

# East Staffordshire Borough Council

## Internal Audit Progress Report

December 2022



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**cw audit**  
internal audit services

# 1. Introduction

This report summarises the work of Internal Audit to the end of November 2022 in relation to the 2022/23 internal audit plan. The purpose of the report is to:

- Show progress against the audit plan;
- Summarise the key findings and conclusions arising from our work during the period;
- Provide details of planned work; and
- Update on the implementation of actions agreed by management in relation to internal audit recommendations.

# 2. Progress summary

Appendix 1 provides the current status of all audit assignments from the 2022/23 plan together with the opinions we have provided in each case where appropriate.

# 3. Reviews completed

The following reviews have been completed and a final report issued since the last meeting of this Committee.

Review	Status	Assurance Level
Commercial Property Management	Final Report	Moderate
Democracy & Elections	Final Report	Full
Homelessness	Final Report	Significant
Food Safety	Final Report	Significant
Selective Licensing	Final Report	Significant
Disabled Facilities Grant	Final Report	Full

Summaries are provided for any reports that provide less than significant assurance. This applies for the Commercial Property Management report as follows:

Review	Key issues	Level of assurance
Commercial Property Management	<ul style="list-style-type: none"> <li>• Implement a system capable of producing reports from the Asset Terrier.</li> <li>• Introduce rolling programme of property inspections.</li> <li>• Implement a system for receiving and recording evidence from tenants that statutory compliance checks are undertaken.</li> <li>• Ensure electrical safety checks undertaken for entire property portfolio and that a process is in place to ensure that remedial action is taken where applicable.</li> </ul>	<b>Moderate</b>

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
Adequate records are maintained of commercial property owned by the Council, including appropriate title deed documents.			✓		
There are signed lease agreements in place for all current leases and a program to ensure that lease renewals, amendments to leases and rent reviews are undertaken in a timely manner.		✓			
The potential for income from rental properties is maximised, invoices are raised in a timely manner and arrears are pursued in accordance with policy.	✓				
Commercial properties are maintained and utilised in accordance with lease terms and conditions and relevant statutory requirements.			✓		
The property management service is subject to regular monitoring through the production, submission and review of appropriate management information.			✓		

## 4. In progress

Review	Status
Complaints	In progress
Creditors	In progress
Disposals	In progress
Payroll	In progress
Car Park Income	In progress
Cemeteries	Draft report
Community Safety	Draft report

## 5. Recommendation tracking

Recommendations and agreed actions are uploaded to a web-based database when reports are finalised. Managers access the system, and update status and mark actions as implemented when appropriate. The first table below sets out a summary of agreed actions since 1<sup>st</sup> April 2019 that were due to be implemented by 30/11/22. The second table shows the age of those agreed actions (based on the original date due for implementation) which are not yet complete. Members should note that the status of each action is as stated by management and not verified by Internal Audit unless a specific follow up has been undertaken.

Summary	1 Critical	2 High	3 Medium	4 Low	Total
Due by 30/11/22	-	3	67	24	94
Implemented / Closed	-	3	54	18	75
In progress but not complete	-	-	13	6	19
Outstanding (not started)	-	-	-	-	-

Time overdue for actions o/s or not complete	1 Critical	2 High	3 Medium	4 Low	Total
Less than 3 months	-	-	9	2	11
3 – 6 months	-	-	4	3	7
Greater than 6 months	-	-	-	1	1
Total	-	-	13	6	19

A summary for all agreed actions which were due for implementation by 30<sup>th</sup> November 2022 and which managers have not yet recorded as fully implemented is set out below, together with a summary of the most recent updates from managers/officers responsible. As the action tracking system is based on management updates to agreed actions, this does not imply that Internal Audit has verified the status in such cases.

- **21\_ESC21 Facilities – Statutory Responsibilities**

There is one ongoing action to develop a policy to provide overarching guidance on the statutory compliance regime that is in place for the Council's estate as part of a wider review to examine the role of the Facilities function and how the Council manages buildings. Due to vacancies experienced in the Facilities team, the target date for implementation of this action has been revised to the end of March 2023.

- **22\_ESC10 Stronger Towns Fund**

There is one ongoing action in relation to declarations of interest and the implementation date has been extended to the end of November 2022.

- **22\_ESC13 Commercial Property Management**

Work is currently ongoing to develop a new Terrier system that will address five recommendations that are currently outstanding.

- **22\_ESC14 Council Tax\***

Five overdue actions remain in relation to corporate performance reporting, write offs, arrears reporting, council tax accounts in credit and empty property inspections.

- **22\_ESC15 Business Rates\***

Two overdue actions remain in relation to the write off of account balances and regular inspection of empty premises.

- **22\_ESC16 Benefits and Council Tax Support\***

Two overdue actions remain in relation to debt write offs being completed in the financial year and reviewing overpayment cases issued to bailiffs for collection.

- **22\_ESC18 Debtors and Debt Recovery\***

There are two overdue actions in relation to debt recovery action and debt write offs.

- **22\_ESC24 Leisure Contract Monitoring**

One action remains to ensure that the leisure contract is signed by both parties. The Council's legal team continues to liaise with the Contractor's legal representatives to collate the contract pack for it to be signed as necessary as soon as is practical. The target date has been revised to the end of January 2023.

\*In relation to the above four audits, we have been advised that due to the ongoing demands placed on the revenues and benefits teams with Government initiatives including Covid-19 grants, Hardship funds, Council Tax Energy Rebate Scheme and Ukrainian Sponsor Schemes, which have required significant reprioritisation of work, these actions will be completed during the course of 2022/23.

## Status update – 2022/23 Audit Plan

	Scheduled	Status	Assurance Level
Commercial Property Management	c/f from 2021/22	Final report	<b>Moderate</b>
Complaints	Quarter 3	In progress	
Democracy & Elections	Quarter 2	Final report	<b>Full</b>
National Fraud Initiative	Throughout year	Ongoing	<b>N/A</b>
Risk Management	Quarter 3		
Financial Management & Reporting	Quarter 4	Scope agreed	
Cyber Security	Quarter 4		
Creditors	Quarter 3	In progress	
Disposals – Bargates	Quarter 3	In progress	
Human Resources – Staff Recruitment	Quarter 4		
Payroll	Quarter 3 / 4	In progress	
Benefits & CTS	Quarter 4	Scope agreed	
Homelessness	Quarter 3	Final report	<b>Significant</b>
Revenues	Quarter 4	Scope agreed	
Waste Management	Quarter 3 / 4	Scope agreed	
Car Park Income	Quarter 2 / 3	In progress	
Cemeteries	Quarter 3	Draft report	
Community Safety	Quarter 3	Draft report	



	<b>Scheduled</b>	<b>Status</b>	<b>Assurance Level</b>
Food Safety	Quarter 2 / 3	Final report	<b>Significant</b>
Selective Licensing	Quarter 2 / 3	Final report	<b>Significant</b>
DFG Certification	Quarter 1	Certification provided	<b>Full</b>
COMF Certification	Quarter 1	Certification provided	<b>N/A</b>
Test & Trace Grant Certification	Quarter 1	Certification provided	<b>N/A</b>
Property Flood Resilience Recovery Support Scheme	Quarter 2	Certification provided	<b>N/A</b>