

To: All Members of the AUDIT COMMITTEE  
(Other Members for Information)

When calling please ask for:

Kimberly Soane, Democratic Services  
Officer

**Policy and Governance**

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Calls may be recorded for training or monitoring

Date: 29 October 2021

### Membership of the Audit Committee

Cllr Peter Marriott (Chairman)  
Cllr Jerome Davidson (Vice Chairman)  
Cllr Sally Dickson  
Cllr Jan Floyd-Douglass

Cllr John Gray  
Cllr Richard Seaborne  
Cllr George Wilson

Dear Councillors

A meeting of the AUDIT COMMITTEE will be held as follows:

DATE: MONDAY, 8 NOVEMBER 2021

TIME: 7.00 PM

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, THE BURYS,  
GODALMING

The Agenda for the meeting is set out below.

Please note that due to current Covid restrictions, seating in the public gallery is extremely limited. The meeting can be viewed remotely via [Waverley Borough Council's YouTube channel](#) or by visiting [www.waverley.gov.uk/webcast](http://www.waverley.gov.uk/webcast).

Yours sincerely

ROBIN TAYLOR

Head of Policy and Governance

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([www.waverley.gov.uk/committees](http://www.waverley.gov.uk/committees)), where you can also subscribe to

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### **NOTE FOR MEMBERS**

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

### **AGENDA**

1. **MINUTES**

To confirm the Minutes of the Meeting held on 6 September 2021 and published on the Council's website.

2. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

3. **DISCLOSURE OF INTERESTS**

To receive from Members, declarations of interests in relation to any items included on the Agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

4. **QUESTIONS BY MEMBERS OF THE PUBLIC**

The Chairman to respond to any questions received from members of the public of which notice has been duly given in accordance with Procedure Rule 10.

5. **QUESTIONS FROM MEMBERS**

The Chairman to respond to any questions received from Members in accordance with Procedure Rule 11.

### **PART I - RECOMMENDATIONS TO THE COUNCIL**

There were no matters falling within this category.

### **PART II - MATTERS OF REPORT**

6. ANNUAL GOVERNANCE STATEMENT - CONSIDERATION OF POTENTIAL GOVERNANCE ISSUES.

RISK To enable the Committee to raise any potential emerging governance issues that may need to be addressed.

**Recommendation**

**The Committee is invited to raise any potential emerging governance issues for consideration.**

- Governance issues agreed at Council on 19 October 2021.
- Update from Head of Planning and Economic Development on governance issues and how to deal with them at Planning Committees.

7. RISK MANAGEMENT

To receive an update following the latest review of the Risk Register and to consider a proposal to hold a further informal session to go through the register.

8. BURY'S DEVELOPMENT PROJECT

To receive a brief update and ask the Committee whether they would like an informal meeting to discuss the process of the project and risk.

9. REVIEW OF PROGRESS IN THE IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS (Pages 1 - 14)

To inform the Audit Committee of Senior Management's progress in implementing the recommendations raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the target date.

**Recommendation**

**1. It is recommended that the Committee considers the information contained in Annexe 1 and, following discussion at the Audit Committee meeting identifies any action it wishes to be taken and**

**2. Considers the Head of Service(s) justification for a request for a change in the agreed target date for the Management Action(s) listed I Annexe 2 and agree an appropriate implementation date(s).**

10. REVIEW OF THE PROGRESS IN ACHIEVING THE AUDIT PLAN (Pages 15 - 32)

The Committee's Terms of Reference include provision for the Committee to approve, monitor and comment on the progress made in the achievement of the Internal Audit Plan. An update on the current position of the internal audit reviews is attached.

### **Recommendation**

**It is recommended that the Committee notes the contents of the Internal Audit Progress report as attached.**

11. FRAUD INVESTIGATION SUMMARY (Pages 33 - 38)

The report provides an update to the Committee on the work being completed in investigating fraud, primarily focusing on Housing Tenancy Fraud.

### **Recommendation**

**It is recommended that the Audit Committee notes the success of the fraud investigation activity.**

12. AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Pages 39 - 40)

The Committee's annual recurrent work programme is attached. The work programme details regular items, but other items can be submitted to each meeting on an ad hoc basis or at the request of the Committee.

### **Recommendation**

**The Audit Committee is invited to note its recurrent annual work programme.**

13. EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation on the motion of the Chairman:

#### Recommendation

That pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item(s) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the item(s), there would be disclosure to them of exempt information (as defined by Section 1001 of the Act) of the description specified in the appropriate paragraph(s) of the revised Part 1 of Schedule 12A to the Local Government Act 1972 (to be identified at the meeting).

14. ANY OTHER ISSUES TO BE CONSIDERED IN EXEMPT SESSION

To consider any matters relating to aspects of any reports on this agenda which, it is felt, may need to be considered in exempt session.

**For further information or assistance, please telephone**

**Kimberly Soane, Democratic Services Officer, on 01483 523258 or by  
email at [Kimberly.soane@waverley.gov.uk](mailto:Kimberly.soane@waverley.gov.uk)**

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## WAVERLEY BOROUGH COUNCIL

### AUDIT COMMITTEE

8<sup>TH</sup> NOVEMBER 2021

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**Title:**  
**PROGRESS ON THE IMPLEMENTATION INTERNAL AUDIT AGREED ACTIONS**

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**Lead Councillor:** Councillor Peter Marriott, Chairman of the Audit Committee

**Head of Service:** Graeme Clark, Strategic Director

**Key decision:** Yes

**Access:** Public

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#### **1. Purpose and summary**

- 1.1 To inform the Audit Committee of Senior Management's progress in implementing the agreed actions raised by Internal Audit following a review in their service areas. This report will enable the Committee to consider what action is required in respect of those that are overdue or appear likely to be implemented later than the original agreed implementation date.

#### **2. Recommendation/s**

- 2.1 It is recommended that the Committee considers the information contained in **Annexe 1** and, following discussion at the Audit Committee meeting identifies any action it wishes to be taken and
- 2.2 Considers the Head of Service(s) justification for a request for a change in the agreed target date for the Management Actions (s) listed in **Annexe 2** and agree an appropriate implementation date(s).

#### **3. Reason for the recommendation**

To enable the Audit Committee to be informed of the status of agreed actions accepted by Heads of Service but not yet implemented or progress made to implement by the agreed implementation date.

#### **4. Background**

4.1 This report provides the Audit Committee with the latest position regarding the implementation of Internal Audit agreed actions.

#### **5. Relationship to the Corporate Strategy and Service Plan**

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

#### **6. Implications of decision**

##### **6.1 Resource (Finance, procurement, staffing, IT)**

Internal audit work helps management in achieving good value for money and, individual agreed actions may have value for money implications and protect the council from financial risks.

##### **6.2 Risk management**

There is a risk that where weakness or non-compliance identified as part of audit reviews, if not actioned to strengthen the controls will not assist to prevent the materialising of the risks identified.

##### **6.3 Legal**

There are no direct legal implications, although good governance and probity are strengthened by attending to the matters raised within the audit agreed actions.

##### **6.4 Equality, diversity, and inclusion**

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

##### **6.5 Climate emergency declaration**

There are no direct implications in this report

#### **7. Consultation and engagement**

7.1 Heads of Service

#### **8. Other options considered**

8.1 N/A



## **9. Governance journey**

9.1 The minutes of the meeting will be included on the Council agenda.

### **Annexes:**

Annexe 1 – provides the current position on agreed actions due for completion at the end of the month of the Audit Committee date.

Annexe 2 – provides the requests from Heads of Service for changes to the agreed action dates.

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### **Background Papers**

There are no background papers, as defined by Section 100D (5) of the Local Government Act 1972).

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### **CONTACT OFFICER:**

Name: Gail Beaton  
Position: Internal Audit Manager  
Telephone: 01483 523260  
Email: [gail.beaton@waverley.gov.uk](mailto:gail.beaton@waverley.gov.uk)

Agreed and signed off by:  
Legal Services: 21/10/2021  
Head of Finance: 15/10/2021  
Strategic Director:  
Portfolio Holder: N/A

# Agreed Internal Audit Actions overdue or due by 30 November 2021




Generated on: 27 October 2021



Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed


## Head of Service Ellwood, Zac


IA20/08.001 Target Response Times						
<b>Action Code &amp; Description</b>	Monitoring of response targets against those highlighted in the Enforcement Plan for the 3 priorities are not currently measured or reported: Priority One – Major – First contact or site visit within 1 working day from receipt of complaint Priority Two – Medium – First contact or site visit within 5 working days from receipt of complaint Priority Three – Low – First contact or site visit within 10 working days from receipt of complaint				<b>Exit Meeting Date</b>	15-Jan-2020
					<b>Due Date</b>	31-Oct-2021
<b>Risk Level</b>	<b>Medium Priority</b>			<b>Risk RAG</b>		
<b>Audit Report Code and Description</b>	IA20/08 Planning Enforcement					
<b>Agreed Action</b>	1.1 The measuring of response times to be incorporated into the incoming new Horizon programme that replaces ILAP. 1.2 The information for reporting will be available on request from the new Horizon programme that replaces ILAP. Risk -Performance issues may not be identified. (ZE)					
<b>Status</b>		<b>Check Progress</b>	<b>Progress</b>	80%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	Target date changed to 31/10/2021 as agreed by Audit Committee on 06/09/2021					08-Sep-2021
	Completion of this action is dependent on the necessary functionality being available in the new Horizon system, which is not yet in place;					01-Jul-2021
	Due changed re AC November agreement to 31/03/2021					04-Dec-2020



IA20/08.002 Out of Date Enforcement Plan						
<b>Action Code &amp; Description</b>	There has been six years of operations since the Enforcement Plan was issued. Elements of the plan relating to key performance indicators and proactive working are out of date and no longer reflect operational activity.				<b>Exit Meeting Date</b>	15-Jan-2020
					<b>Due Date</b>	31-Oct-2021
<b>Risk Level</b>	<b>Medium Priority</b>			<b>Risk RAG</b>		

<b>Audit Report Code and Description</b>	IA20/08 Planning Enforcement					
<b>Agreed Action</b>	To update and agree the Local Planning Enforcement Plan Risk - Key policy document may be out of date and not reflect current operations. (ZE)					
<b>Status</b>		<b>Check Progress</b>	<b>Progress</b>	50%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	Target date changed to 31/10/2021 as agreed by Audit Committee on 06/09/2021					08-Sep-2021
	The Council is actively looking at how it will deliver enforcement and inspection functions more holistically at the corporate level and it was therefore agreed with the Environment Overview & Scrutiny Committee that scrutiny of the draft Local Enforcement Plan will now take place in September 2021 so that any implications for/from the corporate project can be considered. The Plan itself is almost complete in draft form.					01-Jul-2021
	Due date changed re AC November agreement to 31/03/2021					04-Dec-2020
	Meeting with Development Manager & Enforcement Manager arranged for November and reporting timescales set in Forward Plan.					09-Nov-2020



<b>Action Code &amp; Description</b>	<b>IA20/17.001.1 Reconciliation</b>					
	From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts.  Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.				<b>Exit Meeting Date</b>	16-Jun-2020
					<b>Due Date</b>	01-Oct-2021
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Initiate reconciliation process using current systems.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	85%	<b>Head of Service</b>	<b>Zac Ellwood; Peter Vickers</b>
<b>All Notes</b>	To be part of Horizons new module release in Q3					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Action awaiting successful Horizon role out.					30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021					04-Dec-2020
	Linked to Project Horizon - rollout Q4 2020/21					09-Nov-2020



<b>Action Code &amp; Description</b>	<b>IA20/17.001.2 Functionality of the new Planning Database</b>					
	From our discussion with Planning and Accountancy teams, we noted that an overall reconciliation process does not take place between planning income received and that which is logged in the planning system, ILAP, and planning income recorded in the accounts.  Such a process being in place would better enable the Council to demonstrate that income received is accurately reflected and would give additional reassurance to that effect.				<b>Exit Meeting Date</b>	16-Jun-2020
					<b>Due Date</b>	01-Oct-2021
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	

<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Development of new Planning database to ensure an automatic process is available.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	90%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	Pre-app relaunch report with SMT for review, awaiting Horizon module release.					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Final scope for Pre-Apps with developers. NFA until received					06-Sep-2021
	Horizon snags delaying next steps. Developer meeting requested.					30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
Due date changed re AC November agreement to 28/02/2021					04-Dec-2020	



<b>Action Code &amp; Description</b>	<b>IA20/17.002.2 Recording of pre application advice</b>					
	Budgets were set, within the last few years, based on a consistently increasing housing market and using the assumption that status quo would apply to planning activity regardless of outside events which had direct effects on consumer confidence in the past.				<b>Exit Meeting Date</b>	16-Jun-2020
Analysis of the market behaviour might, in future, inform a different outcome in terms of budget setting, and in turn mitigate the risk of setting too ambitious or too small an income target.				<b>Due Date</b>	01-Oct-2021	
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Record pre-application advice on larger applications likely to be supportable.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	85%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	New pre-app report and framework has been submitted for approval. Subsequent Horizon resource will facilitate relaunch.					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due to Horizon delays, Pre-apps suspended to potentially through to 13th August. Allowing time to review the process in line with Horizon development.					30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	Internal task and finish group now set up to look at this matter.					11-Feb-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
Due date changed re AC November agreement to 28/02/2021					04-Dec-2020	


<b>Action Code &amp; Description</b>	<b>IA20/17.003.1 Planning Reference Number</b>					
	Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.				<b>Exit Meeting Date</b>	16-Jun-2020
				<b>Due Date</b>	01-Oct-2021	


	<p>However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund, and we were also unable to confirm the date that the refund was requested to check it had been issued both appropriately and in a timely manner.</p> <p>Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside.</p> <p>Risk: Risk of loss of income</p>					
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Discussions with Finance Service over joint procedures to ensure that all records necessary are held on the Planning database and the Finance records hold the Planning reference for refunds.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	50%	<b>Head of Service</b>	<b>Zac Ellwood;</b> Peter Vickers
<b>All Notes</b>	Validation process notes are in final draft, last snagging items for decision process (text control update) in progress with Horizon					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Development meeting has taken place, awaiting deliverable dates from Horizon in terms of final requirements/ snags outstanding					06-Sep-2021
	Snags identified with the roll out of Horizon have dictated the stall in progress in this regard. SMT have requested a meeting with Horizon to review.					30-Jun-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
Due date changed re AC November agreement to 28/02/2021					04-Dec-2020	



	<b>IA20/17.003.2 Planning Procedure Note</b>					
<b>Action Code &amp; Description</b>	Testing for the approval of refunds, from the ILAP system/documentation held, through to the finance system, Agresso, was completed on a reduced scale due to the inability of the ILAP system to run a report specifically on refunds.				<b>Exit Meeting Date</b>	16-Jun-2020
	<p>However, from filing completed earlier in the 2019/2020 financial year, we selected a sample of five refunds. For 2/5 we were unable to confirm that the request had approval for refund, and we were also unable to confirm the date that the refund was requested in order to check it had been issued both appropriately and in a timely manner.</p> <p>Where refunds are issued it is important to retain an audit data trail and document authorisations, timings and reasons for refunds being made. For example, including an appropriate planning reference on Agresso payment records alongside confirmation of the date of any refund paid would enable such a data trail to be captured.</p>				<b>Due Date</b>	01-Oct-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Update the Planning procedure note.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	65%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	Draft process notes are available however due to on-going development of Horizon final draft will be completed once Horizon updates are finished					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021

	Nearing final stages with Horizon, completion of such will drive final process notes	06-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021	21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'	11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021	04-Dec-2020
	Procedure Notes to be updated as part of Project Horizon rollout	09-Nov-2020



<b>IA20/17.004.1 Automate payment extraction from portal</b>						
<b>Action Code &amp; Description</b>	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				<b>Exit Meeting Date</b>	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				<b>Due Date</b>	01-Oct-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Ensure the new Planning Database extracts the payment details directly from the Portal payment to remove manual entry of data.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	80%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	In development					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021					04-Dec-2020

<b>IA20/17.004.2 Spot Checks</b>						
<b>Action Code &amp; Description</b>	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				<b>Exit Meeting Date</b>	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				<b>Due Date</b>	01-Oct-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	



<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Ensure the new Planning Database extracts the payment details directly from the Portal payment to remove manual entry of data.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	80%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021					04-Dec-2020

<b>IA20/17.004.3 Data on Systems</b>						
<b>Action Code &amp; Description</b>	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				<b>Exit Meeting Date</b>	09-Nov-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP . In three further instances, a record of checks made on income which had been received had not been retained. Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.				<b>Due Date</b>	01-Oct-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Discuss with the Finance service ways to record more specific data regarding the applicant/site address/Planning reference for incoming payments and refunds on the Finance systems.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	25%	<b>Head of Service</b>	<b>Zac Ellwood; Peter Vickers</b>
<b>All Notes</b>	With phase two development					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021					04-Dec-2020

<b>IA20/17.004.4 Procedure Notes</b>						
<b>Action Code &amp; Description</b>	The interface between the Agresso and ILAP system relies on manual input. It is inevitable that errors will occur from time to time where they might not with a computer system interface.				<b>Exit Meeting Date</b>	16-Jun-2020
	Our review of a sample of 50 found that in terms of the receipt of income: . Two records were unable to be located on ILAP. . Three amounts were recorded incorrectly on ILAP				<b>Due Date</b>	01-Oct-2021



	. In three further instances, a record of checks made on income which had been received had not been retained.					
	Whilst the errors were minor in comparison to the amount of income tested, this demonstrates the possibility of errors in recording information, and highlights that staff must remain vigilant when recording income to ensure accuracy of income recording.					
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA20/17 Planning Fee Income					
<b>Agreed Action</b>	Ensure all procedure notes across different teams with the Planning Service that deal with the receipt of money (and refunds of payments) have the exact same procedure for recording the information in the relevant data bases.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	33%	<b>Head of Service</b>	<b>Zac Ellwood</b>
<b>All Notes</b>	Draft process notes are available however due to on-going development of Horizon final draft will be completed once Horizon updates are finished.					21-Oct-2021
	Target date change re agreed at Audit Committee on the 06/09/2021 to 01/10/2021					08-Sep-2021
	Due date changed re AC November agreement to 31/05/ 2021					21-Jun-2021
	The Audit Committee's agreement to a further extension of the due date to 31 May 2021 is requested. This Action is dependent on the successful roll out of the new, bespoke Horizon system, which, due to technical issues and the need for further robust testing and comprehensive training, has been put back to a 'go live' date of Monday 22 March 2021. Preparations are in place to implement this action shortly following the Horizon go-live date, with an appropriate testing period of live system data to 'prove the process.'					11-Feb-2021
	Due date changed re AC November agreement to 28/02/2021					04-Dec-2020



### Head of Service Smith, Andrew



<b>Action Code &amp; Description</b>	<b>IA21/17.001.3 Online Reporting</b>				<b>Exit Meeting Date</b>	27-Jul-2021
	ECINS records are not regularly reviewed to ensure compliance with policy and consistency of reporting although the Community Services Support Officer advised that she would be diarising a monthly check going forward.				<b>Due Date</b>	30-Sep-2021
The reporting function of ECINS is not currently used; any reports requested would be produced manually. No management reports were available for 2020/21. Oversight of safeguarding referrals, recording, and reporting of ECINS data are included as action points in the Waverley Safeguarding Board Forward Plan/Action Tracker however, due to the pandemic, there have been no meetings since the plan was agreed in July 2020.						
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA21/17 Safeguarding					
<b>Agreed Action</b>	1.3 – Develop and implement an online <b>report it</b> and a <b>recording and monitoring report with Liberty Create Forms</b> for the Internal safeguarding to review quarterly.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	90%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	Final tweaks are taking place and we are working with IT to resolve before the form goes live. Being realistic and suggest 31 December 2021. <b>Therefore, requesting for an extension to 31 December 2021.</b>					26 Oct 2021
	Online form has been designed - currently testing and adapting to ensure it is collects and collates all the information required.					19-Oct-2021
	Interim solution now implemented while Liberty system is progressed. Current form uploaded.					16-Aug-2021



### IA21/17.005.2 Contract Managers Meetings include Safeguarding





<b>Action Code &amp; Description</b>	The Safeguarding Policy for Children and Adults at Risk states that Safeguarding is referenced in the general conditions of contract for suppliers, however from discussion with the Community Services Manager, this is not the case.				<b>Exit Meeting Date</b>	27-Jul-2021
	A review of the website found the following information for suppliers – "Suppliers delivering goods, services or works for Waverley Borough Council will be expected to do so in accordance with our council policies. These policies should be read in conjunction with all other documents issued as part of a tender. Suppliers working with the council will need to agree to the councils Terms and Conditions of Purchase."  The Terms and Conditions of Purchase available on the website do not refer to safeguarding. There is also a link to council policies, however the safeguarding policy is not available on the website.  Although we were not able to verify this, the Community Services Manager advised that specific safeguarding clauses are included in contracts where there will be a significant interaction with children/vulnerable adults e.g., Housing Repair Contract.				<b>Due Date</b>	30-Sep-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA21/17 Safeguarding					
<b>Agreed Action</b>	5.2 undertake an audit with the Councils contract managers to ensure where relevant that safeguarding is included as an agenda item at their monitoring meetings					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	Letter is being worked on. Will be sent by 30 Nov. <b>Therefore an extension is requested to 30 November 2021.</b>					26-Oct-2021



<b>Action Code &amp; Description</b>	<b>IA21/17.006.2 Elected members receive, and confirm reading the corporate safeguarding policy</b>					
	The Community Services Manager confirmed that members do not have access to the safeguarding policy online. There are mechanisms in place such as weekly e-mails to members and news stories on the staff intranet homepage which could be used to promote the safeguarding policy but there have been no recent or regular communications.				<b>Exit Meeting Date</b>	27-Jul-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
	<b>Audit Report Code and Description</b> IA21/17 Safeguarding					
<b>Agreed Action</b>	6.2 – Ensure that all Elected Members have received and signed that they have read the corporate Safeguarding Policy - include with completion of e-learning module					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	The completion date for this action is 31 December to correspond with the eLearning Safeguarding Training to members.  E-learning module has been agreed / the training and development manager is creating logon profiles for members expecting roll out of the training late November 2021.  <b>Therefore, a request for an extension to 31 December 2021.</b>					26-Oct-2021



<b>Action Code &amp; Description</b>	<b>IA21/17.006.3 New Starters and Volunteers</b>					
	The Community Services Manager confirmed that members do not have access to the safeguarding policy online. There are mechanisms in place such as weekly e-mails to members and news stories on the staff intranet homepage which could be used to promote the safeguarding policy but there have been no recent or regular communications.				<b>Exit Meeting Date</b>	27-Jul-2021
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	
	<b>Audit Report Code and Description</b> IA21/17 Safeguarding					
<b>Agreed Action</b>	6.2 – Ensure that all Elected Members have received and signed that they have read the corporate Safeguarding Policy - include with completion of e-learning module					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	The completion date for this action is 31 December to correspond with the eLearning Safeguarding Training to members.  E-learning module has been agreed / the training and development manager is creating logon profiles for members expecting roll out of the training late November 2021.  <b>Therefore, a request for an extension to 31 December 2021.</b>					26-Oct-2021

<b>Risk Level</b>	<b>High Priority</b>			<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA21/17 Safeguarding				
<b>Agreed Action</b>	6.3 - Ensure that all new starters and volunteers have received and signed that they have read the corporate Safeguarding Policy as part of the E-Learning Package				
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	0%	<b>Head of Service</b> <b>Andrew Smith</b>
<b>All Notes</b>	Community Services Manager is liaising with the Training Officer about getting the process rolled out and in place. <b>Therefore, a request for an extension to 30<sup>th</sup> November 2021.</b>				26-Oct-2021

### Head of Service Vickers, Peter

<b>Action Code &amp; Description</b>	<b>IA21/19.007.1 Agresso Reports</b>				
	It is the responsibility of the user's line manager to ensure that access to the Agresso system is not too permissive at initial setup and during the life of the user's account. As managers do not have access to user access reporting tools, they would have to request a report from the System Accountant. However, the System Accountant has never received any request for access permissions report.			<b>Exit Meeting Date</b>	09-Sep-2021
	An illegitimate accumulation of permissions within the system could affect the segregation of duties and compliance to data protection legislation.			<b>Due Date</b>	30-Nov-2021
<b>Risk Level</b>	<b>Medium Priority</b>			<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA21/19 IT System Administration				
<b>Agreed Action</b>	7.1: Agresso reports to be set up by services including all Agresso users with their menu accesses (AM)				
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	0%	<b>Head of Service</b> <b>Peter Vickers;</b>
<b>All Notes</b>					

<b>Action Code &amp; Description</b>	<b>IA21/19.007.2 Reports circulated to Heads of Service</b>				
	It is the responsibility of the user's line manager to ensure that access to the Agresso system is not too permissive at initial setup and during the life of the user's account. As managers do not have access to user access reporting tools, they would have to request a report from the System Accountant. However, the System Accountant has never received any request for access permissions report.			<b>Exit Meeting Date</b>	09-Sep-2021
	An illegitimate accumulation of permissions within the system could affect the segregation of duties and compliance to data protection legislation. enter action details here.			<b>Due Date</b>	30-Nov-2021
<b>Risk Level</b>	<b>Medium Priority</b>			<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA21/19 IT System Administration				
<b>Agreed Action</b>	7.2: These reports to be sent to HOSs on periodical basis (initial suggestion is quarterly basis however, this may be subject to review upon team discussion) (AM)				
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	0%	<b>Head of Service</b> <b>Peter Vickers</b>
<b>All Notes</b>					

<b>Action Code &amp; Description</b>	<b>IA21/15.003.1 Clear Policy of the recharging of utilities</b>					
	Leaseholders should expect to be charged for a proportion of actual cost of utilities, as set out in their lease agreements.			<b>Exit Meeting Date</b>	22-Jul-2021	
	Utilities costs were approved to be invoiced during 2020/2021 based on prior year invoices. We were told by Senior Accountancy staff, and the Home Ownership Officer that the reason for this was due to difficulty analysing past invoicing and no way yet to determine the usage of these utilities by individual leaseholder premises. The Council are in the process of installing a system of smart meter monitoring to enable accuracy within the billing and apportionment of utilities costs.			<b>Due Date</b>	30-Nov-2021	
	Whilst invoicing for charges in 2020/21 has been based on prior years usage, The Housing Finance Manager was unable to demonstrate that this had been approved.					
We also found that the Council received a query from a leaseholder around their utilities charges and why they had been invoiced the same amount for a second year in a row. Due to the Housing Finance Managers current absence from work we were unable to obtain an explanation on whether this query was resolved, or how.						
<b>Risk Level</b>	<b>High Priority</b>			<b>Risk RAG</b>		
<b>Audit Report Code and Description</b>	IA21/15 Service Charges re Leasehold Flats					
<b>Agreed Action</b>	3.1 WBC will produce a clear policy on how it will calculate utilities charges. From said policy, identify resource required to implement the policy If additional resource required a request will be made to Management Board					
<b>Status</b>		<b>Assigned</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Hugh Wagstaff</b>
<b>All Notes</b>						

## ANNEXE 2

### Requests for extension/s to previously agreed implementation date/s

<b>Recommendation Ref No/s</b>	<b>IA20/8.001 &amp; 002.</b>
<b>Justification for an extension</b>	<p>Completion of this action is dependent on the necessary functionality being available in the new Horizon system, which is not yet in place; <b>(IA20/08.001)</b></p> <p>The Council is actively looking at how it will deliver enforcement and inspection functions more holistically at the corporate level and it was therefore agreed with the Environment Overview &amp; Scrutiny Committee that scrutiny of the draft Local Enforcement Plan. This will not be agreed by Council until March 2022 <b>(IA20/08.002)</b></p> <p>Therefore, an extension to 31<sup>st</sup> March 2022 from the Audit Committee is requested.</p>
<b>Recommendation Ref No/s</b>	<b>IA20/17.001.1, 1.2, 2.2, 3.1, 3.2, 4.1, 4.2, 4.3, 4.4.</b>
<b>Justification for an extension</b>	<p>Action awaiting successful Horizon role out. <b>(IA20/17.001.1, 1.2, 2.2, 3.1, 3.2, 4.1, 4.2, 4.3, 4.4)</b></p> <p><b>Therefore, an extension to 31<sup>st</sup> December 2021 from the Audit Committee is requested.</b></p>
<b>Head of Service</b>	<b>Zac Ellwood, Head of Planning and Economic Development</b>

<b>Recommendation Ref No/s</b>	<b>IA21/17.001.3 and IA21/17.006.2.</b>
<b>Justification for an extension</b>	<p>Final tweaks on the form and the provision of member training with enable signing up to the Safeguarding policy, to be completed by December 2021.</p> <p><b>Therefore, an extension to 31 December 2021 from the Audit Committee is requested.</b></p>
<b>Recommendation Ref No/s</b>	<b>IA21/17.005.2 and IA21/17.006.3</b>
<b>Justification for an extension</b>	<p>These two recommendations require input from others internal and external to Waverley, it's now planned to have these completed by 30<sup>th</sup> November 2021.</p> <p><b>Therefore, an extension to 30 November 2021 from the Audit Committee is requested.</b></p>
<b>Head of Service</b>	<b>Andrew Smith, Head of Strategic Housing and Community Services</b>

## WAVERLEY BOROUGH COUNCIL

### AUDIT COMMITTEE

8<sup>TH</sup> NOVEMBER 2021

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**Title:**

**PROGRESS ON THE INTERNAL AUDIT PLAN FOR 2021-22**

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**Lead Councillor:** Councillor Peter Marriott, Chairman of the Audit Committee

**Strategic Director:** Graeme Clark

**Key decision:** Yes

**Access:** Public

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**1. Purpose and summary**

1.1 Purpose and summary of the report.

1.2 The Committee's Terms of Reference include provision for the Committee to approve, monitor and comment on the progress made in the achievement of the Internal Audit Plan. An update on the current position of the Internal Audit Plan for 2021-22 is presented for the Audit Committee to note status of the plan.

**2. Recommendation**

It is recommended that the Audit Committee notes the contents of the Internal Audit Plan 2021-22 progress report as attached in Annexe 1.

**3. Reason for the recommendation**

To enable the Audit Committee to be informed of the work that has been completed to provide them with assurance that the control environment is working as intended.

**4. Background**

4.1 The progress report for 2021-22 is detailed in Annexe 1.

## **5. Relationship to the Corporate Strategy and Service Plan**

5.1 A financially sound Waverley, with infrastructure and services fit for the future.

## **6. Implications of decision**

### **6.1 Resource (Finance, procurement, staffing, IT)**

There are no specific financial implications from this report, however, the delivery of the Audit Plans will contribute towards the Council's sound financial and management processes and help ensure sound probity and governance arrangements are in place.

### **6.2 Risk management**

The reviews included in this Plan have been risk assessed are being necessary to provide management with assurance that the controls in place are sufficient to safeguard the authority's assets.

### **6.3 Legal**

The Council must have an operational Audit Plan that covers a period of no more than a year in order to fully comply with the requirements of the Code of Practice issued by CIPFA, which is given mandatory status by the Accounts and Audit Regulations 2015.

### **6.4 Equality, diversity, and inclusion**

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

### **6.5 Climate emergency declaration**

There are no direct implications in this report

## **7. Consultation and engagement**

7.1 Heads of Service, Management Board and the Chairman and Vice-Chairman of the Audit Committee were consulted on the content of the proposed draft Audit Plans.

## **8. Other options considered**

8.1 N/A

## **9. Governance journey**

9.1 The minutes of the meeting will be included on the next Council agenda.

### **Annexes:**

Annexe 1 – Progress on the Internal Audit Plan for 2021-22

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### **Background Papers**

There are no background papers, as defined by Section 100D (5) of the Local Government Act 1972).

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### **CONTACT OFFICER:**

Name: Gail Beaton  
Position: Internal Audit Manager  
Telephone: 01483 523260  
Email: [gail.beaton@waverley.gov.uk](mailto:gail.beaton@waverley.gov.uk)

Agreed and signed off by:  
Legal Services: 21/10/2021  
Head of Finance: 18/10/2021  
Strategic Director:  
Portfolio Holder: N/A

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## 1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

*‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’*

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

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 organisations’ 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. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Audit Executive is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Internal Audit Manager’s annual opinion.

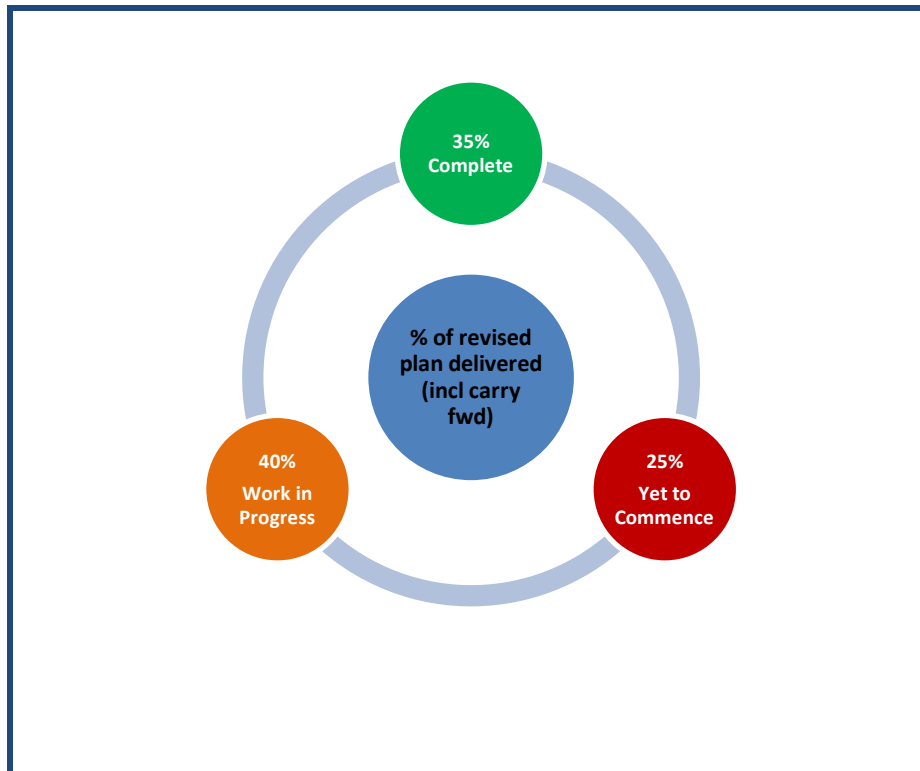
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The contractor has adopted the new CIPFA recommended standard terminology and definitions to be used in internal audit engagements across the whole Public sector and for a standard set of opinions and supporting definitions for internal audit service provider to use. This has resulted in minor amendments to those previously used by Southern internal Audit Partnership and adopted by the internal inhouse provision in accordance with best practice.

### The recommended CIPFA classifications:-

- 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.

### 3. Performance dashboard



**Compliance with Public Sector Internal Audit Standards**



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

4. Analysis of ‘Completed’ audit plan reviews

Audit Review	Final Report Issued Date	Audit Sponsor	Assurance Opinion	Management Actions						
				Total Action Reported	Not Accepted	Not Yet Due	Complete	Overdue Actions		
								L	M	H
Post Payment Business Grant Compliance	10/09/2021	HOF&P	Substantial	0						
IT Risk Assessment of our current environment (remote working and server capacity etc.)	14/10/2021	SD (151)	Advisory	0						
Responsive Repairs	08/10/2021	HOHO	Reasonable	6						
Treasury Management	08/10/2021	HOF&P	Substantial	1		1				
Lone Working Policy		HOER								

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<b>HOF&amp;P</b>	<i>Head of Finance and Property - Peter Vickers</i>	<b>HOBT</b>	<i>Head of Business Transformation - David Allum</i>
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<b>HOP&amp;G</b>	<i>Head of Policy and Governance - Robin Taylor</i>	<b>HOHO</b>	<i>Head of Housing Operations - Hugh Wagstaff</i>
<b>HOCS&amp;SP</b>	<i>Head of Commercial Services - Kelvin Mills</i>	<b>HOHD&amp;C</b>	<i>Head of Housing Delivery &amp; Communities - Andrew Smith</i>
<b>HOES</b>	<i>Head of Environmental and Regulatory Services - Richard Homewood</i>	<b>HOP&amp;ED</b>	<i>Head of Planning and Economic Development – Zac Ellwood</i>
<b>CEO</b>	<i>Chief Executive - Tom Horwood</i>	<b>SD Director/s</b>	<i>Strategic Directors - Graeme Clark/Annie Righton</i>

## 5. Planning & Resourcing

The internal audit plan for 2021-22 was approved by the Audit Committee on 1st March 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Section 7 details the reviews that have been added/removed/deferred to the original plan approved by the Audit Committee March 2021. Progress against the plan is detailed below in Section 6. This plan will be delivered within the budget allocated as detailed in Section 8 of this report.

## 6. Rolling Work Programme

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
<b>INFORMATION TECHNOLOGY</b>											



IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
IT Risk Assessment of our current environment (remote working and server capacity etc.) (C)	HOBT	H	3	Q1	✓	✓	✓	✓	✓	Advisory	
<b>APPLICATIONS SYSTEMS IN SERVICE AREAS</b>											
Horizon Planning System (C)	HOP&ED	H	10	Q3-4	✓						
Further reviews to be decided based on the results of the Audit Needs Analysis above (C)	ALL HOS	H	10	Q3-4							
<b>KEY FINANCIAL SYSTEM</b>											
Post Payment Business Grant Compliance (C/F 2020-21) (C)	HOF&P	H	15	Q1	✓	✓	✓	✓	✓	Substantial	
Treasury Management (C)	HOF&P	H	7	Q1	✓	✓	✓	✓	✓	Substantial	
Council Tax Reduction Scheme (IA)	HOF&P	H	10	Q3-4							

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
Debt Management (C)	HOF&P	H	10	Q2	✓	✓	✓				
Collection of Fees and Charges (C)	ALL HOS	H	7	Q3-4	✓						
Housing Rent Recovery (C)	HOHO	H	7	Q2-4	✓	✓	✓				
Payroll Transactions	HOP & G	H	5	Q3-4	✓	✓					
<b>SERVICE AREAS</b>											
Property Terrier (IA)	HOF & P	H	12	Q3-4							
Gas Servicing of boilers in council homes (IA)	HOHO	M	5	Q2							
Repairs Recharges for Void properties to vacating Tenants (C/F 2020-21) (C)	HOHO	M	10	Q3-4							
Responsive Repairs (C)	HOHO	M	10	Q1	✓	✓	✓	✓	✓	Reasonable	
Planning Housing Delivery Monitoring Process (CF 2020-21) (C)	HOP&ED	M	12	Q2-3	✓						

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
<b>Sinking Funds Re Leaseholders (IAM)</b>	<b>HOHO</b>	<b>M</b>	<b>25</b>	<b>Q2-3</b>	✓	✓	✓	✓		Advisory	
<b>Waste Management (Bin stocks and Stores controls and Missed Bin contractual terms) (C)</b>	<b>HOE&amp;RS</b>	<b>M</b>	<b>10</b>	<b>Q3</b>	✓	✓					
<b>CORPORATE/CROSS CUTTING</b>											
<b>Health &amp; Safety (C)</b>	<b>HOS ALL</b>	<b>M</b>	<b>7</b>	<b>Q4</b>							
<b>Corporate Criminal Offence (C)</b>	<b>HOS ALL</b>	<b>H</b>	<b>7</b>	<b>Q3-4</b>							
<b>Lone Working Policy (C)</b>	<b>HOS ALL</b>	<b>H</b>	<b>7</b>	<b>Q1</b>	✓	✓	✓	✓			
<b>Climate Change (Strategic plan, Policy etc.) (C)</b>	<b>HOS ALL</b>	<b>H</b>	<b>5</b>	<b>Q3-4</b>	✓	✓					
<b>No of Audit Plan days allocated</b>			<b>194</b>								
<b>Days currently allocated to Southern</b>			<b>142</b>								

IT programme / Audit Review	Audit Sponsor	Risk	Days	Qtr.	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Comment
<b>Internal Audit Partnership</b>											
<b>Audit Plan Days currently allocated to Internal Audit Manager</b>			<b>52</b>								

**7. Adjustments to the Internal Audit Plan**

<b>Audit reviews deferred or removed from the 2021-22 Audit plan</b>	
	<b>0 Days</b>
	<b>Total 0 Days</b>

<b>Audit reviews added to the 2021-22 Audit plan</b>	
<b>Sinking Funds</b>	<b>25 Days</b>
<b>Payroll Transactional Testing</b>	<b>5 Days</b>
	<b>Total 30 Days</b>

**8. Other activities to be resourced from the Audit Service**

National Fraud Initiative (NFI) - Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The data collections for the 2021/22 exercise were uploaded to the Cabinet Office. The data matching reports were obtained in January 2021. These are currently being investigated as time permits in conjunction with the assistance of third parties to whom the match relates to assist in resolving anomalies and errors to identify fraudulent activity. Not all matches are investigated but where possible all recommended matches are reviewed by either Internal Audit or the appropriate service area.

**9. Budget Expenditure to date**

<b>Cost Centre R0202 Internal Audit</b>	<b>Current Approved Budget</b>	<b>Committed/Salaries and NI and service costs.</b>	<b>Remaining Balance at 15/07/2021</b>	<b>Estimated Number of Audit Days Planned to be delivered (Incl. IAM)</b>
<b>Total Internal Audit Budget</b>	<b>£153,800</b>	<b>£92,200</b>	<b>£61,600</b>	<b>350 Days</b>

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## WAVERLEY BOROUGH COUNCIL

### AUDIT COMMITTEE

8<sup>TH</sup> NOVEMBER 2021

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**Title:**

**Q2 FRAUD INVESTIGATION SUMMARY FOR 2021-2022**

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**Lead Councillor: Councillor Peter Marriott, Chairman of Audit Committee**

**Strategic Director: Graeme Clark**

**Key decision: Yes**

**Access: Public**

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**1. Purpose and summary**

The report provides an update to the Committee on the work being completed in investigating fraud, primarily focusing on Housing Tenancy fraud.

**2. Recommendation**

It is recommended that the Audit Committee notes the results of the fraud investigation activity, attached in: -

Annexe 1 up to the end of 2<sup>ND</sup> Quarter of 2021-22, 01 April 2021- 30 September 2021 activity.

**3. Reason for the recommendation**

To inform the Audit Committee of the work that has been completed to date in relation to fraud investigation matters.

**4. Background**

- 4.1 This report provides the Audit Committee with an update on the activity relating to fraud investigations. The success of the work completed has been supported by the Prevention of Social Housing Fraud Act 2013 where the maximum penalty for the offence of acting dishonestly in the subletting/parting with possession of a property is up to 2 years' imprisonment or a fine (or both).

- 4.2 In the period 1<sup>st</sup> April 2021 to 30 September 2021 successes included the recovery of 3 relinquished tenancies and the retention of 4 other properties, 1 of which relates to a Right to buy application where the right to buy was stopped and the tenancy relinquished as it was not the sole and principal home of the tenant. The others related to applications which were denied due to the inaccuracy of the information supplied when either applying to be included on our housing waiting list or applying for succession.
- 4.3 In the current situation with covid restrictions, care has been taken to protect members of the public and staff where reduced contact has been necessary. Although this has placed limitations on the normal activities taken to investigate cases, work has continued to investigate allegations of misuse of council properties in breach of tenancy agreements terms and conditions.

## **5. Relationship to the Corporate Strategy and Service Plan**

- 5.1 A financially-sound Waverley, with infrastructure and services fit for the future supporting financial sustainability.

## **6. Implications of decision**

### **6.1 Resource (Finance, procurement, staffing, IT)**

The notional value of financial savings detailed in Annexe 1 for the cumulative period 1<sup>st</sup> April 2021- 30<sup>th</sup> September 2021 relates to the recovery of 3 relinquished tenancies and the retention of 4 other properties, 1 of which relates to a Right to buy application and the others were denied due to the inaccuracy of the information supplied to be included on our waiting list or applying for succession. This provided a total value of £508,000 indicative savings to the council for this period, based on Cabinet Office figures relating directly to housing fraud casework.

These however are indicative values do not include the real value to Waverley Borough Council, as it costs on average £200,000 to build a new house. Outcomes from this work not only highlight the fundamental financial value of continuing to support the work being carried out but the ethical and social responsibility importance to ensure that only those that qualify for social housing are successful. By returning or retaining these 7 properties in the housing stock helps Waverley to meet the needs of legitimate housing applicants.

### **6.2 Risk management**

If the authority did not carry out this investigation work it would enable fraudsters to perpetrate fraud against the council and obtain services or financial benefit including housing that they are not entitled to and this work helps to protect council assets.



### 6.3 **Legal**

It is the Council's duty to safeguard public funds; the work being completed may incur legal costs where matters escalate to prosecution. However, these costs are assessed on a case-by-case basis and are outweighed by the Council's stance that fraud perpetrated against the council and its taxpayers will not be tolerated, and the benefits (financial and otherwise) in pursuing these cases. There are tangible and intangible benefits to the recovery of HRA properties by stopping perpetrators from receiving services that they are not entitled to.

The Prevention of Social Housing Fraud Act 2013 contains two offences regarding the sub-letting or parting with possession of properties held under secure tenancies. The first is committed where the tenant no longer occupies the property as their only or principal home and sublets or parts possession of all or part of it in the knowledge that this is in breach of tenancy. A person convicted of this offence is liable on summary conviction to a fine of up to £5,000.

A more serious offence is committed if the tenant acts dishonestly in the subletting/parting with possession. A person convicted of this offence is liable to imprisonment for a term not exceeding 2 years or a fine (or both).

### 6.4 **Equality, diversity, and inclusion**

There are no direct equality, diversity, or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

### 6.5 **Climate emergency declaration**

There are no direct implications in this report.

## 7. **Consultation and engagement**

7.1 Head of Housing Operations and the Fraud Investigation Officer

## 8. **Other options considered**

8.1 N/A

## 9. **Governance journey**

9.1 The minutes of the Audit Committee will be presented to Council.

**Annexe:**

Annexe 1 – Provides the analysis of the caseload and cumulative outputs from the Fraud Investigation activity for the period 01/04/2020 to 30/09/2021.

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**Background Papers**

There are no background papers, as defined by Section 100D (5) of the Local Government Act 1972).

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**CONTACT OFFICER:**

Name: Gail Beaton  
Position: Internal Audit Manager  
Telephone: 01483 523260  
Email: [gail.beaton@waverley.gov.uk](mailto:gail.beaton@waverley.gov.uk)

Agreed and signed off by:  
Legal Services: 21/10/2021  
Head of Finance: 15/10/2021  
Strategic Director:

Name of Partner	Waverley
Accumulative to QUARTER	2

**Record of cases investigated in the period covering 01 April 2021 to 30 September 2021**

	Cases currently being investigated from previous years	Referrals received since 1 April 2021	Cases Started	Cases closed	Still under investigation	Positive outcomes includes previous years cases	Properties retained by the Council	Properties Handed Back /Recovered	Housing / Homeless/RTB / Succession/Mutual Exchange/Shared ownership application withdrawn	Financial Value	Prosecutions	Other Sanctions
<b>Housing</b>												
Social housing Fraud	10	12	12	15	7	2		2	Tenancy/ies Relinquished	186,000		
Housing Register Fraud	1	2	2	2	1	2	2		Housing Applications Rejected	6,480		
Homelessness Applications												
Right To Buy/Right To Acquire	0	17	17	17	0	1		1	Right to Buy stopped and/or Tenancy Relinquished	93,000		
Mutual Exchange	0								Mutual Exchange denied/rejected	0		
Successions	0	8	8	6	2	2	2		No of Succession/s denied	186,000		
<b>Recovered properties for others</b>	0									0		
Council Tax Discount												
<b>Single Person Discount (SPD) &amp; Local Council Tax Support (LCTS) (Outcomes from caseload</b>		2	2	2	0	2				30,600		
Student Exemptions												
Disability												
<b>Council Tax Support (CTS)</b>												
<b>Business rates</b>												
National Non Domestic Rates (NNDR)	0									0		
<b>Other (e.g. Disabled Facilities Grant)</b>	0											
<b>NFI exercise **</b>												
<b>2021/22 Q1 01/04/2021 to 30/09/2021</b>	11	41	41	42	10	9	4	3		502,080		
<b>2020/21 Year Total</b>	11	58	67	56	11	13	7	6		1,083,000		
<b>2019/20 Year Total</b>	18	65	83	73	9	9	0	6		879,976		
<b>2018/19 Year Total</b>	18	54	72	55	17	8	3	4		189,710	0	0
<b>2017/18 Year Total</b>	21*	113	134	117	17	30	13	10		733,930		
<b>2016/17 Year Total</b>	11	127	138	118	20*	32	13	12		688,866		

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**Value of financial savings Re NFI Cabinet Office savings 01 April 2021**  
 Tenancy Recovered - £93,000  
 Housing/Homeless Application withdrawn - £3,240  
 Right To Buy/Right To Acquire withdrawn/terminated - £84,200 per application withdrawn  
 Council Tax Discount - Annual value of discount cancelled multiplied by two years  
 Council Tax Support - weekly reduction multiplied by 21 weeks.

Resources utilised to investigate - 1 full time officer, approx £60,000 per year including on costs (£15K per quarter)

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# Agenda Item 12.

## AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME

Meeting	Item	Action	Responsibility
<b>November 2021</b>	Risk Management	Approve	Head of Finance and Property, Peter Vickers
	Annual Governance Statement – Interim Review	Comment and instruct	Head of Finance and Property, Peter Vickers
<b>March 2022</b>	Internal Audit Plan	Approve	Internal Audit Manager, Gail Beaton
	Risk Management (if required)	Approve	Head of Finance, Peter Vickers
<b>July 2022</b>	External Audit Findings Report	Note	External audit
	Annual Governance Report	Endorse	External Audit
	External Audit Plan	Note	External Audit
	Certification Report	Note	External Audit
	Internal Audit Charter	Endorse	Internal Audit Manager, Gail Beaton
<b>September 2022</b>	Risk Management (if required)	Approve	Head of Finance and Property, Peter Vickers
	Review Audit Committee’s Terms of Reference	Rec to Council, if necessary	Committee Services
	Audit Committee Annual Report	Note	Committee Services
	External Audit Annual Audit Letter	Note	External Audit
	Statement of Accounts	Approve	Head of Finance, Peter Vickers
	Annual Governance Statement	Approve	Head of Finance and Property, Peter Vickers and Head of Policy and Governance, Robin Taylor
	Annual Internal Audit Report (Activity of previous financial year)	Comment and Note	Internal Audit Manager, Gail Beaton

**Please Note: At every meeting the Committee will receive the following reports:**

Review of progress in the implementation of Internal Audit Recommendations [To note and instruct];

Review of the progress in achieving the Audit Plan [To note and instruct]; and

Fraud Investigation Summary [To note].

The Work Programme details regular items, but other items can be submitted to each meeting on an ad hoc basis or at the request of the Committee.

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