

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE

12TH SEPTEMBER 2022

Title:

PROGRESS ON THE IMPLEMENTATION OF INTERNAL AUDIT AGREED ACTIONS

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

Head of Service: Graeme Clark, Strategic Director

Key decision: Yes

Access: Public

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 and SMT.

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.

Background Papers

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

CONTACT OFFICER:






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Agreed and signed off by:
Legal Services: 22/08/2022 (SR)
Head of Finance: 23/08/2022
Strategic Director:
Portfolio Holder: N/A



Agreed Internal Audit Actions overdue or due by 30 September 2022




Generated on: 31 August 2022


| 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 | | | | | | |
|--|--|-----------------------|-----------------|-----|--------------------------|---|
| Action Code & Description | 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 | | | | Exit Meeting Date | 15-Jan-2020 |
| | | | | | Due Date | 31-Aug-2022 |
| Risk Level | Medium Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA20/08 Planning Enforcement | | | | | |
| Agreed Action | 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) | | | | | |
| Status |  | Check Progress | Progress | 90% | Head of Service | Zac Ellwood |
| All Notes | HOS requests an extension until March 2023 as this action is dependent on the approval of the Local Plan and these interrelated policies. | | | | | August 2022 |
| | Audit Committee Extension agreed at 28/03/2022 meeting to 31st August 2022. | | | | | 29-Mar-2022 |
| | Target times are addressed in the updated enforcement plan which is scheduled to go to Services O&S in March 2022. | | | | | 14-Feb-2022 |
| | The enforcement plan has been drafted and is under review. | | | | | 02-Feb-2022 |
| | Extension Agreed by Audit Committee on 08/11/2021 until 01/01/2022 | | | | | 09-Nov-2021 |
| | The main framework of an End-to-End processing system is now in place with the Horizon system. The reporting functionality is online however we are currently testing the output for clarity. Final Snagging works are in progress. Expected date: 01/01/2022 | | | | | 08-Nov-2021 |
| | 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 | |

| | | | | | | | |
|--|--|-----------------------|-----------------|-----|------------------------|--------------------------|--|
| Action Code & Description | IA20/08.002 Out of Date Enforcement Plan | | | | | Exit Meeting Date | 15-Jan-2020 |
| | 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. | | | | | Due Date | 31-Aug-2022 |
| Risk Level | Medium Priority | | | | | Risk RAG | |
| Audit Report Code and Description | IA20/08 Planning Enforcement | | | | | | |
| Agreed Action | To update and agree the Local Planning Enforcement Plan Risk - Key policy document may be out of date and not reflect current operations. (ZE) | | | | | | |
| Status |  | Check Progress | Progress | 90% | Head of Service | Zac Ellwood | |
| All Notes | HOS will request an extension until March 2023 as this action is dependent on the approval of the Local Plan and the interrelated policies. | | | | | | August 2022 |
| | Audit Committee Extension agreed at 28/03/2022 meeting to 31st August 2022. | | | | | | 29-Mar-2022 |
| | Draft plan is scheduled to go to Services O&S in March 2022. | | | | | | 14-Feb-2022 |
| | Updated draft report written, submitted to HoS. Whole council enforcement review with BT due to feed in to final doc. Awaiting further instruction. Update expected March 2022. | | | | | | 04-Feb-2022 |
| | Extension Agreed by Audit Committee on 08/11/2021 until 01/01/2022 | | | | | | 09-Nov-2021 |
| | Expected - January 2022 | | | | | | 08-Nov-2021 |
| | 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 taken into account. 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 |



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|--|---|--|--|--|--|--------------------------|---|
| Action Code & Description | IA22/13.002.1 Raw Data from Building Control | | | | | Exit Meeting Date | 24-Jun-2022 |
| | A monthly report of completions and commencements is sent to Planning by Building Control. The source data for this report is from Horizon, however the report is amended by Building Control to tidy it before it is issued. We obtained the raw data from Horizon for commencements between October and December 2021 and selected a sample of 10 commencements to agree to the Building Control reports for the same period. We found that two of the commencements from December 2021 had not been recorded in the Building Control report for the same month. We then checked all the commencements from the Horizon report to the Building Control report and found that 12 had been omitted in total from the Building Control report for December 2021. Whilst we acknowledge that these 12 dwellings only make up 2% of the required 590 new dwellings per year and there is a 5% tolerance in the housing delivery test, this demonstrates that human intervention can impact on the accuracy of the data. Although we noted that all the omitted commencements had been included on the commencements spreadsheet maintained by the Planning Policy Technician, this was because they were for large developments, and they were included in the monthly scan from the NHBC for December 2021. However, if the commencements had not been part of a larger development, there is a risk that these would not have been identified by other means. | | | | | Due Date | 20-Sep-2022 |
| Risk Level | High Priority | | | | | Risk RAG | |
| Audit Report Code and Description | IA22/13 Housing Delivery Plan Monitoring | | | | | | |

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|----------------------|---|--------------------|-----------------|----|------------------------|--------------------|
| Agreed Action | To obtain raw data from the Council's Building Control team regarding commencements to maintain the commencements spreadsheet rather than relying on the monthly spreadsheets issued by Building Control. | | | | | |
| Status |  | In Progress | Progress | 0% | Head of Service | Zac Ellwood |
| All Notes | | | | | | |



Head of Service Homewood, Richard

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|--|--|----------------|-----------------|-----|--------------------------|---|
| Action Code & Description | IA22/08.002.1 Reconciliation | | | | | |
| | <p>A reconciliation of stock issues and income received is not undertaken to ensure no undue stock shrinkage is occurring.</p> <p>In respect of bin financial management, we note that Garden bins are purchased for £18.50 and sold at £40. Other bins are sold on at a margin of £10 -£20.</p> <p>Actual figures provided to us by the Finance Team show a fairly neutral position on income and expenditure (as at Oct 2021).</p> <p>Category Income Expenditure on stock including delivery/unloading charges Surplus/ deficit Garden Bin £51,080.00 £39,525.00 £11,555.00 Non-Garden Bin £48,689.26 £62,295.60 -£13,606.34</p> <p>The Environmental Services Consultant has commented that this may be due to accounting period differences as he was expecting a larger surplus as stock level held are kept to a minimum.</p> | | | | Exit Meeting Date | 25-Jan-2022 |
| Risk Level | Medium Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/08 Waste Management (Bins) | | | | | |
| Agreed Action | Accounting procedures for bin income and expenditure will be reviewed with the accountancy team and agreement reached on an appropriate accounting methodology to link income with expenditure and ensure clarity over surpluses and deficits. This will require an agreement over a separate account for these processes which can roll on from year to year, and clarification of capital and revenue accounting. | | | | | |
| Status |  | Overdue | Progress | 20% | Head of Service | Richard Homewood |
| All Notes | Head of Service Richard Homewood has requested an extension to the 31 October 2022, see Annexe 2 for justification. | | | | | 19-Aug-2022 |
| | Progress being made between Accountancy and Waste Team see attached email trail. | | | | | 02-Aug-2022 |



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|--------------------------------------|--|--|--|--|--------------------------|-------------|
| Action Code & Description | IA22/08.003.1 Disputed invoices | | | | | |
| | <p>A number of disputed invoices were received from the Contractor in 2020/21 in respect of missed bin extra collections required. These disputes arose due to differing interpretations (by the contractor and client) of the provisions for these circumstances set out in the contract.</p> <p>Going forward these provisions require review and possible variation to the contract to ensure clarity for both parties.</p> | | | | Exit Meeting Date | 25-Jan-2022 |
| | | | | | Due Date | 30-Jul-2022 |

| | | | | | | |
|--|--|----------------|-----------------|-----------------|---|-------------------------|
| Risk Level | Low Priority | | | Risk RAG |  | |
| Audit Report Code and Description | IA22/08 Waste Management (Bins) | | | | | |
| Agreed Action | The definition of missed bins will be reviewed, and a revised definition agreed with Biffa. This will then be taken to Mg Board for approval before agreeing a formal variation to the contract. | | | | | |
| Status |  | Overdue | Progress | 50% | Head of Service | Richard Homewood |
| All Notes | See Annexe 2 for justification for an extension to January 2023. | | | | 31-Aug-2022 | |



Head of Service Smith, Andrew



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|--|---|------------------|-----------------|--------------------------|---|---------------------|
| Action Code & Description | IA21/17.002.2 Annual WBC Safeguarding Report | | | | | |
| | <p>The Safeguarding Children and Adults at Risk Policy sets out the following responsibilities:</p> <ul style="list-style-type: none"> . The Leader and Chief Executive are responsible for discharging the Councils Safeguarding responsibilities under the Care Act 2014, The Children Act 2004, and Working Together to Safeguard Children 2015. . Nominated Head of Service and Portfolio Holder responsible for coordinating, delivering and monitoring the Councils safeguarding responsibilities. . Internal Safeguarding Board - overseeing the Councils safeguarding responsibilities, including monitoring and evaluation of all safeguarding referrals. <p>However, the Board's Terms of Reference do not clearly set out reporting arrangements.</p> <p>Although during 2020-21 there was evidence of ad hoc reporting to the Management Board, such as the section 11 self-assessment, there were no regular reports of safeguarding referrals and activities or other performance monitoring to give assurance to the Leader/Chief Executive that safeguarding duties were being discharged effectively.</p> <p>The previous Internal Audit of Safeguarding in 2018 did highlight the lack of a formal agreed reporting framework as an issue and management actions were agreed; however, we found no evidence, aside from the introduction of the Internal Safeguarding Board, that actions relating to improved reporting have been implemented.</p> <p>Without an established reporting framework there is no mechanism to ensure that safeguarding responsibilities are discharged.</p> | | | Exit Meeting Date | 27-Jul-2021 | |
| | | | | Due Date | 30-Sep-2022 | |
| Risk Level | Medium Priority | | | Risk RAG |  | |
| Audit Report Code and Description | IA21/17 Safeguarding | | | | | |
| Agreed Action | 2.2 - Implement an Annual WBC Safeguarding Report - starting with 21/22 - for interim please see action 2.4. | | | | | |
| Status |  | Neglected | Progress | 10% | Head of Service | Andrew Smith |
| All Notes | This will be achieved by the 30 September 2022. (AS) | | | | August 2022 | |
| | Audit Committee Agreed extension to 30 September 2022. | | | | 19-Jul-2022 | |
| | Due to serious staff sickness and the pressure resulting from the team responding to the Ukrainian crisis, it is proposed to defer the publication of the Annual Safeguarding Report to September 2022. The Safeguarding Board is scheduled to meet on Monday 6 June, where this proposal will be discussed and a further updated posted on Pentana confirming the deferral. | | | | 30-May-2022 | |
| | Report not scheduled for completion until April 22 as needs to be in line with the Councils financial and service plan year | | | | 01-Feb-2022 | |
| | Information being collated - report not required until April 22 | | | | 12-Oct-2021 | |

Head of Service Vickers, Peter



| IA22/10.001.1 Policies and Procedures | | | | | | |
|---|--|--------------------|-----------------|----|--------------------------|---|
| Action Code & Description | We reviewed Debt Management information documented in the following publications: 1. Income and Debt Policy 2. Financial Regulations 3. Procedure Note for Active Debt Management. | | | | Exit Meeting Date | 22-Feb-2022 |
| | We identified the following issues: . The Procedure Note for Active Debt Management does not detail the process for dealing with refunds. . Annexe 12 of the Procedure Note for Active Debt Management labelled 'Copies of Homelessness Agreements' is blank. . There is no version control on the Procedure Note for Active Debt Management document, only a creation date. . It is not clear from any of these documents when these should next be reviewed. . The version of the Procedure Note for Action Debt Management that has been published does not include changes following review of the document by the Head of Finance. . We were only able to locate the Income and Debt Collection Policy using a google search. We could not locate this from the search engine on the Council's website or through navigating the tiles. | | | | Due Date | 30-Sep-2022 |
| Additionally, we were advised that following the consultation process with Services that resulted in the creation of the 'Procedure Note for Active Debt Management', that other than the procedure being published on Sharepoint, they were not specifically made aware of the publication of this updated document which may have been a missed opportunity to bring this to their attention as a reminder of their debt management responsibilities. | | | | | | |
| Additionally, we were advised that following the consultation process with Services that resulted in the creation of the 'Procedure Note for Active Debt Management', that other than the procedure being published on Sharepoint, they were not specifically made aware of the publication of this updated document which may have been a missed opportunity to bring this to their attention as a reminder of their debt management responsibilities. | | | | | | |
| Risk Level | Low Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/10 Debt Management | | | | | |
| Agreed Action | Will review these policies and procedures and implement the issues identified | | | | | |
| Status |  | In Progress | Progress | 0% | Head of Service | Peter Vickers |
| All Notes | This will be achieved by the 30 September 2022. | | | | | August 2022 |



| IA22/10.001.2 Dedicated debt area on website | | | | | | |
|--|--|--|--|--|--------------------------|-------------|
| Action Code & Description | We reviewed Debt Management information documented in the following publications: 1. Income and Debt Policy 2. Financial Regulations 3. Procedure Note for Active Debt Management. | | | | Exit Meeting Date | 22-Feb-2022 |
| | We identified the following issues: . The Procedure Note for Active Debt Management does not detail the process for dealing with refunds. . Annexe 12 of the Procedure Note for Active Debt Management labelled 'Copies of Homelessness Agreements' is blank. . There is no version control on the Procedure Note for Active Debt Management document, only a creation date. . It is not clear from any of these documents when these should next be reviewed. | | | | Due Date | 30-Sep-2022 |



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|--|--|--------------------|-----------------|----|------------------------|---|
| | <p>. The version of the Procedure Note for Action Debt Management that has been published does not include changes following review of the document by the Head of Finance.</p> <p>. We were only able to locate the Income and Debt Collection Policy using a google search. We could not locate this from the search engine on the Council's website or through navigating the files.</p> <p>Additionally, we were advised that following the consultation process with Services that resulted in the creation of the 'Procedure Note for Active Debt Management', that other than the procedure being published on Sharepoint, they were not specifically made aware of the publication of this updated document which may have been a missed opportunity to bring this to their attention as a reminder of their debt management responsibilities.</p> | | | | | |
| Risk Level | Low Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/10 Debt Management | | | | | |
| Agreed Action | We will set up a dedicated debt area within Finance backstage | | | | | |
| Status |  | In Progress | Progress | 0% | Head of Service | Peter Vickers |
| All Notes | This will be achieved by the 30 September 2022. | | | | | August 2022 |

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|--|--|----------------|-----------------|----|--------------------------|---|
| | IA22/10.003.1 Monitoring Information | | | | | |
| Action Code & Description | We were advised that due to covid and other additional work pressures that debt monitoring information has not been provided to Service Accountants since March 2021, in order that this can be taken to their monthly budget monitoring meeting to review and discuss with their Service contact. | | | | Exit Meeting Date | 22-Feb-2022 |
| | Similarly, aged debt monitoring information has not been provided to the Management Board since March 2021. We were also unable to view an audit trail by email of the last time management information was issued to the Management Board because this is generally printed and taken to these meetings or presented. We observed that it may be preferable for Board members to have this management information ahead of Board meetings, to allow them time for review. Additionally, the Debt Management Panel which meets monthly to review debt chasing procedures and debt statistics, have not meet since January 2021. | | | | Due Date | 30-Jun-2022 |
| Risk Level | High Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/10 Debt Management | | | | | |
| Agreed Action | Monitoring information will be supplied monthly to the service accountants to take to budget meetings | | | | | |
| Status |  | Overdue | Progress | 0% | Head of Service | Peter Vickers |
| All Notes | See Annexe 2 for justification for an extension to 30 September 2022. | | | | | 31-Aug-2022 |


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|--------------------------------------|--|--|--|--|--------------------------|-------------|
| | IA22/10.003.2 Monthly Debt Report | | | | | |
| Action Code & Description | We were advised that due to covid and other additional work pressures that debt monitoring information has not been provided to Service Accountants since March 2021, in order that this can be taken to their monthly budget monitoring meeting to review and discuss with their Service contact. | | | | Exit Meeting Date | 22-Feb-2022 |
| | Similarly, aged debt monitoring information has not been provided to the Management Board since March 2021. We were also unable to view an audit trail by email of the last time management information was issued to the Management Board because this is generally printed and taken to these meetings or presented. We observed that it may be preferable for Board members to have this management information ahead of Board meetings, to allow them time for review. | | | | Due Date | 30-Jun-2022 |


| | | | | | | |
|--|--|----------------|-----------------|----|------------------------|---|
| | Additionally, the Debt Management Panel which meets monthly to review debt chasing procedures and debt statistics, have not meet since January 2021. | | | | | |
| Risk Level | Medium Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/10 Debt Management | | | | | |
| Agreed Action | A monthly debt report will be provided to the Head of Finance and Property. | | | | | |
| Status |  | Overdue | Progress | 0% | Head of Service | Peter Vickers |
| All Notes | See Annexe 2 for justification for an extension to 30 September 2022. | | | | | 31-Aug-2022 |

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|--|--|----------------|-----------------|----|--------------------------|---|
| | IA22/10.003.3 Exception Report | | | | | |
| Action Code & Description | We were advised that due to covid and other additional work pressures that debt monitoring information has not been provided to Service Accountants since March 2021, in order that this can be taken to their monthly budget monitoring meeting to review and discuss with their Service contact. | | | | Exit Meeting Date | 22-Feb-2022 |
| | Similarly, aged debt monitoring information has not been provided to the Management Board since March 2021. We were also unable to view an audit trail by email of the last time management information was issued to the Management Board because this is generally printed and taken to these meetings or presented. We observed that it may be preferable for Board members to have this management information ahead of Board meetings, to allow them time for review. Additionally, the Debt Management Panel which meets monthly to review debt chasing procedures and debt statistics, have not meet since January 2021. | | | | Due Date | 30-Jun-2022 |
| Risk Level | Medium Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/10 Debt Management | | | | | |
| Agreed Action | Meetings of the Debt Management Panel will be replaced by an exception report in 3.2 | | | | | |
| Status |  | Overdue | Progress | 0% | Head of Service | Peter Vickers |
| All Notes | See above 3.2. | | | | | |



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|--|--|--------------------|-----------------|----|--------------------------|---|
| | IA22/10.004.1 Debt Suppressions | | | | | |
| Action Code & Description | We reviewed complaint codes attached to debts which are used to inform on the status of a debt and why debt chasing has been suppressed, to confirm that these are appropriate and reflective of the circumstances of the debt. | | | | Exit Meeting Date | 22-Feb-2022 |
| | We found for six out of 15 debts that the complaint code was not valid and subsequently the debt is not being chased as it should be. The following codes have been used in these instances: . 14 Day Hold . 28 Day Hold . Being Paid by Instalments . Passed to SP for Recovery . Awaiting return of DD form . See Diary /File Notes. | | | | Due Date | 30-Sep-2022 |
| Risk Level | Low Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/10 Debt Management | | | | | |
| Agreed Action | Will review debt suppressions and report on this monthly. | | | | | |
| Status |  | In Progress | Progress | 0% | Head of Service | Peter Vickers |
| All Notes | This will be achieved by the 30 September 2022. | | | | | August 2022 |



Head of Service Wagstaff, Hugh

| IA21/15.001.1 Leaseholder Service Charge Policy | | | | | | |
|---|---|--------------------|-----------------|-----|--------------------------|--|
| Action Code & Description | Our review found the Council does not have a leaseholder service charges policy in place. | | | | Exit Meeting Date | 18-Oct-2021 |
| | Our review also found that the procedures which were available, dated July 2016, did not align with the current leaseholder service charging process. | | | | Due Date | 30-Sep-2022 |
| Risk Level | Medium Priority | | | | Risk RAG | ■ |
| Audit Report Code and Description | IA21/15 Service Charges re Leasehold Flats | | | | | |
| Agreed Action | 1.1 WBC to produce and implement a Lease holder service charge policy | | | | | |
| Status |  | In Progress | Progress | 50% | Head of Service | Hugh Wagstaff |
| All Notes | Policy needs to be written, will be done before deadline (likely early September) by Income Officer. No external input needed. | | | | | 09-Aug-2022 |
| | Audit Committee Extension agreed at 28/03/2022 meeting to 30th September 2022. | | | | | 29-Mar-2022 |
| | Request extension to 30 September due to extended absence impacting staffing resources and business critical priority work on return. | | | | | 17-Mar-2022 |
| | Request extension to 30 June due to staffing resources and priority work on return. | | | | | 14-Feb-2022 |
| | Request an extension for all actions to end March 2022 due to staffing resources issue. | | | | | 28-Jan-2022 |
| | Work progressing collating information to inform the Leaseholder Service Charge Policy | | | | | 04-Nov-2021 |
| | Project Team identified to progress audit recs. | | | | | 18-Oct-2021 |

| IA21/15.001.2 Procedures | | | | | | |
|--|---|--------------------|-----------------|-----|--------------------------|--|
| Action Code & Description | Our review found the Council does not have a leaseholder service charges policy in place. | | | | Exit Meeting Date | 04-Nov-2021 |
| | Our review also found that the procedures which were available, dated July 2016, did not align with the current leaseholder service charging process. | | | | Due Date | 30-Sep-2022 |
| Risk Level | Medium Priority | | | | Risk RAG | ■ |
| Audit Report Code and Description | IA21/15 Service Charges re Leasehold Flats | | | | | |
| Agreed Action | 1.2 WBC to review, revise and implement said procedures | | | | | |
| Status |  | In Progress | Progress | 50% | Head of Service | Hugh Wagstaff |
| All Notes | Needs to be written, will be completed by Income Officer early September. | | | | | 09-Aug-2022 |
| | Audit Committee Extension agreed at 28/03/2022 meeting to 30th September 2022. | | | | | 29-Mar-2022 |
| | Request extension to 30 September due to extended absence impacting staffing resources and business critical priority work on return. | | | | | 17-Mar-2022 |
| | Request extension to 30 June due to staffing resources and priority work on return. | | | | | 14-Feb-2022 |
| | Request an extension for all actions to end March 2022 due to staffing resources issue. | | | | | 28-Jan-2022 |
| | Work progressing collating information to develop the Leaseholder Service Charge procedure. | | | | | 04-Nov-2021 |


| IA21/15.003.1 Clear Policy of the recharging of utilities | | | | | | |
|---|--|--|--|--|--------------------------|-------------|
| Action Code & Description | Leaseholders should expect to be charged for a proportion of actual cost of utilities, as set out in their lease agreements. | | | | Exit Meeting Date | 22-Jul-2021 |
| | | | | | Due Date | 30-Sep-2022 |


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|---|---|--------------------|---|
| <p>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.</p> <p>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.</p> <p>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.</p> | | | |
| Risk Level | High Priority | Risk RAG |  |
| Audit Report Code and Description | IA21/15 Service Charges re Leasehold Flats | | |
| Agreed Action | 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 | | |
| Status |  | In Progress | Progress 50% Head of Service Hugh Wagstaff |
| All Notes | Will be automatically completed with procedure in early September | | 09-Aug-2022 |
| | Audit Committee Extension agreed at 28/03/2022 meeting to 30th September 2022. | | 29-Mar-2022 |
| | Request extension to 30 September due to extended absence impacting staffing resources and business critical priority work on return. | | 17-Mar-2022 |
| | Request extension to 30 June due to staffing resources and priority work on return. | | 14-Feb-2022 |
| | Housing Income Officer now receives all invoices and has recording system with definitive list of communal areas. Leaseholder Service Charge policy and procedure to include utilities. | | 04-Nov-2021 |

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| IA21/15.006.1 Aged Debt | | | |
| Action Code & Description | Aged leaseholder debt has not been adequately pursued for collection due to a long-term vacancy in the Housing Team. This vacancy was being covered through the use of temporary agency staff but that resource was impacted by the first National COVID-19 lockdown. A permanent Housing Income Officer has now been appointed to take on this role. | Exit Meeting Date | 04-Nov-2021 |
| | Our review of charges made during 20/2021 confirmed that approximately 60 standard leaseholder service charges remain unpaid. These equate to approximately £3,300 for invoices which were issued during April 2020. We were also provided with a leaseholder invoices file which showed that invoices remain outstanding dating back to July 2018 and this equates to approximately £90,000. | Due Date | 30-Sep-2022 |
| Risk Level | Medium Priority | Risk RAG |  |
| Audit Report Code and Description | IA21/15 Service Charges re Leasehold Flats | | |
| Agreed Action | 6.1 WBC to create an Action Plan to review aged debt. Focus to be placed on recovering higher debt All outstanding debit to be prioritised Communicate that WBC will pursue Court action to recover debt Income officer to work with Agresso Systems Accountant to review and revise current reports | | |
| Status |  | In Progress | Progress 5% Head of Service Hugh Wagstaff |
| All Notes | 30th Sept 2022 date can be met, waiting on current % completion. | | 16-Aug-2022 |

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| | This is a large job, lots of putting out fires. | 09-Aug-2022 |
| | Needs an Action Plan and clarity on what 100% complete means. Decision must be made on who takes over for Hayley while she is on maternity leave. | |
| | Target potentially will not be hit. Extension to be requested. | 29-Mar-2022 |
| | Audit Committee Extension agreed at 28/03/2022 meeting to 30th September 2022. | |
| | Request extension to 30 September due to extended absence impacting staffing resources and business critical priority work on return. | 17-Mar-2022 |
| | Request extension to 30 June due to staffing resources and priority work on return. | 14-Feb-2022 |
| Request an extension for all actions to end March 2022 due to staffing resources issue. | 28-Jan-2022 | |
| Identified as project once Leaseholder Service Charge policy and procedure in place | 04-Nov-2021 | |



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|--|--|----------------|-----------------|-----|--------------------------|--------------------------------------|
| IA22/06.002.3 Review Interim Measure at 1.2 | | | | | | |
| Action Code & Description | The Rent Recovery Procedure states that once a repayment agreement for debt has been reached with a Tenant that Orchard automatically produces a letter which they should send to the Tenant to confirm the commitment they have made. | | | | Exit Meeting Date | 26-Nov-2021 |
| | Through testing we confirmed that letters are not being sent to formalise repayment arrangements as part of the current process, instead arrangements are agreed verbally. | | | | Due Date | 30-Jun-2022 |
| Risk Level | Low Priority | | | | Risk RAG | ■ |
| Audit Report Code and Description | IA22/06 Rent Recovery | | | | | |
| Agreed Action | Once a response is received from Orchard, we will review the interim measure at 1.2 | | | | | |
| Status |  | Overdue | Progress | 15% | Head of Service | Hugh Wagstaff |
| All Notes | System Administrator to review arrangement process April 2022 | | | | | 14-Feb-2022 |



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| IA22/SP/01.002.1 User Guide | | | | | | |
| Action Code & Description | Leaseholder Service Charge Overview User Guide 1 is out of date and requires updating to reflect current practice and any decisions made on the outcomes of this review. | | | | Exit Meeting Date | 01-Apr-2022 |
| | | | | | Due Date | 30-Sep-2022 |
| Risk Level | Medium Priority | | | | Risk RAG | ■ |
| Audit Report Code and Description | IA22/SP/01 Sinking Funds | | | | | |
| Agreed Action | Review and update to current practices and in line with any government policies. (HW) | | | | | |
| Status |  | In Progress | Progress | 20% | Head of Service | Hugh Wagstaff |
| All Notes | This will be covered by the procedure to be written by Income Officer expected early September 2022. | | | | | 03-Aug-2022 |

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|--|--|--|--|--|--------------------------|--------------------------------------|
| IA22/SP/01.005.1 Invoice Breakdown & Analysis | | | | | | |
| Action Code & Description | Invoices inspected (Invoices were raised in 2016/17 to each lessee for between £619.41- £646.21), however these do not include a breakdown of the charges made, neither is there supporting documents uploaded to Account Receivable Debtors system on Agresso to support these charges or their recovery. | | | | Exit Meeting Date | 01-Apr-2022 |
| | | | | | Due Date | 30-Sep-2022 |
| Risk Level | Low Priority | | | | Risk RAG | ■ |
| Audit Report Code and Description | IA22/SP/01 Sinking Funds | | | | | |
| Agreed Action | Establish what invoices from this period are still unpaid. | | | | | |


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| | Attempt collection, if disputed we may need to credit off as no evidence can be shown of what we are charging for. Audit note this is not always the case as the general ledger on Agresso will have details of the R & M costs that have been coded to the ledger with the relevant invoice for the properties. What will be more problematic is the administration charges etc applied. (HW) | | | | | |
| Status |  | In Progress | Progress | 50% | Head of Service | Hugh Wagstaff |
| All Notes | Unpaid invoices have been established. May be completed off track as invoices will not be sent until 24th August due to annual leave. Only remaining step is to speak to customers. | | | | | 03-Aug-2022 |

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|--|---|----------------|-----------------|-----|--------------------------|---|
| | IA22/SP/01.007.1 Cover letter information | | | | | |
| Action Code & Description | From correspondence obtained during the review leaseholders at Sycamore Court have raised concerns, some relate to the unclear layout of the invoices, use of the sinking Fund, lighting the car park area, communal door entry etc. It is therefore suggested that each of these items are discussed with Leaseholders to establish open communication between the council and the leaseholders to resolve matters to a mutually agreed position. It is recognised that not all of these may be resolved instantaneously but steps can be made towards resolving the issues. | | | | Exit Meeting Date | 01-Apr-2022 |
| | | | | | Due Date | 31-Jul-2022 |
| Risk Level | Medium Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/SP/01 Sinking Funds | | | | | |
| Agreed Action | The cover letter for the service charges will include an explanation of the charges being invoiced. This information can be more clearly laid out on the invoices as well so that all properties get this level of detail each year. (HW) | | | | | |
| Status |  | Overdue | Progress | 90% | Head of Service | Hugh Wagstaff |
| All Notes | This is actively happening. Final step is to write into procedure and will be completed early Sept 2022. | | | | | 03-Aug-2022 |

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|--|--|----------------|-----------------|-----|--------------------------|---|
| | IA22/SP/01.008.1 Basis of Recharge | | | | | |
| Action Code & Description | Basis of recharge being applied is inconsistent with the terms and conditions of the original lease agreement re 1/15 re Sycamore Court or 1/8 re Coxbridge Meadow. Particularly if it is a repair to the leaseholders' property or a communal area, customer services must be aware of what is appropriate. (Section 20 notices have been covered in the recent review of Service charges to Leaseholders.) | | | | Exit Meeting Date | 01-Apr-2022 |
| | | | | | Due Date | 31-Jul-2022 |
| Risk Level | High Priority | | | | Risk RAG |  |
| Audit Report Code and Description | IA22/SP/01 Sinking Funds | | | | | |
| Agreed Action | Ensure that all future invoices are divided amongst the whole building, as they have been in 2021/22 invoices. This will be stipulated in the Leaseholder Service Charge Overview User Guide 1 update. (HW) | | | | | |
| Status |  | Overdue | Progress | 90% | Head of Service | Hugh Wagstaff |
| All Notes | Actively happening and will be written into procedure by early Sept 2022. | | | | | 03-Aug-2022 |

ANNEXE 1

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| Action Code & Description | IA22/SP/01.009.1 Correction of invoice | | | | | |
| | Invoice no 925890 for £248.75 customer no. 18648 was raised in the AR system for service charges but was sent to the wrong customer. This invoice is still showing as outstanding in this account and action should be taken to correct this error. The invoice should have been sent to customer no AP Ref. 10236 who has not yet been invoiced for these charges. | | | | Exit Meeting Date | 01-Apr-2022 |
| | | | | | Due Date | 31-Jul-2022 |
| Risk Level | Medium Priority | | | | Risk RAG | ■ |
| Audit Report Code and Description | IA22/SP/01 Sinking Funds | | | | | |
| Agreed Action | Invoice 18648- re Chapel Fields 10236- Coxbridge Meadow. Both in the same surname name. Need to establish if this person owns/owned both addresses and amend invoice accordingly. Re raise to correct customer. (HW) | | | | | |
| Status |  | Overdue | Progress | 50% | Head of Service | Hugh Wagstaff |
| All Notes | | | | | | |

ANNEXE 2

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

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|---------------------------------------|---|
| Recommendation Ref No/s | IA20/08.001 Target Response Times IA20/08.002 Out of Date Enforcement Plan |
| Justification for an extension | These actions are linked to the approval of the Local Plan which will not be agreed until March 2023. |
| Head of Service | Zac Ellwood |

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| Recommendation Ref No/s | IA22/08.002.1 Reconciliation |
| Justification for an extension | The Environmental Services Team and the Finance Team are working closely on this to develop a reconciliation process between the finance software systems and the Civica software used for bin ordering and sales. This work is proving challenging as efforts are made to link the systems electronically and eliminate manual processes. The Head of Service requests a further extension until 31 October 2022. |
| Head of Service | Richard Homewood |

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|---------------------------------------|---|
| Recommendation Ref No/s | IA22/08.003.1 Disputed invoices |
| Justification for an extension | Progress on this has been delayed by the focus on mitigating the impacts of Covid on the service. Throughout the Covid pandemic it was agreed that invoicing by Biffa for missed bins would cease and the Council would work with the contractor to focus all energies on keeping the service running as efficiently as possible. That partnership working continues as the aftermath of the pandemic in terms of continued sickness absence and staff shortages continues to impact on the contractor, along with other pressures. Work will start on the review of the definition of missed bins as soon as possible but realistically this will not be for some time given the other pressures on the service. In the interim the agreement to suspend any invoicing by Biffa for returns for missed bins has mitigated any financial impact on Waverley Borough Council. We would therefore request an extension of time for a further 6 months, to January 2023. |
| Head of Service | Richard Homewood |

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| Recommendation Ref No/s | IA22/10.003.1 & IA22/10.003.2 |
| Justification for an extension | After the Covid response officers had to support the payments of the Energy Rebate and "Thank you payments" for the Homes for Ukraine. End of September 2022 will still be very challenging, but we will make extra effort to achieve that timeframe. |
| Head of Service | Peter Vickers |