

Audit & Counter Fraud Update

Gravesham Borough Council

For the period:

1 April – 31 July 2021

1. Introduction

- 1.1 The Audit & Counter Fraud Shared Service for Medway Council & Gravesham Borough Council was established on 1 March 2016. The team provides internal audit assurance and consultancy, proactive counter fraud and reactive investigation services, and the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud
- 1.2 The Public Sector Internal Audit Standards (the Standards) require that: *The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.*

2. Executive Summary

- 2.1 The first four months of 2021-22 have been productive with the following audit reviews finalised; **items in italics had full details of the review included in the 2020-21 annual report.*

- *IT Asset Management – Opinion: **Red** (2020-21 review finalised in 2021-22)*
- *Shared Services - **Amber** (2020-21 review finalised in 2021-22)*
- *Staff Leave Booking – Counter Fraud Review – Opinion: **Amber** (2020-21 review finalised in 2021-22)*
- *Capital Accounting – Opinion: **Green** (2020-21 review finalised in 2021-22)*
- *Private Housing Enforcement – Opinion: **Red** (2020-21 review finalised in 2021-22)*
- *Fly Tipping – Consultancy review, no opinion given (2020-21 review finalised in 2021-22)*
- *Member Standards - Opinion: **Amber** (2020-21 review finalised in 2021-22)*
- *Cyber Security – Opinion: **Amber** (2020-21 review finalised in 2021-22)*
- *Corporate Debt Recovery – Opinion: **Amber** (2020-21 review finalised in 2021-22)*
- *Traded Services – Rosherville Ltd – Opinion: **Amber** (2020-21 review finalised in 2021-22)*

In addition, four reviews have had fieldwork completed and are now going through the quality control process, two further reviews are currently underway and commencement of a number of others is being arranged with clients. As a consequence of this work, plan delivery as at 31 July was 17% complete, with a further 8% underway. Full details of the individual reviews can be found in section 5 of this report.

- 2.2 Follow up of agreed recommendations has continued and performance as of 31 July stood at 50%, with 11 of 22 recommendations due in the period having been implemented. 11 remain outstanding and are being monitored in line with the agreed follow up process. Full details of the progress made in relation to recommendation follow up can be found at section 8.
- 2.3 In respect of recommendations arising from audits with Red opinions that have been reported to the Committee, two recommendations relating to the review of IT Asset Management were due for implementation by 31 July and both have been implemented. No recommendations were due before 31 July in respect of the review of Private Housing Enforcement.
- 2.4 Investigations concluded during the period have identified cashable savings of £136,980 in the form of additional council tax liabilities, both historic and future and new business rate liabilities.
- 2.5 There has been some impact on planned resources due to sickness, the retirement of one officer and a vacancy for an Intelligence Analyst following the previous post holder taking a position within the team as a Counter Fraud Officer. We are expecting some further impact following the resignation of an Internal Audit Team Leader and are currently projecting a loss of approximately 80 days from the projected 603 available at the start of the year.

3. Independence

- 3.1 The Audit & Counter Fraud Charter was approved by the Finance & Audit Committee in February 2020 and sets out the purpose, authority and responsibility of the team. The Charter sets out the arrangements to ensure the team's independence and objectivity through direct reporting lines to senior management and Members, and through safeguards to ensure officers remain free from operational responsibility and do not engage in any other activity that may impair their judgement. The work of the team during the period covered by this report has been free from any inappropriate restriction or influence from senior officers and/or Members.
- 3.2 Given its responsibilities for counter-fraud activities, the Audit & Counter Fraud Shared Service cannot provide independent assurance over the counter-fraud activities of either council. Instead, independent assurance over the effectiveness of these arrangements will be sought from an external supplier of audit services on a periodic basis. The most recent of these reviews was undertaken by Tonbridge & Malling Borough Council in 2018-19.

4. Resources

- 4.1 The Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The team currently has an establishment of 14 officers, consisting of; the Head of Internal Audit & Counter Fraud, two Internal Audit Team Leaders, six Internal Auditors (5.78FTE), one Counter Fraud Team Leader, two Counter Fraud Officers, and two Counter Fraud Intelligence Analysts (0.86FTE) (one post currently vacant).
- 4.2 The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 64% for Medway, with the remaining 36% for Gravesham. The establishment at the time the Audit & Counter Fraud Plans for 2021-22 were prepared, was forecasted to provide a total of 1,815 days available for audit and counter fraud work (net of allowances for leave, training, management, administration etc.) The Audit & Counter Fraud Plan for Gravesham was prepared with a resource budget of 654 days for audit & counter fraud work.
- 4.3 Net staff days available for Gravesham for the period 1 April to 31 July 2021 amounted to 216 days and 184 days (85%) were spent on chargeable audit and counter fraud work. Of this chargeable time, 104 days (56%) was spent on audit assurance and consultancy work, while 80 days (44%) was spent on counter fraud and investigations work. In addition, 14 days were spent on SPOC related duties. The current status and results of all work carried out are detailed at section 5 of this report.
- 4.4 Staff sickness, a period of vacancy created by a promotion within the team and the retirement of one officer has affected the level of resources available. We are expecting some further impact following the resignation of an internal audit team leader and are currently projecting a loss of approximately 80 days (38 audit days and 42 counter fraud days) from the projected resource available at the start of the year.

5. Results of planned Audit & Counter Fraud work

- 5.1 The Audit & Counter Fraud Plan 2021-22 for Gravesham was approved by the Finance & Audit Committee in March 2021. The Plan is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Gravesham during the financial year including the council's core finance and governance arrangements, operational assurance work, proactive counter fraud work, responsive investigations and consultancy services.
- 5.2 The tables below provide details of the work from 2020-21 that has been finalised in 2021-22 (excluding those detailed in the annual report for 2020-21), the progress of work undertaken as part of the 2021-22 annual plan and the results of investigative work completed during the period.

2020-21 Internal Audit assurance work completed in 2021-22 (since the last Audit Committee meeting)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
6	Cyber security	15	14.8	Final report issued	<p>The review considered the following Risk Management Objective: RMO1 - There are arrangements in place to protect the council network. The review found that the council is broadly compliant with the National Cyber Security Council's 10 Steps to Cyber Security, with appropriate cyber security prevention and detection arrangements in place, though there is a need for adjustment to some arrangements as a result of changes brought about by the COVID-19 pandemic. There are appropriate policies and training in place, though enhancements are required to arrangements for access and monitoring staff completion. Opinion: Amber. Overall Opinion: Amber. Recommendations: Three high and four medium priority. Recommendations relate to adjustment to arrangements as a result of changes brought about by the COVID-19 pandemic and enhancements to arrangements for access and monitoring staff completion of training /policies.</p>
14	Corporate debt recovery	15	18.6	Final report issued	<p>The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to identify and recover corporate debts to maximise debt collection and prevent reputational damage. The review found that the council has an approved Corporate Debt Strategy in place containing an agreed criteria for identifying corporate debts and a process map outlining the matching/recovery process undertaken through use of data matching software. While the data matching software identifies the debt owed by an individual, checks of individual systems are still required to ensure the prioritisation criteria outlined in the strategy is applied correctly. Once a corporate debt has been established, the process involves liaison with the customer to assess their situation, determine what support can be provided and ultimately agree a payment plan with the approval of the relevant department(s). Audit testing confirmed that this process is followed in practice, though corporate debt activity was temporarily halted at the height of the COVID-19 pandemic. Arrangements exist for payment plans to be monitored and for payments received to be allocated in accordance with the Corporate Debt Strategy. Although in practice there are clear arrangements for returning corporate debt cases to individual departments, these arrangements are not documented within the Corporate Debt Strategy or process map.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>There is regular liaison with departmental recovery officers regarding the progress of corporate debt cases, however the review identified some inconsistency over the location and responsibility for updating records, which presents a risk that not all recovery officers will be aware of the most recent action taken in respect of corporate debt cases.</p> <p>There are appropriate arrangements in place for Management Team to receive regular reports on the level of outstanding debt managed by the council. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: One high, one medium and one low priority.</p> <p>Recommendations relate to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases; the process to be followed should corporate debt fail to engage with customers and/or payments are stopped being documented; and, reviewing the process for updating customer records on relevant systems following corporate debt action to ensure all officers have up to date information on the status of corporate debt cases.</p>
19	Traded services - Rosherville Ltd	15	22	Final report issued	<p>The review considered the following Risk Management Objective: RMO1 - Gravesham Borough Council have governance and accounting arrangements in place to monitor delivery of Rosherville Limited and its subsidiaries.</p> <p>The review confirmed that the formation of Rosherville and its subsidiary companies have all been approved via the correct governance processes; as have the governance arrangements, Board Membership, Article of Association (AOA), formation of a shareholder group, and business plans for each company. It was noted that there are no Non-Executive Directors as part of the LATCo Board. Roles and responsibility training was provided to council Members; however, a review of attendees found that not all Directors had received the training.</p> <p>There is a Shareholder's Agreement in place setting out the rights of the council as sole shareholder; along with signed SLAs for support services provided by the council. An annual review of the SLA has been conducted in accordance with the terms in the agreement.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>Appropriate arrangements are in place for Rosherville Ltd and its subsidiaries to be invoiced on a quarterly basis for support services provided by the council and evidence was seen to confirm this is working in practice.</p> <p>Budgets for Rosherville have been appropriately approved and authority delegated to the Director (Corporate Services) to operationally manage release of funding. Arrangements are also in place for payments to be appropriately authorised and processed and a review of the payments made at time of audit found all to have been processed correctly.</p> <p>It was noted there is currently no framework to provide update reports to the shareholder, outside of the annual business plans received by Cabinet. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: One high and two medium priority. Recommendations relate to consideration of the Rosherville Ltd board including the Non-Executive Directors, training for additional staff on roles and responsibilities, and performance reporting from Rosherville to the Shareholder Board.</p>

2021-22 Internal Audit assurance work

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
Core governance and financial systems assurance work					
1	Governance framework	8		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - An effective Governance Framework is in place.
2	Constitution maintenance	12		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - Effective arrangements are in place to maintain Gravesham Borough Council's Constitution.
3	Risk management compliance	10		Fieldwork underway	The review will consider the following Risk Management Objective: RMO1 - There are arrangements in place to manage operational risks.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
4	Performance management framework & reporting	15		Request to defer to 2022-23	Normal procedures relating to the verification of performance data were paused during 2020-21 due to pressures created by the covid pandemic. As such, any review undertaken during 2021-22 would not provide an accurate basis for assurance. It is therefore felt that it would be more suitable to defer the review to 2022-23.
5	Bank reconciliation	10		Not yet started	
6	Project management - M365	15		Not yet started	
7	Income collection	15		Not yet started	
8	Housing benefit & CTR appeals	15		Terms of Reference being prepared	
9	Council Tax discounts, disregards & exemptions	10		Terms of Reference being prepared	
10	Housing rent administration and collection	15		Not yet started	
11	VAT	10		Terms of Reference being prepared	
12	Financial planning	10		Not yet started	
Corporate risks assurance work					
13	Planning applications (inc validations and decisions)	15		Not yet started	
14	Business continuity planning	15		Not yet started	
15	Garden waste collection service	10		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - There are arrangements in place to manage the council's garden waste collection service.
16	Temporary accommodation	15		Fieldwork underway	The review will consider the following Risk Management Objective: RMO1 - The provision of temporary accommodation (TA) outside of the area is appropriately managed.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
17	Leaseholder management	10		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - There are arrangements are in place for the administration of leaseholder service charges.
18	Housing allocations	15		Not yet started	
19	HRA building compliance	15		Terms of Reference being prepared	
20	Council housing disabled adaptations	15		Not yet started	
21	GDPR	15		Not yet started	
22	Corporate complaints	15		Not yet started	
23	Refuse collection	15		Not yet started	
24	Accessibility Regulations	15		Terms of Reference being prepared	
25	Finalisation of 2020-21 planned work	20		Not yet started	
26	Responsive assurance work	13	N/A	Underway	Please refer to the table below for information relating to responsive assurance activity.

Responsive assurance activity

Activity	Opinion, summary of findings & recommendations made
Election Result Calculations	The team carried out detailed checks to ensure the accuracy of spreadsheets used to verify the ballots issued and calculate the results of the County & PCC elections as well as the Local Bi-Election held in May.
Business Restart Grant Validation	Independent validation to confirm that Business Restart Grant funding had been spent in accordance with the conditions set by the Department for Business, Energy & Industrial Strategy (BEIS)

Other consultancy services including advice & information

Activity	Opinion, summary of findings & recommendations made
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Activity	Opinion, summary of findings & recommendations made
Town Twinning Association Accounts	The team carried out an audit of the Gravesham Town Twinning Association's accounts.

Counter Fraud activity

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
32	Counter fraud proactive work (inc external data matching such as NFI & KIN)	42	N/A	Not yet started	<p>Work has continued to clear the matches received as part of the 2019-20 NFI Exercise and only four matches remain open for investigation. Results to date include additional council tax liabilities of £77,777 and additional liability of £33,440 in future years.</p> <p>Work has also commenced on the 2020-21 NFI Exercise, although as of 31 July, there are no positive results to report.</p> <p>The Revenues team have been making use of software procured via the KIN, which has led to additional Business rates of £7,588 following removal of small business rates, Additional Council tax liabilities of £2,917 (£4,099 liability for future years) and also traced 55 absconded debtors, bringing £115,480 back into recovery.</p>
33	Fraud awareness	5	N/A	Not yet started	

Responsive investigation work: external investigations

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Business Rates (NNDR)	2	7	Six cases concluded with no evidence of fraud. One case concluded with the creation of a new NNDR liability.	£8,349 (New Liability)	N/A	N/A
Business Support Grants	2	2	Two cases concluded with no evidence of fraud.	N/A	N/A	N/A
Council Tax	8	121	38 cases were concluded with no evidence of fraud. 74 cases concluded with the removal of the council tax discount/exemption or reduction, 14 of	£84,965 (Historic Liability) £39,632 (Additional	N/A	N/A

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
			which resulted in the issue of civil penalties and one also in the overpayment of housing benefit.	liability for future years) HB overpayments of £2,914 Civil Penalties £1,120		
Housing Allocations	2	0	Nothing to report.	N/A	N/A	N/A
Tenancy	1	3	Three cases concluded with no evidence of fraud.	N/A	N/A	N/A

Responsive investigation work: internal investigations

Allegation	Investigation activity & recommendations
Nothing to report.	

6. Quality Assurance & Improvement Programme

- 6.1 The Standards require that: *The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement.* The Audit & Counter Fraud Shared Service's QAIP was agreed by the Finance & Audit Committee in February 2019.
- 6.2 The arrangements set out in the QAIP have been implemented with the collection and monitoring of performance data largely automated through the team's time recording and quality management processes. It should be noted that the results recorded below have not been subjected to independent data quality verification.
- 6.3 In line with the QAIP, the team monitor performance against a suite of 24 performance indicators based on the balanced scorecard, covering the four perspectives; financial, internal process, learning & growth and customer. The table below sets out the performance targets, which are grouped into measures for the service and those that are specific to the individual authority. Targets have been set for 17 of the 24 indicators, however it should be noted that these are for full year outturns; as such outturns at present are not to target levels but are provided for Members information.

Ref	Indicator	Target	Outturn
Non LA Specific Performance Measurements			
PM1	Cost of the Audit & Counter Fraud Service a) Total Cost b) LA Share	N/A	£599,944 (Budgeted Costs) £209,667
PM2	Cost per A&CF day	£400	
PM3	Proportion of staff with relevant professional qualification: a) Relevant audit qualification b) Relevant counter fraud qualification	75%	21% 50%
PM4	Proportion of non-qualified staff undertaking professional qualification training	25%	14%
PM5	Time spent on CPD/non-professional qualification training, learning & development	70 days	16 Days
PM6	Compliance with PSIAS	100%	The External Quality Assessment (EQA) conducted in February 2018 was positive with performance in line with or above that of other local authorities as per benchmarking; however, it did not provide a percentage of compliance. Our January 2019 self- assessment showed full compliance with 94% of the standards, partial compliance with a further 4% and work required to address the remaining 2%. We are working to address the areas that require improvement.
PM7	Staff turnover	N/A	7%
LA Specific Performance Measurements			
PM8	Average cost per assurance review	£5,000	£4,364

Ref	Indicator	Target	Outturn
PM9	Proportion of available resources spent on chargeable work	N/A	85%
PM10	Proportion of chargeable time spent on: a) assurance work b) consultancy work	N/A	55% 1%
PM11	Proportion of chargeable time spent on: a) proactive counter fraud work b) reactive counter fraud work	N/A	18% 26%
PM12	Proportion of chargeable time spent on SPOC associated duties	N/A	14 days
PM13	Proportion of agreed assurance assignments: a) Delivered b) Underway	95%	17% 8%
PM14	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	0
PM15	Proportion of recommended actions agreed by client management	90%	100%
PM16	Number of recommendations agreed that are: a) not yet due b) Implemented c) Outstanding	N/A	30 11 11
PM17	Proportion of recommended actions implemented by agreed date	N/A	50%
PM18	Number of referrals received	N/A	111
PM19	Number of investigations closed	N/A	133
PM20	Value of fraud losses identified: a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates) c) Prevented Losses (Savings associated with blocked applications)	N/A	£136,980 £0 £0
PM21	Customer satisfaction with individual review/assignment	95%	No completed surveys received during reporting period.
PM22	Customer satisfaction with overall service	95%	A wider satisfaction survey was last completed in March 2019 and was positive. Due to the Covid 19 pandemic, it was not possible to conduct a review during 2020-21. We hope to issue a new survey later in 2021-22.
PM23	Member satisfaction with assurance provided (based on Chair of Audit Committee contribution to Appraisal of the Head of Audit & Counter Fraud role)	Positive	The Chair of the Audit Committee will be invited to contribute to the HIACF's mid-year performance review.
PM24	Statement of external audit	Positive	External Audit report by exception. At the time of writing this report, no concerns had been raised with the

Ref	Indicator	Target	Outturn
			Head of Internal Audit and Counter Fraud by Grant Thornton.

7. Review of Audit & Counter Fraud Plan

- 7.1 Monitoring of the delivery of planned work is built into the team's processes with individual officer time recording data feeding into an automated performance monitoring workbook; this tracks the performance of the team against the shared service work-plan as a whole and enables the supervisory staff to plan and support officers to deliver their individual work plans. On at least a quarterly basis, a projection of the resources that will be available to the year-end is carried out and compared to forecasts for each item of work on the plan to be completed.
- 7.2 As detailed in paragraph 4.4, we are currently projecting a loss of approximately 38 days from expected audit resources. One service has requested that a review be postponed to 2022-23, which will account for 15 of the days lost.
- 7.3 It is proposed that the review of the Performance Management framework be deferred to 2022-23 as verification of performance data was paused during 2020-21 in light of the pressures created by the covid pandemic. A review of the framework would not take account of the normal processes and procedures and therefore not provide an accurate picture for assurance purposes. On that basis, it is felt that it would be more effective if the review was conducted at a later date when normal processes have resumed.
- 7.4 We will continue to monitor the impact on resources to determine whether further changes to the agreed plan are required but at this stage, the aim is to continue to direct resource to planned assurance work rather than the allowances for responsive activity, which will hopefully account for the remaining losses.

8. Follow up of agreed recommendations

- 8.1 Where the work of the team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team make and agree recommendations for improvement with service managers. The Standards require that a follow-up process is established: *to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action*. As with all audit work, resources should be prioritised based on risk.
- 8.2 Service managers are asked to provide an update on action taken towards implementing all recommendations due on a monthly basis and are also asked to supply evidence to confirm that action has been taken in respect of all High priority recommendations, which is verified by the Audit & Counter Fraud Team.
- 8.3 The first of the two tables below details the current position in relation to the follow up process and the second details recommendations that are now more than six months over their planned implementation date; along with an update from the relevant Service Manager/Assistant Director/Director. Some also contain details of revised implementation dates that have been agreed by Management Team.

Status of agreed recommendations

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
Homelessness	<p>Opinion: Red.</p> <p>Four recommendations agreed: three high and one medium priority.</p> <p>Recommendations relate to the website being updated in line with the Homelessness Reduction Act, and the rebadging, implementation and publication of the Homelessness Prevention Strategy, as in line with the Rough Sleeping Strategy delivery plan, the creation of procedure notes to support the new requirements of the act, and looking at prevention measures and longer term accommodation options, in order to make better use of the temporary accommodation budget, and help prevent homelessness.</p>	<p>Four recommendations due, three implemented.</p> <p>One high priority outstanding relating looking at prevention measures and longer-term accommodation options.</p>
Use of Enforcement Services	<p>Opinion: Amber.</p> <p>Three recommendations agreed: one high, one medium and one low priority.</p> <p>Recommendations relate to the council's Corporate Fair Debt Policy being circulated to all relevant staff, the council's procedures and policy in respect of vulnerable debtors being reviewed and shared with the Enforcement Agents, Debt Collection Agents and Sheriffs used, and appropriate agreements being put in place for all enforcement services, including expected performance arrangements then being put in place for performance to be monitored in line with the agreement, including documenting any meetings held.</p>	<p>Three recommendations due, two implemented.</p> <p>One high priority outstanding relating to appropriate agreements being put in place for all enforcement services, including expected performance arrangements then being put in place for performance to be monitored in line with the agreement, including documenting any meetings held.</p>
Business Continuity – IT Backup Arrangements	<p>Opinion: Amber.</p> <p>Two high priority recommendations agreed.</p> <p>Recommendations relate to the introduction of a test schedule to comply with requirement of the Civil Contingencies Act 2004 and the IT Disaster Recovery Plan being updated and reviewed in line with the overarching Business Continuity Plan.</p>	<p>Two recommendation due, one implemented.</p> <p>One high priority outstanding relating to the introduction of a test schedule to comply with requirement of the Civil Contingencies Act 2004.</p>
Tenancy Enforcement	<p>Opinion: Amber.</p> <p>Three high priority recommendations agreed.</p> <p>Recommendations relate to the introduction of procedure guidance for staff, directly relating to tenancy enforcement, to ensure consistency of action and that accurate records are maintained; reviewing training available for Housing Officers; and, ensuring tenancies are ended promptly on the housing management system and a consistent approach is followed when transferring tenancies, with approval for any significant overlaps.</p>	<p>Three recommendations due, three implemented.</p>

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
Unauthorised Encampments	<p>Opinion: Amber.</p> <p>Two medium priority recommendations agreed.</p> <p>Recommendations relate to the provision of diversity based training to officers and implementing procedures to archive/delete data they no longer require.</p>	Two recommendations due, two implemented.
Fraud Focused Review of Flexi, TOIL & Overtime	<p>Opinion: Amber.</p> <p>Four high priority recommendations agreed.</p> <p>Recommendations relate to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.</p>	<p>Four recommendations due, none implemented.</p> <p>Four high priority outstanding relating to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.</p>
Apprenticeship Scheme	<p>Opinion: Amber.</p> <p>Five recommendations agreed: two high, two medium and one low priority.</p> <p>Recommendations relate to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; the Apprenticeship Policy being reviewed and updated, arrangements being put in place for the apprenticeship spreadsheet to be monitored and updated regularly, and arrangements being made for checks to be undertaken of all payments to and from the Apprenticeship Service Account to ensure accuracy.</p>	<p>Five recommendations due, two implemented.</p> <p>One high and two medium priority outstanding relating to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; and, the Apprenticeship Policy being reviewed and updated.</p>
Payroll Establishment, Payments & Deductions	<p>Opinion: Green.</p> <p>Two medium priority recommendations agreed.</p> <p>Recommendations relate to probationary periods being monitored to ensure increments are correctly applied, and instructions received to add or amend allowances being checked to ensure they are at applied at the correct level.</p>	Two recommendations due, two implemented.

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
Fraud Focused Review of Lone Workers	<p>Opinion: Amber.</p> <p>Six recommendations agreed: Four high and two medium priority.</p> <p>Recommendations relate to reviewing and updating the procedures linked to the lone working policy, officers being reminded of the need to include sufficient details of diarised visits, managers being reminded of their responsibilities for contacting officers working away from the office, records of visits being maintained after the event to enable validation of timesheets and mileage claims, a reminder for staff undertaking lone working duties to perform security checks prior to visits, including checking the unacceptable behaviour register as appropriate, and managers undertaking regular quality control checks of visits.</p>	No recommendations due prior to 31 July 2021
Member Standards	<p>Opinion: Amber.</p> <p>Three recommendations agreed: Two medium and one low priority.</p> <p>Recommendations relate to the Member training requirements included in the Constitution being reviewed for consistency, arrangements being put in place to maintain a central log of attendance at Planning & Licensing training, including 1-1 sessions, to ensure 'refresher' training is provided to Committee Members at the appropriate frequency, and the point of contact for declaring gifts and hospitality being clarified and the Member Gifts and Hospitality register being retained in accordance with the requirements of the Member Code of Conduct.</p>	One recommendation due, one implemented.
Fraud Focused Review of Staff Leave Booking	<p>Opinion: Amber.</p> <p>Three recommendations agreed: One high and two medium priority.</p> <p>Recommendations relate to guidance being updated to include descriptions of all various types of leave; detailing those which are deducted from leave entitlement and those which are not, deadlines, deadlines being included with annual instruction to book bank holidays and ex-gratia day, and managers at all levels ensuring bank holidays for staff and themselves are booked.</p>	<p>Three recommendations due, two implemented.</p> <p>One high priority outstanding relating to managers at all levels ensuring bank holidays for staff and themselves are booked.</p>
Capital Accounting (HRA)	<p>Opinion: Green.</p> <p>One low priority recommendation agreed.</p> <p>Recommendation relates to arrangements for documenting the approval and evaluation of CP1 forms being reviewed.</p>	One recommendation due, one implemented.
Shared Services	<p>Opinion: Amber.</p> <p>One high priority recommendation agreed.</p> <p>Recommendation relates to a review of all Shared Service Agreements.</p>	No recommendations due prior to 31 July 2021
IT Asset Management	<p>Opinion: Red.</p> <p>Five high priority recommendations agreed.</p> <p>Recommendations relate to arrangements being made for the IT Asset Register to be reviewed for accuracy and completeness; regular independent reviews of the IT Asset Register being</p>	Two recommendations due, two implemented.

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
	carried out, including physical checks of IT assets to ensure they are still held by the intended users; ensuring there is a robust process for identifying staff leavers; ensuring IT assets are recovered when staff leave the council and that the IT Asset Register is promptly updated; an accurate record being prepared of all unallocated IT assets and regular reconciliations taking place to ensure this record is accurate and up to date, with all discrepancies investigated and reported as appropriate; and, all sales/disposals of IT assets being undertaken in accordance with the ICT Disposals Policy	
Private Housing Enforcement	Opinion: Red . Five high priority recommendations agreed. Recommendations relate to private Housing procedures being written and tailored to ensure they reflect local priorities; the team investigating digitalisation of Private Housing enforcement processes, including making best use of the systems available and moving away from paper files, as well as well as reviewing arrangements to ensure the Public HMO Register is accurate; arrangements being put in place to facilitate the timely renewal of HMO licences and for enforcement action to be taken where this is not the case; arrangements being put in place to ensure the council is able to take robust private housing enforcement action; the necessary work to facilitate the introduction of Civil Penalties being progressed; and, the service exploring alternative means to hold the landlord forums and otherwise engage with landlords	One recommendation implemented before report finalised. No other recommendations due before 31 July 2021.
Cyber Security	Opinion: Amber . Seven recommendations agreed: three high and four medium priority. Recommendations relate to adjustment to arrangements as a result of changes brought about by the COVID-19 pandemic and enhancements to arrangements for access and monitoring staff completion of training /policies.	No recommendations due prior to 31 July 2021
Corporate Debt Recovery	Opinion: Amber . Three recommendations agreed: one high, one medium and one low priority. Recommendations relate to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases; the process to be followed should corporate debt fail to engage with customers and/or payments are stopped being documented; and, reviewing the process for updating customer records on relevant systems following corporate debt action to ensure all officers have up to date information on the status of corporate debt cases.	No recommendations due prior to 31 July 2021
Traded Services – Rosherville Ltd	Opinion: Amber . Three recommendations agreed: one high and two medium priority. Recommendations relate to consideration of the Rosherville Ltd board including the Non-Executive Directors, training for	No recommendations due prior to 31 July 2021

Audit title	Overall opinion and number of recommendations of each priority agreed with management	Number of recommendations due for implementation where a positive management response has been received
	additional staff on roles and responsibilities, and performance reporting from Rosherville to the Shareholder Board.	

Recommendations outstanding more than six months after scheduled implementation date

Directorate	Audit title	Recommendation	Priority	Planned implementation date	Management update
Housing & Operations	Homelessness	A scheme working with private landlords & organisations should be put in place, along with looking for longer term accommodation options, in order to make better use of the temporary accommodation budget, and to help prevent homelessness.	High	31 December 2019	The service have relaunched the first landlord forum in some considerable time and this will be a platform to network and engage with landlords and agents with accommodation. In addition to this, the service has undergone a restructure which is due to be implemented on 1 October 2021 and this has incorporated Prevention Officers and 2 dedicated Landlord Liaison Officers to push this piece of work forward. To see results following these changes will take some considerable time as there are relationships to build on with our private sector. Monitoring of temporary accommodation is underway and again the restructure has a dedicated Temporary Accommodation role which will be able to monitor placements, support vulnerable people and ensure income maximisation. A revised implementation date of 30 June 2022 has been approved by Management Team.
Corporate Services	Use of Enforcement Services	Appropriate agreements should be put in place for all enforcement services, including expected performance. Arrangements should then be put in place for performance to be monitored in line with the agreement, including documenting any meetings held.	High	31 December 2019	A draft Data Protection Impact Assessment (DPIA) was produced and circulated to members of the Corporate Debt Working Group (CDWG) for comment. This is to be sent to legal colleagues for comment once responses from the CDWG have been received. Once legal comments have been received this will then be progressed. A revised implementation date of 31 March 2022 has been approved by Management Team.
Corporate Services	Business Continuity – IT	Regular testing of the backup arrangements to be put into place once the review and any alterations to the	High	30 June 2020	Although outstanding as of 31 July 2021, this recommendation has now been implemented.

	Backup Arrangements	system have been implemented; ensuring compliance with the requirements of the Civil Contingencies Act 2004 to regularly review and test all aspects of the Business Continuity Plan.			
Communities	Fraud Focused Review of Flexi, TOIL & Overtime	<p>Information about flexi time and TOIL on the intranet should be reviewed and a central document created and circulated to staff; in addition to the information already provided on the intranet, this should include:</p> <ul style="list-style-type: none"> - guidance regarding the operation of TOIL, including eligibility, the rate at which time can be re-claimed and how this should be recorded; - clarification on whether a timesheet needs to be completed by employees who are not taking part in the flexi scheme; - the requirement to book flexi leave and TOIL on SS4U, including clarification on the recording of part-days; - additional information / examples on how time should be recorded on days when personal appointments have occurred; - responsibility for completing timesheets, including updating the templates; - a reminder for staff that that they should ensure the correct number of hours are recorded for a standard working day / half day; - the requirement to give an explanation for any authorised adjustments. 	High	31 December 2020	<p>A new Hybrid Working Policy was taken to Management Team on 31 August 2021 and following amendments will be going back on 14 September for sign off for an agreed trial period between 01 October 2021 and March 2022, when it will be reviewed again.</p> <p>Development of the Managers Toolkit on the intranet is still in progress and a meeting is taking place with the digital team at the beginning of September 2021 to discuss upload of content.</p>

Communities	Fraud Focused Review of Flexi, TOIL & Overtime	Following the circulation of the guidance recommended at R1, line managers should be reminded of their role in ensuring that this is adhered to, by checking and signing-off timesheets on a monthly basis, as well as how they should deal with any concerns.	High	31 December 2020	<p>A new Hybrid Working Policy was taken to Management Team on 31 August 2021 and following amendments will be going back on 14 September for sign off for an agreed trial period between 01 October 2021 and March 2022, when it will be reviewed again.</p> <p>Development of the Managers Toolkit on the intranet is still in progress and a meeting is taking place with the digital team at the beginning of September 2021 to discuss upload of content.</p>
Communities	Fraud Focused Review of Flexi, TOIL & Overtime	A council overtime policy document should be created, highlighting the Green Book section on overtime and reiterating the correct rates of pay and the Working Time Directive. The policy should include the process for claiming overtime. This document along with a copy of the Conditions of Service of the National Joint Council for Local Government Services (Green Book) should be made available on the intranet.	High	31 December 2020	<p>A new Hybrid Working Policy was taken to Management Team on 31 August 2021 and following amendments will be going back on 14 September for sign off for an agreed trial period between 01 October 2021 and March 2022, when it will be reviewed again.</p> <p>Development of the Managers Toolkit on the intranet is still in progress and a meeting is taking place with the digital team at the beginning of September 2021 to discuss upload of content.</p>
Communities	Fraud Focused Review of Flexi, TOIL & Overtime	Service managers should be reminded of the overtime rates including the guidelines for part-time staff and also the Working Time Directive.	High	31 December 2020	Development of the Managers Toolkit on the intranet is still in progress and a meeting is taking place with the digital team at the beginning of September 2021 to discuss upload of content.
Communities	Apprenticeship Scheme	A strategy should be produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved.	High	31 December 2020	<p>The Employability Officer started in post on 16/08/2021 and has been tasked with developing a strategy for the GBC Apprenticeship scheme. However, this role is also responsible for the Kick Start scheme, which has had to take priority due to the deadlines involved. We are anticipating that a strategy will be available to present to Management Team by the end of this financial year at the latest.</p> <p>A revised implementation date of 31 March 2022 has been agreed by Management Team.</p>

Communities	Apprenticeship Scheme	A process should be put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment.	Medium	31 December 2020	The Employability Officer started in post on 16/08/2021 and has been tasked with developing a strategy for the GBC Apprenticeship scheme. However, this role is also responsible for the Kick Start scheme, which has had to take priority due to the deadlines involved. We are anticipating that a strategy will be available to present to Management Team by the end of this financial year at the latest. A revised implementation date of 31 March 2022 has been agreed by Management Team.
Communities	Apprenticeship Scheme	The Apprenticeship Policy should be reviewed and updated.	Medium	31 December 2020	The Employability Officer started in post on 16/08/2021 and has been tasked with developing a strategy for the GBC Apprenticeship scheme. However, this role is also responsible for the Kick Start scheme, which has had to take priority due to the deadlines involved. We are anticipating that a strategy will be available to present to Management Team by the end of this financial year at the latest. A revised implementation date of 31 March 2022 has been agreed by Management Team.

Definitions of audit opinions & recommendation priorities

<p>Green – Risk management operates effectively and objectives are being met</p>	<p>Expected controls are in place and effective to ensure risks are well managed and the service objectives are being met. Any errors found are minor or the occurrence of errors is considered to be isolated. Recommendations made are considered to be opportunities to enhance existing arrangements.</p>
<p>Amber – Key risks are being managed to enable the key objectives to be met</p>	<p>Expected key or compensating controls are in place and generally complied with ensuring significant risks are adequately managed and the service area meets its key objectives. Instances of failure to comply with controls or errors / omissions have been identified. Improvements to the control process or compliance with controls have been identified and recommendations have been made to improve this.</p>
<p>Red – Risk management arrangements require improvement to ensure objectives can be met</p>	<p>The overall control process is weak with one or more expected key control(s) or compensating control(s) absent or there is evidence of significant non-compliance. Risk management is not considered to be effective and the service risks failing to meet its objectives, significant loss/error, fraud/impropriety or damage to reputation. Recommendations have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.</p>

<p>High</p>	<p>The findings indicate a fundamental weakness in control that leaves the council exposed to significant risk. The recommended action addresses the weakness identified; to mitigate the risk exposure and enable the achievement of key objectives. Management should address the recommendation as a matter of urgency.</p>
<p>Medium</p>	<p>The findings indicate a weakness in control, or lack of compliance with existing controls, that leaves the system open to risk, although it is not critical to the achievement of objectives. Management should address the recommendation within a reasonable timeframe.</p>
<p>Low</p>	<p>The findings have identified an opportunity to enhance the efficiency or effectiveness of the system/control environment. Management should address the recommendation as resources allow.</p>