

Appendix A – Audit Summaries

Commercial and Non-office owned property (2021/22 audit)

Audit opinion	Reasonable
---------------	-------------------

The overall objective of the audit was to review the management of commercial property owned by the Council.

The Asset Management and Estates Team carried out a gap analysis following handover of the property portfolio management from the external contractor in May 2021. This gap analysis resulted in the identification of several issues, for which actions to address are now underway. These include the procurement of a new Property Management System and the development and maintenance of a workstream tracker. We recommended that the service develop an operational risk register to further ensure that associated risks are identified and managed.

The audit found that a significant proportion of rent reviews due in 2021/22 had not been undertaken in that year and we were advised this was due to a significant backlog of work inherited from the contractor. In order to address, a business case was agreed for additional resources and at the time of fieldwork, recruitment for additional resources was underway.

In total we made three Priority 2 and two Priority 3 recommendations to improve the framework of controls, as set out in the table below.

Recommendation	Priority	Recommendation accepted?
Internal Control Framework	2	Yes
Rent Reviews	2	Yes
Health and Safety Checks	2	Yes
Insurance risks	3	Yes
Communication with Contractor	3	Yes

Discretionary Housing Payments

Audit opinion	Reasonable
---------------	-------------------

The overall objective of the audit was to review the effectiveness of the controls in place to ensure that Discretionary Housing Payments (DHPs) are made accurately and timely, with eligibility criteria consistently applied.

We found that appropriate governance and management arrangements for the DHP service are in place. The total amount of the DHP grant spent is maintained and monitored. Annual reconciliations of the DHP grant are carried out timely, accurately, and reported to the Department for Work and Pensions as required.

Payments met the eligibility criteria, with the payment amount calculated correctly. No overpayments had occurred, and no duplicate payments had been made.

We identified however that the DHP policy and guidance needs to be reviewed and revised. We also made recommendations relating to obtaining and checking supporting documentation, the timescales for processing DHP applications and appeals, and the content and wording of the DHP letter sent to applicants.

In total we made four Priority 2 recommendations and one Priority 3 recommendation to improve the framework of controls, as set out in the table below.

All the recommendations made were accepted by management and two have already been implemented.

Recommendation	Priority	Recommendation accepted?
Review and update the Council's DHP policy	2	Yes
Review the Council's DHP guidance	2	Yes
Obtain and check documentary evidence supporting an application	2	Yes
Ensure timescales for processing applications and appeals are met	2	Yes
Review and revise the content and wording of the DHP letters sent to applicants	3	Yes

Parks Management and Grounds Maintenance

Audit opinion	Limited
---------------	----------------

The overall objective of the audit was to review the contractual arrangements to ensure that design and management of the contract is robust to ensure value of money and delivery of outcomes.

The Parks Management and Grounds Maintenance specification is a comprehensive document that clearly sets out roles and responsibilities together with service requirements. The roles and objectives of governance boards are clearly set out in the contract documentation and meeting minutes adequately reflected the discussion and assigned actions. The monthly performance information provided by the contractor includes both qualitative and quantitative information to give a holistic view.

However, at the time of fieldwork, documentation to support key contractual decisions, specifically the performance threshold for Key Performance Indicators (KPI) 1-7, the annual review of this target, and the rationale for the target was not available.

The source and accuracy of the monthly inspection data submitted by the contractor for KPIs 1-7 to populate the Performance Monitoring Framework (PMF) and support payment also needs to be more robustly reviewed by the service.

The LBB client monitoring function is not formalised; the purpose, targeted number/% of visits and how the inspections are to be reported are not evidenced or in documented procedures. Further, there is no process to update the LBB asset management system or to reconcile this to the contractor system.

The July 2022 Service Operations Board action log contained 30 open or ongoing actions, the earliest was opened in December 2020.

All recommendations have been accepted by management. Remedial work is already underway to progress implementation for all recommendations.

Recommendation	Priority	Recommendation accepted?
Documentation for key contractual decisions	1	Yes
Client monitoring function	1	Yes
Performance data	2	Yes
LBB Asset List	2	Yes
SOB Actions	2	Yes

Housing Allocations

Audit opinion	Limited
---------------	----------------

The overall objective of the audit was to review the housing allocations process to ensure that housing needs are effectively prioritised.

Our audit highlighted areas of good practice and sound controls. These included that offer letters sent out to applicants by the Housing Allocations team for Mears, Beehive and Meadowship schemes were detailed, outlining the criteria for offering the property to the household, criteria for discharging the Council's duty and the applicant's right to request a review. We also found that most of the appeals reviewed by the Quality Assurance and Reviews team upheld the original decision of the Housing Register and the Housing Allocations teams.

However, the framework for verification checks requires review to ensure clarity of roles and responsibilities. Further, the Housing Allocation Scheme was last revised in 2017 and requires review to ensure that it complies with any new legislation and amendments. The service is in the process of procuring a contractor to undertake this piece of work.

We also identified deficiencies in record keeping on the Housing system, and in the retention of checks to confirm the suitability of the offered accommodation.

We made one priority 1, four priority 2 and three priority 3 recommendations to improve the framework of controls as set out in the table below.

All recommendations have been accepted by management.

Recommendation	Priority	Recommendation accepted?
Verification Checks	1	Yes
Housing Allocation Scheme	2	Yes
Housing Register Review	2	Yes
Record Keeping and Data Quality	2	Yes
Suitability Checks	2	Yes
Applicants with no email account	3	Yes
Appeal analysis	3	Yes
Prioritising suitable temporary accommodation households	3	Yes

Procurement Fraud and Corruption Risk Assessment - Advisory

We carried out a joint fraud and corruption risk identification and assessment exercise with the Corporate Procurement team. The assessment focused on the tendering and award stages and was based on risks and controls in a Central Government procurement fraud review.

The assessment identified numerous preventative control measures which are in place at the tendering and award stages. These include Contract Procedure Rules, an e-tendering system for all contracts over £5,000, procurement training for all officers and an agreed evaluation criteria. An evaluation panel is used, with additional people who have specialist skills, knowledge and experience as required. Tenders are scored individually, and the scores are moderated.

Agreed actions to enhance the existing preventative measures included publicising the Council's whistleblowing policy and procedure, guidance on due diligence checks including financial checks, reviewing the existing declaration of interests arrangements, and analysing the cumulative spend on suppliers.

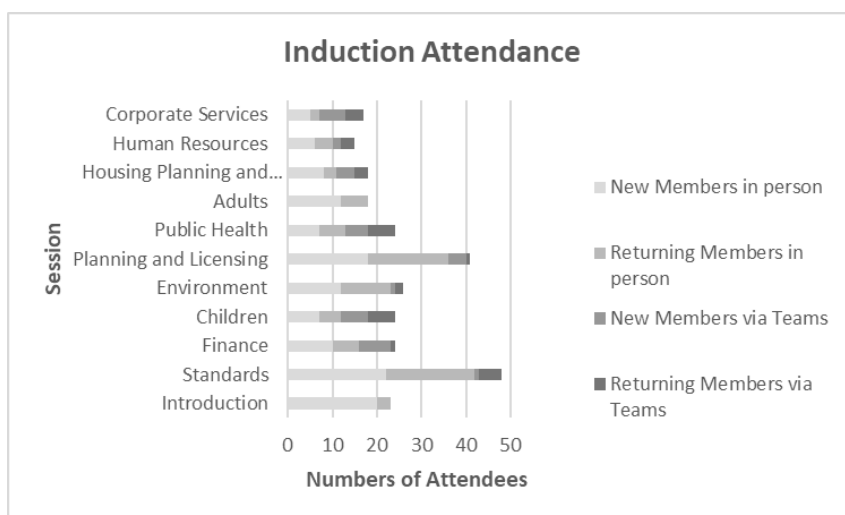
Members' Induction - Advisory

We completed a two-part consultancy review of the 2022 Members' Induction Programme working with Democratic Services. For the 58 elected seats, 24 were new councillors, 3 representing a new independent group.

We raised two issues prior to the election for the Democratic Services Team (DST) to consider. Firstly, that the Members' Portal on SharePoint should be owned by the DST to ensure that the information presented is accurate and current including links to all documents. Secondly, that to effectively assess and evaluate all induction sessions, timely input from Learning and Development (L&D) would be critical.

Following the delivery of the Induction Programme we have identified some lessons learnt, both for ongoing development and improvements for the next cycle. Earlier involvement of L&D to utilise their expertise regarding evaluation and feedback and to capture feedback from Members who join via Teams will be important. The recorded induction sessions and presentations should also be uploaded to the Members SharePoint site.

The attendance at each session, including in person and virtual and the split between new and returning Members is shown in the graph below.



Of the 278 attendances across the 11 Member induction sessions, 42 evaluation forms were received. The Director of Corporate Services commented that, “*not captured in the feedback forms were numerous verbal comments at the end of each session thanking chief officers and their managers for thorough and well-presented sessions. Members were often impressed at the commitment and knowledge shown at these sessions.*”

Disabled Facilities Capital Grant (DFG) Determination 2021-22 [31/5155] - £2,442,564

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
---------------	--

Based on discussions with officers and a review of the records held, we have gained reasonable assurance that the conditions of the grant determination have been met for the £2,312k spent within the 2021-22 Financial Year. Work continues, with the remainder of the funding carried forward to, and spent during, the first quarter of the 2022-23 Financial Year.

As a result of the testing, we made four recommendations to improve the control environment. These support the department’s aim to review its approach to Housing improvement in line with the Statutory Guidance on DFG delivery, issued by DLUHC in March 2022. These recommendations do not materially affect compliance with the grant conditions but would enable a greater degree of assurance over the process.

Recommendation	Priority	Recommendation accepted?
Policy and Procedures	Advisory	Yes
Systems Administration	Advisory	Yes
Contracts database	Advisory	Yes
Discretionary Grants policy	Advisory	Yes

Public Health Universal Drug Treatment Grant 2021-22 [31/5494] - £207,000

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
---------------	--

Based on discussions with officers and a review of the records held, Internal Audit has gained reasonable assurance that the conditions of the grant determination have been met for the £205,979.43 spend.

As a result of the testing, the following recommendations were made to improve the control environment. These recommendations do not materially affect compliance with the grant conditions but would enable a greater degree of assurance over the spend.

Recommendation	Priority	Recommendation accepted?
Contract Variation	Advisory	Yes
Contract Monitoring	Advisory	Yes
Variations	Advisory	Yes

Supporting Families claim for September 2022

Audit opinion	The evidence seen by Internal Audit demonstrates that the grant conditions have been met
---------------	--

The Supporting Families Programme is a programme of targeted intervention for families with multiple problems, including crime, anti-social behaviour, truancy, unemployment, mental health problems and domestic abuse.

It is led by the Department for Levelling Up, Housing and Communities, in partnership with the Departments for Education, Health, Work and Pensions and Ministry of Justice. A local authority can claim a results payment if it can demonstrate that an eligible family has achieved significant and sustained progress against all problems identified at the point of engagement and during the intervention or if an adult in the family has moved into continuous employment.

There were 73 individual claims submitted between 1 April 2022 and 30 September 2022. We carried out audit testing of a sample of 8 individual claims and can confirm that each of the claims in our sample met the significant and sustained progress criteria, enabling a claim to be made.

There are no recommendations arising from this review.