



# **INTERNAL AUDIT SHARED SERVICE**

**Charnwood Borough Council**

**Internal Audit Progress Report 2022/23 Q4**

## **1. Introduction**

- 1.1 Internal Audit is provided through a shared service arrangement by North West Leicestershire District Council. 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 update on Internal Audit activity during 2022/23 Q4.

## **2. Internal Audit Plan Update**

- 2.1 The 2022/23 audit plan is included in Appendix A for information and shows the audits in progress. Since the last update report eight final audit reports have been issued from the 2022/23 plan.
- Benefits – Reasonable assurance
  - Council Tax – Reasonable assurance
  - NNDR – Reasonable assurance
  - Creditors – Reasonable assurance
  - Debtors – Substantial assurance
  - Treasury Management – Reasonable assurance
  - S106 agreements – Limited assurance
  - Planned Maintenance – Limited assurance

The executive summaries for these reports are included at Appendix B

## **3.0 Outstanding Recommendations**

- 3.1 Internal Audit monitor and follow up critical, high and medium priority recommendations. There are 19 overdue recommendations which are detailed in Appendix C for information.

## **4.0 Internal Audit Performance Indicators**

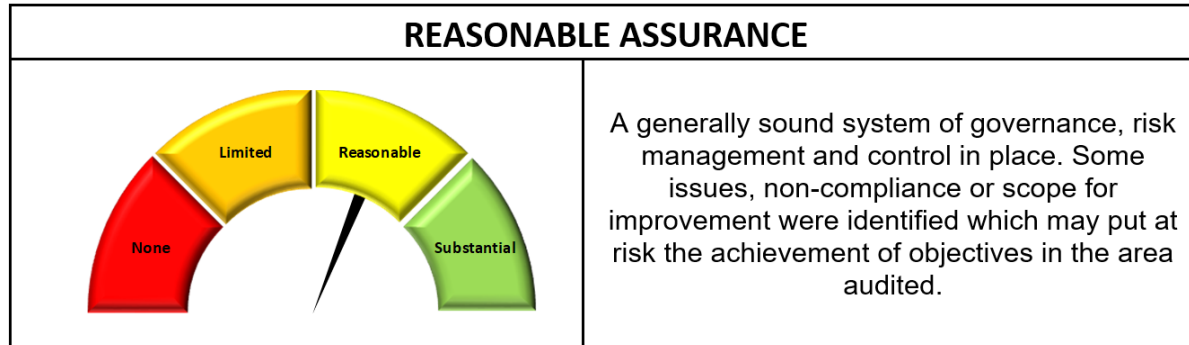
- 4.1 Progress against the agreed Internal Audit performance indicators is included in Appendix D. There are no areas of concern to highlight.

## AUDIT PLAN AS AT 31 MARCH 2023

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Disabled Facilities Grants	Certification & audit	6	3	Completed	N/A	-	-	-	-	
S106 Agreements	Audit	6	20	Completed	Limited	-	5	4	2	
Open Spaces Contract Management	Audit	7	10	Completed	Substantial	-	-	1	-	
Town Hall	Audit	10	1	Cancelled						Cancelled due to fire
Key Financial Systems										
• Benefits	Audit	3	6	Completed	Reasonable	-	1	1	-	
• Council Tax	Audit	3	5.5	Completed	Reasonable	-	1	3	1	
• NNDR	Audit	8	11.5	Completed	Reasonable	-	1	-	-	
• Income Collection	Audit	3	5	Report drafting						
• Creditors	Audit	8	13.5	Completed	Reasonable	-	3	3	-	
• Debtors	Audit	3	5.5	Completed	Substantial	-	-	2	1	
• Main Accounting/ Budgetary Control	Audit	8	4	In progress						
• Payroll	Audit	3	3	In progress						
• Rent Accounting	Audit	3	0.5	In progress						
• Treasury Management	Audit	3	3	Completed	Reasonable	-	-	4	1	
Capital Programmes	Audit	10	5.5	Report drafting						
Covid-19 related assurance work	Assurance	20	18	As required						
Benefits Subsidy	Assurance	60	45	Completed	N/A	-	-	-	-	
Planned & Cyclical Maintenance Q1	Audit	8	8	Completed	Reasonable	-	-	2	-	
Planned & Cyclical Maintenance Q2	Audit	8	10	Completed	Limited	-	1	4	1	
Planned & Cyclical Maintenance Q3	Audit	8	-	Q3						Moved to 23/24 due to the timing of the mobilisation of the contractors
Planned & Cyclical	Audit	6	-	Q4						Moved to 23/24 due to the

Maintenance Q4											timing of the mobilisation of the contractors
Responsive Repairs Q1	Audit	8	12	Completed	Limited	-	8	2	-		
Responsive Repairs Q2	Audit	8	13	Completed	Limited	-	3	4	1		
Responsive Repairs Q3	Audit	8		In progress							
Responsive Repairs Q4	Audit	6	-	Q4							Moved to 23/24 due to the timing of the mobilisation of the contractors
Workforce Planning	Audit	10	1	In progress							
National Fraud Initiative	Non audit	20	2	As required							
IT Key Controls Audit	Audit	10	-	IT Audit Contractor							Draft Report
IT Cyber Security	Audit	10	-	IT Audit Contactor							Draft Report

**Benefits**



**Key Findings**

Areas of positive assurance identified during the audit:

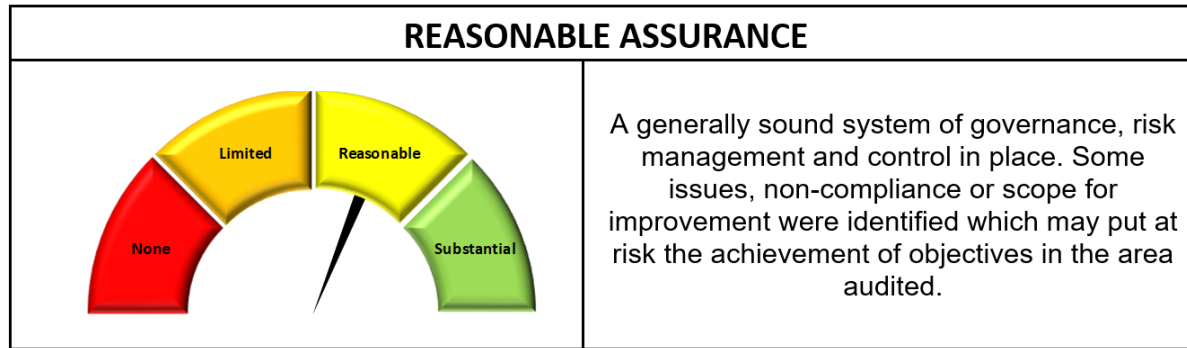
- The annual uplift of the benefit rates for 2022/23 was accurately uploaded to the benefits system.
- The Benefits system is regularly reconciled to the general ledger.

The main areas identified for improvement are:

- Management checks are not carried out as per the agreed performance indicators.
- System access is not regularly reviewed for appropriateness.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1. Management checks are carried out and appropriately reported as per KPI 007.	High	Agreed. Commenced again in January 2023.	Customer Experience Manager.	March 2023.
2. System access is regularly reviewed to ensure that Officers have appropriate access permissions in accordance with their role.	Medium	Agreed.	Customer Experience Manager.	April 2023

## Council Tax



## Key Findings

Areas of positive assurance identified during the audit:

- Appropriate checks have been completed to ensure the system has been accurately updated to reflect the council tax charges for the current year.
- Council tax charges were appropriately approved in accordance with the Constitution.
- Checks are carried and evidenced to ensure accuracy of billing.
- Valuation Office schedules are actioned timely, reconciled to the system and appropriately evidenced.
- The suspense account is regularly reviewed.
- The Council Tax system is regularly reconciled to its feeder systems and the general ledger.

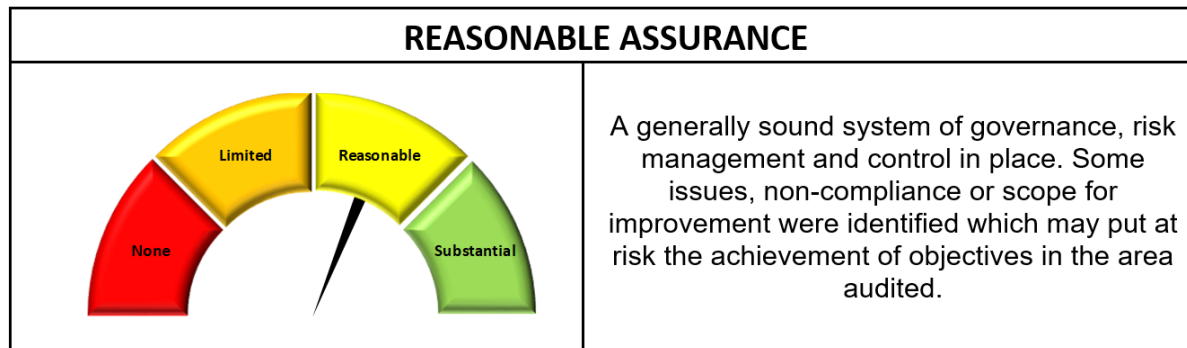
The main areas identified for improvement are:

- Reconciliation review dates need recording.
- Contract monitoring needs to be formally documented.
- The number of assessment checks completed needs increasing.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Reconciliation review dates are recorded to document the review was undertaken in a timely manner.	Low	Agreed.	Contract Manager (Capita).	March 2023.
2. As part of the annual access review, the contract officer reviews access levels and confirms with managers that that access is appropriate to the job role. The contract officer should have an understanding of the access level groups to enable them to complete this task.	Medium	Agreed.	Customer Experience Manager.	April 2023.
3. A meetings schedule is produced to ensure meetings take place in accordance with the contract.	Medium	Six monthly updates are received from the Management Director and Client Officer. If needed a meeting will be called as matters arise. Contract management meetings are scheduled for the 10 <sup>th</sup> of each month. The Partnership Board meetings have not been continued as it was not deemed to be necessary due to the stable nature of the contract. As an alternative to these meetings the Director of Customer Experience receives 6 monthly company updates from the Capita Management Director and Client Partner. If required meetings will be called as matters arise.	Director of Customer Experience and Customer Experience Manager.	Implemented as far as possible.
4. Documentation is retained to show that performance is discussed, at the various meetings and agreed improvements are recorded and shared for review and update at the next meeting.	Medium	Actions at present are noted by the Director of Customer Experience, moving forward any actions from these meetings will be added to the bottom of the monthly performance.	Director of Customer Experience.	May 2023.
5. Accuracy checks are completed, in accordance with the contract.	High	Agreed. Checks have been completed since January 2023.	Customer Experience Manager.	March 2023.



## NNDR



### 1.1 Key Findings

Areas of positive assurance identified during the audit:

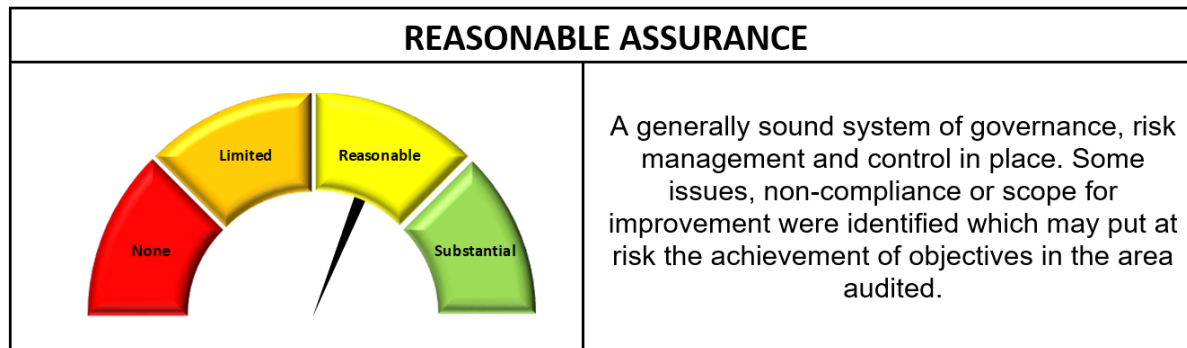
- There is adequate separation of duties between billing, collection and recording of income, and recording of transactions.
- There are adequate arrangements in place to receive information.
- The system has been accurately updated ensuring that the rates and reliefs accurately reflect legislation.
- The NNDR system is regularly reconciled to the Valuation Office records.
- Regular reconciliations are undertaken between the NNDR system, cash receipting and general ledger.
- There are adequate arrangements to confirm the status of properties and officers are preventing loss of income through fraud.
- There are adequate controls in place for recovery of arrears and to ensure that write-offs and refunds are recorded, monitored and authorised.
- The suspense account is reviewed and cleared on a regular, timely basis.
- There are adequate procedures in place to identify processing errors.

The main areas identified for improvement are:

- Declarations should be received from ratepayers for discounts awarded under the Government's Retail, Hospitality and Leisure Scheme.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>A declaration is requested for all retail, hospitality and leisure discounts, confirming that the business complies with the cash cap and exemption threshold. Awards should not be made until receipt of the declaration.</p>	<p>High</p>	<p>The proposal to address this would be that with the letters that we send out this year (as billing has already taken place) we have some very specific wording that states that by accepting the discount this is their declaration that they meet the requirements of the scheme and include a form to return to us if they believe they don't. This fits in with what many authorities have done and addresses the significant concerns about the resources and actions required if we were to ask all 573 businesses to return a slip that would then need to be processed and chased etc if not provided etc. I believe this meets the requirements of the scheme and would increase the proposed assurance level given.</p>	<p>Director of Customer Experience and Capita Contract Manager.</p>	<p>May 2023.</p>

## Creditors



## Key Findings

Areas of positive assurance identified during the audit:

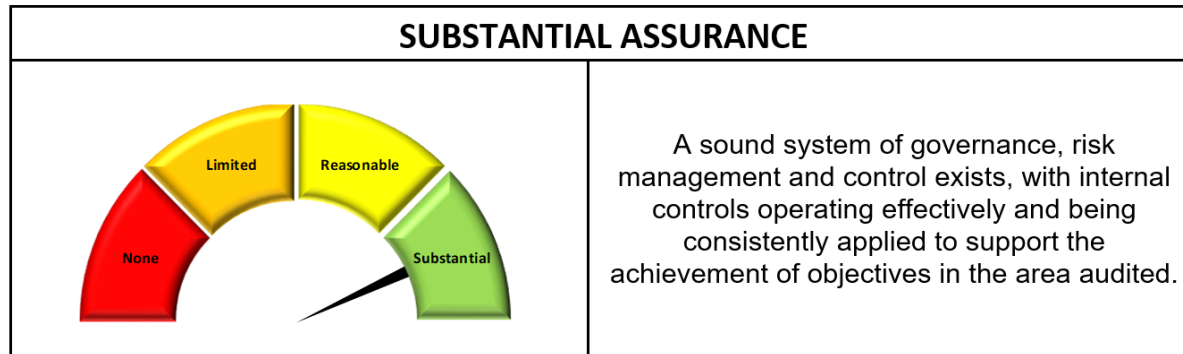
- There are comprehensive, up to date, policies and procedures that are accessible to staff.
- Segregation of duties exists between the ordering/payment of goods and services and the recording of transactions in the accounts of the Authority.
- Invoices are available to support payments, have been checked and authorised and coded to the appropriate service.
- Blank cheques are stored securely and logged as issued.
- There are adequate procedures in place for dealing with spoilt cheques.
- Open orders are periodically reviewed and closed if no longer required.
- There are adequate procedures in place for adding new and amending existing suppliers.
- Regular reconciliations are being undertaken between the creditors system the general ledger and the bank account.
- User access is controlled and monitored for appropriateness.

The main areas identified for improvement are:

- The segregation of duties between those raising orders and those authorising purchases need to be strengthened.
- Financial Procedure Rules are not regularly reviewed and updated.
- The approved signatories list needs reviewing to ensure officers listed and authorisation levels remain appropriate.
- Credit card applications should be processed and documented in accordance with policy and card monitoring procedures reviewed.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1. Consideration is given to amending access levels to the system to ensure there is a clear segregation of duties between the raising and authorising of orders.	Medium	Management accept the risk within the system. There are other mitigating actions within the payment processes. For example, controls with setting up new suppliers. Reminders of best practice will be sent to SLT/CLT and targeted emails to those officers that currently raising and authorising invoices themselves.	Head of Financial Services	February 2023
2. A review of the financial procedure rules and approved signatories list should be undertaken to ensure that changes are relevantly documented and approved.	High	Agreed. The Group Accountant's access will be removed from the creditors system to ensure an adequate segregation of duties exists.	Head of Financial Services	March 2023
3. Appropriate authorisation is obtained before BACS payments are made, in accordance with Financial Procedure Rules and the authorised signatories list.	High	Agreed.	Senior Payments Officer	February 2023
4. Cheque runs are authorised in accordance with financial procedure rules.	High	Will implement authorisation process.	Senior Payments Officer	February 2023
5. All credit card applications are processed in accordance with the policy and appropriate documentation retained to demonstrate this.	Medium	Review the process for authorising the card and limits and the policy will be updated to reflect this.	Head of Financial Services	March 2023
6. Credit card monitoring procedures are reviewed to ensure monthly expenditure is adequately checked, including the receipt of appropriate supporting documentation and reasonableness of the purchases made.	Medium	Review the process to include budget holders/Line Managers to do some checks for reasonableness/ supporting documentation and update the policy to reflect any changes.	Head of Financial Services	March 2023

## Debtors



### 1.2 Key Findings

Areas of positive assurance identified during the audit:

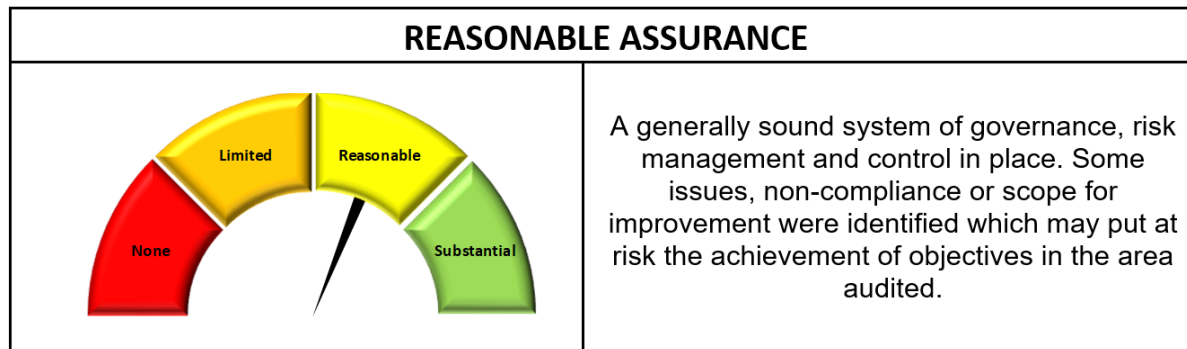
- There is a Sundry Debt Policy which is regularly reviewed and easily accessible to staff.
- Regular reconciliations are being undertaken between the debtor's system, the cash receipting system and the general ledger.
- Suspense accounts are reviewed and cleared regularly.
- There is adequate separation of duties between supply of services, raising of invoices, and recording of income.
- Invoices are raised promptly and accurately.
- User access is relevantly controlled.

The main areas identified for improvement are:

- Performance targets and reporting.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1.The Sundry Debtor suspense account should be reviewed for historic items and action taken as appropriate.	Low	This balance will be investigated, and action taken as appropriate.	Senior Income Officer	31 <sup>st</sup> March 2023
2. Provision of sundry debt performance information to the Finance and Performance Scrutiny Committee should be resumed.	Medium	Reporting to the Finance and Performance Scrutiny should have continued in 2022/23 but due to miscommunication this has not happened. Reporting is to be resumed from Q3 and will be reported to the committee at their meeting on 15 <sup>th</sup> March 2023.	Head of Financial Services	31 <sup>st</sup> March 2023
3. Appropriate targets should be set to measure the performance in relation to Sundry Debt Recovery.	Medium	Partially agreed. It is difficult to see the benefits of setting target rates for collection of Sundry Debts. Percentage collection rates will be reviewed on a quarterly basis with explanations noted should there be any significant variances. Year on year comparison of collection rates will continue.	Head of Financial Services	Immediate and ongoing.

## Treasury Management



### 1.3 Key Findings

Areas of positive assurance identified during the audit:

- The Capital and Treasury Management Strategies are adequate and up to date.
- There is a Treasury Management Policy in place that has been approved in accordance with the Constitution and complies with the CIPFA Code of Practice 2021.
- There is adequate segregation of duties within the loans and investments process.
- Registers of loans and investments are maintained.
- Investments have been made in line with policy and have been correctly authorised and processed.
- System access is restricted and users access is appropriate to job roles.

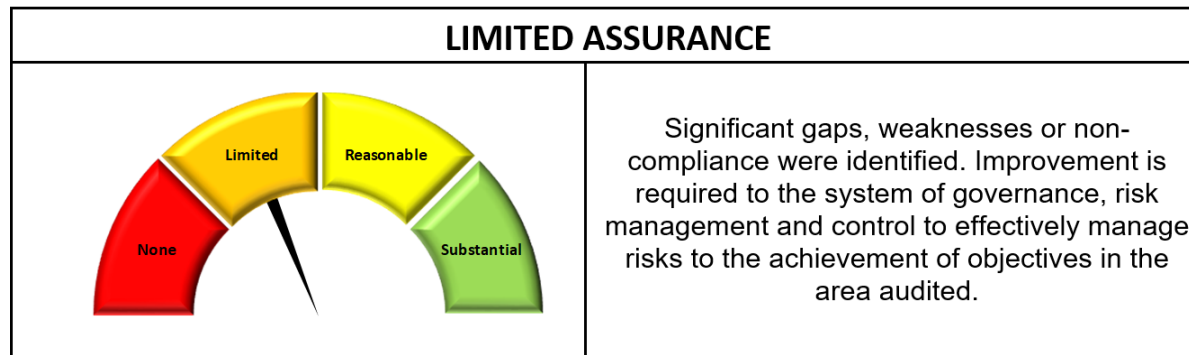
The main areas identified for improvement are:

- Quarterly reconciliations need to be independently reviewed in a timely manner.
- The Treasury Management Practices document is reviewed and updated.
- Fidelity Guarantee Insurance designated officers are updated with the insurers.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1. The Treasury Management Practices document is reviewed to ensure it complies with 2021 CIPFA Treasury Management Code.	Medium	Agreed as per recommendation. The Treasury Management Strategy has already been updated in line with the CIPFA Code and was approved by Council in February 2023.	Head of Finance and Senior Income Officer.	May 2023
2. Procedure guides are dated to confirm that they are regularly reviewed.	Low	Agreed.	Senior Income Officer.	May 2023
3. The fidelity insurance is updated to reflect the new job titles.	Medium	The fidelity insurance has now been updated.	Insurance Officer	Implemented
4. Officers are reminded of the requirement to update the Insurance Officer of any changes within their service which could have an impact on the insurance cover.	Medium	Agreed - The Insurance Officer will send out quarterly reminders to officers regarding updating of any changes. The Insurance Officer will also send out an annual review to relevant officers to confirm that insurance is correct and appropriate. It is also intended that the Insurance Officer will attend meetings with services to discuss and agree insurance arrangements, and that an introduction to insurance will be included in the new starter induction programme.	Insurance Officer	June 2023
4. The review of reconciliations is carried out in a timely manner at the end of the quarter to ensure any inaccuracies are identified at the earliest opportunity.	Medium	Agreed as per recommendation.	Head of Finance.	Implemented.



## S106 Agreements



### Key Findings

Areas of positive assurance identified during the audit:

- Relevant strategies and policies are up to date and a new local plan is currently being developed.

The main areas identified for improvement are:

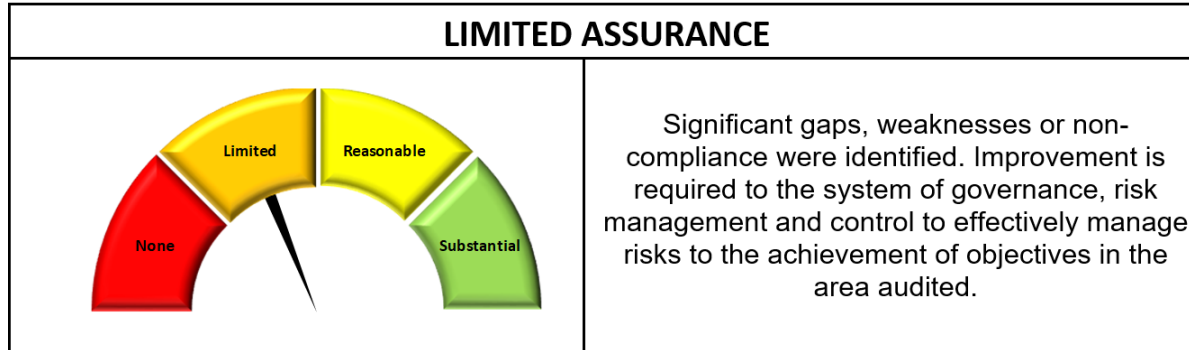
- Key documentation needs to be retained in one location.
- Systems need reviewing to ensure that they are being utilised to their full potential.
- The working group requires review following the departure of some key officers.
- The information on the financial monitoring spreadsheet needs to be more concise.
- Senior management and/or members receive updates for scrutiny.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Procedures are reviewed on a regular basis and version control is added.	Low	A review of the processes in currently in progress.	S106 Development Contributions Monitoring Officer	March 2024
2. A review of system capabilities and processes followed within each section that has involvement with S106 agreements is carried out with the aim of reducing duplication and streamlining the process to hold all information and documentation in one central location for efficiency and effectiveness, to reduce the risk of error and to assist in the management and monitoring of the S106 agreements.	High	Agreed in principle. There is a centralised planning file for each S106 agreement. A review is to be completed to ensure consistency in documentation retention on the planning file.	Group Leader - Development Management	May 2023
3. Relevant reporting options are developed to enable appropriate data to be extracted; eliminating the need for separate spreadsheets and trackers and enable reliable, timely and appropriate information to be provided to the working group.	High	The monitoring spreadsheet that is used by the working group is the single source however, since the restructure the progress updates in this spreadsheet have not been fully updated. When the working group is reinstated the monitoring spreadsheet will be updated and re-implemented. Current IT systems are being reviewed to see what opportunities there are for streamlining data sets.	Chair of the S106 Working Group.	May 2023
4. The contents of the financial monitoring spreadsheet are reviewed to ensure only necessary information is recorded to monitor unspent contributions received.	Medium	Agreed that a meeting will be set up to review the contents and amend/simplify the details within the spreadsheet.	Head of Financial Services and Head of Planning and Growth.	March 2023

5. In conjunction with recommendation 4 above, a review of access to the spreadsheet is carried out and only appropriate officers have permissions to amend.	Low	Restricted access is now in place. Access has been granted to the Senior Accountancy Assistant, the Planning Enforcement Officer and S106 Development Contributions Monitoring Officer.	Head of Financial Services	Implemented
6. Management consider introducing a requirement in the local validation list for the submission of Heads of Terms as part of the suite of documents submitted with relevant planning applications.	Medium	Agreed. This is currently being worked on.	Group Leader - Development Manager	June 2023
7. The officers' report template is reviewed and the potential for populating the report from data extracted from M3 investigated.	Medium	The report template has now been reviewed and is in use. M3 is due to be replaced soon and therefore not really relevant to use. Currently not sure if this would be possible with the new system to be implemented.	N/A	Implemented as far as possible
8. The document management system (Enterprise Information at Work) is utilised to its full potential, and work instructions are prepared to make clear that all documentation relating to the planning file are stored centrally so that they are available to all relevant officers.	High	Agreed, this should be done. A work instruction will be given and it will be included in the DM Operational guidance manual.	Group Leader - Development Manager	March 2023
9. In line with government guidance, a model agreement is developed to assist with the process of agreeing planning obligations, ensuring obligations are enforceable and agreements are consistent.	Medium	Agreed. Work has started on this area.	Group Leader - Development Manager	March 2023

This should be made publicly available to help with the planning application process.				
10. The constitution of the group is reviewed, and a Terms of Reference is produced, which sets out membership, the groups objectives, working arrangements, members responsibilities and a meeting schedule.	High	Agreed. In progress	Head of Planning and Growth	March 2023
11. Quarterly update reports are produced to advise senior management and relevant committees of the status and utilisation of Section 106 agreements.	High	Briefings are carried out to the lead member. The Director of Customer Experience is Chair of the working group and therefore any issues will be reported to SLT through this channel. Agree the annual monitoring report will be presented to the Finance & Performance Scrutiny Committee.	Head of Planning and Growth	October 2023 For this year and then going forward the annual meeting in June.

## Planned Maintenance Q3 – Heating



### 1.4 Key Findings

Areas of positive assurance identified during the audit:

- Relevant checks are being carried out prior to payment being made and all invoices are relevantly authorised.
- Quotations are reviewed and any amendments to work are approved through the quotations process.
- Appropriate certificates and documentation are being received and retained.

The main areas identified for improvement are:

- Procedure guides need creating or require further development.
- Key documents within the payment process need dating.
- The inspection process needs further development, to ensure snagging works are identified and monitored.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1. All key procedures are documented and made accessible to staff, these should support relevant policies and tenancy guides.	Low	Process guides are now in place for boiler installations and the valuation process. Processes still need developing in respect of the use of the inspections app, inspection process, and for monitoring of snagging works.	Compliance Manager	October 2023
2. A review of the QL system is completed to ensure that all data is accurately recorded and updated appropriately.	Medium	Monthly uploads will be completed of installation dates by the housing systems team. Manual updates to the system have commenced.	Repairs and Investments Manager	June 2023
3. An appropriate filing system is introduced which clearly identifies key documents.	Medium	Identified as a training issue rather than the filing system and this has been resolved. Valuation procedure guide clearly states which documents should be used and where they are filed.	Compliance Manager	Implemented.
4. Inspection processes need further development to ensure all documentation is retained and accessible to enable snagging works to be identified and if necessary for future scrutiny.	High	The electronic inspection process is now in place. Inspections are now carried out via an app using inspection forms and inspection details are recorded in Microsoft lists. With the introduction of the inspection app and Microsoft lists snagging can now be identified and monitored. Recruitment is in progress for a new compliance surveyor, which could take some time. In the interim the councils gas auditors will audit installations.	Compliance Manager	October 2023
5. Customer satisfaction surveys are issued to all tenants following installation.	Medium	Agreed.	Repairs and Investments Manager	October 2023.
6. All documentation should be dated to ensure payments are made in accordance with the contract payment mechanism.	Medium	Emails are now saved to record the date of receipt.	Compliance Manager	Implemented.

**RECOMMENDATIONS TRACKER – OVERDUE RECOMMENDATIONS AS AT 31 MARCH 2023  
(CRITICAL, HIGH AND MEDIUM PRIORITY)**

**APPENDIX C**

<b>Audit Year</b>	<b>Audit</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Response/ Agreed Action</b>	<b>Responsible Officer</b>	<b>Original Due Date</b>	<b>1st Follow up comments</b>	<b>Ext Date</b>	<b>Second Follow up comments</b>	<b>Ext Date</b>	<b>Further Management update</b>	<b>Further Ext Date</b>
2021/22	Choice Based Lettings	4. A review of all applications within the register where banding has expired is undertaken to identify applicants whose banding needs to be extended or reduced and whether their circumstances have changed, in accordance with housing allocation policy.	High	Agreed	Housing Needs Manager and Housing Allocations Team Leader	Dec-22	04.01.23 - no response received to email of 01.12.22 18.01.23 - Significant staffing shortage with team had led to reduced capacity to address the recommendation. Number of cases requiring review has reduced but not significant progress has been made.	Mar-23				
2021/22	Choice Based Lettings	7. An exercise is completed to ensure all active applicants have an appropriate band expiry date recorded on the system.	High	Agreed	Housing Needs Manager and Housing Allocations Team Leader	Dec-22	04.01.23 - no response received to email of 01.12.22 18.01.23 - Significant staffing shortage with team had led to reduced capacity to address the recommendation. Number of cases requiring review has reduced but no significant progress has been made.	Mar-23				

2021/22	Asset Management	<p>1. Officers ensure that a new Asset Management Strategy is produced and approved in time to replace the current strategy and that it becomes a working document that is updated as the priorities of the council develop over the time.</p> <p>Management should consider existing resources, such as the Royal Institution of Chartered Surveyors Asset Management Guidelines and Department of Communities and Local Government framework for Local Authorities on Asset Management when developing the Strategy and any related documents.</p>	High	A revised Strategy, with guiding principles rather than a list of objectives, will be put in place to lead the council forward	Strategic Director of Commercial Development , Asset and Leisure	Apr-22	No response received	May-22	No response received	Jun-22	Work environments have not allowed this to be recorded as yet but basic principles of law and regs are underpinning the asset in situ. Those assets surplus to req are being brought to cabinet to be declared with a view to sell. Guidance and statute are being followed and best value being achieved, assets with tenants are being managed in accordance with their lease and the obligations with the council there in.	March 2023 due to other more pressing work commitments
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2021/22	Asset Management	2. Officers ensure that all policies and documents are in place, up to date and available to support the progression of the strategy.	High	As per recommendation one.	Strategic Director of Commercial Development , Asset and Leisure	Apr-22	No response received	May-22	No response received	Jun-22	All currently linked policies are in place in relation to env management. These will be decoupled from the future strategy and only relevant policies written and maintained given that regs are in place to support strategy	March 2023 due to other more pressing work commitments
2021/22	Asset Management	3. The processes in place for managing the asset information are formalised. These processes should at least describe how council's collect, analyse and evaluate the information to ensure decision making is evidence based and identifies the roles and responsibilities of the officers involved in those processes	High	Relevant processes will be put in place as per response to recommendation one.	Strategic Director of Commercial Development , Asset and Leisure	Apr-22	No response received	May-22	No response received	Jun-22	To be developed in line with the strategy in rec 1	March 2023 due to other more pressing work commitments

2021/22	Asset Management	7. Management develops a comprehensive single source of data to track and record assets which allows them to see a complete picture for each asset in real time, which can be used to support the Asset Management Action Plan and give assurance that the authority is meeting their legal responsibilities	High	Agreed	Strategic Director of Commercial Development , Asset and Leisure and Strategic Asset Manager	Sep-22	A compliance folder is now in place but further work is required to develop a single source of data.	Dec-22	Compliance data needs to be compiled and completed in the asset register.	Mar-23		
2021/22	Commercial Lettings	1. A full set of procedure documents should be in place which cover all key aspects of the Commercial Lettings area.	Medium	Agreed to implement local procedures to cover areas.	Strategic Asset Manager, Business Centre / Ind Managers and Senior Property and Asset Officer.	Dec-21	No response received	Mar-22	No response received	Apr-22	Currently drawing up a new set of templates to be used. The procedure documents will then follow.	01/11/2022 March 2023

2021/22	Commercial Lettings	2. Increases in rent charges should be calculated in line with Section 7 of the lease agreement. Details of how the increase has been calculated should be retained. The decision as to whether or not to increase rents should be formally documented and appropriately agreed.	Medium	Flat 3% increase applied for 3 years to 20/21 due to no previous increases being made. Going forward rent increases will be carried out in line with the lease agreement.	Strategic Director of Commercial Development , Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	As at 11th August 2022 no rent reviews have been completed but work is being carried out to review the rents.	01/11/2022 March 2023
2021/22	Commercial Lettings	3. A valuation of the Commercial Units should be undertaken in order to compare the rents currently charged for units to market rents. This exercise should be repeated at regular intervals, e.g. every five years, to provide assurance that the rents charged are in line with achievable income.	Medium	Agreed – will instruct external company for a comparable to be carried out.	Strategic Director of Commercial Development , Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	No progress has been made in relation to this.	01/12/2022 March 2023

2021/22	Commercial Lettings	4. A breakdown of all service costs is calculated to ensure it covers all rechargeable cost, as per the lease agreement. This is then provided to the tenant two months prior to the service charge review date, again, as per the lease agreement.	High	Agreed, a process will be implemented across all teams. As leases expire these will be reviewed and brought into line with the process.	Strategic Director of Commercial Development, Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	As at 11th August 2022 no rent reviews have been completed but work is being carried out to review the rents.	01/11/2022 March 2023
2021/22	Commercial Lettings	6. The performance measures report showing occupancy rates should be provided to Management on a regular basis e.g. monthly / quarterly as agreed	Medium	Agreed	Strategic Asset Manager	Dec-22	Extended as per Director request	Mar-23				

2021/22	Commercial Lettings	7. Management develops a comprehensive single source of data to track and record assets which allows them to see a complete picture for each asset in real time, which can be used to support the Asset Management Action Plan and give assurance that the authority is meeting their legal responsibilities.	High	Agreed, for the proportion that are controlled by the authority and where it is the tenant's responsibility evidence will be requested from the tenant.	Strategic Director of Commercial Development , Asset and Leisure and Strategic Asset Manager.	Apr-22	No response received	May-22	No response received	Jun-22	Due to staffing issues there has been no progress on this recommendation. A new surveyor has now been appointed and therefore progress is expected.	01/02/2023 March 2023
2022/23	Debtors	2. Provision of sundry debt performance information to the Finance and Performance Scrutiny Committee should be resumed	Medium	Reporting to the Finance and Performance Scrutiny should have continued in 2022/23 but due to miscommunication this has not happened. Reporting is to be resumed from Q3 and will be reported to the committee	Head of Financial Services	Mar-23						

				at their meeting on 15 <sup>th</sup> March 2023.								
2022/23	Creditors	1. Consideration is given to amending access levels to the system to ensure there is a clear segregation of duties between the raising and authorising of orders.	Medium	Management accept the risk within the system. There are other mitigating actions within the payment processes. For example, controls with setting up new suppliers. Reminders of best practice will be sent to SLT/CLT and targeted emails to those officers that currently raising and authorising invoices themselves.	Head of Financial Services	Feb-23	No response reminder issued 01.03.23					

2022/23	Creditors	5. All credit card applications are processed in accordance with the policy and appropriate documentation retained to demonstrate this.	Medium	Review the process for authorising the card and limits and the policy will be updated to reflect this.	Head of Financial Services	Mar-23						
2022/23	Creditors	6. Credit card monitoring procedures are reviewed to ensure monthly expenditure is adequately checked, including the receipt of appropriate supporting documentation and reasonableness of the purchases made.	Medium	Review the process to include budget holders/Line Managers to do some checks for reasonableness/ supporting documentation and update the policy to reflect any changes.	Head of Financial Services	Mar-23						
2022/23	S106 Agreements	9. In line with government guidance, a model agreement is developed to assist with the process of agreeing planning obligations, ensuring obligations are enforceable and agreements are consistent. This should be	Medium	Agreed. Work has started on this area.	Group Leader - Development Management	Mar-23						

		made publicly available to help with the planning application process										
2022/23	Benefits	1. Management checks are carried out and appropriately reported as per KPI 007.	High	Agreed. Commenced again in January 2023.	Customer Experience Manager.	Mar-23						
2022/23	Council Tax	5. Accuracy checks are completed, in accordance with the contract.	High	Agreed. Checks have been completed since January 2023.	Customer Experience Manager.	Mar-23						



## INTERNAL AUDIT PERFORMANCE INDICATORS

PERFORMANCE MEASURE	POSITION AS AT 31 MARCH 2023	COMMENTS
Delivery of 2022/23 Audit Plan	73%	
Percentage of Client Satisfaction with the Internal Audit Service	100%	2 responses received for 2022/23
Compliance with the Internal Audit Standards	Conforms	Inspection took place w/c 30 <sup>th</sup> November 2020. Internal Audit Service conforms to the Public Sector Internal Audit Standards.
Compliance testing of completed recommendations	100%	