

Title of Report	INTERNAL AUDIT PROGRESS REPORT 2022-23 Q1	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Public Sector Internal Audit Standards Internal Audit Plan 2022/23	Public Report: Yes
Purpose of Report	To inform the Committee of progress against the Internal Audit plan for 2022/23 and to highlight any incidences of significant control failings or weaknesses that have been identified.	
Recommendations	THE AUDIT AND GOVERNANCE COMMITTEE NOTE THE REPORT.	

1.0 BACKGROUND

- 1.1 The Public Sector Internal Audit Standards require the Authority's Audit Committee to approve the audit plan and monitor progress against it. The Standards state that the Committee should receive periodic reports on the work of internal audit.
- 1.2 The Audit and Governance Committee approved the 2022/23 Audit Plan on 20 April 2022. The Committee receives quarterly progress reports.

2.0 PROGRESS REPORT

- 2.1 The Internal Audit Progress Report for the period 01 April 2022 to 30 June 2022 (Q1) is attached at Appendix 1.

Policies and other considerations, as appropriate	
Council Priorities:	An effective internal audit service supports all council priorities.
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment and Climate Change:	None.
Consultation/Community Engagement:	None.
Risks:	There are no specific risks associated with this report.
Officer Contact	Kerry Beavis Audit Manager kerry.beavis@nwleicestershire.gov.uk



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

Internal Audit Progress Report 2022/23 Q1

1. Introduction

1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby DC and Charnwood BC. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2021/22 and the 2022-23 Internal Audit Plan up to 30th June 2022.

2. Internal Audit Plan Update

2.1. Work on the 2022/23 audit plan has commenced and the Green Homes Grant certification has been signed off. The 2022/23 audit plan is included at Appendix A for information. The audits due to take place in Q2 are:

- Housing Repairs
- Housing Planned Maintenance
- Tax

2.2. Since the last update report four final audit reports have been issued which completes the work on the 2021/22 audit plan. The following 2021/22 audit opinions were issued and the executive summaries are included in Appendix B:

- Corporate Estates Compliance – Limited Assurance
- HRA Fire Safety & Management – Limited Assurance
- Project Management – Limited Assurance
- Housing Rents – Limited Assurance

The main areas where weaknesses were identified are as follows

Corporate Estates Compliance – No central oversight on corporate property-related compliance activity, no robust corporate performance monitoring framework in place and no consistent approach for recording and monitoring of issues raised during inspection.

HRA Fire Safety & Management - Key policies and procedures are not in place, there is no evidence of contract management or monitoring, there is no monitoring carried out in regard to remedial works to rectify significant issues and there is no training and awareness programme in place for relevant officers.

Project Management – Limited corporate approach to the overall project management function.

Rent Accounting – The lack of data to provide assurance that data transfer, during the implementation of the new system, was accurate and variances have been resolved and the lack of reconciliations carried out since the new system has been implemented.

3. Internal Audit Recommendations

3.1. Internal Audit monitor and follow up all critical, high and medium priority recommendations. There are two overdue recommendations which are included in Appendix C for information.

4. Internal Audit Performance Indicators

4.1 Progress against the agreed Internal Audit performance targets is documented in Appendix D. Work on the 22/23 audit plan is progressing in line with work scheduling.

Appendix A

2022/23 AUDIT PLAN AS AT 30th JUNE 2022

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Housing Repairs	Audit	10		Q2						
Housing Planned Maintenance	Audit	10		Q2						
Choice Based Lettings	Audit	8		Q1/2						Moved to Q3 due to system implementation
Rent Arrears	Audit	7		Q3						
Right to Buy	Audit	8	3	In progress						
Anti-social behaviour	Audit	8		Q3						
Key financial systems	Risk based	30		Q2/3/4						
Tax	Audit	10		Q2						
Covid-19 Related Assurance	As required	10		As required						
LAD 1b Green Grant	Certification	-	6	Completed		-	-	-	-	Addition to plan

Appendix 1

Audit Opinion Key

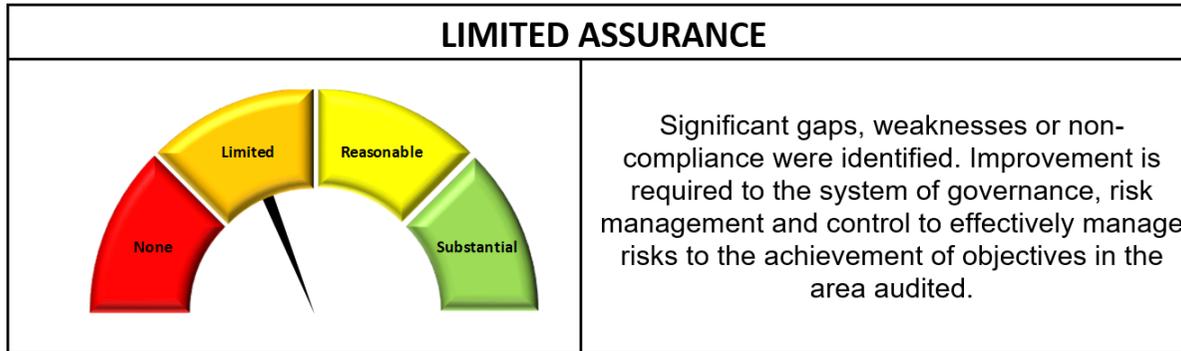
Opinion	Definition
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable	There is a generally sound system of governance, risk management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

Audit Recommendations Key

Level	Definition
Critical	Recommendations which are of a very serious nature and could have a critical impact on the Council, for example to address a breach in law or regulation that could result in material fines/consequences.
High	Recommendations which are fundamental to the system and require urgent attention to avoid exposure to significant risks.
Medium	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Low	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed or potential opportunities for management to improve the operational efficiency and/ or effectiveness of the system.

SUMMARY OF FINAL AUDIT REPORTS ISSUED BETWEEN 1st APRIL & 30th JUNE 2022

CORPORATE ESTATES COMPLIANCE



Areas of positive assurance identified during the audit:

- Processes are being put in place to establish and record the Authorities Statutory Duties, starting with a Corporate Compliance Tracker.
- There is a Statutory Duties Group which meets regularly, with appropriate attendees from across the Authority.
- Key documents such as certificates are filed promptly, consistently and securely and are easily retrievable when required.
- Officers are relevantly trained to ensure awareness and responsibilities in accordance with legislation and policy framework.
- Testing against the various compliance types on the compliance tracker confirmed that inspections are being monitored and carried out in line with legislation.
- Awareness of responsibilities is relevantly disseminated.

The main areas identified for improvement are:

- A corporate approach to the review of policies and procedures for compliance.
- There is currently no central oversight on corporate property-related compliance activity.
- A robust corporate performance monitoring framework should be developed.
- The new asbestos monitoring process needs to be fully implemented.
- There is no consistent approach for recording and monitoring issues that are raised during inspections.

Appendix 1

• Control Objective	All key policies, procedures and processes are documented, up to date and accessible to staff who need them.				
Risks	Staff are unaware of the processes leading to a breach of legislation.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The Statutory Duty Group were given the responsibility of producing or reviewing corporate compliance policies and procedures. It was found that only two policies have been reviewed, and both have been at draft stage since March 2021. Many of the processes are documented in a flowchart format and do not provide full details of the processes to be followed.	1.A review of all compliance policies and processes is undertaken to establish single corporate policies and comprehensive procedure guides to ensure a consistent approach across the whole of the authority. All policies and procedures should be stored with accessibility for relevant officers.	High	Bearing in mind this groups inception during the pandemic, this group has been operational in nature and considering issues such as contracting and ensuring operational compliance and managing operational risk. As a minimum the following corporate policies will be developed to address this observation (the below are based on risk prioritisation): Legionella Asbestos Fire Risk Management General Health Safety & Security Electrical Management	Property Services Team Manager (for drafting)	Presented to CLT by December 2022

Control Objective	Performance is monitored and appropriately reported.				
Risks	Senior management and members are unaware of any failures in performance.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
Due to staffing changes and the recent commencement of several key contracts there is minimal performance monitoring and reporting being	2 A performance monitoring and reporting framework is introduced which includes contractor and legislative compliance performance monitoring and	High	Overlapping with the audit we have begun the introduction of a performance monitoring framework, utilising a RAG	Head of Economic Regeneration	October 2022

Appendix 1

carried out.	periodic reporting to the Statutory Duty Group and, where necessary, the Corporate Leadership Team.		system. This will be reported through to CLT. It would be beneficial to include properties not managed by property services into this report.		
--------------	---	--	---	--	--

Control Objective	The Council is fulfilling its statutory duties as a landlord and Health and Safety is not compromised.				
Risks	Legal action is instigated due to a failure in compliance.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
A critical friend review was carried out in August 2020. It is understood that not all changes highlighted were agreed to be implemented, however one area within the report identified that currently there was no central oversight on property-related activity, but a future target should be a corporate landlord model to take responsibility and accountability for all property-related activity. Audit have found that as yet there has been no progress on this area.	3 To ensure that the authority is fully meeting its legislative responsibilities in an efficient and effective manner consideration is given to introducing a true corporate landlord model for corporate property.	High	<p>Since the publication of the 2020 report, there has been considerable change in both the operation of the council, its ability to address some strategic issues due to the pandemic, and more recently changes in property service management, housing senior management and the Chief Executive, along with changes to our accommodation strategy.</p> <p>So as to address the above we will undertake a further assessment of options for the operation and scope of an overall property function spanning all of our assets, and consider how this is best addressed in the future.</p>	Strategic Director	March 2023

Appendix 1

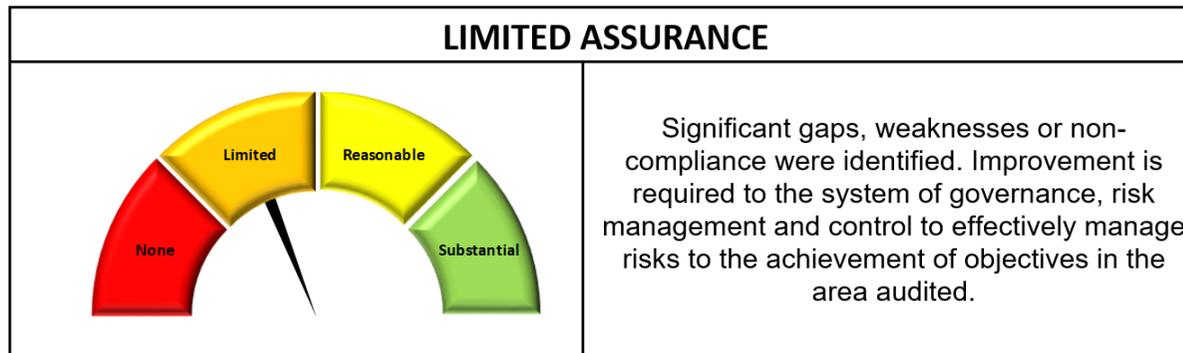
Control Objective	A process is in place to ensure that where issues are identified these are followed up.				
Risks	Legal action due to a failure in rectifying an identified issue.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
Testing highlighted that there is no consistent process in place that ensures any remedial actions are implemented following inspections. It is acknowledged that the property services section are in the process of introducing a compliance tracker that records the relevant actions, the priority level of the actions and will provide links to the appropriate documentation upon completion of the actions.	4 The process for recording and monitoring issues through the compliance tracker is fully implemented and a reporting framework is put in place, to ensure that any remedial actions or works required are identified and tracked to fruition in a timely manner.	Medium	Agreed – for the property services managed properties. This may take longer to fully implement if we follow a corporate landlord model. If not then there will not be assurance for all properties.	Head of Economic Regeneration	October 2022

Control Objective	Inspections are carried out in line with legislation and procedures.				
Risks	Officers and/ or relevant other parties do not identify potential issues.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The current Asbestos Risk Assessment shows that inspections are overdue. This has been recognised and a new inspection programme and the associated documentation is currently being put in place to address this.	5 The review of the Asbestos process is completed and implemented to ensure the council are confident they are complying with regulations.	High	Agreed	Head of Economic Regeneration	October 2022
There is no comprehensive record in place that records the assets requiring	6 A comprehensive record of all assets and statutory inspections/	High	Not all of these assets are owned by the authority. The scope of the contracts need	Head of Economic Regeneration	March 2023

Appendix 1

<p>inspection, the dates the inspections are carried out and the actions taken to ensure compliance is met.</p>	<p>checks that are required by the Council is introduced These records should cover all services and be monitored and reported against on a regular basis to ensure testing/ checks have taken place as required. Note: This recommendation was made in the Health and Safety Audit, undertaken in February 2021 (due for implementation in June 2021) and as yet has not been implemented.</p>		<p>to be known and recorded and performance monitored against this. Where assets are owned by the authority these will be detailed as required.</p>		
---	---	--	---	--	--

HRA FIRE SAFETY & MANAGEMENT -



Areas of positive assurance identified during the audit:

- Contracts are in place for active and passive fire safety systems, fire risk assessments and compartmentation work.
- Fire risk assessments were completed by a qualified assessor in 2021 for all ten sheltered schemes and a further forty-two blocks.

The main areas identified for improvement are:

- Key policies and procedures.
- Contract management and monitoring arrangements.
- Monitoring of remedial works to rectify significant issues.
- Officer training and awareness.

Appendix 1

Control Objective	1. All key policies, procedures and processes are documented, up to date and accessible to staff who need them. 10. Awareness of responsibilities is relevantly disseminated.				
Risk	Staff are unaware of the processes leading to a breach of legislation.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
There are no internal procedures covering key processes.	1. Written procedure notes should be produced for all key processes and made available to relevant staff.	Medium	The procedures are currently being drafted and will be completed by the 30 th July 2022.	Housing Compliance Team Leader	30 th July 2022
A draft Housing Assets Fire Safety policy (dated 20.02.22) has been produced but is still to be reviewed and approved by the Head of Housing and the relevant Strategic Director before it can be formally adopted.	2. The draft Housing Assets Fire Safety Policy should be reviewed, finalised and formally adopted as soon as possible.	High	A new Fire Safety policy has been written and has been sent out for final consultation with stakeholders. This will be reviewed by the Interim Head of Housing and then sent for final approval to the Strategic Director.	Housing Assets Team Manager	30 th July 2022
The policy covers maintenance and inspection arrangements including the responsibility for each area but does not refer to fixed wire testing requirements.	3. The fixed wire testing requirements and arrangements should be clarified and details added to the relevant section of the Housing Assets Fire Safety policy if required.	Medium	A new Electrical Safety policy has been written and has been sent out for final consultation with stakeholders. This will be reviewed by the Interim Head of Housing and then sent for final approval to the Strategic Director.	Housing Assets Team Manager	30 th July 2022

Appendix 1

<p>Control Objective</p>	<ol style="list-style-type: none"> 1. There are effective contract management arrangements in place. 2. Contracts are being delivered to the agreed level of performance and quality. 3. Performance is being reported accurately and is monitored appropriately by management. 				
<p>Risks</p>	<p>Poor performance is not identified. The contractor does not meet the legal obligations of the contract putting the authority at risk of breaching landlord statutory duties. Senior management and members are unaware of any failures in performance.</p>				
<p>Observation</p>	<p>Recommendation</p>	<p>Priority</p>	<p>Response/Agreed Action</p>	<p>Officer Responsible</p>	<p>Implementation Date</p>
<p>The authority has various contracts in place for the different fire safety requirements – e.g.</p> <ul style="list-style-type: none"> • Servicing and testing of fire alarms, extinguishers etc. • Design and installation of various passive fire protection measures and the delivery of remedial fire safety works. • Provision of fire risk assessments, including compartmentation and door surveys. <p>All contracts contain key performance information (KPI) targets for key areas. However, no evidence of any contract management meetings or performance monitoring has been provided for either the current contracts or those that were in place for active and passive fire safety prior to Nov-21. The Housing Assets Team Manager stated that he monitors and manages the contracts but no evidence has been provided to confirm that KPI data is, or has been, reported and reviewed to ensure that any performance issues are identified and addressed.</p>	<p>4. Arrangements are to be put in place to ensure that all contracts are appropriately managed and monitored, with contract meetings minuted, KPIs reported as expected and any performance issues identified, detailed and addressed promptly, with evidence retained on file.</p>	<p>High</p>	<p>All certificates and documents are currently located in the central Asset Management i/ drive. These will now be moved across to the Fire Safety Channel that had been set up in TEAMS. The separate TEAMS channel will manage the new contract with ABCA for both passive and active works, this will ensure the contract will be managed effectively. This channel will hold all information on the passive and active contract. The channel is also live and open to the external contractors and other members of the Fire Compliance Project Team so that all KPIs can be managed,</p>	<p>Housing Assets Team Manager</p>	<p>30th July 2022</p>

Appendix 1

			and all certification directly uploaded into the live tracker. Going forward the KPI's will also be reported to the Statutory Duty Group.		
--	--	--	---	--	--

Control Objective		4. The Council is fulfilling its statutory duties as a landlord and the Health and Safety of tenants is not compromised.			
Risk		Legal action is instigated due to a failure in compliance.			
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 state that: <i>'Smoke alarms in rental properties need to be fitted on at least every storey which is used as living accommodation. They need to be tested on the first day of the tenancy and this needs to be recorded. Thereafter, tenants are responsible for testing the alarms are in working order. If there is a problem, batteries can be replaced by the tenant, but the alarm itself by the landlord. For carbon monoxide alarms, currently in England, the law states you only need to install them if "the house which is used wholly or partly as living accommodation contains a solid fuel burning combustion appliance".'</i>	5. Checks should be undertaken to ensure that each relevant scheme is adequately protected by smoke and carbon monoxide alarms and that these are installed, checked and periodically inspected by a suitably qualified person. Records should be maintained centrally to ensure that all checks are carried out as expected.	High	Risks assessments are being completed across all sheltered schemes, these detail all detectors (fire and carbon monoxide) and main components within the schemes, the conditions of the Fire Detection and Alarm systems, and ensures protection status is adequate The risk assessments also hold other data so that a full and detailed asset register of all Fire Detection and Alarm system components can be confirmed at each location and their protection status. Carbon Monoxide detectors have been installed in all domestic properties where there are solid fuel appliances or where there is a gas boiler	Housing Compliance Team Leader	30 th June 2022

Appendix 1

<p>No details of smoke and carbon monoxide alarms at the relevant properties, or evidence of any associated checks have been provided.</p>			<p>located at the property. These are also checked when we carry out gas servicing inspections on an annual basis. As part of the annual gas service our gas servicing contractor tests all smoke detectors within the properties and this recorded on the LGSR. Further work is being carried out to ensure that all electrical upgrades will now comply with the new regulations that come in to force in October 2022.</p>		
--	--	--	---	--	--

<p>Control Objective</p>	<p>6. Charges are in line with the contract and are subject to internal checking processes prior to payment.</p>				
<p>Risk</p>	<p>Overpayment of contract payments.</p>				
<p>Observation</p>	<p>Recommendation</p>	<p>Priority</p>	<p>Response/Agreed Action</p>	<p>Officer Responsible</p>	<p>Implementation Date</p>
<p>Only two of the seven invoices checked could be fully verified to the relevant pricing schedule or quote. The source documentation for the remaining five could not be located.</p>	<p>6. Officers ensure that source documentation is readily available and used to verify that payments are made in line with contract prices.</p>	<p>Medium</p>	<p>All invoices will be cross referenced against the original contract and the agreed schedule of rates. An application system has been established where costs are confirmed and approved prior to any invoices being sent into the council. These will be managed by the</p>	<p>Housing Compliance Team Leader</p>	<p>30th July 2022</p>

Appendix 1

			Quantity Surveyor within Housing support services and final approvals of the invoices and costs will be confirmed by the Housing Compliance Team Leader. All invoices and costs will also be detailed on the central tracker.		
--	--	--	---	--	--

Control Objective	7. Officers are relevantly trained to ensure awareness and responsibilities for this area.				
Risk	Breach of legislation due to officers not being aware of responsibilities				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The training course 'Bespoke Fire Training - Duty Holder' has recently been completed by the Housing Assets Team Leader, the Compliance Team Leader and the Contract Supervisor. It is understood that further training for the team has been identified which will be booked from April 2022 but there is no formal training programme in place. Training was provided to wardens and support staff in person prior to the start of the Covid-19 pandemic in Mar-20 but none has been carried out since then.	7. The fire safety awareness levels and training requirements of the Housing Management and Housing Assets teams should be assessed and a training programme put in place to ensure that all relevant staff, including wardens and support staff, are adequately trained and aware of their responsibilities. This should include periodic refresher training where required.	High	A review is being undertaken of all relevant training with regards to fire safety and compliance across the relevant sections of Housing. A training plan will be established following this review and will include training for the relevant officers particularly fire marshal training from a risk perspective and will be a priority. We will aim to complete this by end of August 2022, and once underway monitoring of progress will be undertaken. Training will be monitored through regular 1-2-1's with officers and recorded on the	Housing Assets Team Manager	Training Plan drafted August 2022 Training completed 31 st March 2023

Appendix 1

			HR system. There are no longer wardens at the schemes.		
--	--	--	--	--	--

Control Objective		8. A process is in place to ensure that where issues are identified these are followed up.			
Risk		Legal action due to a failure to rectify an identified issue.			
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p><u>Sheltered Schemes</u> An action plan has been produced in respect of the work required to rectify the significant issues identified by the Fire Risk Assessments (FRAs) completed in Jul-21 for the ten sheltered schemes. Each action required has been allocated a priority rating of either High, Medium or Low and responsibility has been assigned to the appropriate team i.e. Asset Management, Housing Management or Repairs. However, there are no target completion dates and although it is understood that some work has been completed or is in progress, the action plan had not been updated to reflect this.</p> <p><u>Other Schemes</u> Forty-two (Phase 2) FRAs were completed for other schemes in Aug-21 and Sep-21 and although the significant findings have been recorded separately for each, a corresponding action plan has not yet been produced and no remedial works have been undertaken to date.</p>	8. Target completion dates should be added to the Sheltered Schemes – Significant Findings Action Plan and a similar action plan summarising the significant findings from the Phase 2 Fire Safety Works should be produced.	High	<p>The Significant Findings Action Plan has been updated and all completed actions marked on the plan, target dates are being established for passive works and meetings are being held with the contractor to confirm estimated start and completion dates for works including lead in times for delivery materials, e.g. fire doors which have a 12 week lead in.</p> <p>At the time the plan was produced we could not confirm dates due to COVID and delays with materials and labour, This has started to improve and further meetings are being held with the contractors and suppliers. Previous Fire Risk Assessments (FRAs) are superseded by the latest FRAs completed by TERSUS.</p>	Housing Compliance Team Leader	30 th July 2022

Appendix 1

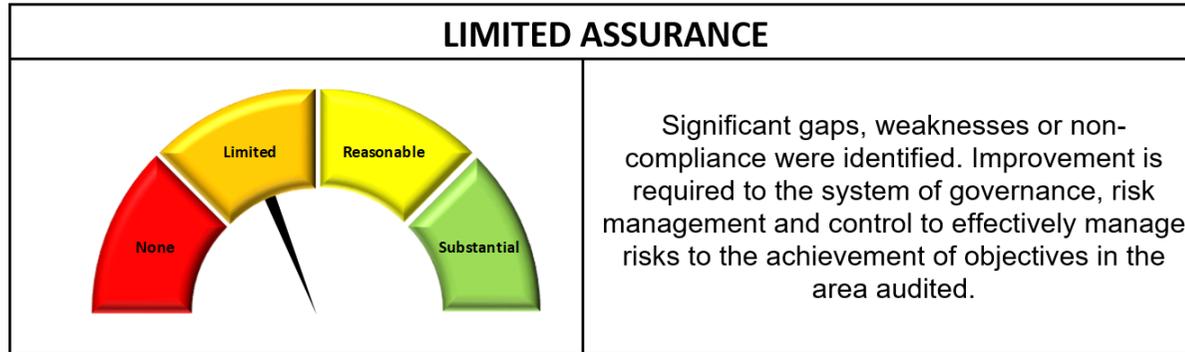
<p><u>Previous FRAs</u> Housing Assets and Compliance staff confirmed that FRAs were previously carried out in 2011, 2014 and 2019. However, there is no evidence to confirm that the issues raised on each were ever addressed.</p>	<p>9. Progress against both action plans should be formally reviewed on a monthly basis until all actions have been completed.</p>	<p>High</p>	<p>This is a standard agenda item on all monthly meetings. This responsibility is with the Housing Compliance Team Leader. This will also be reviewed by the Housing Assets Team Manager on the monthly 1-2-1s</p>	<p>Housing Compliance Team Leader</p>	<p>30th July 2022</p>
--	--	-------------	--	---------------------------------------	----------------------------------

Control Objective	9. Inspections are carried out in line with legislation and procedures.				
Risk	Officers and/ or relevant other parties do not identify potential issues.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>Evidence to confirm that the annual and monthly emergency lighting checks at the sheltered schemes had been completed as expected during 2021/22 was requested during the audit. This has brought to light that, following a split of responsibilities from Property Services to Asset Management, some of the schemes were apparently excluded from the relevant contract. Work is now underway to remedy this issue and it is understood that the remaining emergency lighting surveys are due to take place in April and October.</p>	<p>10. A process is introduced to ensure that checks are undertaken to confirm that the annual and monthly emergency lighting checks have been completed and evidenced as expected for all relevant schemes. This process should also include the arrangements and monitoring of any remedial works identified from the checks.</p>	<p>High</p>	<p>A tracker has been updated which details emergency lighting inspections as per BS5266. This tracker will be monitored on a monthly basis by the Housing Compliance Team Leader, and it also details all future inspections for emergency lighting. All remedial works, and costs will also be detailed on the tracker to ensure the contract is appropriately managed.</p>	<p>Housing Compliance Team Leader</p>	<p>30th June 2022</p>
	<p>11. Officers should compile a comprehensive list of assets and ensure that the existing fire safety contracts cover all relevant housing schemes.</p>	<p>High</p>	<p>A review had been undertaken to ensure all relevant assets that fall under the regulations and a further 3 sites identified. These have now been included within the contract for testing and maintenance.</p>	<p>Housing Assets Team Manager</p>	<p>31st March 2022</p>

Appendix 1

<p>The Fire Risk Assessment for each sheltered scheme refers to the location of the water hydrant, but the responsibility for the annual inspection / maintenance of each (i.e. which, if any, are on NWLDC land) is not stated.</p>	<p>12. The responsibility for the water hydrant(s) at each site should be established, recorded and arrangements made for maintenance and inspection where applicable.</p>	<p>Medium</p>	<p>The fire hydrants are not owned by the Council. The responsibility and the owners will be established, and a register confirmed on locations and ownership.</p>	<p>Housing Compliance Team Leader</p>	<p>30th July 2022</p>
<p>Fire drills are not currently being completed as they were put on hold due to the Covid-19 pandemic. It is understood that these are due to be restarted in Q1 2022/23.</p>	<p>13. Regular fire drills should be reinstated and the details should be recorded and retained either centrally or in the firebox at each scheme.</p>	<p>Medium</p>	<p>Fire drill and appropriate fire marshal training will be delivered to support staff in Housing Management. This is key risk area, and we aim to complete the training by the 31st August 22. The first fire drill will be completed early June 2022 as a pilot and then the other schemes will follow.</p>	<p>Housing Assets Team Manager</p>	<p>30th June 2022 31 August 2022</p>
<p>Inspection records and documents are retained either on the Housing Asset Management drive or on Teams but there is currently no central record or tracker document for routine inspections and maintenance for housing assets.</p>	<p>14. A centralised Compliance Tracker should be produced to summarise and monitor fire safety and maintenance inspections for all Housing assets / sites. The tracker should also include details of any remedial actions required following inspections and the implementation of such actions.</p>	<p>Medium</p>	<p>The centralised tracker is being reviewed with the contractor to reconfirm dates of inspections with the contractor up to the 31st March 2023. The tracker does contain details of any follow up works and any major component changes will also be updated in the Housing system, QL.</p>	<p>Housing Assets Team Manager</p>	<p>30th July 2022</p>

PROJECT MANAGEMENT



Areas of positive assurance identified during the audit:

- A board structure is in place, with project highlight reports being provided to the board.

The main areas identified for improvement are:

- Agreement of a corporate approach to project management including policies and strategies.
- Promotion of project management guidance and training.

Appendix 1

Control Objective	<p>There is a clear project management framework in place that sets</p> <ul style="list-style-type: none"> • Policies/ strategies. • Governance responsibilities for CLT, member groups and project boards. • Project methodology and supporting documentation. • Authorisation requirements for projects. • Reporting and monitoring requirements. • End of project feedback/ lessons learnt processes. 				
Risks	<p>Projects are carried out without appropriate authorisation and sponsorship leading to them not being aligned with the Councils transformation priorities. Projects are not executed timely. Overspend on Budgets. Lack of reporting leading to the Project Board unable to monitor progress. The council are unable to determine the outcome of the project and consider lessons-learnt for further projects.</p>				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The authority does not have a project management policy in place.	1.A project management policy is implemented that describes the essential elements of all projects/ programmes (e.g. project / programme identification through to authorisation, officer responsibilities, reporting requirements, requirement of the use of the toolkit etc), to ensure that all projects are effectively managed, and relevant governance and controls are in place.	High	<p>Agreed. CLT need to revisit and agree the programme framework, review/refresh the toolkit, to see if it is still relevant, and then look at the resources for programme management with the new Chief Executive, including looking at where the function sits again, if needed.</p> <p>There is project management support to projects but there is not clear programme management, which is owned and maintained by one person/ service area, and which then collates and reports to CLT/ Members via relevantly timed reports.</p>	Chief Executive, Directors, Monitoring Officer, Section 151 Officer.	December 2022
Detailed on the SharePoint drive is comprehensive	2. A corporate approach to project management is agreed,	High	As above	Chief Executive, Directors,	December 2022

Appendix 1

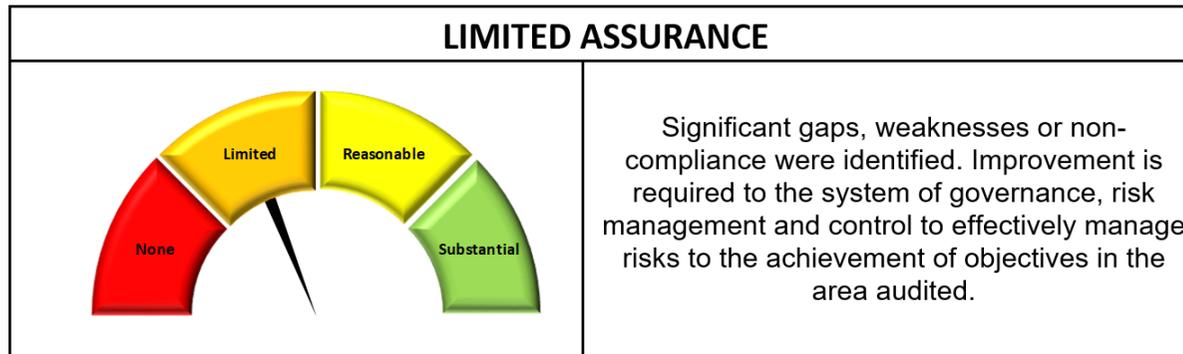
<p>guidance and a toolkit on Project Management, which was developed in 2017 by the project management team. Since the team was disbanded the page has not been updated and the processes, stated as mandatory, have not been promoted across the authority.</p> <p>Testing in relation to the use and existence of the project management toolkit has highlighted that there are inconsistencies regarding awareness and use.</p>	<p>implemented, relevantly managed, and communicated to all staff on a consistent and regular basis.</p>			<p>Monitoring Officer, Section 151 Officer.</p>	
<p>A report was provided to Corporate Leadership Team (CLT) in October 2021 regarding the creation of an appropriate Board and Project structure to ensure delivery, monitoring, and awareness of the progress of various corporate projects.</p>	<p>3. All corporate projects should be monitored and recorded.</p>	<p>High</p>	<p>As above</p>	<p>Chief Executive, Directors, Monitoring Officer, Section 151 Officer.</p>	<p>December 2022</p>
<p>The report offered various reporting lines, but nothing was documented as agreed.</p> <p>The report referred to the role of the Organisational Performance Team in</p>	<p>4. The role of the Organisational Performance Team in monitoring of projects, as referred to in the report to CLT, should be pursued.</p>	<p>High</p>	<p>As above</p>	<p>Chief Executive, Directors, Monitoring Officer, Section 151 Officer.</p>	<p>December 2022</p>
	<p>5. A reporting structure is agreed and disseminated to ensure all relevant parties are aware of projects, progress of projects and any issues and reports are presented in a timely manner.</p>	<p>Medium</p>	<p>As above</p>	<p>Chief Executive, Directors, Monitoring Officer, Section 151 Officer.</p>	<p>December 2022</p>

Appendix 1

monitoring projects. On contacting the Organisational Performance Team Leader, the team currently are not involved in project monitoring.					
Project highlight reports provided to the Corporate Assets Board were reviewed. The highlight reports do not contain details of the project approval.	6.The highlight reports to boards should contain details of the project approval.	Medium	As above	Chief Executive, Directors, Monitoring Officer, Section 151 Officer.	December 2022

Control Objective	Officers involved in project management are relevantly trained and aware of the corporate processes.				
Risks	Officers act independently of corporate processes. Projects fail due to lack of knowledge.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
Project Management training has not been available on the Learning Pool since 2019.	7.Following agreement of a corporate approach to Project Management suitable training should be made available to enable staff to effectively manage projects.	High	As above	Chief Executive, Directors, Monitoring Officer, Section 151 Officer.	December 2022
Staff who undertake any external training in Project Management are required to record details of this on iTrent.	8.A reminder should be issued to all staff of the requirement to record all external training undertaken on iTrent.	Low	Agree	Head of Human Resources	July 2022

RENT ACCOUNTING



Areas of positive assurance identified during the audit:

- There is a robust process for ensuring that rents for new/acquired properties are set in line with the Rents Policy.
- Collection rates are regularly monitored with action taken as necessary.
- Suspense accounts are regularly reviewed and items are promptly investigated.

The main areas identified for improvement are:

- Reviewing of policies and use of version control on procedure guides.
- Inadequate monitoring of changes to accounts.
- Lack of data to provide assurance that data transfer, during implementation of the new system, is accurate and variances have been resolved.
- The completion and independent review of reconciliations.
- System user access practices are insufficient and do not ensure system user access is appropriate, where necessary revoked and provides segregation in duties.

Appendix 1

Control Objective	There are adequate and up to date documented policies and procedures in place.				
Risks	Policies and procedures are inadequate and do not reflect current working practices.				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The Rents Policy, Tenancy Fraud Policy, Former Tenant Arrears Policy and Rechargeable Repair Write-off Policy are overdue a review.	1. The policies are reviewed on a regular basis to ensure they reflect the council's goals and provide guidance about how to achieve the council's objectives.	Low	Agreed as per recommendation.	Housing Strategy and Systems Team Manager.	December 2022
A full review of the Former Tenants Recovery Procedure was last completed in January 2020 and the procedure guides do not contain version control to record when the procedure was created and document review dates.	2. A full review of the Former Tenants Recovery Procedure is completed to ensure it reflects changes following the implementation of the new housing management system (QL) and version control is incorporated in all procedure guides.	Low	Agreed as per recommendation.	Housing Strategy and Systems Team Manager.	December 2022

Control Objective	There are adequate separation of duties within the housing rents system and in particular between debit control and collection.				
Risks	There is inadequate separation of duties within the housing rents system, in particular between debit control and collection				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The structure and division of work between the Housing Strategy and Systems Team and Housing Management Team has not changed since the previous audit, however the parameters within the new housing management system (QL) do not support the separation of duties, in particular between debit control and collection.	3. System parameters are reviewed to ensure that an adequate separation of duties is present within the housing rents system.	Medium	Agreed as per recommendation.	Housing Strategy and Systems Team Manager.	July 2022

Appendix 1

Control Objective	Changes to accounts are controlled for e.g. tenancy dates, rents				
Risks	Unauthorised changes to accounts				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
Exception/Errors reports are not produced from the system to monitor key changes.	4. Reports should be produced, from the QL system, on a regular basis (such as tenancies created, postcode error, missing tenancy types, rent account name and salutation check and tenure types) so that data checks can be undertaken on changes in the system.	Medium	Agreed as per Recommendation	Housing Strategy and Systems Team Manager.	June 2022
Audit were unable to obtain documentation to confirm that the reconciliation of rents charged was completed and cannot give management assurance that dates, rents charged etc. on tenant's accounts had been carried forward from the previous system correctly due to lack of evidence.	5. The reconciliation of rents charged is completed as a matter of urgency or evidence is provided to ensure that the data imported into the QL system from Open Housing is complete and accurate.	High	Agreed as per recommendation.	Housing Strategy and Systems Team Manager and the Data Migration and Integration Lead.	June 2022

Control Objective	All types of arrears are pursued appropriately – current and former tenants.				
Risks	Non-payment of rent is not followed up promptly				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
There was no data available to confirm that rent arrears were brought forward correctly from the old Open Housing system to new QL system. The reconciliation provided shows variances between the systems but	6. A review of the reconciliations is carried out and relevantly documented to confirm that where variances have been identified they have	High	Agreed as per recommendation. We have now reconciled the balances and identified two missing tenancies (1 current	Housing Strategy and Systems Team Manager and the Data Migration and Integration Lead.	June 2022

Appendix 1

no explanation could be offered as to where these figures came from or what action was taken to rectify these variances.	been appropriately amended.		lifeline) as shared with TH 19th May. We are now planning the import but need to test the implications for the live system first		
--	-----------------------------	--	--	--	--

Control Objective	All write-offs are properly authorised				
Risks	Write-offs are not properly authorised				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The Non-rent Housing Debt Write Off and Former Tenants Arrears Recovery policies include posts that are no longer exist within the establishment and therefore do not accuracy document which officers are authorised to write off debts.	7. The Non-rent Housing Debt Write off and FTA Recovery policies are reviewed and updated.	Low	Agreed as per recommendation.	Housing Strategy and Systems Team Manager	December 2022
Data comparison testing found that not all write-offs had been recorded in the QL system.	8. A write-offs reconciliation is undertaken between the Open Housing and QL systems to ensure all data has been accurately transferred and any variances are rectified, and action taken is appropriately documented.	High	Agreed as per recommendation.	Housing Strategy and Systems Team Manager	Implemented

Appendix 1

Control Objective	Regular reconciliations are undertaken between the housing rents system and the cash receipting system.				
Risks	There are discrepancies between the housing system records and the cash receipting system and general ledger				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
There have been no reconciliations between the housing rents system and the cash receipting system since the implementation of QL. Reconciliations are not independently reviewed for accuracy.	9. Reconciliations are undertaken on a regular basis and are completed in a timely manner to ensure that any unusual transactions caused by fraud or accounting errors are identified and independently reviewed for accuracy.	Medium	Agreed Some have now taken place however there is an issue around timeliness.	Housing Strategy and Systems Team Manager/Exchequer Services Team Leader	June 2022

Control Objective	Regular reconciliations are undertaken between the housing rents system and the general ledger.				
Risks	There are discrepancies between the housing system records and the cash receipting system and general ledger				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
Reconciliations between the housing rents system and the general ledger are not undertaken.	10. A monthly reconciliation is completed and independently reviewed for accuracy to ensure that any unusual transactions caused by fraud or accounting errors are identified.	High	Agreed but this will be undertaken quarterly.	Finance Team Manager (Financial Planning)	October 2022.

Appendix 1

Control Objective	Access controls to the housing rents system are appropriate for the user requirements and ensure that the integrity of the system is maintained.				
Risks	Access to the system is not appropriately controlled				
Observation	Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
There is no process in place to ensure leavers access is revoked.	11. Appropriate procedures are implemented to ensure leavers are identified and access revoked; which should include a regular review of the system access list.	Medium	Review and liaison with IT	Housing Strategy and Systems Team Manager and ICT Team Manager.	July 2022
<p>Reviews of the access data and discussions with appropriate officers identified:</p> <ul style="list-style-type: none"> • a significant number of users (38) who are able to change system parameters; • 10 workgroups created for the implementation project which may no longer be required; • 3 large user groups including housing management, described as a 'catch all' user group with 119 users; • 8 officers who have access to both Housing Management and Rent Accounting which does not provide adequate separation of duties between debit control and income collection. 	12. A cleansing exercise be undertaken on the system, in conjunction with recommendation 3, which should include the removal of leavers, a review of the work groups, the access within the system for that group and who has access to it.	High	Agreed as per recommendation.	Housing Strategy and Systems Team Manager.	<p>July 2022 Initial review of existing permissions 30th June 2022 Amendments to existing and creation of new groups if required 31st July 2022</p>

RECOMMENDATIONS TRACKER – OVERDUE RECOMMENDATIONS AS AT 30th JUNE 2022

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date
2020/21	Safeguarding	The Recruitment Policy should be updated and include safer recruitment processes which should be undertaken when recruiting to posts that have contact with vulnerable groups.	High	Agreed	Head of HR & Organisational Development	Jun-21	This hasn't yet been redrafted as advised this will follow on from the update of the DBS Policy.	Dec-21	Guidelines have been written but a review of these highlighted that there was no reference to safer recruitment. Awaiting further update.	Jun-22
2021/22	Corporate Risk Management	A review of the training available is carried out to ensure that all officers and members receive the right level of risk management training, appropriate to their job role/ position.	Medium	Staff Training - Agreed, will look at introducing an eLearning module as an overview for all staff, additionally will look to include something a little more detailed in the management training pack that is currently being developed. Members Training - We will run an "introduction to Audit & Governance Committee" session following the elections in 2023 as	Head of HR Head of Legal, Audit Manager, Head of Finance, Strategic Director of Housing & Customer Services Democratic Services Manager	May-22	Staff training - To be part of the NWL Leaders programme and training will take place for all leaders (100 managers) in September 2022.	Oct-22		

Appendix 1

			<p>part of the member induction process. This session will be open to all members. It will cover an introduction to the work of the Committee in terms of finance, internal and external audit, risk management and standards/member conduct.</p> <p>More detailed training will be provided to members of the Audit and Governance Committee as part of the induction process. Democratic services have been requested to include both sessions in the induction programme, and they will contact lead officers for the details/dates nearer the time</p>						
--	--	--	--	--	--	--	--	--	--

2022/23 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 30/06/2022	Comments
Achievement of the Internal Audit Plan	12.5%	1 audit in progress, certification work has been completed and the remaining audits from 2021/22 were completed during quarter 1.
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
Annual Opinion Report - July 2021 Audit and Standards Committee Meeting	Achieved	
100% Customer Satisfaction with the Internal Audit Service	100%	Based on 6 for 21/22.
Compliance with Public Sector Internal Audit Standards	Conforms	External inspection carried out w/c 30 th November 2020 which confirmed that we conform with the Public Sector Internal Audit Standards.