

# Waverley Borough Council

**Report to:** Audit and Risk Committee

**Date:** 11<sup>th</sup> September 2023

**Ward(s) affected:** All

**Report of Director:** Ian Doyle, Transformation & Governance

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**Audit and Risk Committee Chairman:** Cllr Spence

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**Report Status:** Open

## Progress on the implementation of Agreed Internal Audit Actions

### 1. Executive Summary

- 1.1 The Committee's Terms of Reference include provision for the Committee to monitor and comment on the progress made in the achievement of the Agreed Internal Audit Actions.
- 1.2 An update on the current position of the Agreed Internal Audit Actions is presented for the Audit and Risk Committee to note progress being made on their implementation.

## **2. Recommendation to Audit and Risk Committee**

- 2.1 It is recommended that the Audit Committee considers the information contained in **Appendix 1** and, following discussion at the Audit and Risk Committee meeting identifies any action it wishes to be taken on the actions that are overdue.
- 2.2 It is recommended that the Audit and Risk Committee considers the Executive Head(s) of Service justification for a request for a change in the agreed target date for the Management Action (s) listed in **Appendix 2** and agree an appropriate implementation date(s).
- 2.3 It is recommended that the Audit and Risk Committee discuss the items in **Exempt Appendix 3** as those actions will be discussed in exempt due to their content re safeguarding the security of the council.

## **3. Reason(s) for Recommendations:**

- 3 To enable the Audit and Risk Committee to be informed of the status of agreed audit actions accepted by the Executive Head(s) of Service but not yet implemented or insufficient progress made to implement by the agreed target date, enabling the Committee to be aware of the current position of the audit actions.

## **4. Exemption from publication**

- 4.1. N/A

## **5. Purpose of Report**

- 5.1 To inform the Audit and Risk 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.

## **6. Strategic Priorities**

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

## **7. Background**

7.1 This report provides the Audit and Risk Committee with the latest position regarding the implementation of Internal Audit agreed audit actions.

## **8. Consultations**

8.1 Consultation with Executive Heads of Service and the Joint Management Team were completed re the content of this report and the results.

## **9. Key Risks**

9.1 If the authority did not monitor the achievement of the agreed audit actions could leave the council vulnerable to the risks identified during each audit completed.

## **10. Financial Implications**

10.1. Internal Audit work helps management to ensure that internal controls are in place to minimise the risk of loss, including financial, to the council.

## **11. Legal Implications**

11.1 There are no direct legal implications, although good governance and probity are strengthened by attending to matters raised within the audit agreed actions. Our arrangements comply with public sector Internal Audit Standards.

## **12. Human Resource Implications**

12.1. N/A

## **13. Equality and Diversity Implications**

13.1 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.

## **14. Climate Change/Sustainability Implications**

14.1. There are no direct implications in the report.

## **15. Conclusion**

15.1 The contents of the report informs the Audit and Risk Committee of the recovery of properties from those not using them in accordance with the tenancy agreement and the financial and reputational value of completing this work to safeguard the councils assets.

## **16. Background Papers**

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

## **17. Appendices**

17.1 Appendix 1 – Internal Audit Agreed Actions due for implementation by 30 September 2023.

17.2 Appendix 2 – Internal Audit Actions request for an extension.

17.3 Exempt Appendix 3 – Internal Audit Actions relating to areas

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 paragraph 3 of the revised Part 1 of Schedule 12A to the Local Government Act 1972.

- Information relating to the financial or business affairs of any individual (including the authority holding that information).





## **18. Governance Journey**

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

<b>Service</b>	<b>Sign off date</b>
Finance / S.151 Officer (Rosie Plaistowe Melham)	14/08/2023
Legal / Governance ( )	
HR (Jon Formby)	07/08/2023
Strategic Director (Ian Doyle)	14/08/2023
Equalities	
Lead Councillor	N/A
CMB	
Executive Briefing/Liaison	N/A
Committee Services	

**APPENDIX 1 SUMMARY**

**Summary of actions requiring attention and/or request for extension**

No	RAG	Area	Ref	Topic	Description	Due Date	Status	Extension Request
		Use and Occupation Accounts	IA23/08.001.1 & IA23/08.003.1	Training	Training will take place for the Housing Management team on Succession and Use & Occupation. Short-term review of all U&O cases.	31/07/23		30/09/2023
		Use and Occupation Accounts	IA23/08.001.3	Local Policy	Draft local policy as add-on to Succession. To be drafted with Service Improvement team. Training to be provided to team. Timescales to be clearly noted. Monthly review of cases to be carried out by HM/SHO.	31/07/2023		31/10/2023

## Agreed Internal Audit Actions overdue or due by 30 September 2023



Generated on: 11/08/2023



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



### Interim Executive Head of Service Bates, Richard

IA23/10.005 Debt Recovery Policy and Procedure			
<b>Action Code &amp; Description</b>	Debt Recovery is managed by another in-house department and there is an automated process up until the final notice stage.	<b>Exit Meeting Date</b>	21-Jun-2023
	Currently the business rules for NNDR debt recovery are set out within a document called "Debt Policy," however the front-page states that it is specific to Council Tax Recovery Policies and Processes and does not refer to NNDR. We also noted that this document was last updated in September 2018.	<b>Due Date</b>	30-Sep-2023
	There is also an additional NNDR Recovery Policy currently in draft which has been extracted from the Debt Policy, but it includes mark-ups and has no version number. The Debt Recovery Manager advised that although the draft NNDR Policy was located, it did not appear to be in use.		
	We compared the two documents and noted that the only difference between the two policies was that the approach to be taken in tracing account holders is included within the Council Tax Policy and does not feature within the NNDR policy.	<b>Risk RAG</b>	
<b>Risk Level</b>	<b>Medium Priority</b>		
<b>Audit Report Code and Description</b>	IA23/10 NNDR (Business Rates)		
<b>Agreed Action</b>	We will review the debt policy for NNDR.		

## APPENDIX 1


<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Richard Bates</b>
<b>All Notes</b>	No Progress but will be completed by 30 September					02-Aug-2023


<b>IA23/10.006 Procedure Documents</b>						
<b>Action Code &amp; Description</b>	There are numerous documents in form of notes and procedures that form part of the NNDR Manual, however, they do not include details such as date of last update, date of next review, version number or document owner.				<b>Exit Meeting Date</b>	21-Jun-2023
	It is good practice to have details on the procedures to reflect the date of review, document owner and version control to ensure that the latest version of the document is being used.				<b>Due Date</b>	30-Sep-2023
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA23/10 NNDR (Business Rates)					
<b>Agreed Action</b>	We will review and date all NNDR procedures.					
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Richard Bates</b>
<b>All Notes</b>	No Progress but will be completed by 30 September					02-Aug-2023

<b>IA23/10.007 System Access</b>						
<b>Action Code &amp; Description</b>	Access to the NNDR System should be limited to minimise the risk of error and fraud. We were advised that currently there are only four users with access to amend RV folders on the system, other users can access but only as read-only. However, no evidence of this could be produced from the system to confirm that current allocated access to staff and no regular checks take place to ensure that access to the system is appropriate.				<b>Exit Meeting Date</b>	21-Jun-2023
					<b>Due Date</b>	30-Sep-2023
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA23/10 NNDR (Business Rates)					
<b>Agreed Action</b>	Access to the system within Civica is regulated by job type, only officers with the need to access NNDR have the job type that allows this. The parameters are updated when someone joins and this is not changed unless the officer changes roles. We will check with Civica if there is anything that can be done to facilitate regular checks.					
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Richard Bates</b>
<b>All Notes</b>	No Progress but will be completed by 30 September					02-Aug-2023




## Executive Head of Service Sale, Susan

<b>Action Code &amp; Description</b>	<b>IA22/SP/04.003.1 Training</b>					
	Levels of training provided to those involved in the administration of FOI is inconsistent with the roles that they fulfil.				<b>Exit Meeting Date</b>	03-May-2022
					<b>Due Date</b>	30-Sep-2023
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	<span style="color: red;">■</span>
<b>Audit Report Code and Description</b>	IA22/SP/04 Freedom of Information (FOI)					
<b>Agreed Action</b>	<p>Training should be provided to those that are or may become involved in FOI requests.</p> <p>i. This should include assessing the quantity and/or difficulties in obtaining the information.</p> <p>ii. WBC obligations and implications of not responding to FOI requests within the set timeframes set by the ICO.</p> <p>iii. Officers that are tasked with completing an internal review of a request to ensure that they have sufficient knowledge and skills to complete this task.</p> <p>iv. Further training to be provided to the Information Rights Co-ordinator to obtain indepth knowledge, particularly if the current structure remains.</p> <p>v. Training and awareness should be provided to all staff.</p>					
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	10%	<b>Head of Service</b>	<b>Susan Sale</b>
<b>All Notes</b>	Ongoing. IRC is available should any queries arise however formal training is yet to be implemented. IRC is liaising with Surrey colleagues to establish if they carry out any training and how. IRC has also spoken with HR to understand how this could be implemented.					11-Aug-2023
	Extension Agreed by Audit Committee on 13 March 2023 to 30 September 2023.					14-Mar-2023
	Currently seeking guidance on best practice training from other district and borough's.					17-Feb-2023

<b>Action Code &amp; Description</b>	<b>IA22/SP/04.007.1 Job descriptions</b>					
	Job Descriptions are out of date.				<b>Exit Meeting Date</b>	03-May-2022
					<b>Due Date</b>	30-Sep-2023
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	<span style="color: red;">■</span>
<b>Audit Report Code and Description</b>	IA22/SP/04 Freedom of Information (FOI)					
<b>Agreed Action</b>	Job descriptions should be reviewed to ensure that meet current requirements and clearly detail who has accountability and responsibility for Freedom of information requests, targets and decisions made through the process.					
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	0%	<b>Head of Service</b>	<b>Susan Sale</b>
<b>All Notes</b>	IRC understands that JD has been requested but unsure of progress.					11-Aug-2023
	Extension Agreed by Audit Committee on 13 March 2023 to 30 September 2023.					14-Mar-2023
	Not started Request an extension to these deadlines for 6 months to the end of September 2023. (NH 170223)					17-Feb-2023

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<b>Action Code &amp; Description</b>	<b>IA22/SP/04.007.3 Backup cover</b>					
	Backup cover arrangements were unclear to ensure consistency of application to meet target timeframes.				<b>Exit Meeting Date</b>	03-May-2022
					<b>Due Date</b>	30-Sep-2023
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	<span style="color: yellow;">■</span>
<b>Audit Report Code and Description</b>	IA22/SP/04 Freedom of Information (FOI)					
<b>Agreed Action</b>	Sufficient back up cover is in place to maintain the service provision, if the IRC were to be unavailable.					
<b>Status</b>		<b>In Progress</b>	<b>Progress</b>	25%	<b>Head of Service</b>	<b>Susan Sale</b>
<b>All Notes</b>	Ongoing due to staff changes. Admin assistant covers logging of requests if the IRC is away.					11-Aug-2023
	Extension Agreed by Audit Committee on 13 March 2023 to 30 September 2023.					14-Mar-2023
	Some cover is in place to cover basics whilst on A/L extension requested. (NH 170223)					17-Feb-2023


### Executive Head of Service Smith, Andrew

<b>Action Code &amp; Description</b>	<b>IA23/08.001.1 Training</b>					
	Housing legislation is complex and sets out the rights of housing tenants; the authority must therefore be careful when giving an occupier the status of "tenant" as this brings with it certain ongoing obligations. Errors made during this process could result in financial and reputational damage.				<b>Exit Meeting Date</b>	26-May-2023
	Although the housing policy is set at a legislative level, "Use and Occupation" Accounts is a local practice. However, there is no local policy around Use and Occupation accounts. There is also no specific procedure documentation.				<b>Due Date</b>	31-Jul-2023
Our audit testing identified that lack of guidance has contributed towards delays within the tenancy application process.						
We also identified that there was some confusion with terminology, for example we were advised by the Housing Manager, that "deposits", were taken at the start of the occupancy term, however these are not deposits but are in fact rent payments in advance. The Rents Accounts Manager confirmed that this had caused confusion with occupiers in the past.						
The Council website has an application form for occupiers wishing to apply for tenancy status, which does set out a process. However, our testing found no evidence that these application forms were in use, none had been saved on the Orchard records we tested within our sample and the Housing Manager advised that applications were generally managed in person, via email, or via postal exchange, and were not aware that the application form was available.						
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	<span style="color: red;">■</span>
<b>Audit Report Code and Description</b>	IA23/08 Use and Occupation Accounts					
<b>Agreed Action</b>	Training will take place for the Housing Management team on Succession and Use & Occupation. Short-term review of all U&O cases.					


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<b>Status</b>		<b>Check Progress</b>	<b>Progress</b>	50%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	Manager planned team meeting training on 25 August. All U&C cases reviewed and to be cross referenced by tenure type by 30 September 2023.					04-Aug-2023


<b>IA23/08.001.3 Local Policy</b>							
<b>Action Code &amp; Description</b>	<p>Housing legislation is complex and sets out the rights of housing tenants; the authority must therefore be careful when giving an occupier the status of "tenant" as this brings with it certain ongoing obligations. Errors made during this process could result in financial and reputational damage.</p> <p>Although the housing policy is set at a legislative level, "Use and Occupation" Accounts is a local practice. However, there is no local policy around Use and Occupation accounts. There is also no specific procedure documentation.</p> <p>Our audit testing identified that lack of guidance has contributed towards delays within the tenancy application process.</p> <p>We also identified that there was some confusion with terminology, for example we were advised by the Housing Manager, that "deposits", were taken at the start of the occupancy term, however these are not deposits but are in fact rent payments in advance. The Rents Accounts Manager confirmed that this had caused confusion with occupiers in the past.</p> <p>The Council website has an application form for occupiers wishing to apply for tenancy status, which does set out a process. However, our testing found no evidence that these application forms were in use, none had been saved on the Orchard records we tested within our sample and the Housing Manager advised that applications were generally managed in person, via email, or via postal exchange, and were not aware that the application form was available.</p>				<b>Exit Meeting Date</b>	26-May-2023	
					<b>Due Date</b>	31-Jul-2023	
	<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
	<b>Audit Report Code and Description</b>	IA23/08 Use and Occupation Accounts					
<b>Agreed Action</b>	Draft local policy as add-on to Succession. To be drafted with Service Improvement team. Training to be provided to team. Timescales to be clearly noted. Monthly review of cases to be carried out by HM/SHO.						
<b>Status</b>		<b>Check Progress</b>	<b>Progress</b>	25%	<b>Head of Service</b>	<b>Andrew Smith</b>	
<b>All Notes</b>	Initial conversation with SIT, request extended timescale to be completed 31 <sup>st</sup> Oct 2023.					04-Aug-2023	

<b>IA23/08.002.1 Tenancy Audits</b>						
<b>Action Code &amp; Description</b>	<p>We were advised that "Tenancy Audits" should be completed for all occupants who have requested a tenancy and who are holding "Use and Occupation Accounts. This is designed to ensure that all required information is gathered and considered as part of the decision-making process.</p> <p>However, our testing identified that tenancy audits had not been consistently completed. Tenancy audits were missing from the Orchard records for two of the three completed Use and Occupation Accounts that we reviewed.</p>				<b>Exit Meeting Date</b>	26-May-2023
					<b>Due Date</b>	30-Jun-2023
<b>Risk Level</b>	<b>High Priority</b>				<b>Risk RAG</b>	


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<b>Audit Report Code and Description</b>	IA23/08 Use and Occupation Accounts					
<b>Agreed Action</b>	Review all open U&O cases and carry out tenancy audit where not in place.					
<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	75%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	All cases reviewed and updated, Now five open cases and started scheduling on Tenancy Audits, where required.					04-Aug-2023

<b>IA23/08.003.1 Staff Training</b>						
<b>Action Code &amp; Description</b>	Although all Housing Officers are required to complete induction training, there is no regular training for Housing Officers to ensure that they are kept up to date with Housing Legislation.				<b>Exit Meeting Date</b>	26-May-2023
	We were advised that every 12 months the legal team should provide training to the Housing Officers, to inform their knowledge of the Housing Act. This has not been completed since June 2020. We were advised by the Housing Manager that currently there is no in house legal leads who could give this training.				<b>Due Date</b>	30-Aug-2023
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA23/08 Use and Occupation Accounts					
<b>Agreed Action</b>	Housing Management training plan to include Use & Occupation to be set in place for 2023/24 and annual thereafter.					
<b>Status</b>		<b>Assigned</b>	<b>Progress</b>	50%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	<b>See IA23/08.001.1</b>					04-Aug-2023

<b>IA23/08.004.1 Performance Management</b>						
<b>Action Code &amp; Description</b>	There is currently no target or expected timeframe for the completion of Use and Occupation Accounts. We were advised that they are only meant to be temporary arrangements whilst information is gathered and assessed, and tenancy decisions are made. We note that the succession application form currently available on the Council website sets out that a decision should be expected within 20 working days.				<b>Exit Meeting Date</b>	26-May-2023
	We reviewed all Use and Occupation Accounts over the last 12 months and identified on average the decision took six months. The Housing Manager advised that it was important for these accounts to be completed as swiftly as possible, to ensure that occupiers rights are protected, as well as ensuring that housing stock is used effectively.  There were no reasons for the delay in decision making recorded on Orchard. We also note that at the time of our review, no management information was available to enable these accounts to be effectively monitored.				<b>Due Date</b>	30-Jun-2023
<b>Risk Level</b>	<b>Medium Priority</b>				<b>Risk RAG</b>	
<b>Audit Report Code and Description</b>	IA23/08 Use and Occupation Accounts					
<b>Agreed Action</b>	Set in place monthly review of U&O accounts. Ensure ALL cases have open Orchard case.					

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<b>Status</b>		<b>Overdue</b>	<b>Progress</b>	75%	<b>Head of Service</b>	<b>Andrew Smith</b>
<b>All Notes</b>	Housing Interim Manager arranged performance monitoring with team and ongoing case review to prioritise and address all issues.					04-Aug-2023

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

<b>Recommendation Ref No/s</b>	<b>IA23/08.001.1 &amp; IA23/08.003.1 Training</b>
<b>Justification for an extension</b>	Manager planned team meeting training on 25 August. All U&C cases reviewed and to be cross referenced by tenure type by 30 September 2023.
<b>Joint Executive Head of Housing</b>	<b>Andrew Smith</b>

<b>Recommendation Ref No/s</b>	<b>IA23/08.001.3 Local Policy</b>
<b>Justification for an extension</b>	Initial conversation with SIT, request extended timescale to be completed by 31 October 2023.
<b>Joint Executive Head of</b>	<b>Andrew Smith</b>