uniform.

Maintenance and Complaints

We were informed that reactive maintenance is conducted when a complaint is received from a tenant, but progress is not actively monitored to ensure that the authority provides a satisfactory service. Proactive maintenance is only conducted when a tenant leaves the property, and the Estates Management team want to prepare it for the next tenants.

As maintenance is being undertaken on properties when a complaint is received, current issues could go unidentified and thereby unrectified resulting in accident, damage etc. If annual landlord inspections were undertaken issues would be identified, and rectified, at that point in time, rather than waiting for a complaint.

Suggestion: See note above about inspections.

Management Response: See comments above (inspections and lease and rent reviews), and below (records and documentation management). Most properties are let on Full Repairing and Insuring leases. This means the tenants are responsible for repairs. In situations where the Council retains responsibility for structural repairs, such as the leisure centres, structural defects such as failing roofs are not likely to be picked up during a landlord inspection. Defects of this nature would need to be identified by externally commissioned Condition Surveys. It is likely that the emerging Asset Management Strategy will recommend a phased rolling programme of condition surveys to enable a proactive approach to maintenance and asset decisions to include the likely forecast of repair and maintenance investment required.

Suggestion: Implement a process to ensure reactive maintenance is actively monitored.

Management Response: Members of the Property team liaise with contractors and tenants and do inspect completed work. This is done before payment is issued. So any sub-standard work would be picked up and rectified.

Insurance Terms

Buildings Insurance is in place for the Authority's estate and properties. The Insurance Team manages these policies; they rely on communication from the Estates Management team to ensure compliance with the specific terms around unoccupied estate. The insurance terms require the following:

1. Unoccupied buildings are secured against illegal entry and all external doors and accessible external windows shall be fitted with good quality locks.
2. All services to be disconnected other than limited services required for security guards, fire and burglar alarms unless otherwise agreed by the Insurance Company in writing.
3. All letter boxes shall be sealed to prevent insertion of material.
4. Perimeter fences, walls and gates shall be kept complete and maintained.
5. Such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage.
6. Vegetation surrounding such unoccupied buildings shall be kept down.
7. The Business Premises shall be inspected thoroughly internally and externally at least once every seven days by the Named Insured, or a responsible person appointed by the Named Insured and a record maintained of such inspections and any defects rectified without delay.

Discussions identified that these terms are not actively managed, there is no formal process in place to identify empty Council owned properties, conduct the inspections and inform the Insurance Team, furthermore, no records are maintained. We were advised that the inspections have not been conducted due to a lack of resource as noted above. The risk of not complying with these terms is that the insurance policy is cancelled or invalidated, leaving the Council open to reputational damage and legal penalties.

Suggestion: Implement a process to ensure all empty properties are identified and that inspections are carried out, and recorded, as per the terms of the insurance policies.

Management Response: Triggers for this process will be built into the Uniform system, to ensure appropriate processes are followed. Action is taken to secure and inspect vacant properties, this is often done via an agent acting on the Council's behalf.

Records and Documentation Management

Property data held on Uniform (database) is not maintained, or actively managed. Interrogation of Uniform found that a large amount of information is outdated, dating back to 2021 and prior years.

Suggestion: A review is undertaken of all Council Property to ensure data /properties are accurately replicated in Uniform and are up to date.

Management Response: Property records are not currently held in Uniform but are held electronically. The current system is not particularly user friendly and does not enable rapid reports on areas like compliance to provide management assurance. A plan is now in place to upload all historic property and estates data to the Uniform system and to input all new data onto the system from 1st April. A spreadsheet has been created in the interim identifying compliance requirements and dates for inspections all properties.

Suggestion: Ensure that all data gathered from inspection, rent and lease reviews, proactive and reactive maintenance, complaints etc is entered onto Uniform to ensure a full record of the Council's Estate is available.

Management Response: See comment above.

Conclusion

Due to the lack of any supporting evidence available to us, we have acted as a 'critical' friend and made suggestions to our findings.

An Asset Management Plan is a key document to the management of a Council's Asset Portfolio and could include:

- List of all Property Assets
- Acquisitions and Disposals
- Action Plans
- Property Review and Conditions
- Planned / Proactive Maintenance
- Responsive / Reactive Maintenance
- Climate Change Initiatives
- Performance Indicators
- Data Management

Having an AMP ensures the service area has a 'policy' document that can be followed / worked to, allowing the service area to allocate resources as appropriate as works are planned in advance. This will also provide a more proactive, efficient, and effective service to tenants and the Council.

Annual Landlord Inspections, Lease and Rent Reviews, Complaints and Maintenance

Consideration should be given (and included in AMP) to ensure a central register, and formal process, is adopted for the proactive management of estates. This would provide the Council with the opportunity to raise rents (where appropriate) to fair market value.


Operational Risk Register

A further consideration could be the introduction of an operational risk register. Although financial risk is reported during the year, there are other risks, in respect of Estates, that may leave the Council exposed to challenge e.g., injury in defective building.






Property Services Compliance – Final Report – December 2023

Audit Objective

To review and assess property related Health and Safety arrangements at the Council's properties, ensuring compliance with legislation.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Priority	Number	Failure to comply with relevant legislation and Council rules resulting in financial loss and reputational damage to the Council.	High
		Priority 1	1		
		Priority 2	2		
		Priority 3	1		
		Total	4		

Key Findings

	Asset Management Plan (AMP) – Officers have highlighted that they do not have an AMP to guide their focus on Council requirements. The Council's financial rules require an AMP to be maintained. The Council should commission an AMP and once in place Officers should align their work to this.
	Risk Assessments (RAs) – Site-specific RAs were not available for the properties selected for testing. Officers advised that RA management is often the responsibility of 3 rd parties (e.g., commercial tenant). To support the Council in fulfilling its compliance and H&S responsibilities, it's vital all Council owned properties have a site-specific RA. Details on arrangements for any 3 rd party managed RAs should be recorded with centrally held information (e.g. on a property management system).
	Standard Information – A process should be developed to ensure all essential compliance and H&S information is gathered for all Council owned properties. The process should be implemented for new properties and regular site inspections. Officers have advised that a property management system could be utilised to capture the required information.
	Central Property Database Accuracy – Spreadsheets and software contain information on Council owned properties which can be accessed centrally. Testing demonstrated that information expected to be held centrally was not available or inaccurate.
	Property Officers have a system for managing maintenance requests and compliance contracts. There is a genuine effort from the Property team to improve compliance and H&S across the Council's property portfolio. Fieldwork identified good examples of collaborative working with other service areas.

Audit Scope

Work with Officers from the Property team to develop criteria for testing compliance and Health & Safety arrangements at Council owned properties.

Properties were selected for testing against the established compliance and H&S criteria.

Scope exclusions:

Contractor/consultancy spend assessment – Officers advised that work on this is underway and would therefore be a duplication of efforts.

Professional body guidance – Officers advised that this guidance is not followed.

Benchmarking – Unable to identify an organisation similar to Publica for effective benchmarking.


Other Relevant Information




Testing has highlighted serious concerns with the Council's property compliance and H&S obligations. Issues including (but not limited to) legionella, asbestos and gas safety management were identified; this would be picked-up with regular reviews and accurate/complete central data. Officers are aware of property compliance and H&S issues but advised that significant time is spent on reacting to reported issues preventing them from proactively developing a strategic approach.

Bank Reconciliation – Final Report – September 2023

Audit Objective

To provide assurance that core financial processes are operated in accordance with agreed policy/procedure and with the Council/Clients Financial Rules.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited	Priority	Number	A lack of effective management of finance systems and processes may result in potential fraud, loss of income and reputational damage. The Financial Statements may not be accurate which may result in potential fines and additional pressures on already stretched resources.	Low
		Priority 1	0		
		Priority 2	0		
		Priority 3	2		
		Total	2		

Key Findings		Audit Scope
	We identified historic, outstanding entries (mostly income) in the suspense account stretching back several years, many of which are likely to remain unresolved. A standard process to deal with suspense account entries in a timely, efficient manner will be agreed and the outstanding entries actioned.	<p>The following areas were reviewed:</p> <ul style="list-style-type: none"> Processing of income and payment data into ledger, feeder systems etc. Suspense accounts, monitoring, processes. Reconciliation of feeder systems (NDR, CT etc) to the general ledger. Frequency and accuracy of bank account reconciliations. Authorisation process for bank account reconciliations.
	A number of online council tax payments are submitted by customers quoting an incorrect reference number each month. This causes them to drop into suspense and require manual intervention to ensure they are applied to the correct customer account. To support Publica's drive for self-service and automation to increase efficiencies, these repeat transactions should be configured within the system so that they can be allocated correctly	
	We can confirm the monthly bank reconciliation is being completed in a timely manner, is appropriately authorised and is in accordance with the Financial Rules.	

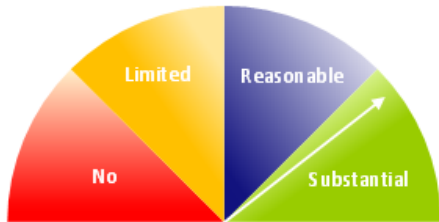
Other Relevant Information

The audit was also undertaken at the other Publica partner authorities, it highlighted differences in working practices across each of the organisations. To increase operational resilience, management may wish to consider standardising working practices in all areas of the bank reconciliation process.




ICT Business Continuity / Disaster Recovery – Final Report – December 2023

Audit Objective

To provide assurance that ICT Business Continuity/Disaster Recovery arrangements are managed effectively.

Assurance Opinion		Number of Actions		Risks Reviewed	Assessment
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Priority	Number	Inadequate recovery plans / procedures result in the indefinite loss of key systems and data. This means Council operations would be adversely impacted potentially causing financial losses and reputational damage.	Low
		Priority 1	0		
		Priority 2	1		
		Priority 3	1		
		Total	2		

Key Findings

	<p>Disaster Recovery Test: The established criteria for a successful test was being able to fully recover and operate the Business World application (including all clients) in a secure cloud environment using back-ups. Preparation was crucial for ensuring the cloud recovered application did not interfere with the live application hosted on the Council servers. Any technical issues encountered were resolved by the ICT recovery team and the application was operational within the same working day. Test financial reports and HR transactions were processed in the recovered system and checked against the live system. The recovery process is documented and available to members of the ICT recovery team. Processes are in place to ensure recovery communications are managed for both the ICT team and non-ICT stakeholders.</p>
	<p>ICT and Emergency Planning Formal Engagement and Alignment: Regular formal engagement with the Emergency Planning teams of each key client hosted on the Council networks is required to support identification of issues, set expectations and align documentation.</p>
	<p>Documentation Updates: A review of business continuity and disaster recovery documentation was completed. Several required updates have been identified.</p>

Audit Scope

The audit includes:

- Review of ICT BCP / DR Plans – including processes, communication, assessment of system recovery
- Walkthrough of the Recovery Process
- Communication of test scenarios – reporting of lessons learned and areas for improvement/inclusion in plans

Scope exclusions: Service area plans are not included in this ICT review as they are audited separately.

Additional Information

We collaborated with the ICT team on the planning and execution of the recovery test. This enabled discussion on the audit requirements and technical step-by-step processes which helped to develop our understanding.

Timescales for recovery depend on several factors including the amount of cloud processing power purchased for recovery. For this test, the amount of processing power purchased was limited to save costs but still enabled recovery. In a real disaster recovery scenario, the ICT recovery team will decide upon the optimum processing power required to purchase.

Impact assessments have been completed to support the prioritisation of system recovery. In a real event, the priority of system recovery will depend on several factors some of which are outside of ICT's control (e.g. depending on the time of the month, payroll functions may be more of a priority than revenues and benefits and vice versa).

Transparency Data – Final Report – November 2023

Audit Objective

To assess the effectiveness of the Council's Transparency procedure and provide assurance that the data published is in line with the Local Government Transparency Code 2015.

Assurance Opinion



A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	0
Total	0

Risks Reviewed

The Council is non-compliant with Information Management legislation under the Local Government Transparency Code

Assessment

Low

Key Findings



All data (as listed under Audit Scope) was published in accordance with the Transparency Code 2015, and easily accessible. Publication of the data reduces the risk of complaint to the Information Commissioners Office is sufficiently mitigated.

Audit Scope

The audit was a compliance review of the Local Government Transparency Code 2015. We reviewed the following information to ensure that it was published in accordance with the Transparency Code 2015:

- Expenditure over £500.
- Government procurement card transactions.
- Procurement information.
- Grants to Voluntary, Community and Social Enterprise Organisations.
- Organisation Chart.
- Senior Salaries.
- The Pay Multiple.
- Trade Union facility time.
- Local land assets.
- Social housing asset value.
- Parking accounts.
- Parking spaces.
- Fraud.
- The Constitution.

Summary

The Local Government Transparency Code sets out the minimum requirements for local authorities to publish open data on the public facing website and for this to be completed promptly. The Council have demonstrated a good level of compliance with the Transparency Code. The risk that the Council could receive complaints to the Information Commissioners Office (ICO) which could lead to further scrutiny and potential reputational damage is sufficiently mitigated.

Observations:

- Work is underway to ensure that Procurement Card Transaction Data is published regularly.
- Consideration could be given to creating an itemised schedule to enable robust monitoring and ensure the required information remains up to date.
- The Pay Multiple is a constantly changing figure, so although we have been unable to confirm the Pay Multiple as accurate this does not mean it is non-compliant. Work is underway to ensure this remains up to date on an annual basis, and it is published on the Public Facing Website in the Pay Policy Statement.

Revenues and Benefits Service – Final Report – December 2023

Audit Objective

To ensure key financial system controls are operating effectively for Council Tax and Business Rates, Housing Benefits, and Council Tax Support, and that opportunities for error, fraud or corruption are minimised.

Assurance Opinion – Council Tax and NDR



There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	2
Total	2

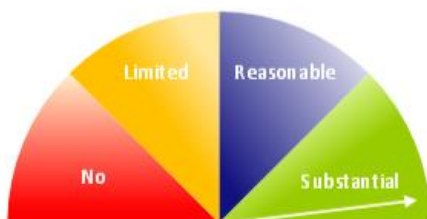
Risks Reviewed

Incorrect Council Tax and Business Rates are collected due to errors, omissions, or fraud, resulting in financial loss and reputational damage.

Assessment

Low

Assurance Opinion – Housing Benefits



A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Number of Actions

Priority	Number
Priority 1	0
Priority 2	0
Priority 3	0
Total	0

Risks Reviewed

Housing benefit and/or council tax reductions awards are not paid or recovered correctly or in a timely manner, due to errors, omissions, or fraud, resulting in financial loss and reputational damage.

Assessment

Low

Key Findings



Council Tax and NDR: As part of the review underway to align services, training/procedure notes are due to be reviewed. Consideration should be given to the level of detail required in the notes, as well as defining the process for capturing/obtaining information, in order to ensure consistency.



Council Tax and NDR: The format of the new discount review forms requires review to ensure there is not a risk of digital exclusion.



Council Tax and NDR: Overall, our testing showed that discounts, reliefs, and exemptions are being appropriately applied across the board in Council Tax and NDR. Collection rates KPIs are in place and reported on regularly with a view to using this data with staff 121s. Process mapping is underway to review and align services.



Housing Benefits: Applications within Housing Benefits are managed properly and are well-controlled. Evidence is suitably reviewed and saved within the Open Revenue's system; this provides sufficient audit trail and mitigates the risk of a fraudulent claim. Communication with residents is issued in consistent and appropriate formats.

Audit Scope

We reviewed the following processes:

- CTax/NNDR – Collection, discounts, reliefs, and exemptions.
- HB & CTS – Application process, Evidence Verification.
- Postponed work from 2022-23.

Analysis was performed on the reports requested, in conjunction with walkthrough and sample testing to form an opinion on the effectiveness of the controls in operation.

Discussions were held, with evidence sought to support statements made.

Summary

Conclusion

It is clear that a significant amount of progress has been made to ensure that the Revenues and Benefits Service operates as efficiently as possible, and a substantial amount of work has been completed, or is underway, to help achieve this.

The assurance we have given on this audit is specific to the areas we have reviewed. Overall, the Revenues and Benefits service is performing well in the areas recorded within the scope, and proactive steps are being taken to ensure positive change occurs. We have reviewed the deferred work from last year's audit and there are no issues to report. We have agreed two actions to address the findings above.

The following observations and suggestions are made to enhance current processes.

Observations and Suggestions

- It is unclear whether some non-time sensitive Council Tax and NDR discounts and exemptions are reviewed in a timely and consistent manner. We have not looked further into the review process this year due to scope restrictions and timings. We propose that we will address this in more detail in next year's audit.
- There was some confusion surrounding the role of the Counter Fraud Enforcement Unit within the wider Revenues and Benefits service, but this was clarified during this audit. However, we suggest that Management review the process of handling family and friend's accounts, and consider whether they wish to implement any additional controls.
- The Housing Benefits team retain a good audit trail of all evidence and communication with residents within the Open Revenues system. But there is limited identifiable features on the attachments, which could lead to inefficiencies when reviewing the account. If the system allows, it is suggested that the audit trail could be altered to include identifiable features which would make navigating the account more efficient.

Contractors – Use of Waivers – Final Report – February 2024

Audit Objective

An audit review to assess if requests for waivers from procurement procedures are compliant with the Council's Financial rules, and procurement policies and procedures. It will also seek assurance that they are given proper oversight, documentation is retained and that they are authorised appropriately.

Executive Summary



Assurance Opinion

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	2
Total	0

Organisational Risk Assessment

Low

Failure to comply with procurement policy leads to increased cost of contracts, reduced quality of contractors and an increased risk of procurement fraud.

Key Conclusions



To ensure the Waiver Register can be updated in a timely manner and to mitigate against any waivers being missed, the Contract Waiver Report Templates will be updated to state a copy of all approved waivers must be sent to Procurement.

Most of the Officers we spoke to had a good awareness of procurement rules, but said they would appreciate refresher training on the use of waivers. The Senior Procurement Business Partner advised training will be delivered on the new Procurement Strategy in 2024, and the use of waivers will be included.



Retained Officers attend the Procurement and Commissioning Group monthly to review the pipeline and forward plan and discuss any supply chain and framework updates.

During fieldwork approval evidence was supplied for all waivers in our sample, but 1 approval made via email did not name the waiver specifically. To ensure there is a full audit trail that links an Officers approval to the correct waiver, it would be useful if waivers are named in the email chain. This has been discussed with the service area who have agreed to take appropriate action.

Audit Scope

A review of the Waiver process was undertaken (November 2023) and controls were reviewed in the below areas;

- Processes for requesting and approving waivers.
- Staff awareness.
- Document retention.
- Process oversight.

Discussions were held with the Senior Procurement Business Partner, and a sample of Officers who had a waiver approved during the period reviewed (01/01/2023 – 08/11/2023).

A random sample were selected to ensure waivers followed the prescribed process. Waivers that are requested but not approved are not recorded.

Other Relevant Information

The total number of waivers approved at WODC during the test period reviewed were 3, with a total cost of £264.1K. The criterion for granting waivers is stated within the Councils Contract Rules, which are being complied with. We accept urgent works require waivers to be used, but making better use of the Procurement and Commissioning Group meetings should help to reduce the number of waivers being requested.

2 actions have been agreed with Publica to address the findings.

