Southern Internal Audit Partnership

Assurance through excellence and innovation

ARUN DISTRICT COUNCIL

ANNUAL INTERNAL AUDIT REPORT & OPINION 2022-2023

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May 2023

Contents

1. Role of Internal Audit

The Council is required by the Accounts and Audit (England) Regulations 2015, to

'undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

In fulfilling this requirement, the Council should have regard to the Public Sector Internal Audit Standards (PSIAS), as the internal audit standards set for local government. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.

The role of internal audit is best summarised through its definition within the Standards, as an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations' objectives.

2. Internal Audit Approach

To enable effective outcomes, internal audit provides a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary. A full range of internal audit services is provided in forming the annual opinion.

As the Chief Internal Auditor, I review the approach to each audit, considering the following key points:

- Level of assurance required.
- Significance of the objectives under review to the organisations' success.
- Risks inherent in the achievement of objectives.
- Level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.

The Southern Internal Audit Partnership (SIAP) maintain an agile approach to audit, seeking to maximise efficiencies and effectiveness in balancing the time and resource commitments of our clients, with the necessity to provide comprehensive, compliant and value adding assurance.
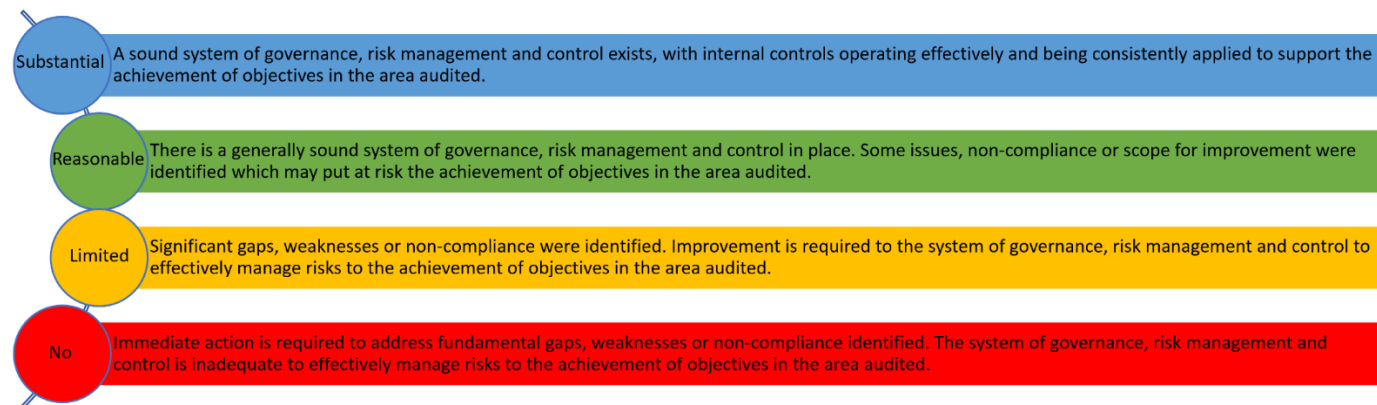
Working practices have been reviewed, modified and agreed with all partners following the impact and lessons learned from the COVID-19 pandemic and as a result we have sought to optimise the use of virtual technologies to communicate with key contacts and in completion of our fieldwork. However, the need for site visits to complete elements of testing continues to be assessed and agreed on a case-by-case basis.

3. Internal Audit Coverage

The annual internal audit plan was prepared to take account of the characteristics and relative risks of the Council's activities and to support the preparation of the Annual Governance Statement. Work has been planned and performed to obtain sufficient evidence to provide reasonable assurance that the internal control system is operating effectively.

The 2022-23 internal audit plan was considered by the Audit and Governance Committee in July 2022. It was informed by internal audit's own assessment of risk and materiality in addition to consultation with management to ensure it aligned to key risks facing the organisation. The plan has remained fluid throughout the year to maintain an effective focus and ensure that it continues to provide assurance, as required, over new or emerging challenges and risks that management need to consider, manage, and mitigate. Changes made to the plan were agreed with the Senior Management Team and reported in detail to the Audit and Governance Committee in the internal audit progress reports which were reviewed at each meeting.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

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 — 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.

4. Internal Audit Opinion

As Chief Internal Auditor, I am responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform their annual governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisations' framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate;
- the extent of resources available to deliver the internal audit work;
- the quality and performance of the internal audit service and the extent of compliance with the Standards; and
- the proportion of the Council's audit need that has been covered within the period.

We enjoy an open and honest working relationship with the Council. Our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance raised by management to ensure that ongoing organisational improvements can be achieved. I feel that the maturity of this relationship and the Council's effective use of internal audit has assisted in identifying and putting in place action to mitigate weaknesses impacting on organisational governance, risk and control over the 2022-23 financial year.

| Annual Internal Audit Opinion 2022-23 |
|---|
| I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment. |
| In my opinion frameworks of governance, risk management and management control are **reasonable** and audit testing has demonstrated controls to be working in practice. |
| Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement. |

5. Governance, Risk Management & Control – Overview & Key Observations

Assurance opinions for 2022-23 reviews

The outcomes from our reviews have been reported to the Audit and Governance Committee throughout the year and a summary of the assurance opinions is outlined below.

Assurance Opinions

25% 25% 50% 25%

■ No ■ Limited ■ Reasonable ■ Substantial
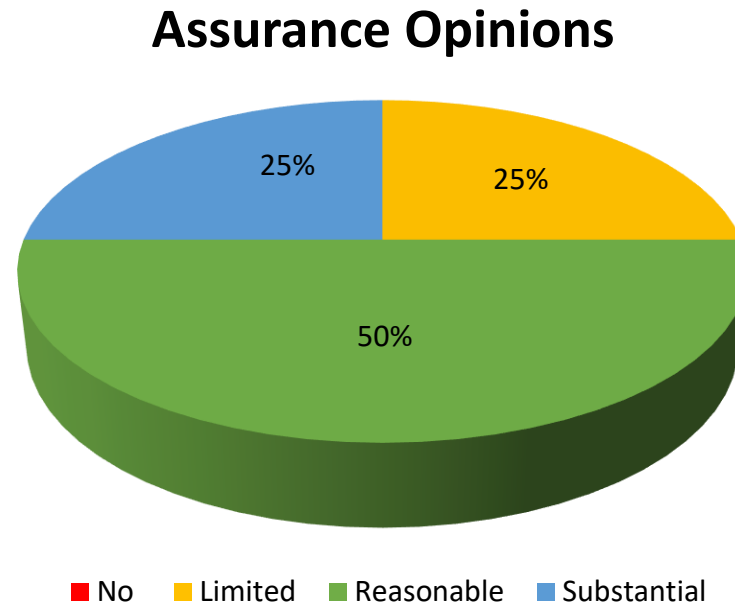
Governance

Governance arrangements are considered during the planning and scoping of each review and in most cases, the scope of our work includes an overview of:

- the governance structure in place, including respective roles, responsibilities and reporting arrangements
- relevant policies and procedures to ensure that they are in line with requirements, regularly reviewed, approved and appropriately publicised and accessible to officers and staff.

In addition, during 2022-23 we undertook a review of Information Governance which concluded with a reasonable assurance opinion.

Based on the work completed during the year and observations through our attendance at a variety of management and governance meetings, in our opinion the governance frameworks in place across the Council are robust, fit for purpose and subject to regular review. There is also appropriate reporting to the Audit and Governance Committee to provide the opportunity for independent consideration and challenge including the Annual Governance Statement.

Risk management

Our 2022-23 scheduled review of risk management was deferred to 2023-24 as the Council was in the process of fundamentally reviewing and updating the Risk Management Framework. This was launched in November 2022, following presentation to the Audit and Governance Committee.

Along with annual formal reporting of the Corporate Risk Register to Audit and Governance Committee, the new Framework established that quarterly updates on key changes was to be presented to the Audit and Governance Committee. We note that no update was provided for the February 2023 Audit and Governance Committee, due to the timing of the appointment of the incoming Head of Corporate Finance and Section 151 Officer. An update is scheduled for the July 2023 Audit and Governance Committee.

Control

In general, internal audit work found there to be a sound control environment in place across the majority of review areas included in the 2022-23 plan that were working effectively to support the delivery of corporate objectives.

We generally found officers and staff to be well aware of the importance of effective control frameworks and compliance, and also open to our suggestion for improvements or enhancements where needed. Management actions agreed as a result of each review are monitored to completion to ensure that the identified risks and issues are addressed. The key areas of challenge identified or confirmed through our work are outlined below:

HR: Use of Agency Staff

The Agency Worker Guidance – Section 2 confirms "The Council will hire temporary agency workers from carefully selected agencies" However, there is no framework in place or formal contracts with agencies being used, with current commissioning based on historic use, reliability and the ability to provide specialist staff where required for service areas, such as Finance and Legal.

Additionally, quotes for services are not obtained prior to the hiring of agency workers. Spend analysis of agency workers (April – September 2022) was undertaken highlighting two agencies, with aggregated spend, exceeding the UK threshold which deems it to be captured by the Public Contract Regulations 2015 (PCR 2015) and three agencies with aggregated spend which could potentially exceed the threshold in the 2022/23 financial year.

Whilst Terms of Business are agreed with the agency for each agency workers assignment period, as there are no overall contractual arrangements in place with individual agencies which have been procured through a tender process or by obtaining quotations for required services there is a risk that the Council may not be achieving value for money by using the same agency on a repeat basis without comparing the charges of other agencies.

HR maintain management oversight of the agency workers hired through their Agency Worker Log. The Log records receipt of the key documentation required which should be forwarded to HR in a timely manner as part of the hiring arrangements. Audit testing found that these key documents were not always being obtained/maintained and whilst it was confirmed that HR do follow up the missing documentation with either the Line Manager or directly with the relevant agency, these follow up actions and dates are not recorded in the Log.

The Agency Worker guidance states that "The Council does not expect to hire agency workers for more than a period of 6 months." Where a business need is identified to extend the assignment period approval of the appropriate Director is required and is submitted to HR. From an analysis of the assignment periods recorded in the Agency Worker Log it was found approximately 48%, had been in post or were expected to be in post for more than six months.

Inconsistency was found in respect of verifying that the invoices for the payment of agency workers was correct before passing to Finance for payment. Whilst a copy of the submitted timesheet is attached to the invoice it was identified that it is not always the relevant Line Manager that sees the invoice prior to being passed to Finance for payment. Therefore, an incorrect invoice could be paid providing it matches to a Purchase order.

Discussions during the audit confirmed that there is no management information produced for Senior Management in respect of agency worker use to enable oversight of the total number and overall cost or analysis of length of employment and use by departments.

Procurement

From our sample of eight procurements undertaken in 2022/23 we identified that in one case a waiver should have been sought, however, had not been obtained and for seven the business case had not been formally agreed and authorised.

Under the existing Procurement Policy departments are permitted to raise recurring purchase orders to suppliers. However, there is no mechanism established to review the aggregation of total spend with a supplier on a regular basis to determine if a framework or contract should be considered, which may offer better value and also ensure that the Council complies with Contract Standing Order requirements and UK Procurement Rules.

Homelessness

Customers that fall into arrears with their Emergency Accommodation (EA) service charge should be notified as soon as possible to ensure they do not fall into difficulties.

It was confirmed during testing by the Housing Options Manager, that no arrears chasing was undertaken in 2022/23 and this continued into 2023/24. It was explained that this was due to lack of resources within the team to be able to administer this process which sits outside of the current housing system.

During discussions with the Housing Options Manager, it was explained that there is no monitoring undertaken to ensure that all key correspondence with clients and evidence of appropriate authorisation is uploaded into the HOPE system for each case.

For one of ten cases sampled, there was no evidence that the EA Letter had been signed by the client to confirm their acceptance of the placement, no confirmation of the clients consent to the Council to share their personal data with other authorities or that the Housing Options Officer had been sent the Emergency Placement Letter once the placement was agreed with the client.

For the same sample we looked to ensure that the requests for EA had been approved by the Housing Options Manager or Housing Options Team Leader. Whilst all ten had been approved, for two out of ten, the approval had not been added into HOPE as per procedure.

EA decisions should be made, and the client informed within 56 days of the client contacting the Council. During testing it was confirmed that a monthly report is run from HOPE which shows what cases are open to the team and where decisions have not yet been made. The Housing Option Team Leader reviews any that are over 56 days and liaises with the Housing Options Officer responsible for the case to find out why a decision has not been made and what action needs to be taken. However, these actions are not documented and therefore there is no clear audit trail of any actions taken / needed, and by whom.

New staff undertake four weeks of shadow training prior to commencing their own housing assessments, however we were unable to gather any evidence of this training as no records are kept confirming all staff have received this.

Business Continuity and Emergency Planning
The Corporate Business Continuity Plan was last updated in November 2022 and the scope states the strategy applies to all parts of the organisation. The plan includes incident management, core services, threats, recovery strategies and contact details. Audit testing identified that the plan does not include any guidance or procedures detailing the format and contents of plans or reference to the templates, where plans should be stored and how often plans should be reviewed and tested. The Corporate Business Continuity Plan has not been formally approved by CMT.

The Corporate Plan includes high level responsibilities with regards to incidents for management, operational recovery teams, finance, elected members and all staff and general business continuity responsibilities are outlined for management and the Emergency Planning Officer. However, operational responsibilities for lower level business continuity plans are not set out.

The Corporate Business Continuity Plan details the high level responsibilities for the Business Recovery Management Team (BRMT) and includes membership of the team and their role and area of responsibility. There was no evidence of detailed responsibilities for individual roles on the BRMT or meeting frequency and there was no evidence of a Terms of Reference for the group. Through discussions we understand that the BRMT only meet if there is an incident and therefore they are not carrying out their role and responsibilities for the development of BCP strategies and the monitoring of implementation across the Council and reporting to CMT.

Although an external hard drive has been recently established for the storage of all business continuity plans, audit testing confirmed that not all plans were held on this drive. Additionally, audit testing of six plans identified that one was overdue for review, none had been approved and for one the accountable person had not been recorded for 12 of the 15 key actions listed on the plan.

There is a standard template for Business Impact Assessments (BIA's) which has sections to detail functions and critical activities, recovery times, interdependencies, resource requirements and the consequences of failure. A sample of six departmental BIA's were reviewed to ensure they were up to date, complete and had been approved. Testing found that four of the BIA's were were overdue for review, the interdependency section had not been completed for one BIA and there was no evidence that two BIA's had been approved.

A desk top exercise to test the corporate business continuity plan was undertaken by Zurich in 2019, however the draft report included a number of observations that do not appear to have been actioned. There is no strategy in place for the testing of business continuity plans and through discussions it was established there has been no testing of the business continuity plans since 2019.

The Emergency Plan details individual roles and includes the preparatory role and the response role for each position. The preparatory role includes responsibilities such as training, maintain a working knowledge of the plan, understand duties, ensure contact details are up to date and some roles have wider preparatory responsibilities.

There was no evidence that many of these roles have been assigned to individuals and therefore staff with no training or knowledge of the Emergency Plan may be required to respond in an emergency. The training spreadsheet details the training provided to individual members of staff and what role/s they have been assigned however some of the roles in the training spreadsheet had different titles to those in the plan and some roles in the plan were not included in the training spreadsheet.

Management actions

Where our work identified risks that we considered fell outside the parameters acceptable to the Council, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers. Progress is reported to the Audit and Governance Committee throughout the year through the quarterly internal audit progress reports.

6. Anti-fraud and Anti-corruption

The Council is committed to the highest possible standards of openness, probity and accountability and recognises that the electorate need to have confidence in those that are responsible for the delivery of services. A fraudulent or corrupt act can impact on public confidence in the Council and damage both its reputation and image.

The Council maintains a suite of strategies and policies to support the management of the prevention, detection and investigation of fraud and corruption (Anti-Fraud & Corruption Strategy; Whistleblowing Policy and Anti Bribery Policy).

The Southern Internal Audit Partnership have been commissioned to undertake two irregularity investigations during the year both relating to procurement activity within the Housing Department. These reviews remain ongoing and will be reported to management once completed.

The Southern Internal Audit Partnership have not been notified of any other reported fraud or irregularities within the Council during the year.

7. Quality Assurance and Improvement

The Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a Quality Assurance and Improvement Programme (QAIP) to enable the internal audit service to be assessed against the Standards and the Local Government Application Note (LGAN) for conformance.

The QAIP must include provision for both internal and external assessments: internal assessments are both on-going and periodical and external assessment must be undertaken at least once every five years. In addition to evaluating compliance with the Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020.

In considering all sources of evidence the external assessment team concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

8. Disclosure of Non-Conformance

In accordance with Public Sector Internal Audit Standard 1312 [External Assessments], I can confirm through endorsement from the Institute of Internal Auditors that:

'the Southern Internal Audit Partnership conforms to the Definition of Internal Auditing; the Code of Ethics; and the Standards'.

There are no disclosures of Non-Conformance to report.

9. Quality Control

Our aim is to provide a service that remains responsive to the needs of the Council and maintains consistently high standards. In complementing the QAIP this was achieved in 2022-23 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success.
- On-going development of a constructive working relationship with the External Auditors to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.

⊙ A self assessment against the Public Sector Internal Audit Standards.

10. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

Performance Indicator	Target	Actual
Percentage of internal audit plan delivered (to draft report)	95%	100%
Positive customer survey response		
⊙ Arun District Council	90%	100%
⊙ SIAP – all Partners	90%	99%
Public Sector Internal Audit Standards	Compliant	Compliant

Customer satisfaction is an assessment of responses to questionnaires issued to a wide range of stakeholders including members, senior officers and key contacts involved in the audit process (survey date April 2023).

11. Acknowledgement

I would like to take this opportunity to thank all those staff throughout the Council with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.

Neil Pitman
Head of Southern Internal Audit Partnership

May 2023

Annex 1

Summary of Audit Reviews Completed 2022-23

| 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. |

Review area	Summary
Treasury Management	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Roles and responsibilities for treasury management arrangements are clear and formalised through effective strategies, policies, and procedures. • There is effective communication between Arun District Council and Adur and Worthing Council. • Investment and borrowing decisions are documented and approved, and related transactions are recorded, monitored, and accounted for promptly and correctly. • Management information for monitoring treasury management is reported to senior management and members. A robust control framework was found to be operating and no issues were identified.
Council Tax	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Appropriate policies and procedures are established and roles and responsibilities are defined. • Property records are accurate and in line with Valuation Office records. • Council Tax bills are accurately calculated and issued promptly, including when change of ownership is notified. • Discounts, exemptions and refunds are accurate, authorised and applied correctly. • Collection is regularly monitored to ensure that payments due are being received. • Debt collection procedures are clearly defined and followed to ensure prompt recovery of overdue payments. • Write offs are only authorised when it is demonstrated that no further recovery action on individual debts is possible. A robust control framework was found to be operating and no issues were identified.

Decision Making	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • The Council's management and Member body structure is appropriate to ensure good governance and understanding of the decision making process and is underpinned by key supporting policies. • The structure and operation of the Member body operates in line with guidance. • Management information for Members is timely, complete and accurate to allow members to make decisions. • There is effective communication between managers, staff and Members to promote awareness of the Council's strategic aims and objectives. • Standards of behaviour, including the declaration of interests, for Members, Senior Officers and Managers, are established and reviewed regularly to protect the Council's reputation. A robust control framework was found to be operating and no issues were identified.
Economic Regeneration	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • An effective governance structure (including clear roles and responsibilities) is in place to direct and control programme activities. • Projects are appropriately managed in line with governance arrangements to ensure service requirements are met. • Appropriate budget and programme monitoring is in place to ensure that individual projects perform as planned, or variances are identified at an early stage so that effective corrective action or decisions can be made. • Reporting arrangements to ensure effective monitoring, approval and management oversight of the project's progression are in place. A robust control framework was found to be operating and no issues were identified.

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.

Review area	Summary
Health and Safety (Corporate)	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Governance arrangements are in place for health & safety and management and operational responsibilities are clearly defined and supported by documented policies and procedures. • Health and safety tasks are managed and monitored in line with the Council's Health and Safety policies and procedures. • There is regular reporting to senior management and Members on health & safety to ensure awareness of issues identified and actions required. • Health and Safety training is provided to all staff. Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring legacy policies and procedures are removed from the active file folder, Safety Management Programme is updated to reflect all topics covered and that the task completion form is updated to capture the service area completing the task and that this is reviewed to ensure the tasks have been completed to an appropriate standard.
Information Governance	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Management and operational roles and responsibilities have been defined, approved, and are supported by policies and procedures and readily available to all employees. • Freedom of Information (FOI) requests and Environmental Impact Regulations (EIR) requests are effectively managed to ensure statutory requirements are met. • Subject Access Requests (SAR) are effectively managed to ensure statutory requirements are met. • Data is held and managed in line with GDPR principles. Overall, a sound framework of control was found to be in place with some observations for improvement made relating to introducing an information asset register, re-introduction of data protection refresher training for Members and staff and reviewing processes to ensure that data subject access requests are responded to within required timescales.
Cyber Security	See Appendix 2 – Exempt Item

IT Asset Management	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Assets are held securely under IT's responsibility during the lifecycle of the device. • Effective governance arrangements are in place and management information is available to manage and maintain IT Assets. • The IT asset database is complete and accurate with access to remove assets appropriately restricted. • An effective disposal policy is in place for the secure disposal of IT assets and removal of data. Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring documented and up to date IT Asset Management Policies and Procedures are in place, IT assets are collected timely from leavers, data cleansing can be evidenced prior to disposal of IT assets, issued IT hardware has an assigned user, location and asset tag and use of shared access badges for access to storage locations should be reviewed.
Climate Strategy	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • An approved Climate Change Strategy sets out the direction of the Council with a clear set of priority outcomes and actions to support its delivery. • Roles and responsibilities have been clearly assigned to oversee and deliver actions within the Climate Change Strategy and Climate Action and Biodiversity Work Plan. • Actions required are agreed, documented and sufficiently resourced and funded. • Risks and issues to the delivery of the Climate Change Strategy and Climate Action and Biodiversity Work Plan have been identified, are regularly monitored and appropriate actions taken. • There are clear and appropriate reporting and monitoring arrangements to ensure adequate oversight and effective decision making. Overall, a sound framework of control was found to be in place with some observations for improvement made relating to introducing risk monitoring at an individual project level and where appropriate set out target dates for completion of projects.
Parking and Enforcement	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Management and operational roles and responsibilities are defined and supported by documented policies, procedures, and agreements.

	• Parking fees are regularly reviewed and approved, and the Council's website is updated with any changes. • Parking income is collected, banked, and accurately reconciled. • PCNs are issued in line with legislation and supported by adequate documentary evidence. • Recovery of PCN debts is consistent and effective, and cancellations of PCNs are made in accordance with the Council's policies and procedures. • Management information is sufficient to enable effective monitoring of service performance. Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring up to date and signed SLA's / contracts are in place with relevant parties, checking invoices received are in line with expected monthly charges, accurate and timely reconciliations of both cash and cashless income are undertaken and that published parking fees are consistent across all forms of publication.
Accounts Receivable and Debt Management	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Management and operational responsibilities are clearly assigned and supported by policies and procedures. • Accurate and valid invoices are raised and authorised. • Debtor income is banked and matched to invoices promptly and accurately reflected in the debtors account and the general ledger. • Debts are recovered and there is appropriate authorisation of write offs, refunds, and credit notes. • Management information is complete, accurate and reported at an appropriate level. Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring operational policies and procedures are up to date and ensuring consistency with requirements set out in corporate policy documents.
Cleansing Services (Combined Waste Contract)	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Appropriate governance arrangements are in place to ensure the effective delivery of the contract.

	- The relationship with the Contractor is suitably managed, allowing contract risks to be appropriately managed.
	- There is sound financial management of the contract.
	- There is effective performance management of the contract, to ensure it is fully delivered as expected.
	Overall, a sound framework of control was found to be in place with some observations for improvement made relating to considering whether annual insurance and periodic credit checks should be undertaken on the Contractor and ensuring that the Council's random inspection checks are documented.

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.

Review area	Summary
Procurement	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: - Effective management arrangements, including corporate roles and requirements, statutory regulations and contract arrangements with Hampshire County Council, for procurement activities are in place and appropriately communicated. - Adequate planning and stakeholder engagement is in place to identify the business need, specification, and to strengthen the likelihood of a successful award outcome. - The progress of the procurement process is appropriately monitored and reported to ensure the client's needs are met and issues resolved. Areas where the framework of governance, risk management and control could be improved were identified relating to publishing data on procurement in line with Transparency Agenda requirements and ensuring adherence to the Council's procurement rules.
Use of Agency Workers	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: - Roles and responsibilities for use of agency workers are clearly defined and supported by up to date policies and procedures.

	• Appropriate due diligence is carried out on agencies used to ensure adequate pre-employment checks are carried out and that the financial costs provide value for money with arrangements agreed and documented. • The use and authorisation of agency workers is appropriately authorised only after other options have been explored with their on-going performance monitored for suitability. • Payments for agency workers are paid at the correct rate and reflect the hours worked with costs reviewed and approved prior to payment. • Agency worker usage and financial costs are monitored and reported to management in a timely manner to ensure usage is controlled. Areas where the framework of governance, risk management and control could be improved were identified relating to processes in place for the procurement of agency workers, obtaining relevant pre-appointment documentation, length of appointment of individual workers and the process for extending these, payment verification and the availability of management information to review the use and costs of agency workers.
Homelessness	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Management and operational roles and responsibilities are clearly defined and supported by documented policies and procedures. • Effective and efficient processes are in place to help prevent homelessness and triage new cases. • The delivery of identified support is timely, proportionate and in line with statutory requirements. • Staff receive sufficient training to enable them to carry out assessments and performance is monitored. • Adequate and timely management information is generated to provide a sound basis for control and decision making. Areas where the framework of governance, risk management and control could be improved were identified relating to debt recovery processes, completeness of documentation held on file, monitoring of progress of applications to ensure adherence to the statutory timeframe and confirmation of new staff training completed.

Business Continuity and Emergency Planning	The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives: • Management and operational roles and responsibilities for Business Continuity and Emergency Planning are clearly defined and supported by policies and procedures. • Up to date and approved Business Continuity plans are in place which cover key services and systems. • Up-to-date and approved Emergency Plans are in place and meet statutory requirements. • Business Continuity and Emergency plans are regularly tested, and lessons learned identified. Areas where the framework of governance, risk management and control could be improved were identified relating to the completeness and approval of the Corporate Business Continuity plan, departmental plans were also found to be incomplete, not always approved or tested with not all plans and Business Impact Assessments completed and stored on the external storage drive.

The original internal audit plan agreed by the Audit and Governance Committee in July 2022 included the following system reviews:

- o Transformation
- o Contract Management
- o Partnership Working
- o Savings Realisation
- o Leisure Facilities
- o Affordable Housing
- o Repairs and Maintenance (statutory H&S checks)
- o Replacement Housing IT System
- o Corporate Vision/Plan
- o Risk Management
- o Financial Resilience.

During the year, Officers within the Council requested that these reviews be deferred due to organisational capacity and/or maturity of the changes in business processes within the individual area.

Each of these areas has been reassessed as part of the audit plan process for 2023-24 and coverage re-aligned accordingly.