



AUDIT AGENDA

**WEDNESDAY 18 SEPTEMBER 2024 AT 7.30 PM
CONFERENCE ROOM 2 - THE FORUM**

Membership

Councillor Terry Douris
Councillor Graeme Elliot
Councillor Sadie Hobson

Councillor Paul Reynolds (Vice-Chairman)
Councillor Robert Stewart (Chair)

For further information, please contact Corporate and Democratic Support or 01442 228209

AGENDA

- | | | |
|----------|--|-----------------|
| 6 | SUMMARY INTERNAL CONTROLS ASSURANCE (SICA)
REPORT | (Pages 2 - 70) |
| 8 | STATEMENT OF ACCOUNTS 2023/24 | (Pages 71 - 79) |



Report for:	Audit Committee
Title of report:	Summary Internal Controls Assurance (SICA) report
Date:	18 th September 2024
Report on behalf of:	Councillor Michela Capozzi, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A- SICA Report Appendix B Leisure Contract Appendix C Climate Change Appendix D Performance Management Appendix E Housing Allocations and Homelessness Appendix F Housing Regulatory Compliance and Building Safety
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	SICA- Statement of Internal Controls Assurance. A regular report produced by the Council's internal auditors outlining progress against the Council's approved annual audit programme of work.

Report Author / Responsible Officer

Fiona Jump, Head of Financial Services



Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)

Corporate Priorities	Ensuring efficient, effective and modern service delivery
Wards affected	All
Purpose of the report:	1. To provide committee with a progress update against the annual internal audit plan (Appendix A).
Recommendation to the decision maker:	1. Note the final internal audit reports issued for following Council activities:

	<ul style="list-style-type: none"> • Leisure Contract- Reasonable Assurance • Climate Change – Limited Assurance • Performance Management – Reasonable Assurance • Housing Allocations and Homelessness- Reasonable Assurance • Housing Regulatory Compliance and Building Safety- Reasonable Assurance <p>2. Note the content of the SICA and progress against the annual internal audit plan.</p>
Period for post policy/project review:	An update on progress against the approved Internal Audit programme is brought to committee on a regular basis.

1 Background

Attached at Appendix A is the latest SICA report. The SICA report provides Audit Committee with an update on governance, risk and internal control arrangements for the Council. The report will be presented at Audit Committee by the Council’s internal auditors, TIAA. Officers for the service covered by the internal audit report issued since the last SICA was presented to Audit Committee will also be present to answer queries from Members.

2 Internal audits completed since the last SICA

The following audits have been completed since the last SICA was presented to Audit Committee in July 2024:

- Leisure Contract- Reasonable Assurance
- Climate Change – Limited Assurance
- Performance Management – Reasonable Assurance
- Housing Allocations and Homelessness- Reasonable Assurance
- Housing Regulatory Compliance and Building Safety- Reasonable Assurance

The summary report and associated recommendations for the above audit is included in Appendix A.

TIAA use four levels of assurance assessment when undertaking internal audit review:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Internal audit recommendations are rated from 1, 2 or 3, with 1 being urgently required for implementation. No priority 1 recommendations have been made in respect of the audit review above.

3 Financial and value for money implications:

A robust programme of internal audit activity supports the delivery of value for money by the Council.

4 Legal Implications

The Council is required by law to make arrangements to undertake effective internal audit of its activities.

5 Risk implications:

The Council's internal audit programme is compiled on a risk- led basis.

6 Equalities, Community Impact and Human Rights

None arising directly from the report.

7 Sustainability implications (including climate change, health and wellbeing, community safety)

None arising directly from the report.

8 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

None arising directly from the report.

9 Conclusion

The SICA presented at Appendix A provides details of all internal audits completed since the July 2024 Audit Committee meeting.

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Dacorum Borough Council

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Summary Internal Controls Assurance (SICA) Report

September 2024

Final



Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Dacorum Borough Council between 15th July 2024 and 10th September 2024.

B Corp

2. TIAA Ltd has achieved its certification as a B Corporation (or B Corp), joining a growing movement of companies that are reinventing business for the benefit of all people and our shared planet. Verified by B Lab, the not-for-profit behind the B Corp movement, the achievement demonstrates that TIAA Ltd meets high standards of social and environmental performance, transparency, and accountability alongside a commitment to goals beyond shareholder value.

The news comes as the ongoing climate crisis and widening social inequality continue to pose urgent challenges to our economy. B Corp Certification assesses the entirety of a business’ operations and currently covers five main impact areas: Governance, Workers, Community, Environment and Customers. The certification process is rigorous, with companies required to reach a score of 80 points in the B Impact Assessment while providing evidence of responsible practices relating to energy supplies, waste and water use, worker compensation, diversity, and corporate transparency. A business must also legally embed their commitment to purpose as well as profit in their company articles.

TIAA Ltd is now part of a growing community of over 8,000 businesses globally that have certified as B Corps. The B Corp community in the UK is one of the largest and fastest growing in the world, with over 1,700 companies spanning a range of different industries and sizes. Names include The Guardian, Innocent Drinks, Patagonia, Tony’s Chocolonely, The Big Issue, Finisterre, Elemis, and Sipsmith Gin.

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Leisure Contract	Reasonable	5th July 2024	22nd August 2024	11 th September 2024	0	0	2	1
Climate Change	Limited	13th February 2024	20th August 2024	11 th September 2024	0	6	3	3
Performance Management	Reasonable	5th February 2024	20th August 2024	11 th September 2024	0	3	0	1

Follow-up Review of Housing Allocations and Homelessness	Reasonable	30 th July 2024	16 th August 2024	29 th August 2024	0	1	1	2
Housing Regulatory Compliance and Building Safety	Reasonable	20 th August 2024	29 th August 2024	6 th September 2024	0	1	0	2

4. The Executive Summaries for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2024/2025 Annual Plan

5. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.
6. Follow Up will be reported in detail to the next Audit Committee in keeping with the agreed alternate committee approach with a detailed follow up schedule going to the 12th February 2025 Audit Committee to allow for final resolution of any concerning recommendations ahead of the year end.

Changes to the Annual Plan 2024/25

7. There have been no changes to the audit plan.

Progress in actioning priority 1 & 2 recommendations

8. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA.

Frauds/Irregularities

9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

10. We have issued a number of briefing notes and fraud digests, shown in Appendix C, since the previous SICA report.

Responsibility/Disclaimer

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Appendix A: Executive Summaries

The following Executive Summaries are included in this Appendix. Full copies of the reports are provided to the Audit Committee.

Review	Key Findings
Leisure Contract	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> No printed name and/or job title of signatories appears on the contract agreement page. More frequent update to committee terms of reference is needed to ensure required attendees and that the council structure is up to date. No risks listed on the risk register pertain to the leisure contract management. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> The Leisure contract between Dacorum Borough Council and Sport and Leisure Management Ltd is well defined and suitably signed off by all relevant parties. Clear and timely reporting of activities, attendance and finances of the Leisure provider, was evidenced.
Climate Change	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> The Council is at a very early stage in its preparedness for meeting the challenges of climate change mitigation and adaptation. Climate change considerations are not yet embedded into corporate decision making, targets and objectives. The Council's risk registers do not include any reference to climate change risks, and therefore do not identify actions that are needed to mitigate the impact and adapt to the consequences There is no forecast of how reductions in emissions will be achieved in order to deliver net-zero by 2050 and the associated milestones along the way. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> A comprehensive programme management framework has been put in place very recently to address the range of projects that need to be undertaken in order to deliver sustainable services into the future. The Council has high aspirations and very positive ambitions for reducing the likelihood and impact of Climate Change. There is a high level of activity being planned.
Performance Management	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> No policies or procedures were evidenced in regards to Performance Management. No process in place to check the validity of raw data sent across. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> KPIs are set and monitored and reported monthly, and with a process manual in place for how to use the InPhase software which tracks KPI data.

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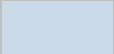
Review	Key Findings
<p>Follow-up Review of Housing Allocations and Homelessness</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • 219 Homelessness Applications are currently classed as in 'triage', this is due to delays in the service area caused by team capacity and increased workload. • There has been an underspend of £50,058 on staff expenditure, the previous audit identified an £8,000 underspend. • Information in Quarterly Housing Needs Reports is outdated. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • A framework has been put in place that limits Agency Staff usage, the forecast for Agency spending in 24/25 is £0.00.
<p>Housing Regulatory Compliance and Building Safety</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • In line with the Building Safety Act 2022, high rise buildings have been registered with the Building Safety Regulator (BSR). • The Safe Homes team are working with consultants to input data to a dynamic system, so that real time safety assessment reports can be provided when requested by the BSR. • Fire safety assessments have been completed for all properties, however monitoring of smoke alarm compliance is not systematically evidenced and noted. • Use of a new system MRI Asset commenced from April 2024, with data currently being input. All records for each property will ultimately be on this one system. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • The Safe Homes team apply best practice frequencies to testing and servicing to exceed minimum legal requirements. • The Council provides access to void flats in high rise buildings for the fire service to carry out training simulations, and lessons learned are shared.

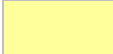
Appendix B: Progress against Annual Plan (i) 2023/24


System	Planned Quarter 23/24	Current Status	Comments
MTFS	1	Final – Report Nov	Final
Commercial Rents	2	Final – Report Nov	Final
Garage Rents	2	Final – Report Nov	Final
H&S - Corp	1	Final – Report Jan	Final
Risk Management Framework	2	Final	Final Issued 08/03/2024
Community Grants	2	Final	Final Issued 06/03/2024
Key Financial Controls	3	Final	Final Issued 06/03/2024
HRA H&S	1	Final	Final issued 23/04/2024 – Presented to July AC
Waste Management	3	Final	Final Issued 05/07/2024– Presented to July AC
Budgetary Control	3	Final	Final Issued 05/07/2024– Presented to July AC
Housing Rents	4	Final	Final Issued 05/07/2024– Presented to July AC
Leisure Contract	3	Final	Final Issued on 10 th September
Climate Change	4	Draft	Final Issued on 10 th September
Performance Management	3	Draft	Final Issued on 10 th September
Overtime and Additional Allowances	2	Discussion Draft - Indicative Reasonable Assurance (SS)	Discussion Draft. Awaiting feedback re exit meeting
Housing Allocations	4	Final 29th August	
Planning Enforcement	4	Discussion Draft (AP)	In progress
Planned and Preventative Estate Maintenance	4	In progress (LG)	In progress


System	Planned Quarter 23/24	Current Status	Comments
Housing Transformation Improvement Programme (HTIP)	4	Postponed	Postponed to 2024/25

KEY:

 To be commenced

 Site work commenced

 Draft report issued

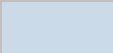
 Final report issued

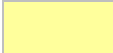
Appendix B: Progress against Annual Plan (ii) 2024/25


System	Planned Quarter 24/25	Current Status	Comments
Financial Resilience	1	Preliminary Meeting on the 26/6/24 Exit meeting 9/09/2024	
Key Financial Controls	1	Draft report issued 03/07/2024	
Community Engagement	1	Preliminary meeting 29/7/2024	
Business Continuity	1	Draft report issued 23/06/2024	
Housing Regulatory Compliance and Building Safety	1	Final Issued on 10/09/2024	
Fleet Management Strategy	2	Draft report issued 2/09/2024	
Private Sector Housing	2	Meeting schedule 25/09/2024 Head of Safe Communities joshua.smith@dacorum.gov.uk	
Capital Programme	2	Fieldwork in progress	
Income – Cash and Bank	3	Scoping Meeting 3/7/24 Preliminary meeting 28/11/2024	
Tenancy Management and Enforcement	3	Preliminary meeting set up for 16/10/24	
Leaseholders- review of section 20 process	3	Preliminary meeting set up for the 08/1/25	
MTFS	3	Preliminary Meeting scheduled October 2024	
Risk Management Framework	3	Preliminary Meeting 19/10/24	


System	Planned Quarter 24/25	Current Status	Comments
Housing Transformation and Improvement Programme (HTIP)	4	Deferred until September at client request, scoping meeting 13/09/2024	
Recruitment and Training	4	Scoping Meeting arranged for Preliminary Meeting on the 09/09/24	
Project Management	4	Preliminary meeting arranged for the 15/1/2025	
Licensing	4	Awaiting response to request for opening meeting.	

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Appendix C: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to Docorum Borough Council is given below:

Summary of recent Client Briefings and Alerts

Briefing Type	Subject	Web Link	TIAA Comments
Data Protection Alert	New Digital Information and Smart Data Bill	New Digital Information and Smart Data Bill - TIAA	The UK government is introducing a Digital Information and Smart Data Bill (DISD), distinct from the previous government's failed Data Protection and Digital Information Bill in several ways. Learn more about this new bill and the actions to take to keep your data protected.
Client Briefing	The Economic Crime and Corporate Transparency Act 2023	The Economic Crime and Corporate Transparency Act 2023 - TIAA	Learn about the Economic Crime and Corporate Transparency Act 2023, aimed at boosting the UK's efforts to combat economic crime and improve corporate transparency. Discover the Act's key points and requirements.
Client Briefing	Cyber Security Threats	Cyber Security Threats - TIAA	The National Cyber Security Centre (NCSC) has published an alert of a significant risk to IT systems and infrastructure. Attackers are exploiting vulnerable Small Office and Home Office (SoHo) devices at organisations to leverage attacks. Typically, SoHo devices (broadband routers etc) do not feature the advance security protection of enterprise level IT systems, thus making them an easy target.
Security Alert	Suspect found guilty of hospital terror plot	Suspect found guilty of hospital terror plot - TIAA	We detail the alarming story of a suspect found guilty of a hospital terror plot.

Briefing Type	Subject	Web Link	TIAA Comments
Security Alert	Violent incidents at GP practices	Violent incidents at GP practices - TIAA	<p>There has been a concerning rise in the number of violent incidents occurring at GP practices over the last two years, bringing the NHS crisis sharply into focus.</p>



Internal Audit

FINAL

Dacorum Borough Council

Page 16 Assurance Review of Leisure Contract

2023/24

September 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Adequate controls are in place for the management of the current Leisure contract.

SCOPE

A periodic review of the controls in place for managing the contracts for the provision of leisure facilities. The audit will focus on the following areas:

- An appropriate contract is in place, which sets out key performance indicators /performance targets;
- Variations are controlled in accordance with contractual provisions;
- Performance management and monitoring processes are in place and are robust enough to ensure compliance with performance standards;
- Contract clauses, such as penalties and deductions, are outlined and enforced;
- Payments are made accurately in line with contractual arrangements;
- Management information on contract performance is provided and regularly reviewed; and
- Adequate budget controls are in place.

KEY STRATEGIC FINDINGS

- No printed name and/or job title of signatories appears on the contract agreement page.
- More frequent update to committee terms of reference is needed to ensure required attendees and that the council structure is up to date.
- No risks listed on the risk register pertain to the leisure contract management.

GOOD PRACTICE IDENTIFIED

- The Leisure contract between Dacorum Borough Council and Sport and Leisure Management Ltd is well defined and suitably signed off by all relevant parties.
- Clear and timely reporting of activities, attendance and finances of the Leisure provider, was evidenced.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	2	1

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The name of an Assistant Director People, Performance & Innovation was not included within the TOR for the Leisure Operating Contract Strategic Board meetings and listed as TBC. This document was dated May 2018, and as such may include an out-of-date list of group members.	Annual update to the TOR for meetings for the Leisure Operating Contract Strategic Board meetings to take place to ensure an up-to-date list of group members and to take into account any changes to council or business structure.	3	<i>The list of meeting is detailed and defined in the LCMC Schedule 1 -Service Specification Section 3 page 149 & 204-206.</i> <i>Draft calendar of contract and relationship meetings linked to the above schedule has been produced.</i>	31/03/2025	Chris Fennell – Head of Communities and Leisure
2	Directed	The council risk register, Appendix A Strategic Risk Register Update Q4 2022-23, was obtained. However, no risks listed on the risk register pertain to the leisure contract management. Actions taken to protect the service during COVID 19 was evident, but these controls were not defined in the risk register under a business continuity plan.	Risks associated with contracts, for the leisure contract, should be included in the council risk register. This is to ensure that this risk can be considered and weighed as part of the council risk appetite.	3	<i>Leisure Contract – management and monitoring are detailed in the Place, Communities and Enterprise (PCE) Service Plan – Section 17 – Service Operational Risks.</i>	31/03/2025	As above

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	A contract for the provision of Leisure services by "Sport and Leisure Management Ltd" dated 29/03/2018 was evidenced. This contract was appropriately signed by both parties, including "The Common Seal" of Dacorum Borough Council as well as signatures of witnesses of the agreement. The contract signature page does not include a printed name of each signatory party, making identification of each agreeing party difficult. An additional formal deed of variation, signed and countersigned in line with contractual requirements, was provided for supplemental agreement and dated 07/07/2022.	As best practice, a printed name and job title should be sought alongside a signature on any documentation. This is to ensure that the signatory can be identified should the document be called into question at any point.	<i>All future leisure contract documents will have a clear printed section for the date, different organisations signatures, job titles and names of the parties signing.</i>

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ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

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Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	1	1
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	2	-
CM	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

Other Findings

- An up-to-date policy document, the commissioning and procurement standing orders policy dated 2019-2024, was provided on request. This policy document thoroughly details the manner in which Dacorum Borough Council is to seek, tender and accept any new contract.
- The commissioning and procurement standing orders policy dated 2019-2024 clearly describes the scheme of delegation, including financial cost of a contract each role is authorised to agree to and what steps must be followed in order to complete a contract agreement. The policy document provides guidance on each regulation to be adhered to and provides embedded links to each, including financial regulations.
- Section 13 of the Leisure Operator contract relates to Principal Obligations and starts with Standard of performance. Section 37, page 203 refers to Operating performance and Financial Reporting. Citing frequency and dates for reporting each area of the business.
- It has been advised by the Head of Commercial Development that no defined SLAs are included or managed in the contractual agreement.
- KPIs were evidenced to monitor progress of leisure contractor, no KPI was evident for the management of contract by council.

Other Findings



Section 2 of the finance & resources Overview and Scrutiny Committee document states the "operational board" is to meet on a monthly basis to discuss operations, KPIs, finances and maintenance of sites under any contract.



Quarterly financial reports from the last 12 months from Everyone Active were provided to evidence regular reporting of contract finances in line with contractual agreement.



Three quarterly reports, for October to December 2022, January to March 2023 and April to June 2023, as well as the Strategic Leisure Board summary from October 2022. Each report provided evidence of correct frequency of reporting, as well as adequate and sufficient information reported. Only the Strategic Leisure Board summary included attendees to the meeting. One invoice to Everyone active was provided, this invoice covered October and November 2023. Evidence for timely and accurate payment for this invoice was provided, demonstrating payment received 27/11/2023.








Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

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Other Findings

-  Minutes from the 22/23 Q2, Q3 and Q4 Strategic, and for 2023/24, Leisure Board meetings were evidenced. This confirms that quarterly reports are taking place in line with the TOR for this contract.
-  Evidence for KPI monitoring was provided in the 3.0 KPI Master documents (year 5 complete and year 5 Q3) this document included detailed KPI targets and compared this to actual KPI result for the previous year. The report shows target set pre covid of 539,000 annual usages. This figure dropped considerably in Q1, to 194,702 but has shown an increase into Q3, up to 727,334. Targeted membership numbers of 5,756 have not been met so far, and has fluctuated at 4,800, 5182 and 4,950. This demonstrates that though fewer members have joined, usage is up, membership levels are increasing on average and that this information has been reported clearly. Customer feedback reports were included in the KPI monitoring reports and all demonstrated that customer satisfaction met target levels of 80%.
-  Minutes from the 22/23 Q2, Q3 and Q4 Strategic Leisure Board meetings were evidenced, to confirm that regular reporting to the committee was taking place in line with terms of reference and reporting has been in line with contract. Both attendance and absences were noted, ensuring that appropriate persons from both DBC and Everyone active were in attendance.
-  Sections 2.4, 5.1, 10, of the commissioning & procurement standing orders policy document state that environmental considerations and sustainability must be considered and be in line with council strategies. Links to the council sustainability strategy is embedded in Appendix 2 of the same document.
-  An embedded link to the council's level one cooperates business continuity plan is included in Appendix 2 of the COMMISSIONING & PROCUREMENT STANDING ORDERS, provides evidence that the council's BCP is in place an encompasses leisure contracts.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	23 rd August 2023	1 st October 2023
Draft Report:	5 th July 2024	6 th September 2024
Final Report:	12 th September 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Leisure Contract		
Type of Review:	Assurance	Audit Lead:	RG - Auditor

Outline scope (per Annual Plan):	A periodic review of the controls in place for managing the contracts for the provision of leisure facilities. The audit will focus on the following areas: <ul style="list-style-type: none"> • An appropriate contract is in place, which sets out key performance indicators /performance targets; • Variations are controlled in accordance with contractual provisions; • Performance management and monitoring processes are in place and are robust enough to ensure compliance with performance standards; • Contract clauses, such as penalties and deductions, are outlined and enforced; • Payments are made accurately in line with contractual arrangements; • Management information on contract performance is provided and regularly reviewed; and • Adequate budget controls are in place. 		
Detailed scope will consider:	<p>Directed:</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery:</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:	None		

Planned Start Date:	01/09/2023	Exit Meeting Date:	02/02/2023	Exit Meeting to be held with:	Head of Commercial Development
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

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Dacorum Borough Council

Assurance Review of Climate Change

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September 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

The review mitigates the key risks that the Council will fail in its statutory duties to protect residents from the impact of Climate Change; and will not meet UK government targets for the reduction of Greenhouse Gas (GHG) emissions.

SCOPE

This is an area of increasing risk significance amid the Government’s commitment to net zero carbon emissions by 2050. If the Council is not seen to be taking action or working towards government targets this may lead to reputational damage. Key areas for the review included: a Corporate Strategy is in place for tackling climate change, with roles and responsibilities clearly defined and an associated action plan in place; climate change considerations are embedded into corporate decision making, targets and objectives; adequate performance monitoring and reporting to senior management and Members is in place.

KEY STRATEGIC FINDINGS

- The Council is at a very early stage in its preparedness for meeting the challenges of climate change mitigation and adaptation.
- Climate change considerations are not yet embedded into corporate decision making, targets and objectives.
- The Council's risk registers do not include any reference to climate change risks, and therefore do not identify actions that are needed to mitigate the impact and adapt to the consequences.
- There is no forecast of how reductions in emissions will be achieved in order to deliver net-zero by 2050 and the associated milestones along the way.

GOOD PRACTICE IDENTIFIED

- A comprehensive programme management framework has been put in place very recently to address the range of projects that need to be undertaken in order to deliver sustainable services into the future.
- The Council has high aspirations and very positive ambitions for reducing the likelihood and impact of Climate Change. There is a high level of activity being planned.

ACTION POINTS

Urgent	Important	Routine	Operational
0	6	3	3

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>The strategic risk register does not address any risks associated with climate change. There is no recognition of the reputational risk, bearing in mind that under the UK Climate Change Act 2008 (amended 2019 & 2021) the Council will need to meet the UK Government key targets of:</p> <ul style="list-style-type: none"> 68% reduction in greenhouse gas emissions (from 1990 baseline) by 2030. 78% reduction in greenhouse gas emissions by 2035. Net zero greenhouse gas emissions by 2050. 	<p>The risk register to include adaptation risks such as tenants facing over heating or flooding in their homes, and mitigation risks such as buildings and vehicles running on fossil fuels. Also include recognition of the reputational risk that the Council faces if it fails to meet milestones on the way to Net-Zero by 2050.</p>	2	<p><i>The Council's Audit Committee meets quarterly. Elected members and officers monitor the strategic risk register.</i></p> <p><i>Strategic risks are due for review once the Cabinet has approved the new Corporate Plan in Autumn 2024. Climate Change risk is included in this.</i></p> <p><i>The emission reduction targets are UK government targets. Currently, there is no statutory requirement on local authorities to meet these. The Council is guided by its own CEE strategy, which aims for net-zero as a council by 2030, and as a Borough by 2050.</i></p> <p><i>We have a live project within the programme (Climate Adaptation risk register) focused on embedding climate risks into current services risk registers, starting with the most relevant. We will be working with relevant Service leads over the coming months to support them through this process. We have commenced work with Housing Investment and Delivery Service and Housing Strategy, Quality and Assurance service and plan to work across all services in the coming months.</i></p>	31/03/2025	Oliver Burrough (Climate Project manager)

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PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Climate and Environment Emergency (CEE) Energy Board manages a portfolio of projects, including the plan to decarbonise the Council's Social Housing. The Board does not have any measurable emissions reduction targets in terms of tonnes CO2e. This will not come until the "Benefits Management" stage, which is not yet set up.	Do not wait until the project is up and running before considering the Benefits Management elements of Programme monitoring. Identify the benefits and how they will be measured, with targets and milestones, at the project appraisal stage. When considering the feasibility of undertaking a project, the benefits be identified and performance indicators agreed, in order that the feasibility study can report on cost-benefit analysis.	2	<p>A number of performance measures for emission reduction have been set against the CEE programme in the Council's updated Performance framework. These will be reported by the CEE team regularly.</p> <p>We are also in the process of developing a methodology to assess impact of projects against our CEE targets and this will be used to make decisions around project feasibility and benefits management.</p> <p>Benefits management on emissions reduction from any CEE workstream, e.g. building decarbonisation, is closely connected to the annual carbon footprint calculation.</p>	<p>31/07/2024</p> <p>31/12/2024</p>	<p>Oliver Burrough (Climate Project manager)</p> <p>Oliver Burrough (Climate Project manager)</p>

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PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Delivery	There is not yet a plan to reduce GHG emissions by any measured amount. There is a complete lack of any plan that sets out emission reductions that will be achieved as a result of any specific projects. There is no roadmap nor timetable of projects with their associated emission savings, that shows how the 2030, 2035 and 2050 UK targets will be achieved.	Plot the Council's trajectory towards the CEE Programme target of net-zero in 2050, along with the associated milestones in 2030 and 2035. Identify the projects that will achieve the required reductions in emissions each year and track the progress of every project against its own milestones, to ensure that it is making the required contribution towards the programme target.	2	<i>We are aiming to publish our emissions report in Summer 2024 which will set out what our emissions levels are and how far we are against achieving emissions targets.</i>	01/09/2024	<i>Oliver Burrough (Climate Project manager)</i>
					<i>We are in the process of establishing a methodology to assess impact of projects directly and indirectly on GHG emissions and this will be applied on all quantifiable projects in the programme as well as assessing feasibility of future projects. This will divide expected upfront cost with expected emission reduction to identify a £ per tonne of Co2. For broader projects, a holistic "decision wheel" – used by other councils - is being adapted for use at Dacorum.</i>	31/12/2024	<i>Oliver Burrough (Climate Project manager)</i>
5	Delivery	The Council's baseline emissions appear to have been comprehensively studied and presented in a report. Baseline calculations have been updated, but there is no plan for how individual projects will contribute measurable emissions reductions between now and 2050.	Include measurable emissions reductions against the objectives of each project in the CEE Programme that is expected to achieve. Identify and agree the method of calculating the reductions, and how the data will be published.	2	<i>As mentioned above, methodology for assessing projects currently in development.</i> <i>The recommendation identifies a gap in the CEE programme. A more detailed emission reduction roadmap will be developed, highlighting emission reductions against the quantifiable CEE targets (Targets 1, 2, and some of 3).</i>	31/12/2024	<i>Oliver Burrough (Climate Project manager)</i>

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Delivery	Within the project management process, feasibility leads to pipeline, which leads to in-flight. Some projects will stay in feasibility for a long time; or even drop out. Not all projects in the Climate Projects list will pass the feasibility appraisal, although a mechanism for appraising projects does not appear to be uniformly applied across the Programme. Without clearly identifiable and measurable emissions reductions appraised alongside project costs, it is impossible, for example, to appraise and prioritise projects using a uniform cost-benefit analysis.	Establish a benefits identification process during the feasibility stage that can be used to produce metrics such as cost per tonne of CO ₂ e eliminated. Use these metrics to assist in prioritising project initiation and resource allocation.	2	<i>As mentioned above, methodology for assessing projects currently in development.</i>	31/12/2024	Oliver Burrough (Climate Project manager)
	Delivery	<p>The CEE Quarterly Progress Report: Q3 2022 refers to a plan to install close to 100 Electric Vehicle Charge Points (EVCPs) in Council owned car parks, that were expected to be live by "early 2023". There is evidence in the Council's EV Strategy that some EVCPs existed in the borough in October 2022 and that a further 3 or 4 have been added in 2023.</p> <p>The Council's EV Strategy objective EV3 states that the primary focus of short-term actions will be on destination charging, on Council-owned land such as car parks. Furthermore, it says "The aim would be for every urban area in Dacorum with a population over 10,000 to have at least three Rapid public EVCPs [>50kW] by the end of 2023." This would be in addition to the approximately 100 fast EVCPs (<23kW) to be installed at longer stay destinations.</p>	Accelerate the process of procuring and installing EVCP services into council-owned car parks and suitable spaces, in line with the aspirations set out in 2022.	2	<p><i>Current project of installing EVCP in delivery stage and will complete by Autumn 2024.</i></p> <p><i>We are working with Herts County Council following the allocation of LEVI fund to install additional EVCP across Dacorum.</i></p>	<p>31/11/2024</p> <p>31/03/2026</p>	<p>Ben Hosier (Head of Commercial)</p> <p>Alex Morgan (Climate Programme Manager)</p>

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Aspirations for action related to climate change are high, but Dacorum is at a very early point along the road to achieving net-zero. Relatively little has been achieved to date.	Begin to put actions into place in line with the strategies and plans that have been already drafted and agreed.	3	<p>The CEE programme has been established to focus on the key actions required to achieve Net Zero. The programme Board will have oversight of all delivery and ensure we are on track to become net zero, both as a Council and as a Borough.</p> <p>Further supporting strategies covering built assets, council vehicles are large corporate programmes, dependent on the Strategic Asset Review and subsequent Asset Management Strategy, and Depot Options appraisal respectively. Supporting strategies for nature recovery, Borough-wide sustainable transport, and energy in the home are being advanced in concert with Hertfordshire County Council and the Hertfordshire Climate Change and Sustainability Partnership.</p>	Ongoing	Alex Morgan (Climate Programme Manager)

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Delivery	The template for reports to Senior Leadership Team (SLT) considers financial and legal implications but does not require the report writer to address any climate change implications.	<p>The report template for SLT reports be aligned more closely with the template used for Cabinet reports; and require sustainability implications to be considered.</p> <p>Training and development be delivered to report writers and Members on the wide range of implications that may arise from Council decisions.</p>	3	<p><i>A representative from CEE currently attends Commercial Board to ensure procurement decisions are considering climate change implications.</i></p> <p><i>We will review the corporate report templates to ensure climate change implications are considered when SLT are making decisions.</i></p> <p><i>Online climate awareness training is available to staff already, which identifies the holistic nature of sustainability.</i></p>	31/03/2025	Oliver Burrough (Climate Project manager)

PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Delivery	Despite the CEE Strategy stated ambition of creating 'shovel ready' projects that can be lined up for grant funding applications, there do not appear to be any projects that are ready to go if and when funding was made available.	Prepare in advance for funding rounds that will come from the government during each year.	3	<p><i>Dacorum have recently been successful in obtaining funding from Low Carbon Skills Fund (£60k) to help decarbonise our core assets and £630k from Sport England to install Solar Panels in leisure centres.</i></p> <p><i>Following the allocation of additional funding towards achieving CEE targets, we will be focusing of decarbonisation of built assets and part of this work will include bidding for more external grants.</i></p> <p><i>Further, each CEE project board has compiled "nice to have" works or projects which can be considered following any additional funding. These can be delivered in-house, if funded, or commissioned.</i></p>	31/03/2025	Oliver Burrough (Climate Project manager)

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	In sheltered housing, business as usual (BAU) activities will continue to transform some blocks from gas to hybrid heating. Council owned buildings make up 36% of its emissions.	Hybrid heating systems are not supported by the government as a sustainable alternative, as evidenced by their exclusion from schemes such as the Boiler Upgrade Scheme. Consideration should be given to achieving sustainable solutions.	<i>The hybrid heating systems (gas boilers and air source heat pumps) have been installed in tandem with solar PV panels. Together, these interventions reduce carbon emissions by approximately 50% (varies by building). Although this is not perfect, it does significantly reduce carbon emissions whilst ensuring that heating demand can be met. Further, it is part of a transition mindful of capital costs, resource, and impact on residents.</i>
2	Directed	Vehicles make up 37% of the Council's emissions. There is no EV transformation plan. The depot is at the limit of its grid connection, so that is delaying EV introduction. Hydrogenated Vegetable Oil (HVO) fuel is being trialled.	Whilst HVO is supported by some participants in the industry, it is widely acknowledged that it is not a sustainable alternative to electrification of vehicles in the medium and long term. Consideration should be given to achieving sustainable solutions.	<i>Following the appointment of a New Head of Environmental Services, the decarbonisation of the Fleet is a key priority. There is a live project which is assessing different options for the depot and the outcome of this review will help determine options for decarbonisation of the fleet. HVO has been accepted by the Cabinet as part of the standard fuel requirement until further notice.</i>

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ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Ref	Risk Area	Finding	Suggested Action	Management Comments
3	Directed	<p>Management of built assets is dispersed across directorates. Some assets are also managed by Facilities Management contractors. e.g. The Forum. It has been difficult to achieve a joined-up approach, although Greater Southeast Net-Zero Hub has been helping put together the early stages of a plan for buildings.</p>	<p>Work towards a common approach to all issues related to the decarbonisation of built assets across the Council.</p>	<p><i>CEE has recently been allocated additional funds to help achieve net Zero and decarbonisation of built assets has been identified as a key priority for this fund.</i></p> <p><i>We continue to work with Greater Southeast Net-Zero Hub to help us put together a plan and next stages will be to develop more detailed feasibility plans for the work. Additional roles have also been approved for the Property team and a key objective for these roles will be to focus on decarbonisation of built assets.</i></p> <p><i>The Council is forced to take different approaches to built assets due to the HRA and GF divide, as well as the historic context of New Town Development Corporation inheritance (DBC owns many buildings with communal areas, with various leasehold arrangements). Understanding the energy consumption of these various assets is a key part of the Council's CEE programme and will inform investment decisions.</i></p>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

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Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	-	1, 2, & 3
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Not in place	1, & 2	-
3C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	3	-

Other Findings

- In August 2022 the Council published a Climate and Ecological Emergency (CEE) Strategy, following its declaration of a Climate Emergency at Full Council on 17th July 2019. The CEE Strategy outlines, inter-alia, a series of high-level actions that the Council will take to achieve its objectives. These include insulation of council buildings and the installation of solar panels on council buildings and land. There is an emphasis on developing project plans to the point of being 'shovel ready' in order to secure grant funding.
- The CEE strategy targeted the Council's vehicle fleet (Excluding refuse freighters), stating that Internal Combustion Engine (ICE) vehicles would be replaced with Electric Vehicles (EVs) as they end their useful life. The clear implication being that the Council would cease buying any new ICE vehicles from August 2022. To date, the Council has not replaced any of its fleet with EVs, however the Clean Safe Green team has procured an electric ATV and an e-bike. The Council will also be trialling an electric refuse vehicle between 15th and 25th January 2024. The lack of action is being blamed on the inadequate infrastructure to support electrification of the fleet, which implies that this aspect of the CEE strategy was not adequately researched before being published.
- The Council has identified that the electrical infrastructure at its Cupid Green depot will not support the recharging of EVs. The electrification of the Council's fleet has become dependent on the relocation of the depot, which is being appraised in 2024.
- There was acknowledgement in the CEE Strategy that 85% of the Council's emissions come from its own housing stock. A Plan is now being drawn up to address this issue, which will be published in March 2024.

Other Findings



The CEE Strategy is not a live document that people are still working towards achieving. There have been no progress reports to a specific Portfolio Holder on its achievements. Reports on individual projects have been submitted through senior officers to the separate committees. e.g. Housing or environmental services. Since the formation of the new administration (May 2023), a new Portfolio Holder receives reports and makes onward reports to Cabinet.



2023 was a year that saw many changes within the team responsible for co-ordinating the Council's response to the Climate Emergency. Responsibility has moved to a different directorate and now lies with People and Transformation. The focus has initially been on programme governance; putting the required structures and procedures in place. The new system is beginning to make a difference but is having to catch up following a period of slow progress.



550 trees were allocated by Hertfordshire County Council to DBC as part of a tree planting initiative across the county.



The Active Travel team and Local Cycling and Walking Infrastructure Plan (LCWIP) are being discussed with Hertfordshire County Council, with a view to collaboration on behaviour change issues.



Mandatory training is being rolled out to staff and Members on subjects such as Carbon Literacy and Energy Efficiency. Overall, behavioural change issues are at an early stage of development.



There exists a Climate and Ecological Emergency (CEE) Programme Board, whose first stated objective is to "Reach net-zero emissions as an organisation by 2030". The Board was created in 2023. This objective is supported by the work of a number of Project Boards e.g. the Energy Board, Active Travel Board, Fleet Board and others. The Programme Board has been set up using principles from the Treasury Green Book and appears to be a robust framework for delivery in future years. As the CEE Programme Board was only set up during 2023, so it is too early to tell how effective the framework will be.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	4, 5, & 6	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Partially in place	7	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Partially in place	8, & 9	-

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Other Findings

- The template for reports to Cabinet includes a prompt to consider the corporate objective "Climate and Ecological Emergency". Paragraph 9 of the template report also requires the report writer to outline the "Sustainability Implications (including climate change...".
- Carbon literacy training has been delivered through the Association for Public Service Excellence (APSE), a network of local government officers who provide training for SLT and Members. Mandatory training on Carbon literacy and energy efficiency has been created on the DORIS system (Dacorum Online Resource for Interactive Study). This training will be rolled out to all staff and members.
- Dacorum BC offers a salary sacrifice scheme for employees to buy a new EV. Consideration is being given as to how to extend this to 2nd hand vehicles.
- 25 homes were improved using Social Housing Decarbonisation Funding (SHDF) last year, and 75 are scheduled for this year.
- Solar PV (photovoltaic) and batteries are being considered for social housing and other built assets. This consideration is still at a very early stage.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	3 rd January 2024	3 rd January 2024
Draft Report:	13 th February 2024	20 th August 2024
Final Report:	11 th September 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Climate Change		
Type of Review:	Assurance	Audit Lead:	AV – Audit Senior

Outline scope (per Annual Plan):	<p>This is an area of increasing risk significance amid the Government’s commitment to net zero carbon emissions by 2050. If the Council is not seen to be taking action or working towards government targets this may lead to reputational damage. Key areas for the review include:</p> <ul style="list-style-type: none"> • A Corporate Strategy is in place for tackling Climate Change, with roles and responsibilities clearly defined and an associated action plan in place. • Climate Change considerations are embedded into corporate decision making, targets and objectives. • Adequate performance monitoring and reporting to senior management and Members is in place. 		
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Detailed scope will consider:	<p>Directed:</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery:</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>
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Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:	None		

Planned Start Date:	6th November 2023	Exit Meeting Date:	11/01/2024	Exit Meeting to be held with:	Shaj Choudhury – Head of Transformation
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of Performance Management

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2023/24

September 2024

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

To confirm whether appropriate consistent and measured controls are in place that consider the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.

SCOPE

The review considered the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.

KEY STRATEGIC FINDINGS



No policies or procedures were evidenced in regards to Performance Management.



No process in place to check the validity of raw data sent across.

GOOD PRACTICE IDENTIFIED



KPIs are set and monitored and reported monthly, and with a process manual in place for how to use the InPhase software which tracks KPI data.

ACTION POINTS

Urgent	Important	Routine	Operational
0	3	0	0

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	No written policies and procedures in regards to Performance Management were available for review, this was confirmed by the Corporate Performance Management Lead Officer and Head of Transformation. This includes the verification of raw data, how data is processed, how often managers are informed of the data, Performance Management Team Staff Hierarchy.	Introduction of written policies and procedures for the Performance Management department to be drafted and approved as soon as possible, to establish a coherent and effective process.	2	<p><i>We have recently developed a performance management Handbook which explains performance management at Dacorum including the different types of measures used and the process of updating and reporting on these measures.</i></p> <p><i>We regularly run drop-in sessions for all officer involved in performance updating to further communicate the process and governance of performance management.</i></p> <p><i>1:1 training and information session are also always available to all officers and managers on performance management, and this includes the process itself.</i></p>	31/03/2024	Corporate Performance Management Lead Officer

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PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Whilst there is evidence from email correspondence between Corporate Performance Management Lead Officer (CPMLO) and department members in regards to data outliers received in reports, there is no process currently in place where the raw data that is within these reports is verified at source. Upon requesting a walkthrough of how raw data is verified, the CPMLO was unable to show evidence of this themselves, furthermore they were unable to show how the individual departments reports are taken from show that the source data is checked prior to reports being sent across.	Implement a process where the raw data that is cited within reports sent to the CPMLO is verified at source, not just have the data on the spreadsheet analysed for discrepancies.	2	<p>We are currently reviewing how we use our Performance Management System and establishing requirements for the future which will determine what system we use going forward. One key requirement is to automate data collection from source systems which will ensure validity of data being assessed for performance management. Following the finalisation of requirements and evaluation of systems, a decision on what system is used for performance management will be due in October 2024.</p> <p>In the meantime, to mitigate against potential inaccurate data, performance reports are presented to directorate specific performance clinics where Corporate and Strategic leaders review performance ahead of the report being submitted to SLT and Members. This provides an extra layer of quality control checking and scrutiny by those with more knowledge of the services. Therefore, actions can be implemented following these clinics for datasets to be checked if unusual performance data is presented.</p>	01/04/2025	Corporate Performance Management Lead Officer

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PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

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3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Corporate Performance Management Lead Officer (CPMLO) was unable to interpret the sample data sent across for missed bin collections, the data provided was not clear as to what each figure meant. This demonstrates more evidence that the raw data collected from the Performance Management Team is not verified at source.	Ensure that staff are fully conversant in understanding the data that is sent across to them from various departments, this will ensure that not only can data anomalies can be identified, but also be able to trace it back to its source to understand the data fully.	2	<i>As part of the requirements building for the performance management system, The CPMLO needed to understand and map the systems and sources that are used in collecting performance management data. A data information form was sent to services asking what data was collected, whether this was collecting internally or via external source or system and then what exact system or other storage was used. This has been collated by the CPMLO and mapped to understand what systems are used in performance data collection. This has not only helped in the development of the requirements for a performance management system but also has allowed the CPMLO to trace the data back to the source and ensure greater assurance and understanding of the data collection process. This risk will be addressed further once a decision on the performance management system is agreed.</i>	01/04/2025	Corporate Performance Management Lead Officer

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PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.
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2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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3	ROUTINE	Control issue on which action should be taken.
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Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No OEM findings evidenced.				

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Page 47
RM
C

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in Place	1	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Out of Scope	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in Place	2, & 3	-

Other Findings

No other findings evidenced



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	Out of Scope	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of Scope	-	-

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Other Findings



Agreed KPI's are evidenced and there is evidence documented that these are monitored monthly. Alongside this is a training guide detailing how to use the InPhase software, which the Performance Management Team use to document and add any comments to the data.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	14 th August 2023	14 th September 2023
Draft Report:	5 th February 2024	6 th September 2024
Final Report:	13 th September 2024	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Performance Management		
Type of Review:	Assurance	Audit Lead:	MB Auditor

Outline scope (per Annual Plan):	The review will consider the way in which key performance data is collated to inform effective decision making, taking in to account the accuracy, integrity and consistency of data.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Sustainability: The impact on the organisation's sustainability agenda has been considered.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	20th November 2023	Exit Meeting Date:	4th January 2024	Exit Meeting to be held with:	Corporate Performance Management lead Officer
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

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Dacorum Borough Council

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Follow-up Review of Housing Allocations and Homelessness

August 2024

Final



Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Inability to manage and deliver safe and good quality affordable homes.

SCOPE

Undertake a follow up review to assess the Council's effectiveness on dealing with Housing Allocations and Homelessness.

KEY STRATEGIC FINDINGS



219 Homelessness Applications are currently classed as in 'triage', this is due to delays in the service area caused by team capacity and increased workload.



There has been an underspend of £50,058 on staff expenditure, the previous audit identified an £8,000 underspend.



Information in Quarterly Housing Needs Reports is outdated.

GOOD PRACTICE IDENTIFIED



A framework has been put in place that limits Agency Staff usage, the forecast for Agency spending in 24/25 is £0.00.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	1	2

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Cases in Triage are awaiting further actions, they are either, allocated to the Triage (Housing Advice) team for initial assessment, have been passed for allocation to a Homeless Prevention Officer, or have been allocated to Homeless Prevention Officers but not yet moved over to the prevention/relief stage. A review of the current cases classed as 'triage' revealed that there are now 219 cases outstanding. Discussions with the Housing Options Manager confirmed that this was caused by issues in team capacity and a larger workload due to a consistent increase in homelessness applications. The team is now at full capacity has also been expanded to include an additional two Homeless Prevention Officers (filled as of June 2024). A review of the cases classed as triage is now being picked up as ongoing service improvement work.	Create a formal action plan focussed on the progression of cases classed as 'triage'. Review process at regular intervals, adjusting resources given to the project accordingly. Once brought down to a suitable level implement a target for cases in 'triage' with processes in place to ensure this target isn't exceeded.	2	<p><i>In regard to the Homeless Applications that are classed as triage, this is not solely due to delays in the service and includes: - increased demands due to applicants approaching stating they are or are threatened with homelessness. Compared with data from the same Quarter last year we have seen an increase of 50% in approaches.</i></p> <ul style="list-style-type: none"> - <i>Triage/casework enquiries</i> - <i>Information pending to verify eligibility or circumstances.</i> <p><i>When an applicant approaches a new case is opened and placed in triage state, pending enquiries. Once an initial triage assessment is completed, identifying/verifying: Eligibility for assistance, homelessness or threat with homelessness the case is then assigned to a Homeless Prevention Officer for enquiries to determine any duties owed. Cases are only referred to a Homeless Prevention Officer where resolution isn't achieved in triage assessment process.</i></p> <p><i>As at 08/08/2024 there are 21 cases in triage that are allocated to a HPO, which need to be progressed to Prevention or Relief state.</i></p>		

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p>When allocated, triage cases must be progressed to prevention or relief state within 5 days of the Officer being allocated the case.</p> <p>The following actions are proposed to improve effectiveness of the triage process:</p> <ul style="list-style-type: none"> - Review allocation process and target set. - Review case closure process, in instances where applicant does not engage or provide information. - Review dashboard and cases by state monitoring arrangements. 		
Page 54	Delivery	All three Quarterly Housing Needs Team Performance Reports Provided stated that the 'team have assessed on average 191 Housing register applications and 188 Medical submissions per month'. The Service Pressures and details concerning these also remained the same across the Q1 and Q2 23/24 Reports. This suggests that the information for certain sections in these reports is often carried over rather than updated to meet the current state of the service.	Ensure that service pressures, and average applications assessed are reviewed and updated on a quarterly basis for the Housing Needs Team Performance Reports.	3	<p>The primary data collected for our performance reports centres on the demand for advertised properties, the number of bids received, and the number of advertisement cycles each property undergoes.</p> <p>This data is crucial for accurately assessing the true demand reflected in our Housing Register. It also provides real-time updates that are essential for the Strategy Housing, Investment, and Regeneration teams.</p> <p>By analysing this data, we can effectively influence registered providers during the planning stages of their housing developments, ensuring that these developments align with the actual demand identified in the Housing Register</p>		

PRIORITY GRADINGS

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3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<p>Performance data is used to help shape the service delivery in regards to staffing demands and projects being delivered is uploaded to the central KPI Inphase system.</p> <p>Assurance can be taken that performance data is being collected and reported on elsewhere and not in the performance reports that were submitted. The performance reports submitted focused on property demand and not the wider service. Apologises, this should have been removed from the report.</p>		

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

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3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	The Housing Allocations Policy provided was last updated in September 2023 and is reviewed on an annual basis, it does not state by whom it was reviewed and approved by.	Expand on version control of the Housing Allocations Policy to include the author and who approved the document.	<p><i>Our policies and procedures have the version numbers included as these go through a systematic approval chain for instance with the policies: Service Manager – Head of Service – Assistant Director – Strategic Director/SLT – Committee / council leaders. Following feedback, the opportunity will be taken to consider a review of this approach corporately.</i></p> <p><i>Housing Allocations Policy is programmed in to be updated to new policy document later this year. Upon completing this, relevant authors and version control will be added to the policy document.</i></p>
2	Directed	The DBC Homeless Toolkit provided was last updated in June 2023, it does not state how often it is reviewed or who it was approved by.	Implement version control into the DBC Homeless Toolkit detailing date of next review and approval.	<i>Housing Options Manager will review by the end of Q2. The toolkit will be reviewed yearly with approval by Head of Service before submitting.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

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Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	1, & 2
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

Other Findings



In the previous Audit two findings were raised pertaining to delays at different points in the homeless applications process. Additionally, it was found these delays had led to a backlog of 66 cases, which had been classed as 'triage'. The management comments received at the time explained that this was primarily due to long-term sickness absence & Officer vacancy which impacted effectiveness in respect of case management. It was ensured that a review of outstanding cases would take place, additional resources would be given to do this, and more regular monitoring would be undertaken to lower the number of cases in 'triage'.



The Housing Allocations Policy was last updated in September 2023 and is reviewed on an annual basis, it does not state by whom it was reviewed and approved by. Related legislative frameworks guiding the policy are detailed as the Housing Act 1996, as amended by the Homelessness Act 2002, Civil Partnership Act 2004, Housing and Regeneration Act 2008, Localism Act 2011, and the Homelessness Reduction Act 2017. Further guidance supporting the policy is listed at the end of the document.

The Policy's primary focus is Dacorum Borough Councils (DBC) commitment to allocating all social and affordable housing within their jurisdiction to those who most need it, and how applications for council and housing association homes are prioritised dependent on applicants' individual circumstances. This aligns with corporate aims laid out in the Corporate Plan 2020-2025, available via the council's website, which includes a section dedicated to providing good quality affordable homes, in particular for those most in need.

Five statements are listed within the Policy, explaining the key elements of the Councils Allocation process as follows:

Other Findings

- 1) 'Applicants will need to meet eligibility and any applicable qualification requirements in order to be active on the housing register'. The policy details this criteria for eligibility and provides a link to the Council website where further guidance and contact information can be found. Should the applicant lack the capacity to do this themselves the housing services liaise with an appointed representative to ensure housing needs are fully assessed.
- 2) 'We will administer the housing register and allocate homes by adhering to a fair and transparent process'. The process for application and allocation is explained. Once confirmed eligible, applicants can bid on properties via Moving with Dacorum, which is linked in the Policy. Alternatively, bids can be made through phone calls, text and in person at The Forum in Hemel Hempstead. The Policy notes that, as this is a choice-based lettings system, it is expected that applicants accept their first successful offer, should they not they will be suspended from applications for six months. Exceptional circumstances for withdrawal of an offer, advertisement of properties, types of rents offered, and the checks and assessments carried out prior to occupation are comprehensively detailed.
- 3) 'Points will be awarded to applicants based on their housing need and priority group status'. The Policy goes on to explain that applications are assessed by a Housing Needs Officer, who allocates points to applicants, these points are used to bid on properties. Appendix 1 of the Policy comprehensively details the point system used at the council, showing exactly how many points are awarded dependent on circumstances.
- 4) 'We will offer additional priority to applicants who fit specialist criteria'. These specialist criteria are included within appendix 1. This additional criterion typically applies to high-risk applicants, they may be classed as this due to being involved in witness protection or being an individual identified through multi-agency groups.
- 5) 'There are several exemptions and exceptions to the guidelines laid out in this Policy'. These are detailed within the Policy with links to further guidance relating to changing or ending tenancies.

Comprehensive procedures were provided for the Housing Allocations Team, this included flow charts and system user guides for each step throughout the housing allocation process. Guidance on case specific procedures were also provided, these relate to situations where specific circumstances are listed in the application form, this may be an applicant who is experiencing domestic abuse, or an applicant who is homeless. These procedures ensure that there are no gaps in the process for housing allocations and further support the corporate aims of ensuring those in need are always considered.

The current Preventing Homelessness & Rough Sleeping Strategy and Rough Sleeping (NSNO) Policy are under review and were not provided, although discussions with the Housing Options Manager and procedural documentation provided an overview of the process and legal frameworks adhered to. The process of managing a homeless application is guided by the legal framework and Homeless Code of Guidance, and associated caselaw. Primarily this relates to the Housing Act 1996, Part 7, Homeless Reduction Act 2017, Domestic Abuse Act, Suitability of Accommodation Order and Housing Act 1996, Part 6. In addition, consideration is given to the Public Sector Equality Duty.

Officers are provided with a toolkit, which provides guidance in case management processes. This is further supported by legislative materials that are available online and in hard copy format in the office. Officers will be expected to draw on specific policies for certain activity e.g. Domestic Abuse Policy, Safeguarding policy to ensure that in addition to the legal framework they are undertaking actions in line with these policies.



Other Findings



The corporate plan for 2020-25 is available on the Council's website. An entire section is dedicated to providing affordable homes for those most in need. The steps taken thus far towards this goal are listed, this includes continuous development and investments for affordable housing, consulting residents on housing services, and conversions of properties into temporary accommodation for those in need. These efforts show clear efforts towards the council's core goals, and the involvement of resident builds further trust within the community.

The plan for 2020 through 2025 is also detailed. This includes the construction of 5,000 new homes, 400 of which will be council homes, to provide further support to tenants in relation to tenancy sustainment and accessing affordable housing and reviewing the provision of housing for older residents. This further demonstrates a focus on allocation of housing to those in need, and a concern for tenant well-being.



The Strategic Risk Register states a key risk is the inability to manage and deliver safe and good quality affordable homes. The Housing and Property Operational Risk Summary notes more specific risks related to allocation of properties and homelessness. These risks are stated as:

- 1) Failure to satisfy the statutory function of Part VI of the Housing Act.
- 2) Increased homeless approaches due to Cost of Living and Ukraine/Asylum pressures.

Both note what controls are in place to mitigate these risks. In relation to homelessness, the Risk Summary ensures robust processes and procedures for case management, move-on pathways and plans identified, cross service working both in house and across the district and County to alleviate pressures. To ensure allocation of housing as per the Housing Act in place is the ICT system, staff structure with regular training, review of the Allocations Policy and monitoring of Team KPIs to ensure a quality service.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially in place	2, & 3	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

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Other Findings

- Performance reports for the Housing Needs Team are carried out on an ad hoc basis and are reviewed by the Housing Allocations Team. Reports are occasionally provided to the Overview and Scrutiny Committee should issues be noticed within the service area.
- The previous audit report noted that there were no performance metrics in place to monitor the time taken to allocate properties once being ready to let, it was suggested this be implemented. It was stated by the Housing Needs Manager that having targets for allocation isn't necessarily suitable as formal allocation can be held back by other departments and refusals of offers. The current KPIs include the percentage of General Needs properties that were offered before the property was Ready to Let, the target for this is 95%. This has been consistently at 100%, other than November and December when the rate was at 95%. This suggests strong management of allocations, ensuring that offers are made as soon as possible to appropriate residents.
- Three of the recommendations made in the previous audit report pertained to the allocation sample testing that took place, which highlighted delays in allocations, absence of formal allocation approval, and differences between monitoring information and source data.

10 sampled allocations were selected to review these same areas, the information pertaining to them was selected from the Property Data Sheet and compared with the source data via screenshare. The 10 sampled allocations had all the necessary dates recorded, had been made within targets, formal allocation approval could be provided, and all of the information concerning the samples aligned across the monitoring information (Property Data Sheet), and the source data on the various systems used at the Council.
- The previous audit identified an overspend on agency staff of £51k, which would be unsustainable going forwards. Agency spending was not provided, although it was noted by the Housing Options Need Manager that a new agency framework has been introduced organisationally, which limits agencies available for use. The framework was the Crown Commercial Services (CCS) Framework that was implemented by HR in early 2023. The Allocations Team has not used agency staff since this was implemented and the Homelessness Team have not used agency staff since the team was brought to full capacity in February 2024. Because of this the forecast for agency spending in 2024/25 is £0.00. This provides suitable assurance that the agency spending issue is now resolved.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

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Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
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Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	20 th May 2024	21 st May 2024
Draft Report:	30 th July 2024	16 th August 2024
Final Report:	29 th August 2024	



Dacorum Borough Council

Assurance Review of Housing Regulatory Compliance and Building Safety

September 2024

Final

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Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Delivery of safe & good quality affordable homes.

SCOPE

The purpose of the review was to provide assurance that the council is operating in compliance with the Building Safety Bill and other regulatory requirements.

KEY STRATEGIC FINDINGS



In line with the Building Safety Act 2022, high rise buildings have been registered with the Building Safety Regulator (BSR).



The Safe Homes team are working with consultants to input data to a dynamic system, so that real time safety assessment reports can be provided when requested by the BSR.



Fire safety assessments have been completed for all properties, however monitoring of smoke alarm compliance is not systematically evidenced and noted.



Use of a new system MRI Asset commenced from April 2024, with data currently being input. All records for each property will ultimately be on this one system.

GOOD PRACTICE IDENTIFIED



The Safe Homes team apply best practice frequencies to testing and servicing to exceed minimum legal requirements.



The Council provides access to void flats in high rise buildings for the fire service to carry out training simulations, and lessons learned are shared.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	2

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Monitoring of smoke alarm compliance is not systematically evidenced and noted.</p> <p>There is no-one currently responsible for overall monitoring of the smoke alarm testing compliance, including monitoring the files detailing the contractor reports that have not auto uploaded.</p> <p>Smoke alarm checks are part of the heating servicing contract, with a new contract in place from April 2024. The previous contractor included reporting of checks for smoke alarms within their reports for gas servicing / checks, not separate certificates for smoke alarms. For properties without gas installations, reliance was placed on the contractor records to confirm these had been checked for the annual smoke alarm testing.</p> <p>Copies of gas reports have been uploaded to the MRI Asset system, but no evidence is held of checks for those properties without gas, hence the system report details a total of 525 properties that have smoke alarm testing overdue. This will reduce over the year as the new contractor completes the annual checks and provides records to confirm.</p>	<p>Staff to monitor smoke alarm testing, and to ensure the numbers of properties where no separate report for completion of the required checks, are cleared by the end of the year.</p>	2	<p><i>DBC can evidence checks and records for smoke alarms across all of our stock – This should have been covered as part of the audit.</i></p> <p><i>The incumbent gas contractor captured this information within the LGSR and we received a weekly report where alarms were not present or needed replacing – this was acted on immediately. They were also tasked with attending non-gas properties annually and this information was held on a spreadsheet. In addition, supported housing properties are checked by the SHO and this information is held within InForm.</i></p> <p><i>Approximately 45% of our stock has an AICO gateway fully integrated smoke alarm system that allows us to monitor activations remotely.</i></p> <p><i>The new heating contractor is supplying an annual test certificate for smoke detection at every general needs property. This will be held on MRI Asset and allow for monitoring and scrutiny. Therefore, across the first year of the contract (commenced 1st April 2024) we will establish what every property has in terms of smoke detection and this will be held within MRI asset.</i></p> <p><i>We can still demonstrate compliance for all properties whilst this task is completed by reviewing the previous LGSR and weekly reports from the incumbent contractor.</i></p>	<p><i>In progress with all information available in separate systems or formats</i></p> <p><i>Full implementation of data in MRI Asset to be completed by 31/03/25</i></p>	Ricky Lang Head of Safe Homes

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PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	<p>Portable Appliance Testing (PAT) is completed annually in July / August for all communal properties, such as sheltered housing and hostels where there are shared areas with portable electrical equipment.</p> <p>Sample testing confirmed that reports are held on the system, but it was noted that the reports do not include the date the tests were carried out.</p>	Request the contractors to include the date the testing took place on the PAT test reports.	<i>This information is being migrated into MRI Asset in quarter two. This will confirm date of the last test and when it is next due via a Power BI dashboard.</i>
2	Directed	<p>Good data management links to the "Golden Thread" of the Building Safety Act 2022. Management has identified inconsistencies in filing of various property records, resulting in loss of time to find these. A file naming protocol has been agreed and additional resources have been recruited to assist with this project.</p>	Progress with the ongoing file management and upload all records for the various properties to the MRI Asset system.	<i>The additional resource recruited to the team in quarter one continues to focus on data migration and build up the data portfolio with MRI Asset and Geometra.</i>

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings




Directed Risk:


Failure to properly direct the service to ensure compliance with the requirements of the organisation.


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Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place		-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	1 & 2

Other Findings

- 

New legislation and standards, which apply to the Council as social landlords, came into force in April 2024 - the transition arrangements of The Building Safety Act 2022 became fully in force from 6 April 2024, and the Regulator of Social Housing introduced four new consumer Standards for social landlords from 1 April 2024.
The audit review covered an overview of action taken by the Council to comply with the Building Safety Act, and sample testing of statutory requirements for regular testing of electrical (portable appliance testing and Electrical Installation Condition Reports), asbestos, and smoke alarms.
- 

There are up to date policies in place covering key areas of building safety, including the Building Safety Policy, Electrical Safety Policy, Asbestos Management Plan, and Safety in Communal Areas Policy (Housing). These include details of applicable legislation and guidance and other supporting corporate policies. The Building Safety Policy was approved by Cabinet in February 2024.
There are also various process flow charts which include the escalation process.
- 

The Safe Homes Manager confirmed that there are various contracts in place to support the five-year planned programme for housing maintenance, and for reactive repairs, with a Schedule of Rates in place for reactive remedial works, which may be required following regular assessments and inspections, or reported faults from the public or compliance officer visits.
- 

A service operational risk register is incorporated in the annual service plan. There is one risk coded red (score 12) relating to meeting the requirements of the Building Safety Act. Mitigating actions are detailed on the risk register, the Safe Homes team are working with external consultants to collate the data that will be required for safety assessment reports, as noted elsewhere in this report.

Other Findings



Following the introduction of the Building Safety Act, a Building and Resident Safety Management Group was set up, with meetings every two months chaired by the Assistant Director for Property Services, with Heads of Service and the Hertfordshire Fire Service attending the meetings. The minutes for the meeting in February 2024 noted discussions on the Building Safety Composite Report, the Building Safety Implementation Plan and customer engagement, with actions to be taken prior to the next meeting. The Group reports issues to either the quarterly corporate Health and Safety Committee, or direct to the Senior leadership Team (SLT), depending on the type of issue/urgency. SLT will subsequently report to the portfolio holder / Cabinet as appropriate.



The Safe Homes Manager confirmed that there are risk registers for the various contracts relating to building safety, and these are reviewed quarterly following monitoring meetings with the contractors.



Contract fraud risks are mitigated by the procurement processes and using frameworks for appointing contractors for the building safety compliance works.



Electrical Installation Condition Reports (EICR) are completed for domestic properties every five years, when a tenancy changes or rarely if the report recommends a more frequent review. There are 42 properties that are overdue for an EICR and one property where there is no confirmation that an EICR has been completed. These are properties where access has not yet been obtained. A team member is chasing these and has been successful in reducing the number of outstanding reviews from 373 at the end of 2023. If required there is a staged process to take through to legal court injunction, with seven of the remaining historical overdue cases already progressed to legal stage, four with injunction secured and three with court date pending. Progress with these is reported in the monthly Assurance report to SLT, which confirmed for June 2024 that 99.58% of properties have a satisfactory EICR. There is a risk if EICRs are not completed that this will invalidate insurance, penalties could be applied or in some cases criminal action taken. No recommendation has been made given that the actions already being taken has resulted in good progress and this is reported monthly to SLT. Electrical data from the Geometra system is being transferred to the MRI Asset system, which will become the master records when completed. Reports to the MRI Asset system are automatically uploaded, although occasionally these are rejected if there are minor errors on the system that need correcting.



Following a change of contractor, all properties had new asbestos surveys completed during 2023-24, an Asbestos Compliance Report was produced in March 2024 and provided to senior management and the risk and compliance officer. A programme of annual re-inspections is in place for the current year, to cover properties where there were non-accessible areas, and inspections for the 888 buildings where asbestos material is present. Any remedial actions identified at inspections are completed by a licensed contractor. As at June 2024 there were 2,575 actions raised for properties where there is a presence of asbestos materials, that have been assessed as low or very low risk, so the asbestos can remain in place subject to regular monitoring. Two medium actions were identified in June 2024 and have been issued to a contractor for further investigations. Sample testing for five properties where re-inspections had been carried out during April / May 2024, confirmed that reports are held on the system, full surveys had been completed in 2023, and no actions were required following the surveys or inspections.



The Building Safety Act also includes the requirement for resident engagement, following lessons learnt from the Hackett Report. The Council is trialling a new approach to working with residents of two high rise blocks of flats before the contract for fire safety upgrade works is tendered, with the first residents meeting in July 2024.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
S	Sustainability The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

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Other Findings



Assurance reports are provided monthly to SLT. These cover various safety checks for housing properties including communal areas in blocks of flats. Seven metrics are provided, together with supporting narrative. The June 2024 report details two metrics that are RAG coded amber, and five coded green.

Those coded amber are the percentage of properties with valid gas certificate 99.99% (one property fell out of target at the end of June) and percentage of properties with satisfactory EICR 99.58%, as noted elsewhere in the report.



Discussions with key officers confirmed that contracts relating to various aspects of building safety and maintenance are closely monitored, from the reports of visits provided, system reports, reviewing weekly job trackers provided by some of the contractors, and regular meetings with the contractors to discuss progress and compliance to any KPIs in place. For example, there is a KPI with the asbestos contractor for the report to be provided within 10 days after their site visit, this is monitored at the monthly meetings with the contractor. There are also quarterly meetings, facilitated by the procurement manager, of management and contractors for the higher-level contract reviews.



The MRI Asset system is linked to Power BI, to obtain performance data when required, although as noted elsewhere in the audit report, only some records are currently on the MRI system, with an ongoing project to upload all compliance records to this system.



The Head of Safe Homes has monthly budget monitoring meetings with the HRA accountant.



Various environmental improvements are incorporated when carrying out property upgrades, for example fitting solar panels wherever possible, upgrading to LED equipment, installing various monitoring equipment in properties such as carbon dioxide monitors or combined carbon dioxide and fire alarms, sensors to monitor damp, and for new properties installing renewable energy where possible, to minimise the running costs of tenants. There is a legal requirement for doors to be sustainably sourced, and old doors recycled.

Other Findings



The Safe Homes team are working with consultants to input data to a dynamic system, so that real time safety assessment reports can be provided when requested from the Building Safety Regulator (BSR). While there is still considerable data to input, it is not expected that the BSR will be requesting any reports for possibly a few years.
This system will also provide resilience to future changes of legislation.



A service Business Continuity Plan, and Business Impact Analysis for those responsible for responding during an incident are in place.



The council has funding for, and is in the process of installing, an Aico system into its various properties, with around 4,000 of the 10,000+ properties set up as "Gateways" so far. The system provides live data relating to monitoring devices via an online portal.
It will enable several devices to be connected to the same system, bespoke safety equipment to be installed to suit the tenant's requirements and provide future cost-savings by being able to easily replace various monitoring equipment.
This does not replace the required building safety checks but provides real time reporting and monitoring of incidents so that proactive action can be taken.



To encourage residents to report issues of concern, dedicated websites for specific blocks of properties have been set up, providing named contacts and mobile phone numbers for the relevant Tenancy Management Officer, Anti-Social Behaviour Officer and the Safe Homes Manager for building safety issues.
The Safe Homes Manager advised that these websites are well used and that regular on-site visits are carried out to engage with residents and promptly resolve reported issues.

Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

- The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	14 th May 2024	14 th May 2024
Draft Report:	20 th August 2024	29 th August 2024
Final Report:	6 th September 2024	



Date
Our Ref NH/23-24
Direct Line 01442 228662

Email Nigel.howcutt@dacorum.gov.uk

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

The Forum
Marlowes
Hemel Hempstead
Hertfordshire
HP1 1DN

Telephone 01442 228000
www.dacorum.gov.uk
D/deaf callers, Text Relay:
18001 + 01442 228000

Dear KPMG LLP

Dacorum Borough Council
Financial Statements for the year ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Dacorum Borough Council ("the Authority"), for the year ended 31 March 2024, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the financial position of the Authority as at 31 March 2024 and of the Authority's expenditure and income for the year then ended; and
- ii. whether the financial statements have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

These financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Expenditure and Funding Analysis, the Collection Fund and the related notes.

The Authority confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Authority confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial Statements

1. The Authority has fulfilled its responsibilities, as set out in the Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2022, for the preparation of financial statements that:
 - i. give a true and fair view of the financial position of the Authority as at 31 March 2024 and of the Authority's expenditure and income for the year then ended;
 - ii. have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Authority in making accounting estimates, including those measured at fair value, are reasonable.

3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. We have included a schedule of uncorrect audit differences within appendix two.

Information Provided

5. The Authority has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Authority for the purpose of the audit; and
 - unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Authority confirms the following:

The Authority has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

8. The Authority has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Authority and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Authority acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Authority acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

9. The Authority has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
10. The Authority has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
11. The Authority has disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them as defined in IAS 24 and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

12. The Authority confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Authority's ability to continue as a going concern as required to provide a true and fair view.
- b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Authority to continue as a going concern.

13. On the basis of the process established by the Authority and having made appropriate enquiries, the Authority is satisfied that the actuarial assumptions underlying the valuation of defined benefit obligations are consistent with its knowledge of the business and are in accordance with the requirements of IAS 19 (Revised) *Employee Benefits*.

The Authority further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,

have been identified and properly accounted for; and

- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

Approval

The approval of this letter of representation was minuted by the Council's Audit Committee at its meeting on 18th September 2024

Yours faithfully

Name Nigel Howcutt

Position Chief Finance Officer (s151)

Date 18th September 2024

Name Councillor Robert Stewart

Position Chair of Audit Committee

Date 18th September 2024

Signed on behalf of the Council

Appendix one to the Authority Representation Letter of Dacorum Borough Council: Definitions

Financial Statements

A complete set of financial statements comprises:

- A Comprehensive Income and Expenditure Statement for the period;
- A Balance Sheet as at the end of the period;
- A Movement in Reserves Statement for the period;
- A Cash Flow Statement for the period; and
- Notes, comprising a summary of significant accounting policies and other explanatory information and the Expenditure and Funding Analysis.

A local authority is required to present group accounts in addition to its single entity accounts where required by chapter nine of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

A housing authority must present:

- a HRA Income and Expenditure Statement; and
- a Movement on the Housing Revenue Account Statement.

A billing authority must present a Collection Fund Statement for the period showing amounts required by statute to be debited and credited to the Collection Fund.

A pension fund administering authority must prepare Pension Fund accounts in accordance with Chapter 6.5 of the Code of Practice.

An entity may use titles for the statements other than those used in IAS 1. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Key management personnel in a local authority context are all chief officers (or equivalent), elected members, the chief executive of the authority and other persons having the authority and responsibility for planning, directing and controlling the activities of the authority, including the oversight of these activities.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control, joint control or significant influence over the reporting entity; and
- b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Appendix two to the Authority Representation Letter of Dacorum Borough Council: Schedule of uncorrected audit differences

Uncorrected audit differences (£'000s)				
No.	Detail	CIES Dr/(cr)	Balance Sheet Dr/(cr)	Comments
1	Dr Net Pension Liability	£0	£1,019	Management included an estimated value for the return on planned assets within the draft financial statements, based on the initial report provided by the actuary. Upon receipt of the revised IAS19 report, which included the actual return on plan assets for the year, it was identified that the return on planned assets was £1,019k greater than the estimated value.
	Cr Actuarial (Gains)/Losses on Pension Asset / Liabilities	(£1,019)	(£0)	
Total		(£1,019)	£1,019	

