

# Audit Agenda



**Wednesday 24 July 2024 at 7.30 pm**

**Conference Room 2 - The Forum**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

## Membership

Councillor Birnie  
Councillor Douris  
Councillor Elliot

Councillor S Hobson  
Councillor Reynolds (Vice-Chair)  
Councillor Stewart (Chair)

For further information, please contact Corporate and Democratic Support on 01442 228209 or email [member.support@dacorum.gov.uk](mailto:member.support@dacorum.gov.uk)

## AGENDA

### 1. APOLOGIES FOR ABSENCE

To receive any apologies for absence

### 2. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

(ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

**3. MINUTES AND ACTIONS** (Pages 3 - 7)

To confirm the minutes of the previous meeting and consider the actions

**4. PUBLIC PARTICIPATION**

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation

**5. STATEMENT OF INTERNAL CONTROL ASSURANCE (SICA) REPORT** (Pages 8 - 61)

**6. DRAFT INTERNAL AUDIT ANNUAL REPORT 2023/24** (Pages 62 - 70)

**7. STRATEGIC RISK UPDATE** (Pages 71 - 73)

**8. WORK PROGRAMME** (Pages 74 - 75)

## DACORUM BOROUGH COUNCIL

### AUDIT COMMITTEE MINUTES

20 MARCH 2024

**Present:**

**Councillors:** Stewart (Chair)  
Douris  
Elliot  
S Hobson

**Officers:** F Jump                      Head of Financial Services  
D Barrett                     Assistant Director, Strategic Housing and Delivery  
N Sultan                        Legal Governance Manager  
T Angel                         Democratic Support Officer

**Others:** Philip Lazenby (TIAA)  
Paul Cuttle (Grant Thornton)  
Chris Paisley (KPMG)

The meeting began at 7.25 pm.

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Birnie and Councillor Reynolds.

#### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 3. MINUTES AND ACTIONS

The minutes of the previous meeting were agreed.

All action points from the previous meeting had been completed and members were content with the responses.

#### 4. PUBLIC PARTICIPATION

There was no public participation.

#### 5. HOMES ENGLAND COMPLIANCE AUDIT REPORT

David Barrett introduced the item and advised the purpose of the report was to provide the outcome of the Homes England Compliance Audit.

Please refer to the video minutes for full discussion.

Outcome

The audit report and its recommendation were acknowledged and signed off by Audit Committee, and confirmation of this acknowledgement recorded in the Homes England Investment Management System.

## **6. INDICATIVE EXTERNAL AUDIT PLAN 2024/25**

Chris Paisley introduced the report and presented the indicative External Audit Plan and Strategy for the year ending 31<sup>st</sup> March 2024.

Please refer to the video minutes for full discussion.

### Outcome

The committee noted the plan.

## **7. EXTERNAL AUDITOR'S INTERIM ANNUAL REPORT 2022/23**

Paul Cuttle introduced the item and presented the External Auditor's annual report for 2022/23.

Please refer to the video minutes for full discussion.

### Outcome

1. The committee accepted the External Auditor's Interim Annual Report 2022/23, noting the recommendations within the report.
2. The committee noted the status of the External Auditor's audit the 2022/23 financial statements, which awaits assurance from the auditor of the Hertfordshire County Council Pension Fund, and the expectation of the issues on an unqualified audit opinion on the Council's 2022/23 financial statements.

## **8. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) ANNUAL UPDATE**

Nargis Sultan introduced the item and advised the purpose of the report was to inform the Audit Committee of the Council's use of Directed Surveillance and Covert Human Intelligence Sources for the year 2023.

Please refer to the video minutes for full discussion.

### Outcome

The committee noted the report and agreed that no further changes to the RIPA policy were required.

## **9. SUMMARY INTERNAL CONTROLS ASSURANCE (SICA) REPORT**

Philip Lazenby introduced the report and provided the committee with a progress update against the annual internal audit plan.

Please refer to the video minutes for full discussion.

### Outcome

1. The committee noted the final internal audit reports issued for following Council activities: Key Financial Controls-Income Collection, Community Grants, and Risk Management Framework.
2. The committee noted the content of the SICA and progress against the annual internal audit plan.

#### Action

F Jump to circulate Diane Southam's response to the OEM Action Plan (on page 64 of the agenda)

### **10. ANNUAL AUDIT PLAN, STRATEGY AND INTERNAL AUDIT CHARTER 2024/25**

Fiona Jump and Philip Lazenby presented the proposed Annual Audit Plan, Strategy and Charter 2024/25 for Audit Committee, and asked for comment or feedback from members.

Please refer to the video minutes for full discussion.

#### Outcome

1. The committee reviewed and approved the Annual Audit plan 2024/25 at Appendix A of the agenda.
2. The committee approved the Internal Audit Charter at Appendix A of the agenda.

### **11. QUESTIONS FROM THE EXTERNAL AUDITOR TO AUDIT COMMITTEE – RISK OF FRAUD**

Fiona Jump advised the purpose of the report was to present the proposed response to questions posed to Audit Committee from the External Audit concerning risk of fraud.

Please refer to the video minutes for full discussion.

#### Outcome

The committee approved the proposed responses to the External Auditor's questions at Appendix A of the agenda.

#### Action

F Jump to monitor progress on members completing the Related Party Transaction Declaration Forms.

### **12. STRATEGIC RISK REGISTER Q3 2023/24**

Fiona Jump introduced the report and provided the committee with an update against the risks identified in the Council's Strategic Risk Register as at Q3 2023-24.

Please refer to the video minutes for full discussion.

#### Outcome

The committee noted the report.

### **13. WORK PROGRAMME**

There were no amendments to the work programme.

The next meeting is scheduled for Wednesday 24 July 2024.

The meeting ended at 8.43 pm.

**Audit Committee Action Points – March**

<b>Date of meeting</b>	<b>Action point</b>	<b>Responsible officer</b>	<b>Date action completed</b>	<b>Response</b>
20/03/24	<u>Item 7 – SICA Report</u> Cllr Douris referred to page 64 and asked who the OEM Action Plan would have been considered by. F Jump advised it would be Diane Southam and she had a response she could circulate to members. This was agreed.	F Jump	Ongoing	
20/03/24	To monitor progress on members completing the Related Party Transaction Declaration Forms	F Jump	Ongoing	



<b>Report for:</b>	Audit Committee
<b>Title of report:</b>	Summary Internal Controls Assurance (SICA) report
<b>Date:</b>	24 <sup>th</sup> July 2024
<b>Report on behalf of:</b>	Councillor Michela Capozzi, Portfolio Holder for Corporate and Commercial Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A- SICA Report Appendix B HRA Health and Safety Appendix C Waste Management Appendix D Budgetary Control Appendix E Housing Rents
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	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.

<p><b>Report Author / Responsible Officer</b></p> <p>Fiona Jump, Head of Financial Services</p> <p>✉ 📞</p> <p>Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)</p>
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<b>Corporate Priorities</b>	Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	1. To provide committee with a progress update against the annual internal audit plan (Appendix A).
<b>Recommendation to the decision maker:</b>	1. Note the final internal audit reports issued for following Council activities:



	<p>2. Note the content of the SICA and progress against the annual internal audit plan.</p> <ul style="list-style-type: none"> <li>• HRA Health and Safety-Reasonable Assurance</li> <li>• Waste Management-Reasonable Assurance</li> <li>• Budgetary Control – Substantial Assurance</li> <li>• Housing Rents- Substantial Assurance</li> </ul>
<b>Period for post policy/project review:</b>	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 March 2024:

- HRA Health and Safety-Reasonable Assurance
- Waste Management-Reasonable Assurance
- Budgetary Control – Substantial Assurance
- Housing Rents- Substantial 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:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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.

Appendix A also includes details of progress against outstanding priority 1, 2 and 3 recommendations. There are currently no outstanding priority 1 recommendations for the Council.

**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 March 2024 Audit Committee meeting.

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Dacorum Borough council

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Summary Internal Controls Assurance (SICA) Report

July 2024

Final



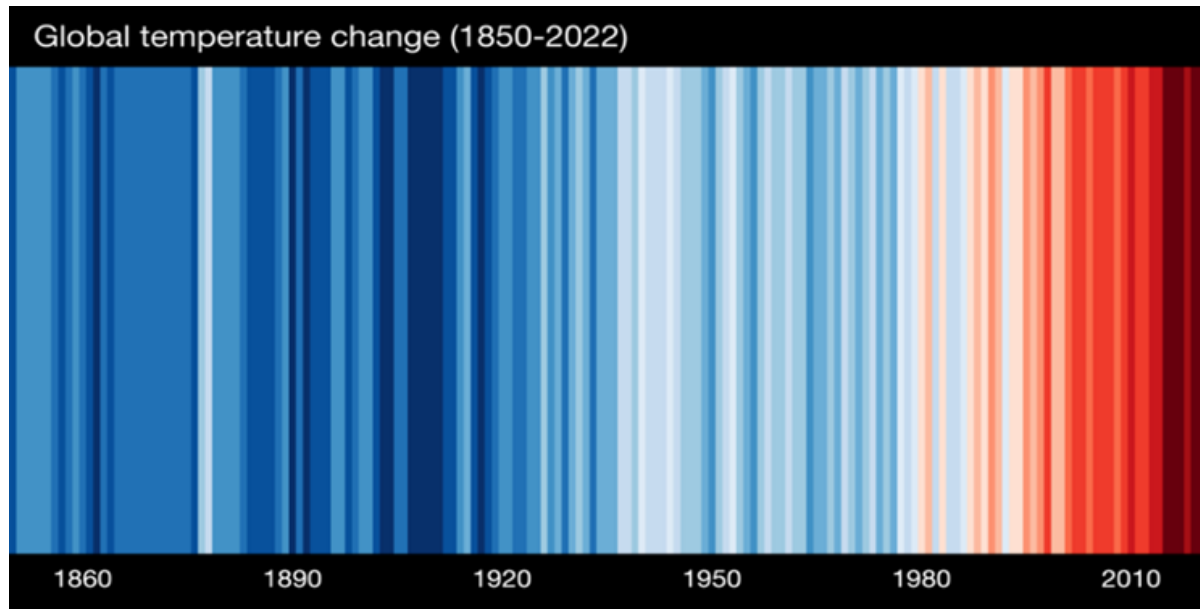
# Summary Internal Controls Assurance

## 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 as at 15<sup>th</sup> July 2024.

## Global Temperature Change

2. The scientific evidence is clear that the impacts of global warming are having an effect on our weather globally and locally and these impacts may result in a disruption to the services that we deliver. These climatic changes may also result in increased demand for our services and so we need to be prepared for these predicted changes. Extreme weather events are likely to be more frequent and more intense and we are all suffering the impacts of climate change in our daily lives, right here in the UK. 2023 was the warmest year on record globally, with average temperatures 1.48° C above pre-industrial levels. That is very nearly at the point (1.5°C) at which the United Nations believe that some regions and ecosystems will face an existential challenge. All the indicators suggest that the upward trend in temperatures is set to continue until at least the end of the century. Here in the UK, rising temperatures are leading to higher incidence of hypothermia, heart attack, respiratory failure and drownings as people struggle to escape the heat. Higher temperatures are accompanied by greater rainfall and flooding as warmer air holds more water than colder air.



We are advising our clients on their approach to making changes that address both mitigation and adaptation. Mitigation is about reducing the likelihood of climate change through cutting our Greenhouse Gas (GHG) emissions and living within very strict net-zero (or better) limits. Adaptation is about changing the way that we work and live; to accommodate the - already inevitable – effects of climate change. Adaptation involves revising public services to reflect an increase in demand for housing that keeps us cool in summer as well as warm in winter. Our clients face particular adaptation challenges as they work to keep people safe, through measures including improved housing (for both heating and cooling), information about climate risks, places of refuge, healthcare provision at all levels, public order safety, flood defences, fire fighting and public transport to name but a few.

At TIAA we are working with our clients to prepare and review climate risk assessments; prepare and review action plans for mitigation and adaptation in the face of identified risks; raise awareness of climate risks across all service areas; and begin to tackle wider implications, such as air pollution and biodiversity.

Poor air quality is the largest environmental risk to public health in the UK, and it is immediate and localised. Sources of air pollutants that affect our health are typically the same sources of greenhouse gases, including burning fossil fuels for transport and heating in the domestic properties.

Working together can help to tackle wider issues outside of the direct control of any individual organisation, working collaboratively to deliver climate change action and address the UK carbon reduction targets to achieve lasting change.

**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
HRA Health and Safety	Reasonable	7 <sup>th</sup> March 2024	19 <sup>th</sup> April 2024	23 <sup>rd</sup> April 2024	0	5	4	0
Waste Management	Reasonable	7 <sup>th</sup> March 2024	24 <sup>th</sup> June 2024	5 <sup>th</sup> July 2024	0	1	1	0
Budgetary Control	Substantial	20 <sup>th</sup> March 2024	24 <sup>th</sup> June 2024	5 <sup>th</sup> July 2024	0	0	0	1
Housing Rents	Substantial	16 <sup>th</sup> June 2024	24 <sup>th</sup> June 2024	5 <sup>th</sup> July 2024	0	0	1	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.

**Changes to the Annual Plan 2024/25**

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

**Progress in actioning priority 1 & 2 recommendations**

7. 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**

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

**Other Matters**

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

**Responsibility/Disclaimer**

10. 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.

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## 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
<p><b>HRA Health and safety</b></p>	<p><b>KEY STRATEGIC FINDINGS:</b></p> <ul style="list-style-type: none"> <li>• Work to improve the governance and over contractor management arrangements was progressing although areas were noted which require further work including review of the Safer Homes health and safety policies, development of a Contract Management Policy and standardisation of contract management meeting documentation.</li> <li>• Three instances were noted where Safer Homes Team mandatory health and safety related training was out of date and the skills and training matrix for the Asset Management team required to be completed.</li> <li>• Processes for the management of Risk Assessment Method Statements are not operated in a consistent manner across the Safer Homes Team and the Asset Management Team.</li> <li>• At the time of the review a responsible officer had not been assigned for two High risk rated workstreams on the Building Safety Implementation Plan.</li> </ul> <p><b>GOOD PRACTICE IDENTIFIED:</b></p> <ul style="list-style-type: none"> <li>• The Safer Homes Team are progressing the implementation of a new asset management system for housing stock, which is due to be operational by April 2024. The system will record relevant service checks required for each property and hold evidence of servicing and testing completed in one system A lot of work had been undertaken with regards to improvements to monitoring of the contractors responsible for HRA H&amp;S and this has been reviewed through the self-referral to the regulator of social housing.</li> </ul>
<p><b>Waste Management</b></p>	<p><b>KEY STRATEGIC FINDINGS:</b></p> <ul style="list-style-type: none"> <li>• Reliance is placed in manual, paper-based systems i.e. driver vehicle checks, defect reports, accident reports, log books.</li> <li>• Driver licence check for all workers that require them was only undertaken after audit was scheduled.</li> </ul> <p><b>GOOD PRACTICE IDENTIFIED:</b></p> <ul style="list-style-type: none"> <li>• Testing supported that good progress had been made since the previous Internal Audit Review in respect of recommendations raised.</li> <li>• Management demonstrated that the recommendations had been implemented and that they resolved underlying weaknesses in practice.</li> </ul>

Review	Key Findings
<p><b>Budgetary Control</b></p>	<p><b>KEY STRATEGIC FINDINGS:</b></p> <ul style="list-style-type: none"> <li>• Implementation of budgetary control and monitoring training for all relevant staff to increase knowledge and understanding of the budget process, which in turn will create greater efficiency across the organisation.</li> </ul> <p><b>GOOD PRACTICE IDENTIFIED:</b></p> <ul style="list-style-type: none"> <li>• Comprehensive Budget setting and sign off process in place across the organisation, evidenced with sign off letters.</li> <li>• Budget Monitoring is evidenced with the inclusion of a Budget Monitoring Calendar log, which details the dates when reports and reviews should be conducted, alongside notes for assistant accounts and if the log requires an update.</li> </ul>
<p><b>Housing Rents</b></p>	<p><b>KEY STRATEGIC FINDINGS:</b></p> <ul style="list-style-type: none"> <li>• The KPI report to the Housing and Community Oversight Committee did not match the figures shown in the Performance Scorecard covering the same period in one example tested.</li> <li>• Procedures provided were satisfactory but had limited version control not covering date of next review or who they were reviewed by.</li> <li>• 'Rent Arrears and Write Off Policy' and the 'Rents and Other Charges Policy' don't state who approved them or date of next review. The 'Rents and Other Charges Policy' also had links to now out of date information.</li> </ul> <p><b>GOOD PRACTICE IDENTIFIED:</b></p> <ul style="list-style-type: none"> <li>• A focus on early intervention and support for tenants rather than escalation to court has significantly reduced court costs relating to arrears.</li> <li>• Four rent free weeks are provided to tenants throughout the year, this leaves tenants in better financial standing to pay rent/arrears whilst also improving tenant relations.</li> </ul>



## 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	Draft - Indicative Reasonable Assurance (RG)	Draft issued 05/07/24 awaiting management comments
Climate Change	4	Draft	Draft issued 13/02/2024 awaiting management comments
Performance Management	3	Draft - Indicative Reasonable Assurance (MB)	Draft issued 05/02/2024 awaiting management comments

Overtime and Additional Allowances	2	Discussion Draft - Indicative Reasonable Assurance (SS)	Discussion Draft. Awaiting feedback re exit meeting
Housing Allocations	4	Draft - Indicative Reasonable Assurance	Draft Issued 15 <sup>th</sup> July 2024 awaiting management comments
Planning Enforcement	4	In progress (AS)	In progress
Planned and Preventative Estate Maintenance	4	In progress (LG)	In progress
Housing Transformation Improvement Programme (HTIP)	4	Postponed	Postponed to 2024/25

**KEY:**

 To be commenced	 Site work commenced	 Draft report issued	 Final report issued
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## Appendix B: Progress against Annual Plan (ii) 2024/25

System	Planned Quarter 24/25	Current Status	Comments
Financial Resilience	1	Scoping Meeting on the 17/6/24 Preliminary Meeting on the 26/6/24	
Key Financial Controls	1	Fieldwork in progress	
Community Engagement	1	Preliminary meeting 29/7/2024	
Business Continuity	1	Draft report issued	Draft report issued 23/06/2024
Housing Regulatory Compliance and Building Safety	1	Exit Meeting held	
Fleet Management Strategy	2	Field work started 09/07/2024	
Private Sector Housing	2	Awaiting Response from JS 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	
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 8/1/24	
MTFS	3	Preliminary Meeting scheduled October 2024	
Risk Management Framework	3	Preliminary Meeting 19/10/24	
Housing Transformation and Improvement Programme (HTIP)	4	Deferred until September at client request	
Recruitment and Training	4	Scoping Meeting arranged for 27/6/2024	
Project Management	4	Preliminary meeting arranged for the 15/1/24	
Licensing	4	Awaiting response.	

**KEY:**

 To be commenced	 Site work commenced	 Draft report issued	 Final report issued
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## 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

Date Issued	Sector	Briefing Type	Subject	Web Link	TIAA Comments
26 MARCH 2024	All	Client Briefing Note	Procurement Act 2023	<a href="https://www.gov.uk/government/news/transforming-public-procurement">Transforming Public Procurement - GOV.UK (www.gov.uk)</a> <a href="https://www.gov.uk/government/guides/procurement-act-2023">Procurement Act 2023: short guides - GOV.UK (www.gov.uk)</a>	<p>The Procurement Bill, which will reform the existing Procurement Rules, received Royal Assent in October 2023. In early 2024 secondary legislation (regulations) will be laid to bring some elements of the Bill and the wider regime into effect.</p> <p>The Procurement Act is expected to be implemented in October 2024 following at least six months notice.</p> <p>We share the key points.</p>
26 MARCH 2024	All	TIAA Article	As Featured In The Saturday Telegraph – What Gives Your Board Confidence In Your Internal Investigations Ability?	<a href="#">As featured in the Saturday Telegraph - what gives your Board confidence in your internal investigations ability? - TIAA</a>	<p>Does your business need help with HR Investigations? Our latest article in the Saturday Telegraph highlights the importance of having a specialist team handle these complex and sensitive matters.</p>
15 MARCH 2024	All	Security Alert	Serious Organised Crime Theft Warning – Purses & Wallets	<a href="#">Serious organised crime theft warning – purses &amp; wallets - TIAA</a>	<p>An organised group of thieves, specialising in the theft of purses, wallets and the subsequent fraudulent use of stolen credit cards have been operating in the southwest and elsewhere in the UK in recent months.</p> <p>The offenders dress smartly and often wear an NHS/Council style lanyard.</p> <p>We provide key advice.</p>
13 MARCH 2024	All	Anti-Crime Alert	Action Fraud Launches Holiday Fraud Campaign	<a href="#">Action Fraud launches holiday fraud campaign - TIAA</a>	<p>Action Fraud has launched a crucial campaign to combat holiday fraud. As the holiday season approaches, scammers are on the prowl. Read our key advice.</p>



Internal Audit

**FINAL**

## Dacorum Borough Council

Assurance Review of HRA Health & Safety

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**2023/24**

April 2024

# Executive Summary

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Inability to manage and deliver safe and good quality affordable homes. - Ascertain and report on the systems and processes the council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to health and safety and building safety compliance for HRA.

## SCOPE

H&S is a Corporate Priority and appropriate and adequate Health and Safety for Housing is a critical requirement. The audit reviewed the systems and processes the Council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to;

- The governance processes in place that provide assurance over Contractors working in line with regulations.
- The Building Safety implementation plan and progress of workstreams.
- Reporting of, and actions taken, on Contractor near misses.
- Review housing safety checks and evidence of remedial actions being completed.

The audit reviewed processes in the Asset Management Team and Safer Homes Team.

## KEY STRATEGIC FINDINGS



Work to improve the governance and over contractor management arrangements was progressing although areas were noted which require further work including review of the Safer Homes health and safety policies, development of a Contract Management Policy and standardisation of contract management meeting documentation.



Three instances were noted where Safer Homes Team mandatory health and safety related training was out of date and the skills and training matrix for the Asset Management team required to be completed.



Processes for the management of Risk Assessment Method Statements are not operated in a consistent manner across the Safer Homes Team and the Asset Management Team.



At the time of the review a responsible officer had not been assigned for two High risk rated workstreams on the Building Safety Implementation Plan.

## GOOD PRACTICE IDENTIFIED



The Safer Homes Team are progressing the implementation of a new asset management system for housing stock, which is due to be operational by April 2024. The system will record relevant service checks required for each property and hold evidence of servicing and testing completed in one system. A lot of work had been undertaken with regards to improvements to monitoring of the contractors responsible for HRA H&S and this has been reviewed through the self-referral to the regulator of social housing.

## ACTION POINTS

Urgent	Important	Routine	Operational
0	5	4	0

## 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)
2	Directed	The Safer Homes Team use the DORIS system for monitoring the completion of mandatory asbestos health and safety training and other health and safety related topics. A review of training records highlighted that training was out of date for three staff members. Two relating to Asbestos training and one relating to Workplace regulations.	Mandatory and work-related training be completed at the earliest opportunity, and additional monitoring be implemented to highlight training which is nearing the due date to ensure that training is completed on a timely basis.	2	<i>Outstanding training will be completed by end of March, monthly checks will be implemented to ensure compliance moving forward.</i>	31/03/2024	Ricky Lang
4	Directed	The Contract Management Team raised observations regarding the lack of a Contract Management Policy and bespoke training relating to contractor health and safety and guidance for council officers.	Contract Management Policy be devised and the contract management team to work with the Corporate health and Safety team to develop the required health and safety training and guidance.	2	<i>Contract Management Framework Document and Guidance under development. First draft ready for end of April.</i>	30/04/2024	Andrew Linden

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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)
5	Directed	<p>A review of Risk Assessment Method statements (RAMS) with the Safer Homes Team and the Asset Management team identified a lack of consistent processes as;</p> <ul style="list-style-type: none"> <li>the Asset Management team use FFT consultancy services to manage the RAMS for Osbournes, a similar process was not in place for the Safer Homes compliance contractors, who are responsible for completing RAMS.</li> <li>The Head of Asset Management Team stated that while teams may have sight of RAMS at contractor start up meetings, the Council does not receive copies of RAMS.</li> </ul>	Consistent processes be established for managing RAMS across the Safer Homes and Asset Management Teams and copies of RAMS routinely sought and held on file to ensure that the Council is suitably assured on contractor processes.	2	<p><i>Asset Management Team utilise FFT to facilitate CDM process and receive project specific RAMS. Need to confirm where documents are held and reviewed. Once process established it will be shared with Safe Homes to follow – DT.</i></p> <p><i>Safe Homes to implement consistent process for engaging FFT when completing projects. This is already in place for lift replacements and communal boiler upgrades – RL.</i></p>	01/05/2024	Dan Thurlow / Ricky Lang
6	Directed	<p>A comparison of the Building Safety Implementation plan at March 2023 to the July position confirmed that progress updates had been captured for some actions although there were 31 open actions with no progress update recorded.</p> <p>It was also noted that two High rated actions had not been assigned a responsible person or contributor, with completion timescales due in Q2 2023/24. (Data quality action 10: Implement a data strategy and Data Quality action 11: Consider using data gatekeepers to control how key information is updated.)</p>	Responsible officers be assigned to all actions in the Building Safety Implementation plan and ensure that progress updates are provided for all actions to inform the Building and Resident Safety Management group.	2	<i>This is reviewed at the BRS Group that meets every two months. Greater ownership required and review of all actions to ensure relevant and assigned. Assistant Director and Head of Safe Homes to review.</i>	15/05/2024	Mark Pinnell/ Ricky Lang

## PRIORITY GRADINGS

<b>1</b>	<b>URGENT</b>	Fundamental control issue on which action should be taken immediately.
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<b>2</b>	<b>IMPORTANT</b>	Control issue on which action should be taken at the earliest opportunity.
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<b>3</b>	<b>ROUTINE</b>	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	Directed	<p>A review of evidence provided to support contract management meetings for two Safer Homes contractors (Sunrealm and Cablesheer) highlighted that meetings had different agenda items and there was no standard agenda to ensure consistency of contract management meetings.</p> <p>It was noted that both meeting agendas included Health and Safety and contract performance (Contract variations for Cablesheer and KPIs for Sunrealm).</p>	A standard agenda for Contractor contract management meetings be developed and implemented which aligns with the requirement of the contract.	2	<i>Completed and in place.</i>	<i>Implemented</i>	<i>Victoria Coady</i>
1	Directed	<p>The Safer Homes Team have established local health and safety procedures although at the time of the audit it was identified procedures required review and update; for instance, the Water Treatment Policy and the Gas Safety Policy were last reviewed in 2019 and the update to the Fire Safety procedure, was last reviewed in 2018.</p> <p>Information provided by the Assistant Director of Property confirmed that processes were in place to ensure there is management oversight of policy and procedure expiry dates.</p>	The Safer Homes Team local health and safety procedures be reviewed and updated as necessary.	3	<p><i>SQA Team now assign an officer to service area to ensure the review of policies is completed within agreed timescales. The following policies have been reviewed in March 2024 and will go on the forward plan for both BRSG &amp; HSLT:</i></p> <p><i>Gas Safety.</i></p> <p><i>Fire Safety.</i></p> <p><i>Water Hygiene.</i></p> <p><i>Safety in Communal Areas.</i></p>	<i>01/05/2024</i>	<i>Ricky Lang</i>
3	Directed	From discussion with the Head of Asset Management it was identified that plans were in place to devise a skills and training matrix to ensure that all staff have the appropriate qualifications and skills for their role.	The Asset Management team skills and training matrix be completed and a defined date for implementation be set.	3	<i>Head of Service to develop Training Needs Analysis via HTIP/TOM.</i>	<i>01/09/2024</i>	<i>Dan Thurlow</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)
8	Directed	It was noted that evidence to support water and lift checks had to be requested from contractors as copies were not readily available in Council records.	Managers to ensure that supporting documentation is held for all safety checks completed.	3	<i>Lift servicing records are provided monthly and saved on the shared drive – these will be directly migrated on to MRI Asset from April 2024. Water hygiene checks are stored on a portal (Job Logic) and the Safe Homes Team audit this every month. MRI Servicing module integration will lead to single system of compliance in the future.</i>	01/05/2024	Ricky Lang
9	Delivery	A review of the Building Safety Composite report and the Compliance Report dated August 2023, confirmed that the KPI position was consistently reported in both reports. It was noted that two KPIs were RAG rated Amber, Gas Safety: Servicing (99.99% against a target of 100%) and Electrical Safety: EICRS within a five-year period (98.88% against a target of 100%). It was confirmed that the report narrative provided explanations for the underperformance and remedial actions in progress. The Compliance report could be developed to add an assessment of any additional risks that may arise from the causes of underperformance against the KPIs.	The Compliance report be developed to add an assessment of any additional risks that may arise from the causes of underperformance against the KPIs.	3	<i>The Compliance Report covers all areas of statutory compliance and records month on month performance. If this drops to amber or red then narrative is provided outlining recovery plans where required. Risk registers are held separately and reviewed in quarterly contract management meetings.</i>	In place	Ricky Lang

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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
There are no operational effectiveness matters.				

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	<b>Governance Framework</b> 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, 4, & 5	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
CC	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	6, 7, & 8	-

### Other Findings

- The Council has a Corporate Health and Safety Policy Statement 2022/2023 which has been subject to review as part of the ongoing development of Corporate Health and Safety procedures. A copy of the policy is available to staff on the Council SharePoint site.
- The Corporate Health and Safety Policy Statement includes a requirement “. that contractors are monitored to ensure they meet corporate standards". The Safer Homes Team and the Asset Management Team place operate contract management arrangements for the oversight of contractor arrangements for each contracted supplier. At the time of the audit the effectiveness of these arrangements, including health and safety requirements was under development in conjunction with the Commercial Contract Management Team through the development a Construction Design Management Policy and a standard form of procurement contract for works contractors.
- The Safer Homes Team has seven main contracts to deliver housing safety compliance checks and services. It was identified through discussion that the contract management meetings are held with each contracted supplier, either on a monthly (gas and asbestos) or quarterly basis. Meetings are formally planned and documented through agenda and meeting minutes /action notes.
- At the time of the audit the Asset Management Team had a principal contractor, Osbournes, for managing responsive repairs and works. It was identified from discussions with the Head of Asset Management it was identified that due to historical issues with the contract management process, the governance over the contract had been reviewed and developed to include a strategic quarterly contract meeting and an operational core meeting to include as a standing agenda item health and safety, accidents / incidents and near misses. It was stated at the time of the review that both groups had set agendas and minutes. The addition of a record to track actions was in due to be implemented from October 2023. As additional assurance, the Council has contracted with FFT to provide health and safety oversight of the Osbournes contract and holds monthly tripartite meetings which report into the Operational Core meeting.

## Other Findings



The Council standard contract dates from 2014 and a review of the template confirmed that contract clauses include terms relating to health and safety. It was identified that further work was in progress to review and update the standard contract template to include improvements to the health and safety content. At the time of the review the Contract Management Team were managing a backlog of contracts for review and had employed extra resources to progress this task. Additionally, dashboard reports were being developed to link in with contracts managed by the Contracts Management Team to aid reporting, including a summary of contract performance, high level risks, health and safety statistics (near misses / RIDDOR), safeguarding referrals, and GDPR breaches. It is expected that dashboard will be implemented in January 2024.



A review of the amended Standard Contract confirmed that it is a contractual requirement for Contractors to report incidents. The Head of Commercial Housing Contracts confirmed during the audit that the contract has been amended to also specify near misses in order to support the need for improved reporting in this area.



Following the Building Safety Act 2022 the Council has developed a Building Safety Implementation Plan to underpin the service changes and developments required for compliance with the act. The Building and Resident Safety Management Group oversees the plan and meetings are convened every two months to review updates. A high level summary of the progress status, by action priority (high, medium and low) is included in the Building Safety Composite Report.



It was identified that both the Safer Homes Team and the Asset Management Team had concerns that contractor near misses were not always reported due to the low numbers raised for discussion at contract management meetings. Work was in progress to develop the ways to improve data capture and reporting for instance the Head of Asset Management stated that a reporting email inbox had been established for site managers to easily report issues.



The process links with Strategic Risk Register Housing and Property Services Risk: Inability to manage and deliver safe and good quality affordable homes. From a review of the Strategic Risk register at Quarter Two it was highlighted that the Council has increased the risk score (16) to reflect the greater statutory/ regulatory and reputational risk in this area arising from the requirements of the Social Housing Regulations Act and Building Safety Act. The risk had a risk owner assigned and controls and assurances and evidence of risk management has been documented.



Sample testing, carried out on 20 properties confirmed that safety checks (Gas, Electric, fire (domestic smoke, heat and CO detection included in LGSR), water and lifts where applicable) had been completed and were in date.



Sample testing also confirmed that remedial actions arising from the checks confirmed that actions had been taken to address works required.



**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	<b>Performance Monitoring</b> 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	9	-
S	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	In place	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-



**Other Findings**

Building safety monitoring and reporting is established and was noted to be in operation. The Building Safety Composite report summarises building safety compliance across all areas of safety compliance and building safety key performance indicators. The Compliance Report provides greater depth detail and narrative for each of the building safety key performance indicators, highlighting any performance issues and the remedial actions being taken.

The Safer Homes Team are progressing the implementation of a new asset management system for housing stock, which is due to be operational by April 2024. The system will record relevant service checks required for each property and hold evidence of servicing and testing completed in one system.

**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.

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

**Assurance Assessment**

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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
<b>Audit Planning Memorandum:</b>	14 <sup>th</sup> September 2023	14 <sup>th</sup> September 2023
<b>Draft Report:</b>	7 <sup>th</sup> March 2024	19 <sup>th</sup> April 2024
<b>Final Report:</b>	23 <sup>rd</sup> April 2024	



# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Dacorum Borough Council		
<b>Review:</b>	HRA Health & Safety		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Principal Auditor

<b>Outline scope (per Annual Plan):</b>	<p>H&amp;S is a Corporate Priority and appropriate and adequate Health and Safety for Housing is a critical requirement. The audit will review and report on the systems and processes the council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to;</p> <ul style="list-style-type: none"> <li>• The governance processes in place that provide assurance over Contractors working in line with regulations.</li> <li>• The Building Safety implementation plan and progress of workstreams.</li> <li>• Reporting of, and actions taken, on Contractor near misses.</li> <li>• Review housing safety checks and evidence of remedial actions being completed.</li> </ul> <p>The audit will review processes in the Asset Management Team and Safer Homes Team.</p>		
<b>Detailed scope will consider:</b>	<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>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>	P Lazenby Sent Direct		

<b>Planned Start Date:</b>	16/10/2023	<b>Exit Meeting Date:</b>	17/01/2024	<b>Exit Meeting to be held with:</b>	Mark Pinnell, Assistant Director Property (interim)
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### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
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

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Assurance Review of Waste Management

**2023/24**

July 2024

## Executive Summary

**OVERALL ASSESSMENT**



**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

SRR Risk: Financial Resilience. Ensuring sufficient, coherent and modern service delivery.

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**KEY STRATEGIC FINDINGS**

- Reliance is placed in manual paper based systems i.e. driver vehicle checks, defect reports, accident reports, log books.
- Driver licence check for all workers that require them was only undertaken after audit was scheduled.

**GOOD PRACTICE IDENTIFIED**

- Testing supported that good progress had been made since the previous Internal Audit Review in respect of recommendations raised.
- Management demonstrated that the recommendations had been implemented and that they resolved underlying weaknesses in practice.

**SCOPE**

This follow up review considered Driver’s hours/ Log Books or Tachographs; Load management; Care of equipment; Parking; Reversing (banksman); Cleaning of equipment; Driver checks; Defect reporting; Understanding Fleet Compliance and processes; Spot checks conducted by Ops management, on: Log book records, Daily checks, Gate checks, Street checks, Seat belts, Vehicle condition/cleanliness of cab.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	1	1	0

## 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>Driver licence check for all workers that require them was only undertaken after audit was scheduled. When asked when the previous licence check was done the Head of Environmental Services and Operation Manager confirmed that there had not been one on record.</p> <p>The check initially identified 800 discrepancies, which were eventually mitigated down to 32 drivers being uncompliant.</p>	<p>A process in place where worker's driving licences are checked periodically should be in place so that no vehicles are being driven illegally. The Head of Environmental Services made it clear that going forward licence checks on all drivers would be a monitored KPI going forward.</p>	2	<p><i>A process has been put in to place to continually check and update diving documents for staff that are required to dive and part of their role. This is an ongoing process due to document expiring.</i></p>	24/06/2024	Fleet Manager
2	Delivery	<p>Reliance is placed in manual paper based systems i.e. driver vehicle checks, defect reports, accident reports, log books. Where appropriate manual documentation should be replaced with electronic processes to improve the quality and completeness of the audit trail, and potential efficiencies of paperless working.</p>	<p>Manual paper based systems be reviewed and substituted for electronic systems where appropriate.</p>	3	<p><i>Reliance is still placed on manual paper based systems. Currently the procurement process has start for a digital system that will replace driver vehicle checks, defect reports, accident reports, log books</i></p>	01/06/2025	Fleet 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.

## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters have been identified				

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	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
RM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	1	-

## Other Findings

- Policies and processes for Waste Management was provided and contains both the strategic plan (pages 32 - 72) and a Monitoring and Implementation Framework (pages 83-87). Full contents include: Spatial Vision, Objectives and Strategic Issues. Waste Picture within Hertfordshire. Strategy for Waste Management. Monitoring and Implementation Framework.
- The driver’s manual that is currently being supplied to current workers is a legacy document, it does not cover aspects of the job that drivers carry out. To offset this issue the Head of Environmental Services and Operation Manager outlined that the new starter training covers all the areas that would be covered by the handbook, with signed declarations.
- The recommended organisational strategy for waste within environmental services highlighted in the last audit has now been put into place, and its located within the Hertfordshire Waste Development Framework (pages 32 - 81).
- Operational Transport Policy was provided and outlines fleet management responsibilities, Procurement & Disposal of Vehicles, Utilisation of Vehicles, Department Management & Driver Responsibilities, Fleet and general Health and Safety, Environmental Considerations and Accident Reporting. This policy was last updated 2021/2022.

## Other Findings



Dacorum's Recycling policy was also provided, outlining the types of bins provided to residents, instructions missed or bin discrepancies such as contamination, overweight or damage.



The decision to implement digital tachographs has been reversed, as DBCC believe they are not required due to the repetitive controlled routes the waste lorries undertake.



Whilst it noted waste management does not appear within the strategic risk register, the council have listed "Financial Resilience" as a strategic risk within the risk register's objectives, ensuring sufficient, coherent and modern service delivery. In addition to this on operational level risk is considered through a suite of risk assessments and health and safety legislation for all staff.



Several different risk awareness documents are on file, which outline the hazards that can occur within the job roles of the employees. These range from manual handling guides to hazards that can occur whilst out on bin collections such as extreme weather and dangerous animals.



Five vehicles were checked for their compliance to weigh limit regulations. All five vehicles were under the 25 tonne weight limit and passed all checks, varying between and tonnes. The registration of the vehicles were as follows: FFN, FFM, WCT. VF20 VX71, DX73.

Examples of the vehicle overload reports were also provided, these showed two instances where vehicle load had been over the legal gross weight and detailed why this had occurred, the first instance from reg VU64AHY was a driver error and was given a warning, the second was a calibration error with the weight scales.



Accident Report Log spreadsheet was provided, outlining the date of when accidents occur, details of the accident, how long the effected worker was off work, when the incident details were sent to insurers, alongside management comments.



A full training compliance spreadsheet was provided, containing the licence numbers, the date the training was completed and when each worker's training expires. After reviewing the spreadsheet there were 0 instances of workers having expired training, staff who's training is due to expire in 2024 have been identified and highlighted.

To test that the process is being followed and spreadsheet information is correct four new members of staff were picked and checked for completed training, the result of the test was that all four members of staff had completed the training.



A review of three vehicle defect reports showed 0 instances of incomplete recordings, this is an improvement from the previous audit which identified three instances of incomplete vehicle details.



A series of risk assessments were evidenced that cover risks for drivers when out during bin collection, in addition there are risk assessments that cover the risks at working on site at the depot.



**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	<b>Performance Monitoring</b> 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	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	2	-

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**Other Findings**



Neighbourhood Operations Performance Measures KPI's were provided. These KPI's covered the following areas: Environmental Services (Reports of all missed bins per 100,000 per month & quarter. Quarterly Recycling Rate of waste collected, Amount in Kilogram per household of residual waste collected during the period), Neighbourhood Management (Monthly & Quarterly percentage of garages income, Percentage of Parking income, Percentage of fly tips collected, Percentage of Graffiti removed,, Number of Green Flag parks) and Regulatory Services (Percentage of fly-tips reported, Percentage of high risk food inspections/interventions, Percentage of Environmental Health requests, Percentage of noise nuisance).

All of the above KPI's are showing as green which means at an acceptable level, if they drop below an acceptable level then they are marked as yellow.



## 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.

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

## Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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
<b>Audit Planning Memorandum:</b>	10 <sup>th</sup> August 2024	10 <sup>th</sup> August 2024
<b>Draft Report:</b>	7 <sup>th</sup> March 2024	24 <sup>th</sup> June 2024
<b>Final Report:</b>	5 <sup>th</sup> July 2024	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Dacorum Borough Council		
<b>Review:</b>	Waste Management		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	MB - Auditor

<b>Outline scope (per Annual Plan):</b>	This follow up review will consider Driver's hours/ Log Books or Tachographs; Load management; Care of equipment; Parking; Reversing (banksman); Cleaning of equipment; Driver checks; Defect reporting; Understanding Fleet Compliance and processes; Spot checks conducted by Ops management, on: Log book records, Daily checks, Gate checks, Street checks, Seat belts, Vehicle condition/cleanliness of cab.		
<b>Detailed scope will consider:</b>	<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>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>	Sustainability		

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<b>Planned Start Date:</b>	02/02/2024	<b>Exit Meeting Date:</b>	22/02/2024	<b>Exit Meeting to be held with:</b>	Head of Environmental Services
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### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
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?	Y
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 Budgetary Control

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**2023/24**

July 2024

# Executive Summary

## OVERALL ASSESSMENT



## ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Budgetary Control is a fundamental financial process that is audited every other year.

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## KEY STRATEGIC FINDINGS



Implementation of budgetary control and monitoring training for all relevant staff to increase knowledge and understanding of the budget process, which in turn will create greater efficiency across the organisation.

## GOOD PRACTICE IDENTIFIED



Comprehensive Budget setting and sign off process in place across the organisation, evidenced with sign off letters.



Budget Monitoring is evidenced with the inclusion of a Budget Monitoring Calendar log, which details the dates when reports and reviews should be conducted, alongside notes for assistant accounts and if the log requires an update.

## SCOPE

Budgetary Control is a fundamental financial process that is audited every other year. Key control objectives that were considered as part of this audit included:
 

- Formally approved budgets are set each year, taking into account all relevant income and expenditure;
- The financial management system accurately reflects the agreed budgets;
- Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined;
- All budget adjustments (including virements) are authorised;
- Budgets are adequately monitored and regularly reported, with reasonable variance levels being set which trigger action and explanation;
- Appropriate financial reserves are maintained in line with assessed risks.

## ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

## 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)
No Key Findings identified.							

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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	Head of Safe Homes stated in a video call that no training around budgetary control or monitoring is present within the organisation. Though there is no negative impact with it being missing, they felt that if this was implemented it would be of great benefit to the organisation and lead to a more efficient process. The budget holder for Waste Management did not comment on the training as he was already had budget preparation training prior to starting his at DBCC.	Implementation of budgetary control and monitoring training for all relevant staff to increase knowledge and understanding of the budget process, which in turn will create greater efficiency across the organisation.	<i>All members of the Corporate Leadership Team are provided with details of their budgets and supported by a dedicated member of the finance team in the management of their budgets. We find this one- on- one approach to be more effective rather than generic training delivered to large groups. We will look at surveying the wider Corporate Leadership Team to identify satisfaction levels with current budget monitoring and control training and if an alternative/ supplementary approach is needed. We will do this as part of the Q1 2024/25 budget monitoring process. The timescale for the delivery of any associated training will be dependent of the outcomes of this survey.</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	<b>Governance Framework</b> There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	In place	-	-
IRM	<b>Risk Mitigation</b> The documented process aligns with the mitigating arrangements set out in the corporate risk register.	In place	-	-
C	<b>Compliance</b> Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	1

### Other Findings



Process documentation was evidenced in the form of the Budget Monitoring Guidance Notes and Salary Monitoring Guidance Notes (updated and reviewed 28/09/2023). These documents provided guidance for personnel on how to deal with the process of producing an analysis of all remaining budgets and using them to report on the variances for services at the Head of Service level as well as explain the steps involved in salary monitoring and how to carry them out.



Expected controls for a process, such as how and when to produce reports along with a guide and pictures of this, were present in each process document provided in the Budget Monitoring Guidance Notes.



A dedicated Financial Regulations policy document (dated July 2022 and listing the responsible officer as the Chief Finance Officer) was evidenced. This document contains expected regulatory controls.

## Other Findings



The council's strategic risk register was provided and includes a high-level risk listed as "Financial Resilience" on page 3. The Medium-Term financial strategy has been approved by cabinet and is projecting a balanced budget position for 24/25.



Evidence that the finance and resources overview committee meetings take place was provided in the form of the Monitoring calendar.



There is documented evidence that budget holders sign off their approval for the set budgets for their department. The sign off letter confirms that the budget was approved at the full council 14th February 2023.

There is also additional evidence that Budget Sign off is extensively tracked with the Budget Sign Off Tracker. This shows the names of the Budget Holders, their post, who their accountant is, when the budget papers were sent and finally the link to the associated budget holder's sign off letter.



Budget Monitoring is evidenced with the inclusion of a Budget Monitoring Calendar log, which details the dates when reports and reviews should be conducted, alongside notes for assistant accounts and if the log requires an update.



Budget holders from Safe Homes and Waste Management both confirmed in separate video call interviews that the working relationship with the finance team was "efficient, highlighting that the finance department is always on hand to help with any queries, and that meetings with them regarding their budgets take place every month".



Both the budget holders for Safe Homes and Waste Management confirmed in separate video call interviews that the level of detail contained within the budget monitoring reports given every month by the finance team is sufficient to monitor their budgets effectively.



A Virement Payments log evidenced details reference numbers, the service area, who submitted the payment, who approved the Virement, the date it was approved and the financial value. This evidence corresponds to the Budget Monitoring Guidance notes where the Virement Policy is detailed.








**Delivery Risk:**

Failure to deliver the service in an effective manner which meets 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
PM	<b>Performance Monitoring</b> 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	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

-  Evidence of regular reporting to the Strategic Leadership Team (SLT) was provided.
-  The minutes for the Finance & Resources Overview and Scrutiny Committee meeting were provided. Evidenced was reviewed that the "Medium Term Financial Strategy" was discussed outlining the Financial Position of the Council for the next 3-5 years. The Chief Finance Officer stated that there were no significant changes to service delivery and over £1m growth for service provision.
-  On page 31 of the Finance & Resources Overview and Scrutiny Committee meeting from 03/10/2023, the finance and resources quarter 2 operational risk report acknowledge that although the in-year collection rate has underperformed from a budget/cash perspective, the in-year collection of previous year's arrears has exceeded expectations, which meant no budget pressure is currently projected for the year 2023/24.

## 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.

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

## Assurance Assessment

- The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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
<b>Audit Planning Memorandum:</b>	13 <sup>th</sup> July 2023	14 <sup>th</sup> August 2023
<b>Draft Report:</b>	20 <sup>th</sup> March 2024	24 <sup>th</sup> June 2024
<b>Final Report:</b>	5 <sup>th</sup> July 2024	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Dacorum Borough Council		
<b>Review:</b>	Budgetary Control		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	R.G/M.B – Auditors

<b>Outline scope (per Annual Plan):</b>	Budgetary Control is a fundamental financial process that is audited every other year. Key control objectives that will be considered as part of this audit include: <ul style="list-style-type: none"> <li>Formally approved budgets are set each year, taking into account all relevant income and expenditure;</li> <li>The financial management system accurately reflects the agreed budgets;</li> <li>Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined;</li> <li>All budget adjustments (including virements) are authorised;</li> <li>Budgets are adequately monitored and regularly reported, with reasonable variance levels being set which trigger action and explanation;</li> <li>Appropriate financial reserves are maintained in line with assessed risks.</li> </ul>		
<b>Detailed scope will consider:</b>	<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>	Delivery	<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>
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>	Sustainability		

<b>Planned Start Date:</b>	25/09/2023	<b>Exit Meeting Date:</b>	07/03/2024	<b>Exit Meeting to be held with:</b>	Financial Planning & Analysis Manager
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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 Housing Rents  
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**2023/24**

July 2024

# Executive Summary

**OVERALL ASSESSMENT**



**ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE**

Failure to charge the correct level of rent and to avoid over charging tenants.

**SCOPE**

This audit will focus on Tenant arrears and ascertain if the Council’s rent processes are in alignment with its policies and procedures. It will examine the systems and processes the council has in place to ensure housing rents and arrears are in accordance with its KPIs. The review will also provide management with assurance that the systems of control in respect of Council House Rent is operating adequately and being consistently applied.

**KEY STRATEGIC FINDINGS**

- The KPI report to the Housing and Community Oversight Committee did not match the figures shown in the Performance Scorecard covering the same period in one example tested.
- Procedures provided were satisfactory but had limited version control not covering date of next review or who they were reviewed by.
- 'Rent Arrears and Write Off Policy' and the 'Rents and Other Charges Policy' don't state who approved them or date of next review. The 'Rents and Other Charges Policy' also had links to now out of date information.

**GOOD PRACTICE IDENTIFIED**

- A focus on early intervention and support for tenants rather than escalation to court has significantly reduced court costs relating to arrears.
- Four rent free weeks are provided to tenants throughout the year, this leaves tenants in better financial standing to pay rent/arrears whilst also improving tenant relations.

**ACTION POINTS**

Urgent	Important	Routine	Operational
0	0	1	2

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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	Delivery	The Performance Scorecard for Housing and Community Oversight Committee covering December notes that there had been two evictions due to arrears in that period, yet the KPI report provided for February 2024 that details the previous 12-month actuals notes that there has only been one eviction for rent arrears. As these numbers don't align it raises concerns over the accuracy of the information recorded within KPIs.	Review monitoring arrangements for evictions due to arrears, assess the correct numbers and update any performance reporting accordingly.	2	<i>The KPI reports run were updated, and end of year figures were sent through because of this. Dacorum are focused to improve KPI reports in the coming 12 months, ensuring robust data quality – which aligns with external benchmarking standards and internal reporting requirements. This will help highlight and eliminate any additional issues for future reference.</i>	<i>12 months ensuring robust data captured. Immediate start/continuation of reporting on correct figures.</i>	<i>Raj Patel – Rent &amp; Income Manager</i>

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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	The provided procedures note which version they are and when they were last reviewed, all have been reviewed within the past three years, but they do not state who they were reviewed and approved by or the date of next review.	Expand the version control for the procedural documents to include a date for next review and who they have been reviewed and approved by.	<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> <ul style="list-style-type: none"> <li><i>As reflected in the outcome of this year’s audit, the Housing Income team will continue to imbed any relevant recommendations and ensure services provided are to the highest standards and compliant with relevant legal frameworks.</i></li> </ul>
2	Directed	The 'Rent Arrears and Write Off Policy' and the Rents and Other Charges Policy don't have version control to state date of approval, who by, and the date of the next review. The 'Rents and Other Charges Policy also stated that it hadn't been reviewed in five years, some links within the policy are now outdated, such as the link to the Corporate Plan 2015-2020 and the outdated Tenants Handbook.	<p>Review the Rents and Other Charges Policy to ensure any outdated information is updated to match current practices.</p> <p>Amend the 'Rent Arrears and Write Off Policy' and 'Rents and Other Charges Policy' to include version control.</p>	<p><i>As above, 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> <ul style="list-style-type: none"> <li><i>As reflected in the outcome of this year’s audit, the Housing Income team will continue to imbed any relevant recommendations and ensure services provided are to the highest standards and compliant with relevant legal frameworks.</i></li> </ul>

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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RM

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

### Other Findings



There is a 'Rent Arrears and Write Off Policy' currently in place. It was last reviewed in November 2022 and is available via the council's website. The policy outlines what happens in cases of arrears and the tenant's responsibilities in relation to the process. It applies to current and former tenant arrears, rechargeable works debts, service charge debts, and any other debts related to the Housing Service. The policy also lays out the legislative frameworks which guide the policy and procedures, along with links to other related documents such as the Tenancy Agreement and Rents and Other Charges Policy.

The 'Rents and Other Charges Policy' was last reviewed in 2019 and is also available via the council's website. It outlines the council's approach to setting and collecting rents for properties managed by the council in line with government policy and highlights a range of payment methods available to tenants. Like the arrears policy the relevant legislative frameworks are included along with links to related strategies and policies.

The implementation of these rent policies is aided by internal documents which provide flowcharts detailing procedures relevant to housing rents. All had been revised or introduced within the previous two years. These cover the rent arrears procedures for different types of tenants such as, introductory, former, deceased, and secure/flexible. Further procedures provided covered escalation to court, eviction, and review of introductory tenancies.



The Tenants Handbook for DBC has been revised and split into various 'factsheets' available via their website. The website states that the factsheets are downloadable as PDFs and have replaced all previous paper editions of the Tenants' handbook.



## Other Findings

The section covering rent mentions that tenant's failure to pay rent can lead to loss of their home and notes the importance of contacting the council should they experience difficulty paying rent, in order to provide support where possible.



There is a Housing Operations Risk Register including relevant risks related to rent which encompasses failure to charge the correct level of rent, and failure to collect rent both of which are vital operations within housing rents. These risks and their mitigations are monitored and reported to the Overview and Scrutiny Committee. The mitigations in place state that annual reviews via audit process focussed on rent procedures and formal approval of rent charges take place. The comments note that current collection processes are being managed effectively yet they continuously aim to improve with further review and action plans formed to close any potential gaps within income generation via rents. These actions are important for maintaining public trust, ensuring compliance, and strengthening financial performance.



A master spreadsheet for arrears monitoring is kept and updated by the council weekly displaying all arrears and arrears related costs. April 2023 to March 2024 data was provided. This data was reviewed to assess any key concerns or trends. It is worth noting that these costs have risen across the board, yet this is expected to an extent due to changes with the cost of living, growing population and cuts to benefits systems. This is further evidenced by the Housing and Community Overview and Scrutiny Committee, where they concluded that changes to the benefits system are leading to tenants who are under occupying their homes falling into arrears and potentially put their housing at risk as they are unable to meet rent which is not eligible for benefit assistance.

Detailed graphs can be seen on the Arrears Monitoring Overview Tab. Findings were as follows:

**Current Tenant Arrears** - The total began at £2.15 million in April, this steadily escalated until December where it fell from £2.97 at the beginning of the month to £2.24 million, after which it began to slowly increase again but at a slower pace than before. The Rent and Income Manager noted this was due to rent free weeks provided by the council, there are four throughout the year, two of which are the weeks leading up to Christmas.

**Former Tenant Arrears** - The amount of former tenant arrears saw minor fluctuations throughout the year, yet it began and ended the financial year at approximately £383,000. This stability suggests effective management of arrears post tenancy.

**Introductory Tenant Arrears** - These arrears began at £43,000 and saw some volatility throughout the year rising to £72,000 by December but dropping back down to £45,000 by the end of the month, once again highlighting the impact of the rent-free weeks in managing escalating arrears costs.

**Court costs** - Court related costs for both current and former tenants have steadily declined over this period, current falling from £43,000 to £36,000 and former from £21,000 to £17,000. Although this decrease in costs is minor comparative to the totals in arrears seen with current and former tenants it does suggest effective early intervention or support strategies that prevent escalations to legal proceedings. This was confirmed in discussions with the Housing Rents Team where they note a focus on avoiding court as it can harm public appearance and often leads to costs higher than that of what is owed to the council.


**Recharges** - Recharges for both current and former tenants have remained somewhat steady but have seen slight increases, as expected due to the impacts of cost of living and population increasing. Current tenant recharges rose from £54,000 to £66,000 and former from £124,00 to £134,000.


**Support-related Costs** - Like court costs, compared to arrears these costs become insignificant, however they did remain between £9,000 and £14,000 throughout the year varying from week to week, dependant on the support required and provided.





A sample of ten accounts of current tenants with arrears was selected for a more detailed review. Benefits had been applied correctly to rents where applicable. Income Officers had contacted tenants regarding arrears, and followed up with further notifications or escalations when contact couldn't be made. Payment arrangements were offered where appropriate and adhered to. None reviewed had escalated to court, although one did receive a court letter, which followed procedure. Communication and management with tenants in arrears were found to be satisfactory across the board.

## Other Findings


- 


To assess the management of former tenants with arrears a sample of five were selected to review practices in collection from former tenants. All five had been referred to Jacobs, the council's debt agency as per procedure. Three of which had been written off due to the debt being deemed uncollectable, when this occurs the reasoning is reviewed by a Rent and Income Lead Officer. Debts being uncollectable occur for a variety of reasons such as the former tenant declaring bankruptcy, has no assets or income, or the cost of collection exceeds the value owed. The other two former tenants had had repayment arrangements made via Jacobs, one of which has fully paid off their arrears and the other had significantly reduced them and is up to date on payments.
- 

The council implements a debt respite scheme known as 'Breathing Space' which allows for a 61-day suspension of accounts to avoid enforcement actions being taken on accounts identified as unable to meet debt obligations. The procedure states that a tag must be put on the account within their system titled 'BRSPCE UDC' and the suspension is to last 61 days no longer. Review of five tenants that had been given Breathing Space identified that all had had the relevant tag put on their accounts and the suspensions were all set for 61-days.
- 


When tenants are referred to Jacobs due to arrears the procedure requires that the tenants are contacted prior to this with an FT1 letter as per procedures provided. Review of five tenants who had been referred to Jacobs revealed these letters had been sent and in cases even further contact attempted to aid in a resolution prior to referral to Jacobs. Consistent preliminary contact suggests a structured approach to debt recovery that respects the tenant's circumstances and provides opportunities for resolution.
- 

Every working day reports are collated by the Housing Team from the Orchard Housing System and is sent to the Finance Team via email. The Finance team then reconciles individual reports (cash, rent refund, debtor, and rebate) to the 'Unit 4' finance system's and to the cash receipting system which comes directly from the council's bank statement, for Cash reconciliation to ensure figures reconcile.

The Unit 4 reconciliations monitoring spreadsheet was provided to evidence the monitoring and consistency of reconciliations, 6-months of data was provided covering cash, rent and debt reconciliation. To further evidence accuracy of reconciliations, three random dates were selected to view whether the daily reconciliation had been completed correctly, all three dates revealed satisfactory practices.
- 

The council maintains a strong protocol for managing write-offs, involving approval by multiple levels of management including the Housing Income Manager, Assistant Director to the Head of Housing Operations, Head of Housing Operations, and the Chief Finance Officer. To evidence this reviewal and approval had taken place the write offs for Q3 and Q4 were examined, and the signatures associated were provided. There were 76 write offs in Q3 totalling £96,194 and 86 in Q4 totalling £140,890. These final amounts had been reviewed and approved by all roles listed (see Write Offs tab).
- 

The previous audit provided two recommendations to the council. The first was due to sampling of rent arrears account where one account was found to have not followed procedure, the response from management was that they now sample cases to confirm they are in line with procedures. None of the arrears testing highlighted issues within current or former tenant arrears.

The second recommendation was to send former tenants arrears reports to Jacobs at defined intervals as previously there was no set timescales. The Rental Income Officer now reviews and updates the former tenant's spreadsheet on a weekly basis which is then sent to Jacobs on a bi-weekly basis, this is detailed in the Former Tenant Arrears Procedure.
- 

Year to date arrears monitoring overview was provided this covers all types of tenant's arrears, supporting costs, court costs and recharges. The information within the Year-to-Date monitoring overview was compared with the weekly arrears statistics reports created, as a check for accuracy of data recorded in the primary log for arrears monitoring. Three weeks worth of statistics reports were compared with the correlating weeks in the arrears monitoring, all amounts aligned.



**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	<b>Performance Monitoring</b> 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	1	
S	<b>Sustainability</b> The impact on the organisation's sustainability agenda has been considered.	Out of scope	-	-
R	<b>Resilience</b> Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	Out of scope	-	-

**Other Findings**

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KPIs are reported to the SLT and Housing and Community on a monthly or quarterly basis dependant of the indicator. Relevant KPIs from April 2023 through March 2024 were reviewed. Current rent arrears as a percentage of annual debit have a target of 4% anything below is suitable, the end of year KPI report revealed the average for the year to be 3.78%. The report also detailed rent collected as a percentage of rent owed has a target of 99%, the average for the year was 99.65%. Additionally, the number of evictions due to arrears in period (Quarterly) which has no target was noted as two in the December KPIs, and none over January or February.



Reports on rent arrears are reported monthly to the SLT and H&C OSC (Housing and Community Overview and Scrutiny Committee). However, they are reviewed and monitored quarterly by the Housing & Communities Overview and Scrutiny Committee; Finance and Resources Overview and Scrutiny Committee; and the Strategic Planning & Environment Overview and Scrutiny Committee.

## 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.

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

## Assurance Assessment

4. The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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
<b>Audit Planning Memorandum:</b>	7 <sup>th</sup> March 2024	11 <sup>th</sup> March 2024
<b>Draft Report:</b>	16 <sup>th</sup> June 2024	26 <sup>th</sup> June 2024
<b>Final Report:</b>	5 <sup>th</sup> July 2024	

# AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	Dacorum Borough Council		
<b>Review:</b>	Housing rents		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	JT - Auditor

<b>Outline scope (per Annual Plan):</b>	<p>This audit will focus on Tenant arrears and ascertain if the Council’s rent processes are in alignment with its policies and procedures. It will examine the systems and processes the council has in place to ensure housing rents and arrears are in accordance with its KPIs. The review will also provide management with assurance that the systems of control in respect of Council House Rent is operating adequately and being consistently applied.</p> <p>This review will cover the following key areas:</p> <ul style="list-style-type: none"> <li>• Governance of the Housing rent and arrears (i.e. related policies and procedures) and its compliance.</li> <li>• Rates of tenant’s arrears against the Council’s KPIs.</li> <li>• Sample check 10 tenant arrears to ensure arrears are adequately and effectively managed.</li> <li>• Aged debtors and write offs processes are adequate.</li> <li>• Reconciliation of payments received from tenants.</li> <li>• Rents due are being collected and promptly allocated to the correct rent accounts.</li> <li>• Benefits awarded are being properly allocated to the correct rent accounts; and</li> <li>• Case records provide a management trail and complete case history.</li> </ul>		
<b>Detailed scope will consider:</b>	<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>	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>	N/A		



<b>Planned Start Date:</b>	07/03/2024	<b>Exit Meeting Date:</b>	09/05/2024	<b>Exit Meeting to be held with:</b>	Raj Patel (Rent and Income Manager) and Oliver Jackson (Head of Housing Operations)
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### SELF ASSESSMENT RESPONSE

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
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



<b>Report for:</b>	Audit Committee
<b>Title of report:</b>	Draft Internal Audit Annual Report
<b>Date:</b>	24 <sup>th</sup> July 2024
<b>Report on behalf of:</b>	Councillor Michela Capozzi, Portfolio Holder for Corporate and Commercial Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A- Draft Internal Audit Annual Report
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	None.

<b>Report Author / Responsible Officer</b>	
Fiona Jump, Head of Financial Services	
 	
Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)	

<b>Corporate Priorities</b>	Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	1. To provide committee with the Internal Audit Annual Report and Head of Internal Audit's Annual Opinion.
<b>Recommendation to the decision maker:</b>	1. Note the contents of the report.

<b>Period for post policy/project review:</b>	An update on progress against the approved Internal Audit programme is brought to committee on a regular basis during the financial year.
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**1 Background**

Attached at Appendix A is the Annual Internal Audit Report for 2023/24 produced by the Council’s Internal Auditor TIAA. The report provides a summary of internal audit reviews completed during 2023/24 together with a summary of recommendations and observations made by Internal Audit . The report also includes the Head of Internal Audit’s Annal Audit Opinion on the Council’s system of risk management, controls and governance processes.

**2 Levels of assurance assessment.**

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 (urgent), 2 (important) or 3 (routine), with 1 being urgently required for implementation.

**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 Draft Annual Internal Audit Report for 2023/24 provide a summary of internal audit reviews carried out during 2023/24 together with an overall opinion on the Council's internal control arrangements from the Head of Internal Audit.

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## Dacorum Borough Council

Draft Internal Audit Annual Report

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2023/24

July 2024

# Internal Audit Annual Report

## Introduction

This is the 2023/24 Annual Report by TIAA on the internal control environment at Dacorum Borough Council. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation’s framework of governance, risk management and control.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

Ongoing quality assurance work was carried out throughout the year, and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards.

**HEAD OF INTERNAL AUDIT’S ANNUAL OPINION**

TIAA is satisfied that, for the areas reviewed during the year, Dacorum Borough Council has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Dacorum Borough Council from its various sources of assurance.

## Internal Audit Planned Coverage and Output

The 2023/24 Annual Audit Plan was approved by the Audit Committee

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex B.

## Assurance

TIAA carried out eleven reviews of which none were advisory reviews. The eight assurance reviews were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Dacorum Borough Council’s objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	2023/24 Number of Reviews	2022/23 Number of Reviews
Substantial Assurance	4	6
Reasonable Assurance	7	9
Limited Assurance	0	1
No Assurance	0	0
Advisory	0	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2023/24.

Urgent	Important	Routine
0	15 (23)	24 (35)

### Audit Summary

**Control weaknesses:** There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' assurance.' Recommendations were made to further strengthen the control environment in these areas and the management responses indicated that the recommendations have been accepted.

**Recommendations Made:** We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
<b>Directed</b>			
Governance Framework	0	4	5
Risk Mitigation	0	1	4
Compliance	0	2	5
<b>Delivery</b>			
Performance Monitoring	0	2	3
Sustainability	0	1	3
Resilience	0	2	5

**Operational Effectiveness Opportunities:** One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
3

### Independence and Objectivity of Internal Audit

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

### Performance and Quality Assurance

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	88%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	100%	95%
Compliance with Public Sector Internal Audit Standards	100%	100%

### Release of Report

The table below sets out the history of this Annual Report.

<b>Date Report issued:</b>	July 2024
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### Head of Internal Audit Opinion (HoIA) on the Effectiveness of the System of Internal Control for the Year Ended 31 March 2024

The purpose of my annual HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will in turn assist the Board in the completion of its Annual Governance Statement (AGS).

My opinion is set out as follows:

1. Overall opinion;
2. Basis for the opinion;
3. Matters that have had an impact on the opinion; and
4. Commentary.

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My overall opinion is that **Reasonable** assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.

The basis for forming my opinion is as follows:

- i. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
  - ii. An assessment of the range of individual opinions arising from risk-based audit assignments, contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.
3. There are no matters to bring to your attention which have had an impact on the Head of Internal Audit Opinion
  4. Commentary – see Annex B for a summary of completed internal audit work.

## Actual against planned Internal Audit Work 2023/24



System	Report Status	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance	Advisory Review	Comment
MTFS	Final	✓					
Commercial Rents	Final	✓					
Garage Rents	Final		✓				
H&S - Corp	Final		✓				
Risk Management Framework	Final		✓				
Community Grants	Final		✓				
Key Financial Controls	Final		✓				
HRA H&S	Final		✓				
Waste Management	Final		✓				
Budgetary Control	Final	✓					
Housing Rents	Final	✓					
Leisure Contract	Draft		✓ (Indicative)				
Climate Change	Draft						
Performance Management	Draft	N/A	✓ (Indicative)				
Overtime and Additional Allowances	Discussion Draft		✓ (Indicative)				
Housing Allocations	Draft		✓ (Indicative)				
Planning Enforcement	In progress						
Planned and Preventative Estate Maintenance	In progress						

Housing Transformation Improvement Programme (HTIP)	Postponed						Postponed at the request of management
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# Audit Committee

<b>Report for:</b>	Audit Committee
<b>Title of report:</b>	Strategic Risk update
<b>Date:</b>	24 <sup>th</sup> July 2024
<b>Report on behalf of:</b>	Councillor Michela Capozzi, Portfolio Holder for Corporate and Commercial Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	None
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	None.

<p><b>Report Author / Responsible Officer</b></p> <p>Fiona Jump, Head of Financial Services</p> <p> </p> <p>Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)</p>
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<b>Corporate Priorities</b>	Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	1. To provide committee with a timetable for the refresh of the Council’s strategic risks.
<b>Recommendation to the decision maker:</b>	1. Note the contents of the report.

<b>Period for post policy/project review:</b>	An update on progress against the approved Internal Audit programme is brought to committee on a regular basis during the financial year.
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## 1 Background

Robust risk management supports the delivery of the Council’s corporate plan objectives. The Council has a legal obligation to ensure that it has sound risk management arrangements in place.

The Council has identified key strategic risks. These risks have associated mitigating actions . An update on these risks and associated mitigating actions is presented to Audit Committee and Cabinet on a quarterly basis.

The Council’s strategic risks have direct link to the organisation’s Corporate Plan. This report sets out the timetable for the review of the Council’s Corporate Plan and the associated timetable for the update of strategic risks.

## 2 Levels of assurance assessment.

A review of the significant strategic risks impacting the delivery of the Council’s six key corporate plan priorities was last undertaken during 2022-23. This review involved Members, the Strategic Leadership Team (SLT), and Corporate Leadership Team (CLT) and the Council’s internal auditors. A revised set of strategic risks were produced and against on from quarter 4, 2022-23:

<b>Strategic Risk</b>	<b>Link to Corporate Plan objectives</b>
<b>Failure to ensure compliance with statutory and legislative requirements.</b>	1,5
<b>Failure to work with Strategic Partners to deliver corporate priorities</b>	2,3,4,5
<b>The Council is subject to a successful cyber- attack and/ or data breach.</b>	5
<b>We are unable to deliver effective services to residents due to an inability to retain and recruit sufficient competent and skilled resources.</b>	5
<b>We do not plan in or deliver action early enough to ensure achievement of the CEE statement.</b>	1,6
<b>Inability to manage and deliver safe and good quality affordable homes</b>	4
<b>Weakening of the Council’s Financial Resilience.</b>	5
<b>Failure to Deliver Place Shaping and Regeneration ambitions.</b>	1,2,3

### Corporate Plan objectives

1. A clean, safe and enjoyable environment
2. Building strong and vibrant communities
3. Ensuring economic growth and prosperity
4. Providing good quality affordable homes, in particular for those most in need
5. Ensuring efficient, effective and modern service delivery
6. Climate and Ecological Emergency - working to deliver net zero carbon.



### **3 Revision of the Council's Corporate Plan and Strategic Risk**

The Council's new Corporate Plan is expected to be presented for approval at Cabinet on 10<sup>th</sup> September 2024 and at Full Council on 25<sup>th</sup> September.

The following timetable is proposed for the delivery of revised strategic risks for the Council following the adoption of the Council's new Corporate Plan.

**October 2024** Risk development workshop to take place facilitated by the Council's Internal Auditor's TIAA. To be attended by the Council's Strategic Leadership Team and Cabinet as owners of strategic risks.

**October 2024** Proposed strategic risks to come to Audit Committee informally for consideration and feedback prior to formal adoption.

**November 2024** Revised strategic risks and risk management policy to be presented formally to Audit Committee for comment and Cabinet for approval.

**January 2024 onwards** Reporting against revised strategic risks commences Q3 2024/25.

### **4 Financial and value for money implications:**

Proper risk management arrangements support delivery of value for money and helps secure the Council's financial resources.

### **5 Legal Implications**

The Council is required by law to make proper risk management arrangements.

### **6 Risk implications:**

Contained in the body of the report.

### **7 Equalities, Community Impact and Human Rights**

None arising directly from the report.

### **8 Sustainability implications (including climate change, health and wellbeing, community safety)**

None arising directly from the report.

### **9 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

None arising directly from the report.

### **10 Conclusion**

This sets on the timetable and actions for the refresh of the Council's strategic risks.

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MEETING DATE	REPORT DEADLINE	STANDING ITEMS	ADDITIONAL ITEMS
18/09/24	09/09/24	Apologies for absence Declarations of Interest Minutes & Actions Public Participation Work Programme AOB	Review of Procurement Service
27/11/24	18/11/24	Apologies for absence Declarations of Interest Minutes & Actions Public Participation Work Programme AOB	
11/12/24	02/12/24	Apologies for absence Declarations of Interest Minutes & Actions Public Participation Work Programme AOB	

<b>12/02/25</b>	<b>03/02/25</b>	Apologies for absence Declarations of Interest Minutes & Actions Public Participation Work Programme AOB	
<b>19/03/25</b>	<b>10/03/25</b>	Apologies for absence Declarations of Interest Minutes & Actions Public Participation Work Programme AOB	