POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	24 June 2024		
TITLE:	Internal Audit Progress Report		
TYPE OF REPORT:	For Information		
PORTFOLIO(S):	All		
REPORT AUTHOR:	Teresa Sharman, Head of Internal Audit		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
The Audit Committee receive updates on progress made against the annual Internal Audit Plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
KEY ISSUES:
The current position in relation to the completion of the Internal Audit Plan 2023/24 is shown within the attached report. The 2023/24 Internal Audit Plan is now complete. Two further limited assurance opinions have been provided.
OPTIONS CONSIDERED:
N/a
RECOMMENDATIONS:
The Audit Committee are requested to receive the Progress Report on Internal Audit activity.
REASONS FOR RECOMMENDATIONS:
In receiving this report, the Audit Committee is fulfilling their terms of reference in monitoring internal audit activity.

REPORT DETAIL

1. Introduction

This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.

2. Proposal

The report sets out progress with completing the 2023/24 Internal Audit Plan.

3. Issues for the Panel to Consider

Members should note progress with completing the Internal Audit Plan and the report executive summaries, particularly the limited assurance opinions provided for some areas.

4. Corporate Priorities

Good governance.

5. Financial Implications

None.

6. Any other Implications/Risks

None.

7. Equal Opportunity Considerations

None.

8. Environmental Considerations

None.

9. Consultation

N/a.

10. Conclusion

For Audit Committee to note that the 2023/24 Internal Audit Plan is now complete and the executive summaries of final reports.

11. Background Papers

Appendix 1 – Internal Audit Progress Report

Eastern Internal Audit Services

Borough Council of King's Lynn and West Norfolk

Internal Audit Progress Report

Period Covered: 1 December 2023 to 31 May 2024

Responsible Officer: Teresa Sharman – Head of Internal Audit for the Borough Council of King's Lynn and West Norfolk

CONTENTS

1. INTRODUCTION

1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.

1.2 The Public Sector Internal Audit Standards requires the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues.

1.3 To comply with the above this report includes:

- Any significant changes to the approved Audit Plan;
- Progress made in delivering the agreed audits for the year;
- Any significant outcomes arising from audits; and
- Performance Indicator outcomes to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

2.1 Since the Internal Audit plan's approval in March 2023, three audits have been removed from the Plan during 2023/24 as detailed in the table below: -

Audit description	Nature of the change
KLWN2309 Organisational Development – Training	This audit has been deferred to the 2024/25 audit plan. Internal Audit plan at the suggestion of senior management. Due to the Local Government Association (LGA) Peer Review an external review of organisational development has been commissioned. The results of this are to be fed back to Internal Audit from Becky Box (Assistant Director, Central Services) for the Annual Opinion.
KLWN2305 Cost Management Programme	This audit has been deferred to the 2024/25 audit plan to allow progress to be made with the actions.
KLWN2321 IT Governance	This audit has been deferred due to a number of both external and internal audits that had taken place over the year and the need to develop an IT Strategy.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.

3.2 All of the work in 2023/24 has been completed.

4. THE OUTCOMES ARISING FROM OUR WORK

4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

Substantial Assurance: Based upon the results of the review there is a robust series of suitably designed internal controls in place upon which the organisation relies on to

manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Reasonable Assurance: Based upon the results of the review, there is a series of internal controls in place, however these could be strengthened to facilitate the organisations management of risks to the continuous and effective achievement of the objectives of the progress. Improvements are required to enhance the controls to mitigate these risks.

Limited Assurance: Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

No Assurance: Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

4.2   Recommendations made on completion of audit work are prioritised using the following definitions:

High: Fundamental control issue on which action to implement should be taken within 1 month.

Medium: Control issue on which action to implement should be taken within 3 months.

Low: Control issue on which action to implement should be taken within 6 months.

4.3   In addition, on completion of audit work "Operational Effectiveness Matters" are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

4.4   During the period covered by the report, 10 reports have been issued in final and one I n draft, and three position statements:

Audit	Assurance	High	Medium	Low
KLWN2319 Community Infrastructure Levy	Reasonable	0	1	4
KLWN2313 Public Open Space incl. play areas, tree management	Limited	3	2	3
KLWN2308 Payroll and HR	Substantial	0	0	0
KLWN2315 Housing Standards / HMO	Reasonable	0	1	7
KLWN2301 Corporate Governance	Reasonable	0	4	7

KLWN2311 West Norfolk Housing Company Ltd	Position Statement	N/a	N/a	N/a
KLWN2317 Economic Growth	Reasonable	0	1	2
KLWN2314 Waste Management	Reasonable	0	1	0
KLWN2312 West Norfolk Property Ltd	Position Statement	N/a	N/a	N/a
KLWN2310 Capital Programme	Limited	4	6	3
KLWN2322 IT Security – Follow Up of Cyber Security Risks	Position Statement	N/a	N/a	N/a
KLWN2316 Homelessness and Housing Options	Reasonable	0	1	1
KLWN2302 Key Controls	Reasonable	0	3	9
KLWN2306 Council Tax and NNDR	Substantial	0	0	1
KLWN2307 Local Council Tax Support and Housing Benefit	Substantial	0	0	2

The Executive Summary for this report is provided at **Appendix A**, a full copy of this report can be requested by Members.

4.5 As can be seen in the table above, as a result of these audits, 66 recommendations have been raised and agreed by management.

APPENDIX A – FINAL AUDIT REPORT EXECUTIVE SUMMARIES

Executive Summary – Community Infrastructure Levy (CIL)

Our Opinion	
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Appropriate governance controls are in place.	**None**		
2. Appropriate controls are in place for the assessment of CIL project applications.		1	2, 3 & 4
3. Appropriate controls are in place for the recording and management of CIL projects, including relevant 'trigger points'.			5
4. Appropriate management reporting and monitoring is in place regarding CIL project costs and timeframes.	**None**		

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

One medium priority recommendation has been raised as follows:
 	
• When quotations are requested / provided by the applicants, these should be subject to the same Procurement rules as the rest of the Council. For the relevant values the Contract Standing Order (CSO) regulations and thresholds should be applied when asking for / receiving quotations for works.
 	
Amend the wording on the online application form which asks for a Summary of Expenditure to ensure the guidance notes provided to the applicant are followed through to the application process.
 	
Consider amending the wording to: -
"Please provide all key financial information about the project including Financial details on expected expenditure, which MUST include the following: -
a. summary of proposed costs
b. details and copies of quotes, to demonstrate that the funding request has been researched
c. Any other supporting information e.g., Project Report and Timescales."
 	
A total of four low priority recommendations have been raised as follows:
• If in future the CIL Spending Panel wishes to review and revise the scoring criteria for projects, this should be undertaken prior to the start of the year, rather than mid-year amendments in line with the update of the Governance and Spending Document.
• Where the Project Application Form asks an applicant for "Evidence of Need" and associated supporting documentation, consideration should be given to amend the form so that "Tick Boxes" are included to represent the various "Evidence of Need". This should then aid in scoring the projects consistently and would provide mitigation for any appeals raised against unsuccessful projects by applicants.
• The auditor would suggest the CIL Officer and CIL Spending Panel, if there is a concern about the Match Funding scoring, consider changing the scoring to the following: -
 	
Amount of funding committed to the project by applying any match funding:
    ○ 1 – 20% = 1 Point
    ○ 21 - 40% = 2 Points

	o 41 - 60% = 3 Points
	o 61 - 80% = 4 Points
	o 81+% = 5 Points

      The auditor would suggest considering applying the above scoring and reviewing this after two rounds to ascertain if the concerns have been allayed.
- Successful Applications should only be validated when a Funding Offer Letter and formal legal agreement, is signed by both required signatories and returned.

Good Practice and Other Points to Note

- Members are made aware of CIL Governance and Spending via the CIL Spending Panel and report to Cabinet.
- The application form on the Council's website details the required information to comply with the CIL Regulations.
- Projects are documented and recorded within the Council's systems, and these systems are secure by means of access rights and roles and responsibilities allocated by the system administrators.
- Trigger Points, although initially included within the Terms of Reference for this audit, were found during testing to be related to the Development Phase of CIL which was covered in the previous audit of 2018/19, and all recommendations arising have now been actioned successfully.

Executive Summary – Public Open Space (inc. Tree Management)

Our Opinion	
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Appropriate governance controls are in place.	**1, 2, & 3**		**6, 7 & 8**
2. Appropriate management reporting and monitoring is in place.	**1 & 3**	**4 & 5**	
3. Appropriate controls are in place for the recording and management of tree numbers.	**3**	**4 & 5**	
4. Appropriate risks have been identified and are managed effectively	**1**		

High	Medium	Low
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

A total of three high priority recommendations have been raised as follows:
- The expected five-year review of progress towards the initial key policies should be undertaken as soon as possible, to enable the Council to fully understand it's current position in relation to the initial strategy document. This will then allow the Council to develop the new Tree & Woodland Strategy from 2027 onwards.

  When undertaking this review, new documents regarding the original three appendices from the Tree & Woodland Strategy will need to be developed.
- When the relevant documents relating to Tree Management have been updated, all appropriate policies, plans and strategies should be updated accordingly.
- The new Arboricultural Officer should review the current Tree Management recording system and ascertain whether there are more effective and efficient systems available.

  These systems may allow more interaction with other current Council systems and allow timely reporting for management and Members.

A total of two medium priority recommendations have been raised as follows:
- KPI's should be included within Directorate Plans to monitor, report, and ensure Tree Priority targets are being met and achieved within the anticipated timescales.
- The Service Area should ensure that it can monitor, and report appropriately, on information / data relevant to the Key Priorities within the Tree & Woodland Strategy.

A total of three low priority recommendations have been raised as follows:
- The area of Appendix 5 Contract and other formalities – Prevention of Corruption - 4.10.3 on page 25, within the Contract Standing Order document, should be amended to include mention to all relevant Council policies on Fraud and Corruption.
- Reference to adherence of relevant Council policies should be included within the generic ITT document covering Prevention of Corruption (Section 18). Wording used should be similar to that included within the Contract Standing Orders.
- When the next ITT for the procurement of Tree Surgery Framework is written, included within the documentation and costs required should be a schedule of rates for works undertaken, including day rates for ad-hoc works. This would enable the Council to ensure the best value for money for each works undertaken within the framework agreement, by any contractor it selects for the works required.

Good Practice and Other Points to Note
• Where Health and Safety checks are undertaken on trees within the borough, by the designated contractor, these records are documented, and any actions assigned to an appropriate person with an agreed timescale for completion. These actions are then also monitored and reported on until the action is completed.

Executive Summary – Payroll and HR

Our Opinion	
Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Differences/variations in pay greater than 5% from the previous month are reviewed and authorised.	**None**		
2. Appropriate checks are undertaken of the payroll data file prior to payroll processing, including review of third party payments.	**None**		
3. Appropriate reconciliation process is in place between the payroll data file and the Financial Management system so as to identify any potential errors.	**None**		
4. Sickness absence payments are correctly recorded and authorised in a timely manner so that correct payments are made to officers, in line with Authority policy.	**None**		
5. Expenses claims made to the payroll system via Expenses on Demand are accurately calculated and allocated.	**None**		
6. Queries raised by BCKLWN with Bedford B.C. have been resolved appropriately.	**None**		

High	Medium	Low
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations
• No recommendations have been raised during this audit.

Good Practice and Other Points to Note
• Pay variations and advancements are appropriately reviewed, authorised, and documented accordingly. • The payroll data file, and third-party payments, are appropriately checked prior to processing. • The payroll files are processed to Bedford Borough Council, and received back from Bedford Borough Council, within the designated timescales. • There is a robust reconciliation process for the Payroll and Finance systems, to identify any potential errors. • Sickness payments are recorded and authorised in line with Council policy. • Expenses on the EOD System are appropriately authorised, accurately calculated, and allocated. • Queries between BCKLWN and Bedford B.C. are being managed effectively by the Corporate Governance Team. • Annual PrP and COL calculations are verified by Internal Audit, prior to payment processing.

Executive Summary – Housing Standards

Our Opinion	
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Appropriate governance controls are in place.			**2 & 3**
2. Appropriate controls are in place for the recording and management.		**1**	**4 & 5**
3. Appropriate management reporting and monitoring is in place.			**5 & 6**
4. Appropriate risks have been identified and are managed effectively.		**1**	**7 & 8**

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

A medium priority recommendation has been raised as follows:
- A standard inspection form should be developed, to ensure consistency with inspection ratings, and to mitigate any complaints that may be raised against the inspection process/rating. (This was previously included within a recommendation from the Housing Standards audit 2021/22). This could be the Inspection Sheet from the Housing Standards Manager.

A total of seven low priority recommendations have been raised as follows:
- The Visio process notes should be reviewed, to ensure that for each process within the folder, the workflow maps are accurate, up-to-date and in line with current legislation, regulations, and best practice guidance.
- The Visio process documents should be included as part of the induction process for new officers within the department. This would ensure that they are aware of the general processes which should be followed for the various aspects of their role.
  Recently recruited officers (within the last 12 months) to the department should also be made aware of the Visio processes, to ensure they are familiar with the expectations of their role.
- Consider amending the HMO Licence application form online as there were some areas of repetition and unclear about the information that is required to be included. For example, we found repetition regarding "Details of proposed licence holder" and clarity around a particular field on the form that was required to be completed (Number of households presently occupying the HMO).
- Enhance the wording on the back of the invoices and embolden the word 'Customer ID' to read "**Always** quote your **Customer ID** and send remittances to remittances@west-norfolk.gov.uk".
  To reduce the number of payments in abeyance, which could be allocated to the incorrect department/customer, the Housing Standards department should include on the invoices (within the Purchase Order No. area) a reference that follows the format of HS 23/001 (which is the departmental case reference number) rather than using their budget code.
- The link to '**Management of HMOs**' on the BCKLWN Website needs to be reviewed as there is no obvious location within '**Houses in Multiple Occupation**' in order to access that page. This could be part of a wider departmental review of links / information on the website.
- The wording on the CRR for SR11 – SR13, specifically in the column 'The risk is that:', does not appear to read correctly. In that, the narrative details a control(s) rather than explain what the risk to the authority would be. Consider amending the wording on these three risks.

- Inclusion of a KPI, or at least a departmental PI, should be considered so there is some information regarding Energy Efficiency projects if/when details about projects are requested.

Good Practice and Other Points to Note
- The HMO Licence application process is clearly set out in steps on the council website under the 'Apply for an HMO licence', accessible and informative for the general public, and has a link which takes you to the application.   - Officers within Housing Standards have a target of reviewing Part 1 of the HMO Licence Application within the first 5-working-days of completing this section, ensuring applications are determined in a timely manner.   - The department has a process in place to allow them to highlight and manage any areas of concern that arise when undertaking inspections of the HMO properties.

Executive Summary – Corporate Governance

Our Opinion	
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. The Council's Constitution accords with relevant regulatory guidance and legislation, Financial Regulations and Scheme of Delegation.		**1, 2, 3, 4**	**5, 6, 7, 8, 9**
2. Appropriate Committee structure in place providing adequate governance arrangements, with Terms of Reference in place for all Committees.		**4**	**7, 10**
3. Decision making is undertaken in accordance with the Council's Constitution.	**None**		
4. Robust risk management arrangements are in place to identify potential risks associated with governance and to put effective mitigating actions in place.			**11**

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

A total of four medium priority recommendations have been raised as follows:

- All Tier 1 and Tier 2 policies be held centrally on InSite, the appropriate approval process be followed for all Tier 1 policies, policies be subject to regular review, and Tier 1 and 2 policies comply with the Policy Guidelines.
- A clear process drafted for inclusion in the Policy Guidelines for determining which policies are to be classed as Tier 1 and therefore require formal adoption by Cabinet. The list of Tier 1 policies on InSite be updated to record current Tier 1 policies.
- Compile a policy on the Declaration of Interests, Gifts & Hospitality relating to officers.
- Update the Officers' Code of Conduct to include the process for the declaration of interests by officers, key corporate policies that officers need to be aware of, and review date. Publicise the Code in Internal Affairs and mention the Code specifically in the staff induction programme.

A total of seven low priority recommendations have been raised as follows:

- The minimum amount at which officers and Members are required to declare gifts and hospitality be set at the same level i.e., £25.
- Members' Declaration of Interests forms to be completed fully by Members.
- ToRs for Committees, Boards and Panels to state the date of their last review, frequency of review, date of next review and the frequency of their meetings.
- Constitution to be updated to include the current version of the Audit Committee's ToR and include provision for cancelled committee meetings.
- Code of Corporate Governance to state the frequency of review and the date when it is next due for review.
- Members' Code of Conduct to include details of the process to be followed for dealing with issues of poor attendance at meetings by Members, state frequency of review and when next due for review.
- The mitigations and controls in the Corporate Risk Register to address the "corporate governance" risk as stated in the risk register.

Good Practice and Other Points to Note

- No current formal mechanism or structure in place incorporating both officers and Members for the review of the Constitution. However, the Authority is in the process of putting a mechanism in place whereby a Constitutional Informal Working Group (CIWG) comprising a group of Members will be set up to review the Constitution on a continuous basis.
- From the municipal year 2024/25 onwards, the CIWG will report to the Corporate Performance Panel (CPP) at least once a year with proposed changes to the Constitution, enabling Full Council approval at year end. The group will comprise seven Councillors who are not Cabinet members and two Councillors who are Cabinet members. The group will be supported by the Monitoring Officer and the Democratic Services Manager; meetings will be held no less than four times a year.
- The current version of the Constitution, dated August 2023, is available on the Council's website.
- The Constitution details the composition, Terms of Reference (ToR) and the functions of each Committee, Board and Panel within the Council.
- The formal annual timetable for Committee meetings is prepared by Democratic Services a year in advance.
- Responsibility for the maintenance of the majority of Tier 1 and Tier 2 policies transferred to the Corporate Governance Team (CGT) in October 2023. CGT are to set up a timetable for the review of all policies; the aim is to have all policies reviewed on an annual basis and have delegated authority to make minor changes to policies thereby avoiding going through Cabinet. A Governance & Compliance Officer has recently been appointed to the CGT thereby providing additional resource to undertake this work.
- Members' attendance at meetings is recorded and monitored; the Council has a process for dealing with instances of poor attendance by Councillors.
- Members are required to declare any relevant interests at committee meetings.
- Corporate Performance Panel is responsible for subjecting Cabinet recommendations and delegated executive decisions/recommendations to review and scrutiny. Cabinet and delegated executive decisions are also subject to scrutiny via the "call-in" process.
- The Members' Code of Conduct is reviewed annually, communicated to Members and held on the Council's website.
- Delegated decisions are made by officers and Members in accordance with the Scheme of Delegation.
- Officer Delegated Decisions and Cabinet Members Delegated Decisions are published on the Council's website.

Executive Summary – West Norfolk Housing (Position Statement)

No. of Suggested Actions
4

Summary of Suggested Actions

A total of four suggested actions have been raised with the aim of enhancing WNHC;
   • The Service Level Agreements (SLA) to be dated, signed and ALL costs (including Legal Costs) to be included. Details about when costs will be reviewed, ideally annually, in line with indexation and Council COL increases**.**
   • The Shareholders Agreement document to be signed and included in the Teams Folder for completeness.
   • Consider the use of a fixed amount for each service provided, rather than hourly rates which requires additional administration time to calculate.
   • If they are not included within the updated SLA documents, there should be some KPI's or at least some LATC PI's, to produce/provide the necessary information to ensure that the LATC is performing its expected duties adequately.

Good Practice and Other Points to Note
• There is a clear mechanism in place to review and ensure that the annual Business Plan is robustly challenged and scrutinised, by both the Shareholder Committee and Cabinet, prior to its approval. • The LATC's are included within the Corporate Risk Register under SR12 – Council Owned Companies. WNHC also has its own Risk Register which includes areas relating to Management, Government Policy, Pipeline Delivery, Financial, Standards and Business Continuity.

Executive Summary – Economic Growth

Our Opinion	
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Robust governance arrangements are in place over the use of grant funding, with grant streams managed in accordance with the terms of the grant.	**None**		
2. Robust arrangements are in place for compiling and approving the UKSPF and REPF Investment Plans.			**2**
3. Robust arrangements are in place for monitoring and reporting the progress of each project.	**None**		
4. Robust risk management arrangements are in place to identify potential risks and to put effective mitigating actions in place.		**1**	**3**

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Recommendations
One medium priority recommendation has been raised: • The UKSPF Fraud Risk Assessment be enhanced to include the following: - actual mitigating controls in place within the Council for each risk; - a target risk score for each identified risk; - "Residual Risk" and "Additional Planned Action" columns be completed i.e., for each risk, the Council assess its level of risk tolerance and whether additional mitigating controls are required. Two low priority recommendations have been raised: • Supporting evidence to be recorded in the UKSPF Evidence Checklist on the Monitoring Overview tab on the quarterly monitoring return to DLUHC. • The Regeneration, Housing & Place Directorate Plan 2023 – 2027 to include a specific risk relating to economic growth and to UKSPF/REPF grant funding.

Good Practice and Other Points to Note
• The Council's UKSPF West Norfolk Investment Plan, approved by Cabinet in July 2022, identifies three key investment priorities; the plan sets out the challenges, opportunities, investment priorities, interventions and outcomes relating to each priority. In addition, the REPF Addendum was developed to secure REPF grant funding. • The strategy for the use of UKSPF and REPF grant funding is subject to regular review. The West Norfolk Prosperity Funding Programme Board identifies how any proposed UKSPF/REPF project contributes to the West Norfolk Investment Plan. • UKSPF and REPF grants are managed in accordance with the terms of the grant, and in accordance with legislation and guidance. • The Council's use of UKSPF and REPF is in accordance with the Draft Corporate Strategy and is reflected in the Regeneration, Housing & Place Directorate Plan. • Output / Outcome forecasts are established prior to the commencement of project delivery and achievement is reviewed quarterly with the results included within the monitoring returns to DLUHC, with supporting evidence held on file. • Project targets/milestones are regularly monitored and evaluated, with the progress of Town Deal projects reported to the KLTDB each month and quarterly returns submitted to DLUHC detailing the progress of the UKSPF/REPF projects.

- The West Norfolk Prosperity Funding Programme Board meets monthly to review the progress of each UKSPF/REPF project. From February 2024, it will meet bi-monthly.
- The key risks associated with each project, their risk score and mitigating controls in place have been identified.
- The Corporate Risk Register is subject to regular review by senior officers and Members to ensure its currency.

Executive Summary – Waste Management

Our Opinion	
Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. A contract is in place, signed by all parties, detailing all aspects of the service, with robust contract monitoring arrangements operating.	NONE		
2. A robust performance management framework is in place, enabling performance against the contract to be accurately assessed on an ongoing basis.	NONE		
3. Appropriate financial controls are in place, with payments operating in accordance with the terms of the contract/payment mechanism.	NONE		
4. Appropriate Risk Management is in place following the Waste Legislation consultation.	NONE		
5. Appropriate Controls are in place for Food Waste and WEEE Collections.		1	

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations
A total of 1 medium priority recommendation has been raised as follows: • Create an action plan to enable increased recycling rates and reduced contamination rates.

Good Practice and Other Points to Note
A contract is in place, signed by all parties, detailing all aspects of the service, with robust contract monitoring arrangements operating. Any variations to the original contract have been introduced using a Contract Change Notice that are appropriately approved via Cabinet. The SERCO contract amounted to £3.6m spend during 2022/23. A robust performance management framework is in place, enabling performance against the contract to be accurately assessed on an ongoing basis. Proportionality checks are undertaken against the performance data and the contract is self-monitoring, with KPIs monitored on a regular basis: • Number of Brown Bins in use for composting. • Total tonnage of Commercial Waste. • Total tonnage of Garden Waste collected and treated. • Total tonnage of Food Waste collected and treated. • Total tonnage of Mixed Recycling collected and treated. Appropriate risk management is in place following the Waste Legislation consultation, there has been a review and assessment undertaken and an action plan produced to introduce the impacts it has on service delivery, contract arrangements and monitoring. Briefing papers have been presented to Senior Leadership Team and Committees outlining the impact(s)/risk(s) and associated requirements to comply with legislative changes. Appropriate controls are in place for Food Waste and WEEE (Waste Electrical and Electronic Equipment) Collections, with collections conducted frequently, appropriately separated and effective

monitoring is in place (for Food Wastes, there is no requirement in law or within the business to monitor WEEE collections currently).

The waste contract with SERCO and our Council is considered to be one of the best run contracts in the country, according to staff employed by other organisations within the contract arrangement with SERCO. Good relationships and understanding between the council's Waste & Recycling Manager and SERCO's Contract Manager and effective performance management with very few performance failures were cited compared to the other organisations under the contract.

However, SERCO corporately feel that the overall contract is running at a loss to them, this indicates several points:

1. It is unlikely SERCO would agree to the extension of the current contract agreement beyond the fixed term which comes to an end in 2028/29.
2. If the figures stated by SERCO on their expected losses are accurate, there is a potential for significant increases in any future contract agreements or the operation and delivery of waste and recycling services for the council.
3. Therefore, the council should consider its options as soon as possible in terms of how to deliver waste and recycling services beyond the end of the current waste contract in 2028/29:
   - An in-house delivery model and how that could look?
   - A partnership contract (such as the current arrangements)?
   - A stand-alone contract (such as the previous contract with KIER)?
   - Any other potential delivery models, including any potential hybrid approach for specific aspects of waste service delivery?
4. Invoicing within the next contractual arrangements for Waste and Recycling services (if these are contracted out) should explicitly outline that invoicing must be produced line by line to allow for the appropriate checking of invoice amounts against the agreed contract rates.
5. With the council's commitments to net-zero carbon emissions by 2035, it is an opportunity assess the options of vehicle fleet associated to waste and recycling services across the vast geographical size of the borough. Such as, Hydrotreated Vegetable Oil (HVO), Electric Vehicle (EV) and other alternative fuel sources. This should be subject to an options appraisal (based upon any decisions made over service delivery from 2028/29), that considers potential hybrid fleet options dependent upon locality across the borough to suit the business need.

During the audit the Waste & Recycling Manager had a long-term period of sickness absence, this highlighted that there is a general lack of resilience within the team in terms of the management of the contract. Where possible the auditor would suggest that an element of support is put in place for the Waste & Recycling Manager, by means of the allocation of resources to assist with waste management and contractual matters, it may be useful to consider if support can be provided by the Procurement & Contract Management Section if there is no available resources within the Waste & Recycling team or a lack of available budget to recruit relevant support.

Executive Summary – West Norfolk Property Limited (Position Statement)

No. of Suggested Actions
5

Summary of Suggested Actions

A total of five suggested actions have been raised with the aim of enhancing WNPL:

1. All governance and other documentation for WNPL, that is required to meet the requirements of the Local Partnerships Local Authority Company Review Guidance 2023 edition documentation, to be completed, and presented for approval and sign-off through the designated approval process.
2. All documents related to WNPL to be stored within a central location, accessible by relevant and responsible officers. Documents to be subject to a version control process which is also documented.

   Consideration should be given as to the storage of hard copy documents related to WNPL.
3. The Service Level Agreements (SLA) to be dated, signed and ALL costs (including Legal Costs) to be included. Details about when costs will be reviewed, ideally annually, in line with indexation and Council COL increases**.**
   THIS ACTION IS REPLICATED FROM THE POSITION STATEMENT FOR WEST NORFOLK HOUSING COMPANY.
4. Review the calculations within the updated Business Plan to ensure that the property stock figures being used, which then impacts upon the Profit/Loss totals for the project, are accurate and in line with the Business Plan proposals.

   All updates and amendments to Business Plans should be undertaken in collaboration with the Accountant.
5. Review the Risk Register scoring to ensure the scores are correct, and accurately reflect the risks and mitigations put into place previously.

Good Practice and Other Points to Note

- The purpose and objectives of WNPL have been documented within various Council reports, and the objectives are aligned to that of the Council.
- All WNPL Board Meeting minutes from 2018 onwards were able to be seen by the auditor, within the designated Teams Folder.
- There are several Standing Items on the WNPL Board Meeting Agenda including: -
  - Recommendations from Shareholder Committee
  - Stock Performance
  - Financial Update and
  - Risk Register

Executive Summary – Capital Programme

Our Opinion	
Limited Assurance	Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Processes and procedures are in place to enable the overall governance of the capital programme	**1, 2 & 4**	**5, 6, 7 & 8**	**11**
2. There is a mechanism in place to assess and approve new capital projects, prior to funding approval	**3**	**6 & 7**	
3. Projects are scoped in sufficient detail to enable reliable estimates of budgets, timescale, and other resource requirements		**9 & 10**	**12**
4. Progress of individual capital projects is monitored, and risks are managed			**13**

High	Medium	Low
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

A total of 4 high priority recommendations have been raised as follows:
- "Operational Scheme" capital expenditure projects require appropriate governance and oversight with assigned roles consistent with the governance and oversight in place for "major projects".
- Appropriate decision-making procedures (in particular change control) to be introduced for "Operational Scheme" capital expenditure projects that are consistent with "major projects" decision making procedures. All capital expenditure projects decision-making processes should have regard for: capital expenditure, debt and borrowing and treasury management, commercial activity, other long-term liabilities, and knowledge and skills".
- Appropriately resource the Programme Management Office (as agreed by SLT on 31st January 2023) to allow for the agreed change control processes to be implemented. SLT to also consider how capital expenditure on the Capital Programme for "Operational Schemes" are to be appropriately resourced for change control processes.
- Review and update the Asset Management Plan and assign a responsible officer for Asset Management Planning (to help feed into the Capital Programme). Organisationally there needs to be a consideration for ICT assets.

A total of 6 medium priority recommendations have been raised as follows:
- Consider the introduction of a corporate project governance strategy/policy and triage process to ensure appropriate documents are used and include relevant information.
- All Capital Programme items should be documented whether or not they are successful.
- Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.
- Consider introducing a standardised budget process template for major projects, major housing schemes, and operational schemes within the Capital Programme, incorporating a tiered approach for the submission, approval, and amendment / withdrawal of capital programme items.
- Consider an 8-to-10-year Capital Programme, to capture full life-cycle project costs and where projects within the programme may be slipping in terms of timescales.
- Consider the benefits of introducing highlight reports at "programme level" as well as "individual project level" within each programme.

A total of 3 low priority recommendations have been raised as follows:

- Review the Capital Strategy to include reference to the latest CIPFA Prudential Code for Capital Finance in Local Authorities; the current Code is dated 2021. There is a new Code expected in 2024.
- Introduce a consistent and transparent process for the appraisal of all items within the Capital Programme (i.e., Operational Schemes) against other projects, as well as introduce a consistent and transparent variance process for all items within the Capital Programme.
- Consider the benefits of introducing a Project Management System.

Good Practice and Other Points to Note

The following areas of good practice were found to be in place during the audit:
- The expected overall cost of capital projects submitted is in line with the current Financial Plan of the Council.
- The processes and procedures in place for "major projects" and the "major housing programme" were found to be robust for the purposes of enabling governance of the capital programme.
- Roles and responsibilities were found to be appropriately in place for "major projects" and the "major housing programme" for the effective governance and oversight of the capital programme.
- Appropriate decision-making procedures were found to be in place for "major projects" and the "major housing programme" within the capital programme.
- Appropriate change control procedures exist for the purposes of "major projects" which fall under the Programme Management Officer (PMO).
- A sensible evaluation process of the existence and appropriateness of contingency plans for addressing project risks within the major housing programme (particularly in respect of budget setting) is in place.
- Original PIDs include original identified risks for projects, live Project Risk Register's exist, Highlight Reports are produced on a frequent bases and reported to OMPB highlighting the current risks and issues.

Executive Summary – Follow Up of Cyber Security Risks

Overall Objective and System Background

Following up the agreed actions arising from the Gallagher Cyber Assist Report which was undertaken to assess the level of the Authority's cyber security risk for insurance underwriters. It was agreed with management that the audit report would be in the form of a Position Statement. The audit also looked to determine if the Authority have obtained insurance / been accepted for insurance, and the associated costs and whether or not the insurance underwriters have made any recommendations / suggestions to the Authority to either obtain / be accepted for insurance, or to reduce the premium of any policy in place.

Gallagher Cyber Assist undertook a review of the Authority's cyber security controls and published their report at the end of January 2023. The report stated that for businesses seeking to mitigate their cyber risk through insurance, they need to "positively present their risk to underwriters by evidencing the necessary cyber protection and protocols they have in place; the greater your cybersecurity controls, the more likely an insurer would be willing to take on your risk".

Gallagher Cyber Assist reviewed the Authority's cyber security measures based on the following traffic light system:

- RED – minimum standard of security required for underwriters; failure to have these controls in place will likely prevent an organisation from being able to secure cyber security insurance coverage.
- AMBER – requirements over and above RED, which are more attractive for underwriters; failure to implement may prevent the organisation from being able to secure cyber insurance coverage. The larger the risk (i.e., businesses with turnover of £50 million or more), the more likely the ambers will turn to red.
- GREEN – requirements over and above AMBER, which are most attractive to underwriters. These may help organisations secure more competitive pricing and coverage. Meeting all of the criteria will see the organisation viewed as best-in-class within your risk profile segment by insurers.

The Gallagher Cyber Assist Report gave the following assessment of the effectiveness of the Authority's cyber controls:

RED	5 out of 6 areas of compliance	1 area of partial control
AMBER	2 out of 5 areas of compliance	3 areas of partial control
GREEN	1 out of 5 areas of compliance	4 areas of partial control

The Gallagher Cyber Assist Report stated that the Authority has "a proactive approach to cyber security; the pass/fail ratio is very much in favour of "pass" with all minimum requirements either in place or with a clear roadmap to implement".

This audit followed-up the areas of partial compliance to ascertain progress with the implementation of agreed actions and ascertaining if suggested improvements raised in the Gallagher report have been considered by the Authority. As noted in the table above, there were eight areas of partial compliance; in addition, one area was stated as being in place, but Gallagher made a recommendation against it; therefore, this was included in the follow-up of the recommendations.

Of the nine recommendations followed up, three have been actioned and six are ongoing:

RED	1 area partially in place	Ongoing
AMBER	3 areas partially in place	3 ongoing
AMBER	1 area in place	Actioned
GREEN	4 areas partially in place	2 ongoing and 2 actioned

Summary of Suggested Actions

Cyber Awareness e-learning:

- A Staff Update to be issued informing all staff that completion of the cybersecurity e-learning course is mandatory and giving staff a date when the course should be completed by.
- A recourse process to be applied to those staff who fail to complete the online cybersecurity training.
- A formal follow-up process to be put in place to contact those members of staff (and their line manager) who have not completed the online cybersecurity training.
- Staff to be required to complete regular fresher training in cybersecurity.

- An exception report to be produced each month listing those members of staff who have yet to complete the cyber awareness training and distribute it to relevant managers.
- Development Needs regarding e-learning courses as listed on Ciphr to be regularly updated to include any new e-learning courses that are added, such as the Cyber Awareness 2022 online training module.
- Line managers to review the appropriateness of their team's Development Needs as part of their annual appraisal and update each staff member's Development Needs on Ciphr accordingly.
- The email reminder that is sent out before the October mid-year staff review meetings to include a reminder regarding completing/updating e-learning.

ICT Policies:

- The annual review of each ICT Policy to be recorded in the policy's Version Control, even if no amendments to the policy are deemed necessary.
- The ICT Security Policy and the Appendix to both state that a user's password must not be the same as the previous 5 passwords used.
- The Use of Removable Media Policy to follow the format of the other ICT policies, include version control and state the date it was last reviewed.
- The Travelling Abroad with Mobile Devices policy to be reviewed and updated where appropriate. If an officer needs to take their mobile device abroad, this should be authorised by the appropriate AD, rather than their line manager.

Good Practice and Other Points to Note
- A Penetration Testing security scan of domains and IP addresses is undertaken by a CHECK/CREST accredited tester every quarter to ensure compliance with the Payment Card Industry Data Security Standard (PCI DSS) standards. - ICT staff subscribe to security forums such as NCSC. The ICT Team receive prior notice of threats; with their CISP logon they are able to actively look for information on vulnerabilities and day zero exploits. The team also receive NCSC weekly alerts and early notifications. - The Technical Architecture Manager (who was previously the ICT Security Officer) is currently undertaking an Ethical Hacking Course. - ICT are currently working towards Public Services Network (PSN) compliance. - ICT are currently considering the potential of a Security Information & Event Monitoring (SIEM) tool and a Security Operations Centre (SOC) where security is managed on behalf of the Authority by a third party. - ICT are working towards the decommissioning of the legacy servers within the next six months. The existence of the legacy servers prevents the Authority achieving PSN compliance. - The Authority is planning to increase the minimum number of characters used in a network password from 7 to 14, in compliance with the PCI DSS v4.0 data security standard. - ICT are currently in discussion with Gallagher regarding their role as an insurance broker with a view to securing cybersecurity insurance for the Authority.

Executive Summary – Homelessness and Housing Options

Our Opinion

Reasonable Assurance	Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Appropriate governance controls are in place enabling the Council to meet its legislative and regulatory obligations regarding the management of homelessness.	**None**		
2. Appropriate controls are in place for the assessment of homelessness applications.	**None**		
3. Appropriate controls are in place for the recording and management of homelessness applications/cases.		**1**	**2**
4. Appropriate management reporting and monitoring is in place regarding homelessness applications/cases.	**None**		

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations
One medium priority recommendation has been raised as follows: • Review the use of the various types of accommodation to ensure value for money is being received and include this within the updated Housing Strategy. The review to include the purchase of HMO Properties or similar. One low priority recommendation has been raised as follows: • Create an all-inclusive training listing for E-Learning, New Starter Officer and New Starter Senior Plans which will include all relevant information on one document. An alternative would be to amend the current training documentation.

Good Practice and Other Points to Note
• A review of the current Housing Strategy is being undertaken, which should be in place by September 2024, ahead of the deadline of January 2025. • The areas included within the recently published Homelessness Code of Guidance for local authorities to undertake a review and formulate a strategy, has been included within the updated draft strategy. • Review documentation has been circulated to Members and 3rd party organisations for stakeholder engagement. • Homelessness applications are assessed and processed appropriately, in line with regulations. • The Home Connections system has shown compliance with DPA and GDPR legislation, in that it has fields with information from previous years that can be removed from the system when appropriate.

- Cases are recorded and managed appropriately, including access to information and segregation of duties.
- Appropriate management reporting and monitoring is undertaken.

Executive Summary – Key Controls

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<tr><td colspan="4" style="background-color:#4472C4;color:white">**Our Opinion**</td></tr>
<tr><td colspan="2" style="background-color:#92D050">**Reasonable Assurance**</td><td colspan="2">Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.</td></tr>
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Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Accounts Payable			**4**
2. Accountancy – General Ledger, Control Accounts, Treasury Management, Budgetary Control and Fixed Asset Register		**1, 2**	**5, 6, 7, 8, 9, 10**
3. Accounts Receivable		**3**	
4. Income			**11, 12**

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations

A total of three medium priority recommendations have been raised as follows:

Fixed Asset Register:
➢ The Financial Regulations should be updated to include a reference to the management of fixed assets and the maintenance of the Fixed Asset Register.
➢ Access to the Fixed Asset Register spreadsheet should be controlled so that only relevant officers are given access to the register.

Accounts Receivable:
➢ The Authorised Signatories List should be regularly maintained to ensure that it is up to date and that it accurately records those officers authorised to approve write-offs, and that these are reflected in Unit 4.

A total of nine low priority recommendations have been raised as follows:

Accounts Payable:
➢ When an investment is made, the Dealing Ticket should be initialled by the authorising officer and the reason for selecting the chosen financial institution to be stated in the comments box.

Control Accounts:
➢ HM Court Payments in suspense should have details noted against them as to action being taken to match the payment and clear it from suspense.

Budgetary Control:
➢ The Financial Regulations should be updated to state the roles and responsibilities of budget holders.

Fixed Asset Register:
➢ Policies and procedure notes should be drafted setting out the process in place for the management of fixed assets and the maintenance of the Fixed Asset Register.
➢ The asset register should include full version control and an audit trail recording all amendments made.
➢ A formal process should be put in place for the regular physical verification of assets recorded on the Fixed Asset Register.
➢ The reconciliation of the Fixed Asset Register to the ledger should be reviewed by a senior officer.

Income:
  - The Consolidated Bank Account Reconciliation should be dated fully with the month that the bank reconciliation relates to, the bank statement balance date and the ledger date. It should also be signed and dated as checked by a senior reviewing officer.
  - Procedure notes should be drafted detailing the process for the reconciliation of the West Norfolk Housing Company and the West Norfolk Property Limited bank accounts.

Good Practice and Other Points to Note

- BACS payments are authorised and checked prior to payment; adequate separation of duties exists between the processing and the authorisation of BACS payments.
- New suppliers and amendments made to current suppliers are verified and approved prior to processing, with details of changes made recorded.
- Where a Purchase Order (PO) is raised, appropriate segregation of duties exists between the officer raising the requisition and the officer authorising the requisition.
- Where a PO is not raised, a certification slip attached to the invoice is required to be authorised by the appropriate officer in accordance with the Authorised Signatories List (ASL).
- Cash flow is prepared and monitored on a daily basis.
- Adequate separation of duties exists in the processing and sending of CHAPS payments.
- An appropriate budgetary control framework is in place, with budget information made available to budget managers each month, with a Quarterly Budget Monitoring Report issued to Audit Committee.
- Debtor invoices are promptly and accurately raised and authorised; credit notes are appropriately authorised with reasons given.
- Cash and cheques are receipted fully and banked accurately and on a timely basis.

Executive Summary – Council Tax and National Non-Domestic Rates

Our Opinion	
Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. To ensure the integrity and accuracy of the Council's record of properties and Valuation Office data for both Council Tax and National Non-Domestic Rates (NNDR), including additions and deletions.	**None**		
2. To ensure Council Tax discounts, disregards, and exemptions as well as mandatory and discretionary NNDR reliefs / exemptions are correctly recorded and appropriately evidenced.	**None**		
3. To ensure customer refunds are due, accurately refunded, and properly authorised.	**None**		
4. To ensure arrears recovery action procedures are in place and regularly reviewed.	**None**		
5. To ensure training procedures are up-to-date and correctly followed and adhered to.			1
6. To ensure figures generated from payments/recovery of Council Tax Reduction are reconciled with the Council Tax and accounting systems.	**Covered within the current audit of Local Council Tax Support and Housing Benefit.**		
7. To ensure the Register of Interests for staff handling benefit claims / Council Tax accounts are maintained and updated regularly.	**None**		
8. To ensure that there are appropriate segregation of duties regarding user access rights in the Civica System.	**None**		

High	Medium	Low
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations
One low priority recommendation has been raised as follows: • Ensure there is a version control for every training procedure in place and available to staff.

Good Practice and Other Points to Note
• VOA schedules are processed, amended, and reconciled, with resulting actions being undertaken in a timely manner. • Council Tax and NNDR discounts, disregards, and exemptions (including mandatory and discretionary reliefs) are accurately recorded and appropriately evidenced. • Council Tax and NNDR forms are widely available and accessible, in different formats, to customers. • Customer refunds are checked, verified, appropriately authorised, and returned within a timely manner. • There are robust arrears recovery procedures in place, allowing the Authority to review, reconcile accounts, and claim monies owed in a timely manner. • Progression schemes are in place ensuring competency in processing of Council Tax and NNDR claims. • Competency levels are documented and reviewed. • There is a robust process in place for the collection and security of the Register of Interests documentation. • Segregation of duties exists regarding the processing of the VOA schedules and reconciliations.

Improvement Actions:

- When receiving requests for Charitable Relief by charitable organisations, there should be a document that the charity is requested to complete, clearly stating the following:
  - Name,
  - Address,
  - Charity number,
  - Confirmation that the organisation is claiming charitable relief.

  In the Revenues Training Pack provided for this audit, it outlines that the organisation's name and charity name should be provided as evidence; however, currently this is not being followed based on our testing results.
  The current process of checking against the Charity spreadsheet to confirm the details of currently known charities can continue, but this should be updated when new organisations claim charitable relief.

- When documents are due to be reviewed, ensure that the formatting and wording includes current procedures to establish consistency and transparency.

Executive Summary – Local Council Tax Reduction Scheme & Housing Benefit

Our Opinion	
Substantial Assurance	Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Control Objectives	Recommendation Number Reference & Priority Level		
	High	**Medium**	**Low**
1. Claims, amendments to claims and backdated claims have adequate supporting evidence.	**None**		
2. Large payments (over £750) are subject to review.	**None**		
3. Appropriate action is taken in the calculation, recovery and write-off of overpayments.	**None**		
4. Robust controls in place to prevent unauthorised access to systems and records.			1
5. Regular reconciliations are undertaken of Council Tax Support and Housing Benefit to the General Ledger.			2

High	**Medium**	**Low**
Control issue on which action to implement should be taken within 1 month.	Control issue on which action to implement should be taken within 3 months.	Control issue on which action to implement should be taken within 6 months.

Summary of Key Recommendations
Two low priority recommendations have been raised as follows: ➢ The OPENRevenues Users, Starters and Leavers Report should be updated to include each user's current job title and the date they started in the Revenues & Benefits Section or the date their user account was created. ➢ Procedure notes should be drafted detailing the process for the reconciliation of HB and CTS to the Council Tax system. These reconciliations should be reviewed and signed off by a senior officer.

Good Practice and Other Points to Note
➢ Sufficient levels of monitoring of the quality of claim assessments are undertaken for both fully competent and trainee Benefits staff. All staff are regularly achieving cumulative weekly accuracy rates of more than 95%, which is satisfactory. The overall average in 2023 was 97.88% assessment accuracy; the overall average for the period 29/01/24 to 15/04/24 was 98.71%. ➢ Adequate supporting evidence is retained relating to the processing of backdated claims. ➢ Large payments (those over £750) are checked to ensure that claims are processed accurately and that only bona fide payments go out. ➢ Overpayments are checked to ensure they are accurately calculated and are processed in accordance with procedures / guidance. Segregation of duties is in place between the assessment of claims / creation of overpayments, recovery of overpayments and write-off of those overpayments that are unable to be recovered. ➢ Write-off of overpayments have appropriate authorisation. Improvement Points: ➢ The Benefits Section procedure notes should be reviewed and updated where appropriate. ➢ Where a supervisor identifies an error in a particular claim and states that a correction is required to be made, the date that the correction is made should be recorded on the Quality Checking Spreadsheet. ➢ The Claim Write-Off Report listing the write-offs from the Benefits system should state the reason for the write-off. ➢ In addition to the periodic review of OPENRevenues users that is undertaken by Revenues System Support (RSS) and the checking of the starters and leavers lists provided each month by Personnel, RSS should be given access to the report which ICT can now run off

Ciphr of those staff who have recently left the Authority, enabling RSS to update OPENRevenues in a timely manner.