



Dacorum Borough council

Summary Internal Controls Assurance (SICA) Report

July 2024

Final



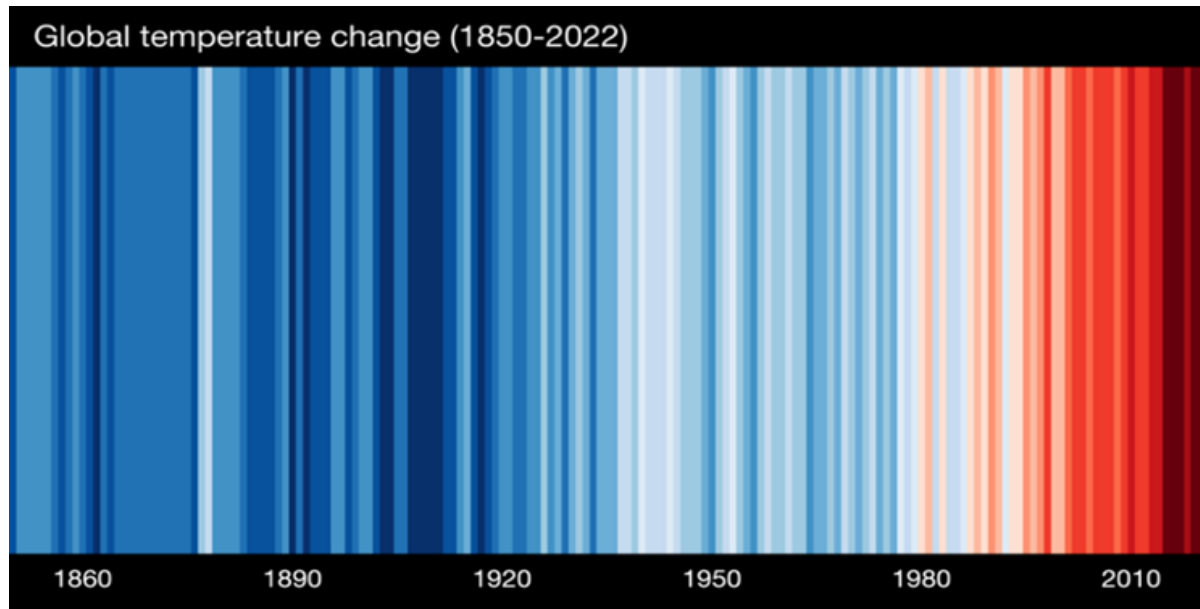
Summary Internal Controls Assurance

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 15th 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 th March 2024	19 th April 2024	23 rd April 2024	0	5	4	0
Waste Management	Reasonable	7 th March 2024	24 th June 2024	5 th July 2024	0	1	1	0
Budgetary Control	Substantial	20 th March 2024	24 th June 2024	5 th July 2024	0	0	0	1
Housing Rents	Substantial	16 th June 2024	24 th June 2024	5 th 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.

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>HRA Health and safety</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • 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. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • 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.
<p>Waste Management</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • 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. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • 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.

Review	Key Findings
<p>Budgetary Control</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • 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. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • 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.
<p>Housing Rents</p>	<p>KEY STRATEGIC FINDINGS:</p> <ul style="list-style-type: none"> • 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. <p>GOOD PRACTICE IDENTIFIED:</p> <ul style="list-style-type: none"> • 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.

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 th 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	Transforming Public Procurement - GOV.UK (www.gov.uk) Procurement Act 2023: short guides - GOV.UK (www.gov.uk)	<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?	As featured in the Saturday Telegraph - what gives your Board confidence in your internal investigations ability? - TIAA	<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	Serious organised crime theft warning – purses & wallets - TIAA	<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	Action Fraud launches holiday fraud campaign - TIAA	<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>