

**FROM:** Audit and Risk Manager  
**TO:** Head of Community Protection  
**C.C.** Chief Executive  
Director for Climate Change  
Head of Finance  
Portfolio Holder (Cllr Falp)

**SUBJECT:** CCTV Services  
**DATE:** 28 September 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 Closed Circuit Television (CCTV) is present in most public areas throughout the towns and aims to protect the people who live and work in the district. The cameras are monitored 24 hours a day, 365 days a year, by fully trained Warwick District Council CCTV operators.
- 2.2 The CCTV system, in place since 1995, was expanded in 1997 and again in 2002. In 2020, the Council future proofed the scheme to upgrade it from an analogue system to a wireless system. The system has contributed to the area being safer and more welcoming to visitors.
- 2.3 Approximately 165 cameras monitor car parks, Council buildings, housing areas, parks, and the Regent Court shopping centre. The Council neither use dummy cameras nor record sound on CCTV footage.
- 2.4 During 2020/21, the cost of the service was approximately £590,000. This was reduced in 2021/22 to £490,000.
- 2.5 Patterns of crime ending April 2021 were significantly affected by the coronavirus pandemic and government instructions to limit social contact. Periods of national lockdown have seen decreases in many types of crime. This has generally been followed by a return towards previous incidence levels.

**Whitnash** - In 2021/2022, 34 crimes and offences were recorded, a decrease of 46% compared to the previous period. Violence and Anti-Social Behaviour (ASB)

were the most prominent offences. In 2021/22 recorded incidents for Whitnash decreased by 27.3%. The number of arrests increased from 3 to 6.

**Warwick** - In 2021/2022, there were 281 crimes and offences recorded and this equates to an increase of 22.7% over the previous period. Violence was the most prominent offence. In 2021/22 there were 451 incidents; this is a decrease of 0.7% over the previous period. The number of arrests decreased from 13 to 12.

**Leamington** - In 2021/22, there were 1893 crimes and offences recorded and this equates to an increase of 312.4% over the previous period. Violence was the most prominent offence. During 2021/22 there were 9,603 incidents; this is an increase of 13.3% over the previous period. The number of arrests increased from 179 to 278.

**Lillington** - In 2021/2022 there were 72 crimes and offences recorded and this equates to an increase of 12.5% over the previous period. Violence was the most prominent offence. In 2021/22 incidents in Lillington decreased by 28.5% to 93 incidents. The number of arrests increased from 1 to 4.

**Kenilworth** - In 2021/22, there were 85 crimes and offences recorded and this equates to an increase of 269.6% over the previous period. The most prominent category of offence was for violence with 30 incidents recorded in total. In 2021/22 the number of incidents in Kenilworth decreased by 22.2% to 263 incidents. There were, however, 9 arrests compared to 7 the previous year.

### 3 **Objectives of the Audit and Coverage of Risks**

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.
- 3.2 In terms of scope, the audit covered the following risks:
1. Cost of CCTV maintenance impacting on budget.
  2. Breach of regulations including The Protection of Freedoms Act (2012) and Surveillance Camera Code of Practice (SC Code).
  3. Staff not sufficiently trained to provide service.
  4. Lack of CCTV operators, meaning duties are not fulfilled.
  5. Failure to respond to major incidents.
  6. Breach of data protection/data loss.
  7. Collusion with offenders/incorrect identification of offender on CCTV.
  8. Staff at risk from accidents/injury to staff on site.
  9. Threat to health and wellbeing of general public.
  10. Night-time working/lone working.
  11. Operating system failure resulting in ability to provide service.
  12. Data corruption/security issue.
- 3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Community Protection Risk Register has also been reviewed.

3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the corporate objectives outlined in the Sustainable Community Strategy, which sets out to protect communities from harm and prevent incidents.

4 **Findings**

4.1 **Recommendations from Previous Reports**

4.1.1 It must be noted that a separate review of the service was conducted in February 2020 and the recommendations from this review have been considered during this year’s audit. The current position in respect of the recommendations from the audit reported in September 2018 was also reviewed. The current position is as follows:

| Recommendation   | Management Response  | Current Status   |
|--|--|--|
| <p>Service level agreements should be drawn up for those internal customers where they do not currently exist, with existing SLAs being reviewed and revised appropriately to bring them up to date.</p> | <p>This was picked up as an issue and next steps detailed in the original version of the most recent CCTV report to Executive. However, it was later removed. We will diarise meetings with internal customers to re-visit the SLA’s and bring them up to speed with transformation proposals.</p> | <p>SLAs exist between a number of internal customers including Car Parks and Housing. There are plans to introduce CCTV cameras to Riverside House Car Park and the new HQ. The draft SLAs are ready to be issued.</p>   |
| <p>An agreement should be drafted between the Council and the landlord of Regent Court setting out the terms and conditions for the provision of CCTV.</p>   | <p>As above, but first we will confirm the VAT situation.</p>  | <p>There is now an SLA in place with Regent Court. This agreement outlines that WDC CCTV Services will monitor Regent Court and identify any criminal behaviour. In the event that WDC are unable to provide out of hours CCTV coverage, WDC must verbally inform the Landlord’s representative as soon as possible. A representative of the Regent Court Management is also invited onto the Warwickshire Retail Crime Initiative (WRCI) group.</p> |

| <b>Recommendation</b>  | <b>Management Response</b>  | <b>Current Status</b>  |
|--|---|--|
| Training in the use of TOTAL should be arranged for the CCTV Manager.  | Already identified in the CCTV Managers PDP.  | This recommendation is out of date. The Finance Support Officer for the Community Safety Team now looks after the CCTV budget.   |
| The charge being made for the provision of CCTV to Regent Court should be reviewed.  | This will be considered as part of the first recommendation.  | Charges to Regent Court are to be completed and will be subjected to yearly reviews. The Head of Community Protection is working with the ERLO and Community Safety Manager on this. |
| Arrangements should be made to apply VAT to all future invoices for Regent Court CCTV.   | CCTV Manager to meet with PAPT team.  | A section for VAT is now included on the invoices, albeit that all amounts payable are exclusive of VAT.   |
| An up-to-date, priced inventory, including office furniture, should be compiled and a copy forwarded to the Insurance & Risk Officer in Finance. | We already have an inventory for CCTV equipment but will add furniture and other equipment to this. | Once an upgraded list of equipment has been compiled, this will need sending to the Insurance & Risk Officer.  |

## 4.2 **Financial Risks**

### 4.2.1 **Risk: Cost of CCTV Maintenance impacting on budget.**

As CCTV Team Leader, the Emergencies & Resilience Lead Officer (ERLO) was the previous budget holder. The Community Safety Manager (CSM) now authorises any payments before they are sent to the Finance team. The Community Safety Team's Finance Support Officer works alongside the ERLO and CSM.

Upon review of the maintenance budget, it appears that maintenance expenditure has been kept in line with the maintenance contract. The new maintenance figures took effect on 1 January 2021. According to the 2021/22 budget, maintenance costs were £54,839.07; this figure is proportional when compared to the maintenance costs of previous years. The upgrade of the Video Management System (VMS) was £238,422.53; the introduction of Wi-Fi and camera upgrades was £622,765.96. The ongoing maintenance figures, when combined with this expenditure, align with the total contract value which stands at £1,100,250.00.

The budget has not been subject to significant variation since the last audit was conducted. Since 2020, there has only been minor expenditure on the purchasing of new equipment; the budget is mostly allocated to salaries, maintenance costs, electricity, and depreciation charges. There are certain areas in which overspends have been repeatedly high. This includes electricity charges, equipment charges and telephone charges. The service has, however, made considerable savings with regards to the sale of goods.

**Advisory – Consideration should be given to re-assessing the budget allocations for services where high expenditure is expected.**

There are currently two contracts in place to support the provision of the CCTV Service and both appear in the latest version of the contracts register. The contracts are with BT for communication links (fibre rental charges) and Tyco Fire/Integrated Solutions UK Limited for digital CCTV. The contract with BT is currently under review as the team have disposed of certain communication lines. The service is working with BT to get the last few existing lines put through a new framework and included in an upgraded contract.

A contract exists with ADT who deal with camera maintenance. A hard copy does not appear to be on file; however, this is in the Document Store at Riverside House. The electronic contract overview gives an indication of the contract value for equipment maintenance, although this does not go into contract specifics. ADT complete regular maintenance checks as part of their contract and record any camera faults and repairs on an inspection log.

Managers frequently review potential upgrades to the service on a monthly basis. The ERLO and CCTV Operations Team Leader (COTL) also ensure that all equipment is functioning correctly and that operators work in line with the Code of Practice and procedure manual. Dealing with breaches of the code and disciplinary measures lie with the COTL.

#### 4.3 **Legal and Regulatory Risks**

##### 4.3.1 **Risk: Breach of regulations including The Protection of Freedoms Act (2012) and Surveillance Camera Code of Practice (SC Code).**

The CCTV service continues to hold British Standard BS7958 (Management and Operation of Closed-Circuit Television). The ERLO holds British Standard BS7858 (Security Screening of Individuals Employed in a Security Environment). The Council's CCTV system is only the second in the country to have been awarded the British Standard for the management and operation of CCTV; a fact which is championed on the Council's website. Although these standards are not compulsory, it does demonstrate that good practice has been sustained since the last audit was conducted.

The Code of Practice is available to view on the Council website; this was last updated in May-2022. The Code of Practice is based on the twelve guiding principles listed in the Home Office Surveillance Camera Code of Practice and is subject to annual review. There also exists a Code of Practice for Council buildings; this is similarly available to download from the Council website.

The service is currently part of a CCTV user group which consists of managers from a range of local authorities. This forum is free and allows services to discuss any changes to legislation. The service also forms part of the Warwick District Community Safety Forum and the Town Centre Business Management Forums.

The ERLO is currently handing over all CCTV operations and procedures to the COTL. Once this has been completed, documents that refer to the Single Point of Contact (SPOC) should be updated to include the name of the COTL.

**Recommendation – The COTL should be included as a SPOC in all relevant documents.**

#### 4.4 **Reputational Risks**

##### 4.4.1 **Risk: Staff not sufficiently trained to provide service.**

Only properly and adequately trained CCTV staff have access to the cameras. CCTV operators are subject to supervisory procedures by the COTL to ensure compliance with the relevant Standards. The service maintains a spreadsheet detailing the skills matrices for each member of the team. This allows the team leaders to assess the competency of individual staff and offer supplementary training sessions where needed. The operating room is often single-crewed; only one CCTV operator acts as the designated fire warden. The ERLO and COTL have agreed, that as an interim measure, the service will rely on the Town Hall first aider until all CCTV operators have received first-aid training.

**Recommendation– All CCTV staff should be given first aid and fire safety training.**

The service also monitors operator licence checks to ensure that they adhere to the Security Industry Authority (SIA). These checks have not been performed since June-2022 due to commitments surrounding the Commonwealth Games. Staff are required to attend a full induction programme which covers training pertaining to the control room, camera locations, technical equipment, and the reviewing of footage. The service maintains a record of operators who have attended these training sessions. New operators undertake a formal five-day training course in order to obtain their operator's licence (SIA). Once this has been obtained, no specific refresher training is required. It is also included in the operator's job description that the person 'will need to have passed the appropriate CCTV Operator Training Course within the probation period'.

Staff undertake the usual corporate training offered by HR. Staff competency is assessed as part of the British Standards accreditation renewal. All staff have attended Action Counters Terrorism training as well as Display-Screen Equipment (DSE) training. As part of the SIA licence, staff have to undergo basic Regulation of Investigatory Powers Act (RIPA) training. The ERLO also conducts BS7858 Section Screening within three months of a new member of staff joining the team.

**Recommendation – RIPA refresher courses should be made available to the team on either an annual or bi-yearly basis.**

The operations manual is updated yearly as part of the British Standard. This is intended to compliment the Code of Practice and includes procedural flowcharts for operators and a glossary of terms and definitions.

**4.4.2 Risk: Lack of CCTV operators, meaning duties are not fulfilled.**

The CCTV service relies on an appropriate level of monitoring by suitable staff. A twelve-month rota is in place which operates on a shift system; this accommodates leave, public holidays, and operator preferences. All rotas are password-protected and ensure that a suitable level of cover is provided.

Upon review of the 2021 rota, it was found that there was just one instance where the operating room was forced to close for the night shift due to sickness. Testing conducted by the auditor revealed that during 2021, there were seven dates where the COTL covered the shift, although this had not been recorded on the digital rota. During the last week of July-2022, shift patterns were altered to accommodate coverage of the Commonwealth Games.

**Advisory – Consideration should be given to making sure that paper copies of the rota match with the digital version as closely as possible.**

The CCTV service is not mandatory and therefore lack of occasional cover is acceptable, although the team do try to avoid this wherever possible. The current internal performance indicator has a tolerance level of 5%, meaning that lack of cover can reach 95% before this becomes a concern. A procedure for non-staffing of the control room is outlined in the Emergency Procedures manual. This dictates that if the control room is to be left unmanned for any reason, then the COTL or ERLO must be informed and the phonelines diverted to them.

**4.4.3 Risk: Failure to respond to major incidents.**

The CCTV Service conducts self-assessments of new equipment, as laid out in the Code Assessment pack. Legacy cameras are subject to a yearly review to determine their privacy masking. This is due to constant changes in the town centres, where commercial buildings have become residential or vice versa. Cameras are subject to privacy impact assessments.

The CCTV service recognises safeguarding issues; given the increasing vulnerability around missing persons and Child Sexual Exploitation, the role of CCTV operators has expanded to include monitoring dangerous offenders and providing evidence to court standard. The department assesses itself according to the following Key Performance Indicators (KPI's):

- Number of incidents captured by CCTV and reported
- Number of complaints/accolades received
- Number of reviewed footage seized for evidential purposes
- Number of detections for offences
- Number of assistance calls received and response times

- Reduction in the fear of crime by staff
- Number of faults on camera system and repair response time

Numerous communication lines are monitored including a police telephone and retail links to Warwick, Leamington, and Kenilworth. The Council is a member of the Warwickshire Retail Crime Initiative Limited (WRCI). Police radio also allows the CCTV service to patch in and out of relevant calls. Communications are conducted via a dedicated mobile phone number which is displayed in the Control Room.

Operators abide by an emergency call protocol which was last updated in June-2022. There is also a dedicated CCTV transmission link to police control rooms operating within the areas of CCTV coverage, where live pictures and events can be monitored. It is the duty operator's role to ensure that the emergency phone is active and that there is no disruption to the power. Both the COTL and the ERLO are responsible for ensuring that action cards and contact lists are present and up-to-date. In cases of building evacuation, the operator on duty is expected to collect the back-up mobile phone. Step-by-step instructions exist for emergency operating procedures including accessing the Town Hall Balcony and evacuating the building. Action plan cards have been created for possible scenarios including fly tipping, terrorism, and flooding.

## 4.5 **Fraud Risks**

### 4.5.1 **Risk: Breach of data protection/data loss.**

The service can only retain footage for thirty-one days. If the footage is required as part of an investigation, it must be retained for one year. The data retention policy is the same for all devices and footage is only available on completion of an access request form. Individuals may request to view information concerning themselves in accordance with GDPR; all requests for access or for disclosure are recorded. If access or disclosure is denied, the reason is also documented. Upon review of recent subject access requests, it was found that most of these had either come from third party insurers or were internal requests from the licensing team regarding breaches in licence conditions.

It is outlined in the Code of Practice that 'information will be released to third parties who can show legitimate reasons for access. They are required to request any information with reasons in writing and identify themselves.' Information will only be released if the data captures identifiable individuals or if the reasons for requesting the data are deemed acceptable. The request and release of information must comply with current legislation and the data cannot be used for any other purpose than that which is specified.

Signs stating that CCTV cameras are in operation are displayed as required by the (GDPR) Data Protection Act 2018. Privacy Zones are also fitted to prevent cameras from accessing private properties. The control room is a restricted area and there is no right of access to anyone other than authorised staff. Police requests to see footage are all recorded and audited.

There are internal service-level agreements (SLAs) in place with Housing and Car Parking, and two external SLAs with Regent Court, and Warwick Hospital. There



are no formal legalised agreements which allow the CCTV team to share footage with external organisations. Footage can only be shared upon receipt of a subject-access request form or a Freedom of Information Request (FOI). There were no subject access requests made during 2021/22.

Footage can only be sent to those who have the power to prosecute. Access to images by third parties are only allowed in limited and prescribed circumstances. In the case of the Warwick District Council CCTV scheme, disclosure is limited to the following:

- Law enforcement agencies where the images recorded would assist in a specific criminal enquiry.
- Prosecution agencies.
- Legal representatives.
- The media, where it is assessed by the Police that the public's assistance is needed in order to assist in the identification of victim, witness, or perpetrator in relation to a criminal incident. As part of that assessment the wishes of the victim of an incident should be considered.
- The people whose images have been recorded and retained (Data Subject).

The CCTV operators monitor car parks for criminal activity and damage to vehicles. Rangers are expected to observe and report any criminal activity to the CCTV team. Housing and Community Services are recharged for CCTV services every quarter. Payments are authorised within fourteen days of receipt unless there is a query on the charge, in which case the payment will be suspended until an agreement has been reached. The SLAs require twelve-month notice to terminate.

Log sheets allow staff to monitor events and record details of any incidents observed; these sheets are stored in the control room. The emergency services will occasionally ask to see these forms to provide context surrounding any incidents. Footage can be provided to the police when required. Although not a legal requirement, the team do keep a record of the number of monthly arrests. Visitors to the control room must present themselves at the front door and CCTV staff are required to question the reason for their visit.

Signage is mandatory across the district to inform the public that CCTV monitoring is in place. Each sign has three words connected to it in line with the what3words system. This is a geocoded system which allows the emergency services to identify any location within a three-metre radius. The service, as of May-2022, conducted its own audit to determine the location of all CCTV signage.

A Data Protection Impact Assessment (DPIA) exists for all systems. Prior to the installation of cameras, an Impact Assessment is conducted to determine whether CCTV is justified and how it will be operated. This is undertaken in compliance with the Surveillance Camera Commissioner's Code of Practice and the Information Commissioner's CCTV Code of Practice. In line with the twelve Guiding Principles, testing was conducted during the audit relating to cameras located in Leamington, Whitnash, Lillington, Warwick, and Kenilworth. All

cameras were found to have had a DPIA. 39 out of 63 cameras also had privacy blocks. Thirteen cameras were found not to have signage directly attached to them; however, there were signs in the vicinity of these cameras outlining Council ownership. It was found during the audit that cameras without signage attached to them had low incident totals.

#### 4.5.2 **Risk: Collusion with offenders/incorrect identification of offender on CCTV.**

The vetting of staff to ensure their suitability for the role is undertaken as part of the usual recruitment process; DBS checks are undertaken automatically for these roles. The operator's job description makes specific reference to the requirement for a 'full 5-year work and financial history check, as well as a full Police check'. New staff are also vetted against British Standard BS7858. The Information Commissioners Office has confirmed that Warwick District Council is on the Data Protection Register; the scheme is registered under number Z623925X.

CCTV operators and any visitors to the control room are required to sign a formal confidentiality declaration that they will treat any viewed and/or written material as being strictly confidential and that they will not divulge this to any other person. The Information Commissioner's CCTV Code of Practice stipulates that the system should be reviewed annually to determine its effectiveness; if the system does not achieve its purpose, it should be stopped or modified. Warwick District Council works in partnership with Warwickshire Police and the WRCI in reducing crime and the fear of crime across the district. Over 200 businesses are involved across the three town centres. This includes the Pub Watch scheme which is working to help reduce violent crime.

Original discs may only be removed from the control room in a sealed evidence bag in custody of an authorised person with a signed receipt being retained. All recording material is kept in a lockable cabinet when not in use. Each item of recording material is clearly marked with a unique exhibit reference number in indelible ink. Where third party images are not to be disclosed, the images of individuals are blurred or disguised so that they are not readily identifiable.

The service is not automatically obligated to provide information to the police, although it is included in the operator's job description that '5% of the role involves dealing with viewing requests from Police Officers or Authorised Persons'. The service reserves the right to refuse the police access to footage without a valid crime report number or incident reference number. If the footage is required as part of a more serious investigation, then the team are automatically obligated to provide this. Under certain circumstances the police may make a request to assume control of the system. However, this would need to be conducted on location and cannot be performed remotely. If the police request use of the equipment from within the CCTV control room, such a request is only permitted by a Superintendent or their designated deputy. The request should be in writing; however, in emergencies this can be a verbal request which should then be followed by the written request as soon as practicable. The police are governed by the same regulations as the Council, as well as by the Police and Criminal Evidence Act. During 2021/22, four insurance

requests and twenty-nine Council requests were made by third parties; six DVDs were issued as evidence to third parties. Recorded images are not made available to commercial organisations or the media under any circumstances; Warwickshire Police reserve the right to publish images.

#### 4.6 **Health and Safety Risks**

##### 4.6.1 **Risk: Staff at risk from accidents/injury to staff on site.**

All staff have received conflict management training. Under no circumstances are staff expected to intervene physically or verbally with incidents outside of the control room. Staff are not issued with work mobile phones or body cameras. This, at present, is not necessary given that staff monitor events from inside the control room. Patrol logs outline the number of monthly patrols that have been conducted; operator start, and finish times are included on the rota. The monthly operator logs further divide any reported incidents into codes e.g., vehicle crime, theft, robbery, nuisance etc. The team also monitor and record major incidents by the hour, which allows them to spot peak trends; most incidents occur during the summer months.

##### 4.6.2 **Risk: Threat to health and wellbeing of general public.**

The number of incidents recorded over the past year has exceeded 10,000; these yearly figures are recorded and published on the Council's website. These figures are further divided into major incidents and on-screen arrests. These incidents have been sub-divided into camera numbers, allowing the team to locate areas of high crime; most incidents occur in central Leamington around the Parade.

A Council Twitter account has been launched to better inform residents and the visiting public of recent incidents. Although CCTV monitoring is a 24/7 service, the Twitter account is not constantly monitored, and the public are reminded that any crime should be reported via 101 or 999 in an emergency. The Council's website provides a map locating all Council-operated surveillance cameras throughout the district. It also provides a map of emergency help point locations. These help points allow members of the public to have direct voice contact with the control room operator. The team regularly consult with members of the public regarding the advantages of CCTV systems. This provides the public with the opportunity to discuss any concerns that they may have before the Council install new CCTV assets.

##### 4.6.3. **Risk: Night-time working/lone working.**

There is a footprint GPS-enabled emergency pendant available for use by lone workers. CCTV staff have been instructed and trained in their use. In the event of the lone worker alarm being activated, the alarm will sound at Acorn Court, advising staff that there is a problem at the control room. In the event of no response from the control room, medical assistance is requested. Staff are advised to wear the pendant at all times of single crewing as the devices have built-in fall-and-slump detection.

The operators also have a collective WhatsApp Group and their personal In Case of Emergency (ICE) details are kept in a locked drawer in the COTL office. These are only accessible by the ERLO or the COTL, as they contain the contact details for individuals outside of the organisation.

Testing was conducted by the auditor to see if the major incident totals recorded in the monthly operator logs aligned with the yearly figures. The figures quoted on the Council website for 2020/21 and 2021/22 matched with those recorded in the yearly incident spreadsheets held on file. There were some discrepancies in the major incident figure totals, which did not amount to the figures quoted in the monthly logs; however, these numbers were negligible and did not suggest a wider issue.

**Advisory – Consideration should be given to ensuring that yearly incident totals correlate to the totals recorded in the monthly operating logs.**

Operators sign in and out of a daily occurrence record (DOR). The CCTV system also logs when operators clock in and out of the system. Door access codes are issued to operators and must not be shared under any circumstances without prior authorisation of the COTL. Testing was conducted by the auditor to check that the DOR aligned with the staff rota. There were three instances where the operator signed in on the DOR, but this was not recorded on the rota. It was, however, during the Commonwealth Games wherein there was no formalised rota. Police escalated incidents were also recorded on the DOR.

There is a Community Protection Business Continuity Plan (BCP) in place, as well as a CCTV closure/relocation procedure. This defines the Council's response levels and clearly signposts to staff the scope of their involvement. The BCP also contains a threat assessment which identifies which incidents or circumstances will have the most effect on a particular service area. This can help identify what risks need to be mitigated and what circumstances need to be guarded against during response. All CCTV staff currently undergo a bi-annual DSE assessment. The risk assessments in place for CCTV services cover coronavirus, fire safety, lone working, and slips, trips, and falls.

Operators use their personal cars to get to and from the control room, so the use of dashcams does not directly affect the team. The Driving for Work Policy was updated in 2021 to include a section on dashcams. The Council does not provide dashcams for use in Council-owned vehicles. As dashcams necessarily capture Special Category personal data, including audio data from inside the vehicle, personal dashcams must not be used in Council-owned vehicles.

#### 4.7 **Other Risks**

##### 4.7.1 **Risk: Operating system failure resulting in inability to provide service.**

Electrical fault inspections allow the team to monitor the nature of the fault and determine when a camera has been repaired. Upon review of the inspection log it was found that, during 2020/21, three camera systems suffered repeated incidents of the same nature, whereby cameras either went offline or operators

were unable to log onto the system/burn footage to a disc. In 2021/22, eight cameras suffered incidents of a similar nature, wherein the cameras either went offline, displayed no image or the Pan-Tilt-Zoom (PTZ) did not function. It should be stated that accuracy depends upon the CCTV operator activating the incident software immediately so that cameras are automatically ascribed to the incident; details of the cameras are usually entered retrospectively.

**Advisory – Consideration should be given to performing diagnostics checks on cameras which repeatedly suffer electrical issues.**

#### 4.7.2 **Risk: Data corruption/security issue.**

Currently there is no alternative system in place which would allow the Council to monitor the district if the CCTV system should fail. There is, however, a procedure for power failure of CCTV outlined in the Safety Procedure Manual.

The CCTV services team maintains an inventory of all current surveillance equipment in use. This does not, however, include the dates that the equipment was supplied or the value of the equipment. This information has in the past been given to the Council's insurance officer; however, this has not been completed recently. There is also an up-to-date parts list which details the equipment that the team currently use and maintain.

**Recommendation – An updated list of upgraded equipment should be sent to the Insurance and Risk Officer.**

Leaseholders who have their own surveillance systems are not obliged to inform the Council that they own a CCTV system. However, the authority is responsible for ensuring that cameras are used in accordance with the codes of practice.

**Advisory - Consideration should be given to reviewing the list of cameras that the Council are responsible for.**

Software is currently encrypted; software access is granted via authorised access only, which can be set at different levels depending on the seniority of the staff member. Both the COTL and the system engineers can remotely access cameras in order to deactivate them, providing power is still being fed to the camera. All cameras are individually password-protected. When a serious breach of protocol or security occurs, Warwick District Council may appoint an independent person to investigate and make recommendations.

## 5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

- Risk 2 – The SPOC may not be included in relevant documents.
- Risk 3 – First aid, fire safety and RIPA training may not be appropriately covered.
- Risk 13 – Equipment may not be correctly insured.

- 5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no risk if the actions are not taken.
- 5.3 In overall terms, however, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of CCTV Services are appropriate and are working effectively to help mitigate and control the identified risks.
- 5.4 The assurance bands are shown below:

| Level of Assurance | Definition  |
|--------------------|---|
| Substantial        | There is a sound system of control in place and compliance with the key controls.   |
| Moderate           | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited            | The system of control is generally weak and there is non-compliance with controls that do exist.  |

**6 Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
 Audit and Risk Manager

## Action Plan

## Internal Audit of CCTV Services – September 2022

| Report Ref. | Risk Area  | Recommendation  | Rating*  | Responsible Officer(s)                                  | Management Response  | Target Date      |
|-------------|--|---|----------|---|--|------------------|
| 4.3.1       | Legal and Regulatory Risks - Breach of regulations including The Protection of Freedoms Act (2012) and Surveillance Camera Code of Practice (SC Code). | The COTL should be included as a SPOC in all relevant documents.                                    | Low      | CCTV Operations Team Leader                             | Agreed. COTL to speak with line manager to discuss the best way forward with this.   | 31 March 2023    |
| 4.4.1       | Reputational Risks - Staff not sufficiently trained to provide service.  | All staff on the team should be given health and safety, first aid and fire safety training.        | Moderate | CCTV Operations Team Leader                             | Agreed. This recommendation has been added to all CCTV staff PDPs.   | 4 October 2022   |
|             |  | RIPA refresher courses should be made available to the team on either an annual or bi-yearly basis. | Low      | CCTV Operations Team Leader<br><br>Audit & Risk Manager | Agreed. Information to be sought about the possibility of in-house refresher. If not available, then external providers to be looked at. This will also be added to future PDPs. | 31 March 2023    |
| 4.7.2       | Other Risks - Data corruption/security issue.  | An updated list of upgraded equipment should be sent to the Insurance and Risk Officer.             | Low      | CCTV Operations Team Leader                             | Agreed. COTL to check and confirm the most recent asset list and get costings for the items. COTL to discuss this with insurance team.   | 30 November 2022 |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

# INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager  
**TO:** Head of Financial Services  
(Interim)  
Head of ICT  
**C.C.** Chief Executive  
Deputy Chief Executive  
Application Support Team  
Leader  
Strategic Finance Manager  
Principal Accountant  
(Systems)  
Systems Officer

**SUBJECT:** Financial Systems Interfaces  
**DATE:** 30 September 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2021/22 an examination of the above subject area has recently been completed by TIAA, the Council's ICT audit contractor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and co-operation received during the audit.

## 2 Background

- 2.1 The CI Anywhere Financial System is used by the Council to manage its Corporate Finance requirements. An audit of the controls in place to manage the application interfaces was requested by the previous Head of Financial Services, in addition to the core IT audit plan, as this was a new system.
- 2.2 This audit was undertaken to ensure the security, integrity and availability of the controls in place to manage the interfaces in place between Ci Anywhere and others around the Council.

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 The audit was undertaken to test the controls in place to manage the interfaces between the finance system and others around the Council and that these controls are operating adequately and effectively.
- 3.2 In terms of scope, the audit covered the following risks:



- Incorrect financial information is reported and ineffective decision-making takes place resulting in possible disruption to Council services
- Data protection / information security breach
- Reputational damage to the Council arising from ineffective finance management resulting in disruption to customer service delivery
- The potential for fraudulent activity not being detected in a timely fashion leading to financial loss to the Council.

3.3 These were identified by the auditor and were agreed with the Head of ICT and key Finance staff (Principal Accountant (Systems) and the Systems Officer).

3.4 The ability to undertake financial transactions and appropriate budgeting allows all Council functions to operate and, as such, underpins all the themes of the Fit for the Future Strategy. There is also a direct impact on the following corporate objectives:

- Internal – Money strand re helping the Council have a firm financial footing over the longer term.

3.5 Specifically, without appropriate information being received from other systems used by the Council, there may be an impact on the ability to accurately monitor budgets which could affect the Council's long-term finances.

3.6 The risks identified above were covered in overview against the following key areas:

- Policies and procedures
- Technical Interface Documentation
- Interface reconciliation interface.

## 4 Findings

### 4.1 Recommendations from Previous Report

4.1.1 This section is not applicable as the previous audit of Financial Systems Interfaces related to the TOTAL and PARIS systems which have been replaced by Ci Anywhere.

### 4.2 Policies and Procedures

4.2.1 At the point of the review, financial interface system documentation is limited to the high level map and description of each interface process contained within a spreadsheet matrix supplied for the audit. However, there is no formally documented procedures setting out the system capabilities and instructions for interface management in detail.

4.2.2 There are staff in place whose role is to act as system administrator to the application. The Principal Accountant (Systems) is the Information Risk Owner for the application.

4.2.3 The interfaces are automated, limiting the chances of human error. However, in the case of internal movement in the organisation, staff can struggle

significantly to ensure compliance without designated formally documented controls and guidelines.

### **Recommendation**

**The Council should develop formal policies and procedures for the management of the Financial Interfaces with the Ci Anywhere system.**

#### **4.3 Technical Interface Documentation**

- 4.3.1 High level technical interface documentation provided for audit testing purposes is in place within the spreadsheet roadmap that lists all of the interfaces. Interfaces are tracked and categorised, providing detailed information about the source, destination and resource for the specific process.
- 4.3.2 Although the process is automated, there is a potential risk of generating incorrect data with the financial system, which may risk potential losses to the organisation if left undetected. At the point of the review, the Finance risk register does not contain the Financial Interface management as a risk.

### **Recommendation**

**The Council should update the risk register with the appropriate Interface Management risks, risk ownership and mitigation measures.**

#### **4.4 Interface Reconciliation**

- 4.4.1 The processed data is appropriately named to ensure that the interface scripts do not process the same content again.
- 4.4.2 Appropriate monitoring arrangements were found to be in place. The system configuration provides email notifications reporting on interface process outcomes in terms of success or failure.
- 4.4.3 Access control procedures were also considered to be appropriate. Group and permission-based access controls are well documented.
- 4.4.4 Monitoring and remediation processes are in place to ensure that errors are detected and corrected in a timely manner.

### **5 Conclusions**

- 5.1 Following our review, in overall terms we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of the interfaces with Ci Anywhere are appropriate and are working effectively to help mitigate and control the identified risks.
- 5.2 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial Assurance     | There is a sound system of control in place and compliance with the key controls. |

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Moderate Assurance        | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited Assurance         | The system of control is generally weak and there is non-compliance with controls that do exist.  |

5.3 The audit did not highlight any urgent issues materially influencing the Council's ability to achieve its objectives. However, two issues were identified, which, if addressed, would improve the overall control environment:

- There are no formal, documented, procedure notes in place.
- The risks relating to interfaces are not reflected in the risk register.

## 6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit & Risk Manager

## Action Plan

## Internal Audit of Financial Systems Interfaces – September 2022

| Report Ref. | Risk Area                                     | Recommendation  | Rating* | Responsible Officer(s)         | Management Response   | Target Date   |
|-------------|---|---|---------|--------------------------------|---|---------------|
| 4.2.3       | General (not assigned to specific risk area). | The Council should develop formal policies and procedures for the management of the Financial Interfaces with the Ci Anywhere system. | Low     | Principal Accountant (Systems) | The documentation in place will be expanded upon to enable staff unfamiliar with the interfaces to be able to follow the processes. | 31 March 2023 |
| 4.3.2       | General (not assigned to specific risk area). | The Council should update the risk register with the appropriate Interface Management risks, risk ownership and mitigation measures.  | Low     | Head of ICT                    | The risk relating to interface failures is included in the ICT Applications risk register which is recorded on the Grace system.    | Completed     |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

- High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

**FROM:** Audit and Risk Manager                      **SUBJECT:** Homelessness and Housing Advice

**TO:** Head of Housing                                      **DATE:** 6 July 2022

**C.C.** Chief Executive  
Head of Finance  
Housing Needs Manager  
Senior Housing Advice &  
Allocations Officers  
Business Development & Change  
Manager  
Portfolio Holder (Cllr Matecki)

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 Under the Homelessness Act 2002, all housing authorities must have in place a homelessness strategy based on a review of all forms of homelessness in their district. The strategy must be renewed at least every five years. The social services authority must provide reasonable assistance. The strategy must set out the authority's plans for the prevention of homelessness and for securing that sufficient accommodation and support are, or will be, available for people who become homeless or who are at risk of becoming so.
- 2.2 Warwick District Council has produced a Homelessness and Rough Sleeping Strategy 2021-2026. This combined strategy replaces the Housing and Homelessness Strategy 2017-2020. The Strategy will run for five years and a full action plan review will be carried out on an annual basis to ensure it is meeting its given objectives.
- 2.3 An applicant is to be considered homeless if they do not have accommodation that they have a legal right to occupy, which is accessible and physically available to them (and their household) and which it would be reasonable for them to continue to live in.

### 3 Objectives of the Audit and Coverage of Risks

- 3.1 A 'risk-based audit' approach has been adopted whereby key risks have been identified during discussion between the Internal Auditor and key departmental staff and upon review of the Significant Business Risk Register and the relevant Departmental Risk Register.
- 3.2 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.
- 3.3 In terms of scope, the audit covered the following risks:
1. Funds are inappropriately issued.
  2. Financial position is not known, quantifiable or reported.
  3. Loss or unauthorised disclosure of sensitive personal information/data.
  4. Statutory obligations are not met.
  5. External reporting requirements are not followed.
  6. Strategic direction is not known, or in line with Council or Statutory requirements.
  7. Poor implementation of the Housing and Homelessness Strategy.
  8. Failure to meet needs of the homeless.
  9. Poor or inaccurate advice is given.
  10. Assessment errors causing over/under-prioritisation of applications.
  11. Poor health outcomes for the homeless in the district.
  12. Performance is not known, quantifiable or reported.
  13. Inexperienced or untrained staff / vacancies.
- 3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the following corporate objectives, as set out in the Fit for the Future Strategy:

The Homeless initiatives in place aim to address various strands of the Council's Fit for the Future (FFF) Strategy, cutting across all the internal objectives and the People and Services external objectives.

### 4 Findings

#### 4.1 Recommendations from Previous Reports

- 4.1.1 The current position in respect of the recommendations from the previous audits reported in December 2019 (Temporary Accommodation) and March 2019 (full audit) were also reviewed. The current position is as follows:

|   | <b>Recommendation</b>  | <b>Management Response</b>  | <b>Current Status</b>   |
|---|--|---|---|
| 1 | Refresher training on the setting up of rent accounts on ActiveH should be given to relevant staff.<br>December 2019 | The team have a number of new and inexperienced staff. We will arrange refresher training for the relevant staff on setting up rent accounts. | Due to the high turnover of staff refresher training hasn't been required as there has been regular training provided to new staff members. |

|   | <b>Recommendation</b>  | <b>Management Response</b>   | <b>Current Status</b>  |
|---|--|--|--|
| 2 | <p>Staff should be reminded of the need to ensure documents are attached appropriately to the system.</p> <p>December 2019</p>   | <p>We will arrange refresher training for the relevant staff on document management.</p>   | <p>Documents are uploaded to either HPA2 or ActiveH as appropriate.</p>  |
| 3 | <p>To further inform development and planning of the future strategy, an assessment should be undertaken of actions to be undertaken against remaining objectives.</p> <p>Progress against these actions should then be assessed monthly.</p> <p>March 2019</p>  | <p>The recommendation to assess actions is accepted. However, our view is that quarterly is sufficient to monitor progress.</p>  | <p>Progress against actions and objectives is reviewed and reported within the HHA team on a monthly basis.</p>  |
| 4 | <p>There should be engagement and consultation, regarding the Mental Health Protocol, with mental health service providers, clinical commissioning groups, safeguarding, and social care teams to ensure that it reflects relevant issues.</p> <p>March 2019</p> | <p>Since the strategy was approved there have been some key developments at a County level. Warwickshire County Council are funding a pilot scheme involving two Community Psychiatric Nurse posts which will be placed with the street outreach teams but link to the Mental Health partnership trust.</p> <p>Furthermore, a county-wide homeless strategy is being developed which consider addressing the mental health needs of homeless people.</p> <p>We would suggest that events have overtaken the notion of the development of a protocol and it is therefore proposed to put to members, revisions to the strategy to reflect current thinking and practices.</p> | <p>The Homelessness and Rough Sleeping Strategy 2021 – 26 includes multi-agency approaches regarding mental health, safeguarding and the other concerns previously identified. This Strategy supersedes the need for a separate protocol for the homeless or those at risk of becoming homeless.</p> |

|   | <b>Recommendation</b>   | <b>Management Response</b>                        | <b>Current Status</b>   |
|---|---|---|---|
| 5 | The Mental Health Protocol should include consent to information being exchanged between parties at the outset and include a quarterly case review process of those considered to be at most risk of becoming homeless.<br>March 2019               | As above.   | As above.   |
| 6 | Cases discussed at the relevant weekly or monthly meetings should be risk-assessed and RAG-rated identifying assigned actions, barriers and further engagement required.<br>Where a case is not discussed, details should be minuted.<br>March 2019 | The recommendation will be actioned as suggested. | The system used to log cases automatically tracks engagement and timeframes. Highlighting cases which are a priority or due to be resolved. |

## 4.2 **Financial Risks**

### 4.2.1 **Funds are inappropriately issued.**

Funding from the housing benefit account is used to cover the costs of temporary accommodation. The Council owns a number of properties which are used for temporary accommodation; in some cases general Council housing stock is also used for families as the temporary accommodation is more suitable for one or two people per property. Local Hotels and Bed and Breakfast (B&B) are also used as additional temporary accommodation.

For Council-owned properties the funds are paid to the rent account. Invoices are received from some of the Hotels and B&Bs others require payment by credit card. All payments require a valid receipt and bill/invoice to accompany the payment. This is signed off by the Finance team ensuring that payments are valid. The controls in place at the Council for making payments prevent unauthorised payments being made and the checks ensure the funds have gone to the right account / business.

Temporary accommodation is only used where there is no other alternative for the applicant and to reduce the number of homeless on the streets in the district.



#### 4.2.2 **Financial position is not known, quantifiable or reported.**

At present (25 May 2022) the financial position is unknown. Although the previous budget manager left the Council in April 2022, no staff member has been identified as budget manager in their place. Conversations with a number of senior officers within the Homelessness and Housing Advice team (HHA) confirmed that there had not been a budget manager allocated and therefore the budgets were not currently being monitored or reported.

#### **Recommendation**

#### **A budget manager should be appointed.**

With the assistance of the Assistant Accountant, budgets were reviewed. It was established that 60% of the temporary accommodation budget had already been spent this financial year. Other homelessness-related budgets vary with no spending on some and up to 30% of the budget being spent on others. Further examination of the budgets could not be explored or reviewed without input from the budget manager.

#### 4.3 **Legal and Regulatory Risks**

##### 4.3.1 **Loss or unauthorised disclosure of sensitive personal information/data.**

Loss or unauthorised disclosure of data could be due to human error, system error or an inappropriate data retention timeframe. The Housing Risk Register identifies loss of IT as a risk. This risk, if realised, could result in loss of data or prevent officers from adding new data to the systems or accessing and updating existing data.

The Homelessness Prevention and Advice Software (HPA2) provided by LOCATA is web-based software so the HHA team can access it from a number of devices and locations. The log-on access is completed through a single sign-on, which is not as secure as other methods. The systems team are currently looking at upgrading it to a two-step verification which will increase security access to the data held.

Time has been spent on looking to align SDC with WDC as part of the merger during the last six months. As the merger is no longer going ahead the plans will need to be reviewed. A review is being completed into the system needs for the service and this will help identify whether to continue using HPA2 or to move the service back onto ActiveH (Housing management software).

HPA2 is used to store the data for most homelessness cases. In some cases the data regarding temporary housing is input onto ActiveH where the accommodation is owned by WDC. This is due to the need to set up a rent account rather than making payments directly to a B&B or a Hotel.

The Strategic Business Risk Register (SBRR) identifies a potential risk of ineffective utilisation of information and communications technology. The review into the system needs for the service of homelessness and housing advice will

help to mitigate this risk by ensuring that the utilisation of the technology used is effective allowing the service to function efficiently.

The SBRR also identifies a risk of not complying with key legislation or legal requirements, including failure to protect data (GDPR). Protecting data is highly important especially in this service as the data held is personal and may include financial information.

There is a retention policy in place for Housing Services. Last updated in April 2022 it encompasses a wide variety of data managed and used by the service, ranging from e-mails to data held on third-party software. The policy has schedules for the various departments within housing ensuring the retention schedules have considered the impact and need for retaining the data. The removal of data is completed manually by the HHA team, monitoring is completed by the Business Development & Change Team.

The Council holds extensive ROPA files. Records of Processing Activities (ROPA) are a requirement of GDPR, listing the usage of data, the organisational measures in place to protect the data, who the data affects and identification of officers responsible for the data. The Housing ROPA identifies a large amount of data that is processed through the various services. The main data that is processed by the HHA team includes: rough sleepers list, homelessness records and housing applications. The ROPAs for WDC all include data retention timeframes which are aligned with the retention schedules.

The Information Governance Manager confirmed that there had been six data incidents logged since 1 May 2021. Three of these were classed as a low incident and three as a medium. All incidents involved a confidentiality factor. This includes officer errors, processing errors and mailing errors. All but one of the incidents have been resolved with no further action or external reporting required. Additional staff training has been completed including a refresher on data management and GDPR for staff within the HHA team, run by the Information Governance Manager. Staff have also re-read and confirmed understanding of the 'Guide to Data Protection When Working from Home'.

#### 4.3.2 **Statutory obligations are not met.**

The Housing Risk Register highlights the risks of not complying to legislation and statutory requirements, with some of the potential triggers identified as: lack of training, performance management and staff shortages.

There are a number of statutory requirements the Council must follow, including the Homeless Reduction Act 2017, Homeless Act 2002, and the Housing Act 1996. The Gov.uk website lists the statutory requirements of Councils and housing associations and provides guidance in a clear format.

The primary homelessness legislation - Part 7 of the Housing Act 1996 - provides the statutory under-pinning for action to prevent homelessness and to provide support to people threatened with homelessness.

The Homelessness Reduction Act 2017 places a duty on local authorities to intervene at earlier stages to prevent homelessness within their areas. It also

requires the provision of homelessness services to all those affected, not just those who have 'priority need'.

Under the Homelessness Act 2002, there must be a homelessness strategy in place, based on a review of all forms of homelessness in the district. The strategy must be renewed at least every five years. The strategy must set out the authority's plans for the prevention of homelessness and ensure there is sufficient accommodation and support available, or that it will be available, for people who become, or are at risk of becoming, homeless.

A review of the Homelessness and Rough Sleeping Strategy 2021-26 (HRSS) confirmed that the above statutory obligations have been incorporated into it, with the Council recognising its responsibilities appropriately.

Warwick District Council has a webpage dedicated to homelessness and housing advice. The Homelessness Reduction Act 2017 is referred to on the page. This legislation places a legal duty on Councils to offer more support to a wider range of people who are homeless or threatened with homelessness within 56 days.

This duty has been incorporated into the HRSS as well as the webpage having several links to the additional support offered and signposting to external support services.

#### 4.3.3 **External reporting requirements are not followed.**

Homelessness Case level collection (H-CLIC) is submitted to the Department of Levelling up housing and communities (DLUHC) on an annual basis. Previously known as P1E, H-CLIC is completed through the HPA2 and uploaded as an XML file.

Samples of the data submitted to DLUHC were provided for the audit and the Business Development & Change Officer explained the process followed to ensure the data provided is accurate (matching the data held on HPA2) and complete. The data helps to show the details of how the 'eligibility for homelessness' of the applicant has been determined and their priority.

Annual reporting is also completed to the DLUHC for the 'Local Authority Housing Statistics' using the data held on the HomeChoice list. This report provides the number of applicants on the list who the Council has a homelessness duty for as they are considered homeless and the number owed any other duty relating to homelessness (prevention duty, are intentionally homeless, etc).

The Business Development & Change Manager and Officer are responsible for ensuring the external reporting has been completed.

#### 4.3.4 **Strategic direction is not known, or in line with Council or Statutory requirements.**

The strategic direction for the function of Homelessness and Housing Advice is clear. Starting with the Council's Business Strategy 2020-23, the threads of 'People' and 'Services' are both relevant to the service provided as, if successful,

the service will meet all housing needs as well as focusing on the needs of customers. The Business Strategy includes an objective to 'enhance the capabilities of the existing asset and housing management software solution'.

The strategic direction is carried into the Service Area Plan 2021-22 with various objectives including 'helping people to find and maintain housing appropriate to their needs by providing housing advice and homelessness services'.

The service objectives are further explored and made more specific in the HRSS with four objectives which link to the objectives in the Service Area Plan and the Business Strategy, as follows:

One – low level early intervention services to support people.

Two – assist those threatened with homelessness.

Three – support those who become homeless – temp housing etc.

Four – expand range of services available to rough sleepers in bid to reduce numbers.

These objectives are clear and are not only in line with the Council's Strategy but also support applicable statutory guidance and legislation.

#### 4.4 **Reputational Risks**

##### 4.4.1 **Poor implementation of the Housing and Homelessness Strategy.**

One of the risks identified on the Housing Risk Register is 'increasing levels of homelessness'. The objectives in the HRSS all work towards preventing this risk by:

- Providing a wide range of low-level, early intervention services to support people at any time, not just when homelessness is a possibility
- Assisting those who are threatened with homelessness to remain in their existing home if possible or, where this is not possible, to help them avoid homelessness by all other practical means.
- Supporting those who become homeless, by providing suitable temporary housing and a broad palette of assistance to secure long-term, sustainable accommodation.
- Continuing to innovate and expand the range of services available in order to maintain downward pressure on the number of people sleeping rough in the district.

The strategy was approved at cabinet on Thursday 22 April 2021. The objectives can be measured and monitored by reviewing the number of people supported, the support provided and the number of homeless within the district. The strategy has a long-term time frame of 2026 to complete the objectives. Although the objectives don't have a definitive end or finish date they can be monitored to ensure they are being implemented and that improvements are being made.

The Service Area Plan has key performance measures specific to the function of homelessness and housing advice. These measures also support the implementation of the HRSS and allow monitoring on a corporate level rather than just within the HHA team. The Service Area Plan is updated and reported

corporately on a quarterly basis and the information is also monitored and shared within the HHA team monthly.

The measures reported for 21-22 show the results on a quarterly basis. Measures reported for the year were as follows:

- 70% of homeless prevention duties completed successfully.
- 50 homeless applicants provided with temporary accommodation.
- Average stay in temporary accommodation was 100 days.
- Three rough sleepers on the street.

These statistics provide a baseline for the service to measure against for future reporting and comparisons.

#### 4.4.2 **Failure to meet needs of the homeless.**

The needs of the homeless are identified through triage assessments usually carried out over the phone. A Housing Options Assistant completes the initial assessment with the client and asks them to complete additional forms to provide information about their address history, medical information, and details of income & expenditure ahead of their appointment with an Officer. This information along with the triage assessment forms part of the full Housing Options Assessment.

Once the assessment has been completed a Needs assessment and Personal Housing Plan are drawn up with a copy sent to the client. This plan is tailored to the client.

As well as housing and income support, additional advice is given by the Housing Options Assistants. This additional advice includes: financial, general, private rental, tenancy rights, prospect for housing and affordability assessments. The clients are also signposted to other support services when required.

There are no pre-written call-handling sheets, but staff are fully trained and the forms that they complete result in a process being followed, guiding the officer through the call and ensuring all required information is captured and any key issues are identified in a timely manner. Monitoring is not completed specifically regarding the help provided to clients.

Call logs are recorded with reports issued to the Senior Housing Advice & Allocations Officers on a weekly basis providing data on initial contact.

The key data included in the report consists of:

- The number of calls received.
- Average queue time for callers.
- The number of calls answered.
- Max queue time before calls are answered.
- The number of calls abandoned.
- Average time taken to answer a call.
- Average call time.

A selection of call logs was provided for the audit. Using the sample it was identified that most calls were answered within four minutes and the average call time was under four minutes. 80% of calls were answered.

The weekly call data provided shows the calls received between a Tuesday at midnight and a Monday at 23.59 so the missed / unanswered calls could be received outside of working hours.

The data gives a quick snapshot, but it might be useful to have it broken down to hours or core times to help management ensure the rota for call handlers are appropriate and that there are enough staff to cover the busier periods. As it may not be possible to generate reports of this type it is not felt that a recommendation would be appropriate.

### **Advisory**

**Consideration should be given to reviewing the usefulness of the call data reports and enquiring about the possibility of a more suitable breakdown.**

#### **4.4.3 Poor or inaccurate advice is given.**

Homelessness and housing advice is available online on the Council's website. This includes self-referral forms and application forms to apply for social housing. There is also advice and support provided for residents who are struggling to pay rent and mortgages with the HHA team offering negotiation services with the landlord or lender on behalf of the customer.

The response time is clearly set out to allow the HHA team to manage their workload whilst providing time for priority cases. The timescales advised are ten working days for emails and for requests received via phone call – unless the contact is from a homeless person then the HHA team will try to work with them on the same day.

The form used to triage calls includes a variety of data and additional details to help the assessor with the case. These include whether the applicant is already homeless – which helps to prioritise the applicant. Following the lone working policy there is also a section to remind the assessor to check the staff alert list. The Covid 19 risk assessment is also incorporated into the form using questions about the Covid status of the applicant if they are due to be seen on the same day. This may need to be reviewed as some questions may no longer be relevant following the updating of HSE and Government guidance. For example, it may no longer be valid to ask about the main symptoms. Since 1 April 2022 the availability of LFTs and PCR tests has changed so many customers are unlikely to have recent results.

### **Advisory**

**Consideration should be given to reviewing the questions asked on the forms to ensure they are current and relevant, for example: Covid 19 questions may need to be updated/removed as appropriate.**

The forms used to assess clients are comprehensive and often use yes / no answers allowing the form to be completed quickly by the call handler. The end of the form includes a section to add additional details and provides reminders of signposting and what to do next. Although it is comprehensive the form helps to ensure the correct advice is given and clients are prioritised appropriately.

#### 4.5 **Health and Safety Risks**

##### 4.5.1 **Assessment errors causing over/under-prioritisation of applications.**

The assessment forms are comprehensive and relatively simple to complete with yes and no responses. Not only does this approach reduce the risk of errors but it also helps to ensure applications are prioritised appropriately.

The process to follow when assessing a client is straightforward. A walkthrough was completed as part of the audit. A client makes contact (either by phone or email) and they are triaged by an officer. This begins the process for the client by identifying the need and type of support and determines the prioritisation of their application. Applicants who are homeless or expected to become homeless within 56 days are given priority.

The forms are all saved to the clients' files on the HPA2 system if the client is a WDC tenant the Tenancy Officer is informed so the tenants file can also be updated on ActiveH. This allows other officers to review and answer enquiries regarding the case as the documents and information is all saved in a central location.

A walkthrough of the HPA2 system was completed virtually through MSTeams. The walkthrough established that there were currently 380 active cases. The staff turnover has been high over the last few years which means other officers have had to take on incomplete cases. This can be problematic if the forms have not been uploaded or information saved is incomplete.

To reduce the risk of caseloads falling behind and deadlines not being met the system is monitored frequently by the Senior Housing Advice & Allocations Officers. The home screen (on HPA2) shows a quick visual of the caseworkers, number of cases and time taken to resolve the case. Line managers are also able to review when a caseworker last logged in to the system and completed an entry. This will help to prevent an issue the HHA team have had where a temporary staff member had not been logging on and completing tasks. The cases are shown with a countdown timer to help the caseworker to prioritise tasks and complete them within the set timescales.

The HHA team frequently receive complaints from members of the public. Usually these are service level related such as length of waiting time on the housing list, long call back times, etc. Nearly all are resolved informally, usually with a line manager or senior officer speaking with the complainant. Some are resolved before the need for intervention. Any complaints that are not resolved informally follow WDC's corporate formal complaints procedure.

#### 4.5.2 **Poor health outcomes for the homeless in the district.**

The WDC website provides a page specifically for homelessness help and advice. This includes an online self-referral form and an application section for social housing. Links to additional support also available include support for young people, housing solutions and the housing options service. These are intended to help the overall health and wellbeing of homeless people and those expected to become homeless within the district.

There isn't any health specific advice provided by WDC on these pages and the main 'homelessness and advice' page does not signpost to information about local soup kitchens or medical support. There is, however, a directory link on the page that provides links to external providers of support including mental health and addiction support.

During the assessment with an officer a homeless person is provided with contact details to external support services when they require help; for example if they have an addiction or mental health concerns.

There is no mention of safeguarding on the homelessness page or the housing help and advice page despite offering services for young people and victims of domestic abuse and / or violence. There is a link to safeguarding within the directory under 'Help with addictions' but it takes the user to a blank page. There is a foodbank link within the directory under 'general help' as well as free school meals and Helping Hands.

#### **Recommendation**

**The links provided in the directory should be reviewed to ensure that they are still active.**

#### 4.6 **Other Risks**

##### 4.6.1 **Performance is not known, quantifiable or reported.**

Some areas of performance are measurable and reported as part of the service area plan (see para. 4.3.1 for more detail). The statistics monitored and reported can be used to help review progress and provide data to benchmark against.

Additional monitoring is also completed within the HHA teams such as caseload numbers and timeframe to manage them to ensure legislation is followed and the homeless (or expected to be homeless) cases are resolved within 56 days. Call logs are monitored but they are too generic to give a better understanding of the busy times and the demand on the HHA team (see para. 4.3.2).

The Senior Housing Advice & Allocations Officer is working with LOCATA to look at the potential upgrade of HPA2 to enable automated monitoring of the casework. Since January 2022 this has been collated manually and is time consuming. The data collected allow the Senior Housing Advice & Allocations Officers to review the caseload of each Housing Allocations Officer and check the status of the case. As this is new to the HHA team it is a work-in-progress and



constantly being adapted enabling the team to make the most out of the data they collect.

Currently the statistics monitored and reviewed includes: the numbers of cases broken down into data under new and existing cases, Housing Officer attendance, emails received and processed, and phone data.

#### 4.6.2 **Inexperienced or untrained staff or high level of vacancies.**

The staff structure sets out clearly defined roles and responsibilities within the HHA team, with some of the staff performing duties for other sections of housing, not just for the homelessness function.

Inadequate Staffing Resources is identified on the service risk register, with triggers identified as: Uncompetitive salaries, low morale and inadequate training. Failure to staff the function appropriately would put pressure on remaining staff and inability to provide the service at normal levels. In turn this could result in reputational damage to the Council and failure to meet statutory requirements.

A review of the staff structure and stability of the HHA team was completed. Looking at the last twelve months it was found that staff turnover is high with vacancies frequently being advertised. At the end of April there were two jobs being advertised in the HHA team. The adverts for homebased / agile working also listed other benefits of working for WDC, such as: BUPA, a pension and flexible working. Turnover has been high over the period reviewed with 19 vacancies advertised with only five of these roles being recruited to. Where vacancies were not filled, temporary staff have been sourced; even the turnover with these has been high with there being a turnover of 24 temporary staff.

Managers and Officers, already stretched, need to dedicate time to train the new starters on the systems on top of WDC mandatory training. Often, this can be for a staff member or temporary worker who stays in post only for a couple of weeks. In such circumstances, customers may struggle to obtain a consistent service. The Business Development & Change Officer also advised that there have been issues where staff record things differently on the systems which makes it difficult to extract data and produce reports. In one section of the HHA teams, where the casework is managed, 80% of the team is made up of temporary workers.

The Head of Housing feels that part of the issue could be due to relatively lower salaries at WDC for these types of roles. It was reported that some roles had recently been regraded to reduce differentials. This could not be confirmed, however, as no documentation was on the system to show the regrading. This is probably due to it being so recent that the documents have not yet been processed and saved to a file that the auditor could access.

When Line Managers have completed exit interviews, they are consistently informed that the main reason for leaving is the salary paid. The staff turnover may be reduced and vacancies filled now there is an increased salary being offered.

## Recommendation

**The staff turnover should be monitored and reviewed to see how the change in salary has impacted it.**

## 5 Summary and Conclusions

5.1 Section 3.3 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 2 - Risk of financial position not being known, quantifiable or reported.

Risk 11 - Risk of poor health outcomes for the homeless in the district.

Risk 13 - Risk of inexperienced or untrained staff or high level of vacancies.

5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is little to no risk if the actions are not taken.

5.3 In overall terms, however, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Homelessness and Housing Advice are appropriate and are working effectively to help mitigate and control the identified risks.

5.4 The assurance bands are shown below:

| Level of Assurance | Definition  |
|--------------------|---|
| Substantial        | There is a sound system of control in place and compliance with the key controls.   |
| Moderate           | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited            | The system of control is generally weak and there is non-compliance with controls that do exist.  |

## 6 Management Action

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Homelessness and Housing Advice – July 2022

| Report Ref. | Risk  | Recommendation   | Rating* | Responsible Officer(s)   | Management Response   | Target Date       |
|-------------|---|--|---------|--|---|-------------------|
| 4.2.2       | Risk of financial position not being known, quantifiable or reported. | A budget manager should be appointed.  | High    | Housing Needs Manager  | A budget manager will be appointed .  | 29 July 2022      |
| 4.5.2       | Risk of poor health outcomes for the homeless in the district.        | The links provided in the directory should be reviewed to ensure that they are still active.         | Low     | Housing Needs Manager / Business Development & Change Manager        | The links provided in the directory will be reviewed to ensure that they are still active.  | 30 September 2022 |
| 4.6.2       | Risk of inexperienced or untrained staff or high level of vacancies.  | The staff turnover should be monitored and reviewed to see how the change in salary has impacted it. | Medium  | Housing Needs Manager / Senior Housing Advice & Allocations Officers | The uplift in salary for the Homeless Officers has enabled us to recruit to two posts which had been long term vacancies. The service will continue to keep this in review. | 29 July 2022      |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

**FROM:** Audit and Risk Manager                      **SUBJECT:** Housing Stock Asset Management

**TO:** Head of Assets                                      **DATE:** 29 September 2022

**C.C.** Chief Executive  
Head of Finance  
Compliance Manager  
Portfolio Holder (Cllr Matecki)

---

## 1 **Introduction**

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 **Background**

- 2.1 It is frequently reported that there is a shortage of and a high demand for affordable properties. As such, there is a need for strategic management of the Council's housing stock to ensure that best use is made of the current properties and that there are plans for the acquisition of more properties, with those properties built or acquired being suitable. Additionally, there is a need to take account of the effects of legislation and other emerging issues (e.g. cladding following the tragic fire at Grenfell Tower).
- 2.2 The audit completed in 2020 included a review of the strategy in place. The strategy runs from 2019 – 2023 but as there have been no major changes it has not been covered in detail for this audit to prevent duplication of work.
- 2.3 Over the last two years the Covid-19 pandemic has interrupted the work plans in place preventing some of the maintenance programmes from being completed. The lockdowns and restrictions in place resulted in the postponement of most of the planned internal and external works at Council owned properties.

## 3 **Objectives of the Audit and Coverage of Risks**

- 3.1 A 'risk-based audit' approach has been adopted whereby key risks have been identified during discussion between the Internal Auditor and key departmental staff and upon review of the Significant Business Risk Register and the relevant Departmental Risk Register.

- 3.2 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.
- 3.3 In terms of scope, the audit covered the following risks:
1. Capital programmes are not appropriately structured with poorly maintained houses leading to a depreciation in asset value.
  2. Dwellings are not maintained in line with the Decent Homes Standard.
  3. Ownership of dwellings unknown (HRA / Corporate).
  4. Tenants / media complaints regarding badly maintained properties.
  5. Health of tenants (and general public) in badly maintained properties and estate.
  6. Plans do not allow the Council to achieve its Climate Emergency aims.
  7. Data held may not be up to date resulting in duplicate work, incomplete or unidentified works (staff resource).
  8. Inaccurate data held, works / repairs status not updated or data incomplete (process issue).
- 3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the following corporate objectives, as set out in the Fit for the Future Strategy:
- The Housing Stock Asset Management address various strands of the Council's Fit for the Future (FFF) Strategy, cutting across all the internal objectives and the People and Services external objectives.

## 4 Findings

### 4.1 Recommendations from Previous Reports

- 4.1.1 The current position in respect of the recommendations from the previous audit reported in March 2020 were also reviewed. The current position is as follows:

|   | <b>Recommendation</b>   | <b>Management Response</b>  | <b>Current Status</b>   |
|---|---|---|---|
| 1 | <p>The HRA Business Plan should be reviewed as soon as practical with a report subsequently being presented to Executive.</p> <p>Regular updates should subsequently be reported to cover any changes to the plan. This should be at least annually, but more frequently depending on circumstances (e.g. changes to numbers of housing stock where this impacts the plan).</p> | <p>Accepted. The plan will be reviewed as soon as practicable taking account of the current Covid-19 demands placed on the Council.</p> | <p>The budgets have been considered across a long period of time with the works completed on a priority basis rather than a set timeframe. The budgets include an increase to the housing stock owned by the Council.</p> |

|   | <b>Recommendation</b>  | <b>Management Response</b>  | <b>Current Status</b>  |
|---|--|---|--|
| 2 | The 'handover checklist template' obtained should be reviewed to ensure that it captures all relevant information, with amendments being made accordingly. | The checklist will be reviewed by Assets / Housing to ensure that it captures all necessary detail. | No longer relevant.  |
| 3 | Contractors should be reminded of the need to use the portal wherever possible and to follow the naming conventions on the documents being uploaded.       | Reminder to be issued to all Contractors using the Portal when works recommence post Covid-19.      | Updates not performed consistently resulting in incorrect data on the ActiveH system |
| 4 | Relevant staff should be reminded of the need to perform manual updates in relation to performed works on a timely basis.                                  | Reminder to be issued to all relevant staff for when works recommence post Covid-19.                | Updates not performed consistently resulting in incorrect data on the ActiveH system |

## 4.2 Financial Risks

### 4.2.1 Risk: Capital programmes are not appropriately structured with poorly maintained houses leading to a depreciation in asset value.

The last full stock survey was completed in 2016. Although assets are planned to be surveyed on a five-year basis this has not happened. A report to Executive in August 2018 stated that the stock with components identified as in poor or very poor condition would have work completed to remedy the condition by March 2020.

A later report to Cabinet in December 2021 set out budgets for a ten-year housing plan. This included funds towards works identified in the stock condition survey, climate emergency works, fire safety works and decarbonisation works. The plan accounts for £205 million of spending across the ten-year period from 2021/22 to 2030/31. The funding would be obtained through a mix of external borrowing, HRA capital investment reserves, right-to-buy receipts, grants and capital from shared ownership sales.

The initial 2 years of the plan show the bulk of the funds (circa. £59 million) being allocated (circa. £45 million) for construction / acquisition of housing. 17.5% of the budget is allocated to stock condition survey works to ensure the stock is brought up to standard and that ongoing maintenance and improvement programmes are affordable. The stock condition survey results will be used to prioritise those properties identified with poor components.

During 2020/21 the budgets for renewal and improvements were underspent, largely due to Covid restrictions resulting in only emergency works being carried out rather than programmed works.

There is no budget set aside solely for the surveys of stock condition. Whilst the conditions identified in the 2016 survey remain unresolved there is little need to spend further funding on additional surveys. Ad-hoc surveys can be completed by staff when carrying out works and inspections at the properties. Improvements identified through the surveys largely consisted of roof works, window/doors, kitchens/bathrooms and thermal improvements.

The budgets for gas, electric and other compliance programmes are monitored on a monthly basis by the Compliance Manager. Regular meetings are held between the Compliance Manager, the Principal Accountant, the Building Surveyor Team Leader and the Head of Assets.

### 4.3 **Legal and Regulatory Risks**

#### 4.3.1 **Risk: Dwellings are not maintained in line with the Decent Homes Standard.**

The Decent Homes Standard is a technical standard for public sector housing. It aims to provide a minimum standard of housing conditions for all those who are housed in the public sector - i.e. council housing and housing associations. Local authorities were required to set out a timetable under which they will assess, modify and, where necessary, replace their housing stock according to the conditions laid out in the standard. The standard was updated in 2006 to take account of the Housing Act 2004 and included the implementation of the Housing Health and Safety Rating System (HHSRS).

The criteria for the standard are as follows:

- It must meet the current statutory minimum standard for housing.
- It must be in a reasonable state of repair.
- It must have reasonably modern facilities and services.
- It must provide a reasonable degree of thermal comfort.

Stock condition surveys were last completed in 2016 using the decent homes standard as the benchmark. The surveys were recorded using a one-time system which allowed the results to be directly input on to ActiveH (asset management system). Programmed maintenance can be planned and managed through ActiveH using the survey data. These programmes maintain the decent home standard, the stock condition survey results are used to prioritise the plans.

A sample of 24 housing properties from across the district was reviewed. The review looked at a selection of planned works, including compliance-related works, such as boiler checks and replacements, and non-compliance, such as kitchen and bathroom replacements.

The data for the compliance works was found to be consistent with details of when the checks were last carried out, the condition at the time of the inspection and the date of renewal. For non-compliance works the data held was

less accurate, with inconsistent dates of installation of the current facilities and many having passed the expected date of renewal (based on the expected lifespan).

Using the data provided from the most recent survey in 2016 (six years ago) there were a number of inspections noted as below "good" standard, twenty of which were bathrooms, fourteen were kitchens and twenty-one were for the condition of the windows.

From the sample of 24 the surveys had identified 6 of the properties as having facilities in a poor condition. Fourteen of the bathrooms in the sample were overdue a replacement based on the expected lifecycle of 30 years (previously set to 20 years). Two of the kitchens were overdue.

Despite the majority of the windows being noted to be a below "good" standard none of them was overdue renewal.

In many of the cases the surveys had differing dates for the installation of kitchens and bathrooms. ActiveH is designed to be used to create works programmes using the data input and the condition noted at the most recent survey or inspection. As the data held is inaccurate or conflicting for the non-compliance the programmes cannot be created.

### **Recommendation**

**It should be ensured that data is input into ActiveH allowing maintenance and works programmes to be planned.**

Some properties have mixed ownership - for example, flats where some of the properties are let to housing tenants and others are leasehold. ActiveH has the property listed with an additional external or communal entry allowing the data from surveys, inspections and works to be identified specifically for that part of the asset rather than an individual flat. The ownership status for properties is highlighted within the data allowing staff to identify whether the property is let or leasehold.

Progress against plans is monitored where possible. For the compliance programmes (for example gas and electrical safety checks) the data is uploaded by the contractors through a portal which is then transferred on to ActiveH. This allows frequent monitoring of the progress of the plan and reporting features to be utilised. For non-compliance plans the data is not uploaded consistently which means accurate reports can't be produced using ActiveH. Without the data being readily available and accurate progress cannot be monitored.

### **Recommendation**

**There should be a procedure in place to ensure that correct and up-to-date data is uploaded to the portal/input onto ActiveH by contractors when works have been completed.**



#### 4.3.2 **Risk: Ownership of dwellings may be unknown. (WDC - HRA and general fund and commercial property)**

There are a number of properties where the ownership is mixed, usually where the makeup of the property consists of retail, leaseholder and housing tenant, with some dwellings within the same building belonging to HRA and others to the general fund (GF). The ownership is unclear for some of these properties which could present issues when they need repairs or maintenance carrying out.

This became more apparent recently when there was a need to do a major repair on one of the properties. When working out who would need to contribute to the repair it was found that the property was a multi-use block with ownership split between the HRA and GF. When looking at the history of the block it was clear that, although it was originally a GF asset, over time the HRA had let some of the flats and was managing the lets for the flats linked to commercial shops below. This meant that right-to-buy laws were applicable for these flats allowing the tenants to become leaseholders. This has resulted in a mixed ownership of the dwellings. For the repair to be charged appropriately a surveyor measured the space with charges being proportionate to the size of the property.

From a funding/budget point of view the HRA almost acts as a management agent, with the GF paying the HRA to manage the flats using the rent collected.

Due to the confusion over the ownership the Principal Accountant helped to create a flowchart to work out who should be charged for the works, along with using a surveyor to measure the dwellings to ensure that charges are proportionate. This process can be used for other mixed properties if and when similar issues arise.

Property ownership, when known, is identified on ActiveH. The coding for payments also allows identification whether the property is leasehold or GF etc. When taken out through the Council the type of insurance also identifies the ownership of a property.

A leaseholder agreement for a mixed dwelling building was provided. The agreement specifies that a proper portion of costs will be incurred when works are carried out. This would apply for shared items like walls, roof and other building components external to the property. Internal components such as pipes, cables and wires are the responsibility of the leaseholder only.

A corporate lease was also provided. This explained that a fair proportion of costs appropriate to the property and / or its use will be determined by the landlord. Again this was referring to external components.

#### 4.4 **Reputational Risks**

##### 4.4.1 **Risk: Tenants / media complaints regarding badly maintained properties.**

The Marketing & Communications Manager was contacted for information regarding the social media aspect of complaints. It was confirmed that

communications are monitored across all platforms including social media. The media statistics are documented and shared with managers on a monthly basis. The monitoring of the various platforms allows the media to identify issues that are frequently commented on. This can then be used to push out messages to the public and make the relevant service area and call handlers aware. When complaints are received via these platforms they are forwarded to the relevant officer and a reply is issued once a response is received. When complaints are more complex the complainant are asked to contact the department directly to resolve the concern.

The Compliance Manager confirmed that when complaints are received through the website, social media platforms or call handlers regarding housing issues they are passed to the relevant officer to be resolved. Property-specific complaints may be received but would likely be resolved by the tenancy management team. Other complaints or concerns are recorded on ActiveH.

## 4.5 **Health and Safety Risks**

### 4.5.1 **Risk: Health of tenants (and general public) in badly maintained properties and estate.**

The maintenance programmes in place are designed to maintain and upgrade the housing stock and include energy saving and climate-friendly upgrades such as heat source pumps and insulation. The works completed are reviewed and any issues discussed at contract meetings. Issues with the work can be highlighted in a number of ways, including being reported by the tenant or contractor or noted when the property is inspected.

Contract meetings also allow an opportunity to align projects, ensuring minimal disruption for the tenant and where possible preventing duplicate work. For example, an electrical rewire and kitchen replacement should be aligned as the rewire will require the contractor to 'make good' once complete. If the kitchen is then going to be removed and replaced the 'made good' work will have been a waste of time and funds and the rewired electric may not be in the correct location for the new kitchen.

The estate management team also complete external estate and high-rise inspections on a regular basis to review any ad-hoc and emergency work that might need to be completed. This allows any potential health and safety risks to tenants and the general public to be identified such as broken/raised slabs or damaged entry doors.

Reports are completed and issued to the estate management team on a weekly basis identifying issues that are unresolved 2 weeks after initially reporting the issue. This can include leaking roofs, uneven pathways, damaged or non-working lights and other issues that have been noted and reported as a result of a regular inspection.

The Council's website does not have a dedicated section or available contact information for reporting health and safety issues identified on Council land or within Council property communal areas. The repairs page, however, does have a section for reporting garden maintenance issues. The housing tenants page

also has a space to report repairs. A member of the public would be unlikely to go to the pages for tenants to report issues so reports from the general public would mostly be received through the standard contact us form or through call handlers.

Any communication from tenants or the general public can be logged on the CRM module of ActiveH. This allows a work order to be raised and provides a link to the report or caller so any additional or follow up information can be recorded as needed. This is a recent process change - previously the information was stored within the diary notes section of the property concerned. The new process provides one location where all issues reported can be viewed and the progress made to remedy it can be reviewed.

## 4.6 **Other Risks**

### 4.6.1 **Risk: Plans do not allow the Council to achieve its Climate Emergency aims.**

The current climate action programme was agreed at cabinet on 4th November 2021. It included aims specifically for the Council-owned assets.

The aims were:

- To develop and manage the delivery of a fully costed heat decarbonisation plan (HDP) comprising a programme of works for decarbonising all Council buildings.
- Deliver a deep carbon retrofit of all Council owned dwellings below EPC C by 2030.

The maintenance programmes include decarbonisation aims and other climate emergency improvement plans. The decarbonisation programme work also considers the fuel poverty agenda.

The planned programmes available to view on ActiveH did not include the decarbonisation or other climate plans. This may be due to a combination of them being new and the lack of data input into to system preventing the programmes from being automated. The aim of the decarbonisation programme is to improve the thermal performance of properties and reduce carbon emission from the housing stock. The Head of Housing Services provided information documenting the grant applications which had been successful. These will be used to part-fund some of the works to help the Council meet its climate emergency aims. The Principal Building Surveyor for Fire Safety and Climate Change Projects is the lead on the programme. They were contacted for additional information about the works and for an update of the progress of the programme. They confirmed that there are at present two schemes running which are being managed by WDC and EON. These are to install air source heat pumps at 17 properties and 67 solar PV panels by the end of August and September. Both schemes are currently on track to complete on time.

### 4.6.2 **Risk: Data held may not be up to date resulting in duplicate work, incomplete or unidentified works. (Staff resource)**

The tenancy management team inspect high rise blocks on a daily basis and low and medium blocks on a monthly basis. The team also inspect grounds as well

as the communal areas of the buildings. Although ActiveH doesn't have the required functionality to log all the data of the inspections directly onto the system, the team has begun using it to prevent duplicate works reports. Non-urgent works can take up to six weeks so follow-up checks may be left to allow time for the work to be completed and to prevent the job being logged duplicate times. By logging the work request on ActiveH it allows other users to see that the works have been requested. This prevents other staff from logging the work an additional time. Using ActiveH also means that the reporting function can be used when following up reported issues. The tenancy management team are working with the systems team to help get the most out of the system and make the functionality work for them.

When work is completed, contractors are required to log into a portal and update the job. This data is then uploaded into ActiveH updating the information held. When this doesn't happen or is done incorrectly the job may not get marked as complete or contractors may re-visit not realising that the work has been carried out.

### **Recommendation**

**The training provided to contractors regarding updating works completed should be reviewed and the importance of using the portal to update the status appropriately at contract meetings should be reinforced.**

ActiveH has its own built-in training documentation for users. However, it is limited so more practical training is provided by either the 'Business Development Team' or the 'Data Coordinator' and/or the Compliance Manager. Lower-level support is provided by established knowledge within teams.

Although there have previously been staffing issues, with a number of vacancies or an inability to retain staff, this doesn't current seem to pose an issue. The concern is the inconsistency of the data recorded when works have been completed.

#### **4.6.3 Risk: Inaccurate data held, works / repairs status not updated or data incomplete. (systems / process issue)**

Sections have been set up on ActiveH for the communal and shared areas allowing data to be input specific to that area. Previously this would have been registered at one address within a block which meant all updates had to be made on the file for that address. If it was unclear which address it was saved at the data may not have been updated once the repair was completed or it could result in multiple logs for the same works at different addresses within the block. Having the communal and external areas set up on the system enables the data to be more accurate and prevents duplication of work.

The Service Development Officer is working with the assets and housing teams to utilise ActiveH to their advantage and allow them to extract appropriate reports. These changes will also enable the different teams, in both housing and assets, to work more efficiently with easier to extract reports and shared data.

Part of the changes to ActiveH include controls to help prevent work being reported multiple times. The changes will allow an opportunity to update and sign off the completed work.

As covered in section 4.3.1, completed works are not always recorded appropriately on ActiveH. The lack of data or its inaccuracy prevents ActiveH being used to plan programmes automatically. There are limited plans available to use for reporting purposes and works may end up duplicated or left incomplete due to the inconsistent approach. A discussion with the interim Technical Manager confirmed that he is pulling together process maps with an aim to align the teams to help ensure data recorded is consistently and that when larger works have been completed an up-to-date photo, showing the finished works, is also added to the file.

Although the systems aren't currently being used as efficiently as they could be this is being worked on. ActiveH allows a range of teams to access and update the relevant data for Council owned assets. With controls in place to resolve the earlier recommendations in section 4.3.1 the systems could help to produce complete programmes for works such as the rolling replacement of 500 kitchens and bathrooms or the decarbonisation works.

## 5 **Summary and Conclusions**

5.1 Section 3.3 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 2 - Dwellings are not maintained in line with the Decent Homes Standard.  
Risk 7 - Data held may not be up to date resulting in duplicate work, incomplete or unidentified works.

5.2 In overall terms, however, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Housing Stock Asset Management are appropriate and are working effectively to help mitigate and control the identified risks.

5.3 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

## 6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Housing Stock Asset Management – September 2022

| Report Ref. | Risk  | Recommendation  | Rating* | Responsible Officer(s) | Management Response  | Target Date |
|-------------|---|---|---------|------------------------|--|-------------|
| 4.3.1       | Dwellings are not maintained in line with the Decent Homes Standard | It should be ensured that data is input into ActiveH allowing maintenance and works programmes to be planned.   | Low     | Compliance Manager     | The Compliance manager has issued an email to all assets staff reminding them of their responsibility to input data onto the system.   | Completed   |
|             |   | There should be a procedure in place to ensure that correct and up-to-date data is uploaded to the portal/input onto ActiveH by contractors when works have been completed. | Low     | Compliance Manager     | The Compliance Manager has emailed relevant assets Contract Managers reminding them of their responsibility to ensure contractors are inputting data on to the portal/active H when works have been completed. | Completed   |

| <b>Report Ref.</b> | <b>Risk</b>   | <b>Recommendation</b>   | <b>Rating*</b> | <b>Responsible Officer(s)</b> | <b>Management Response</b>  | <b>Target Date</b> |
|--------------------|---|---|----------------|-------------------------------|---|--------------------|
| 4.6.2              | Data held may not be up to date resulting in duplicate work, incomplete or unidentified works (staff resource). | The training provided to contractors regarding updating works completed should be reviewed and the importance of using the portal to update the status appropriately at contract meetings should be reinforced. | Low            | Compliance Manager            | The Compliance Manager has emailed relevant assets Contract Managers reminding them of their responsibility to ensure contractors know how to use the portal and providing training where needed. | Completed          |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.



**FROM:** Audit and Risk Manager                      **SUBJECT:** ICT Operations as a Joint Service

**TO:** Head of ICT    **DATE:** 7 September 2022

**C.C.** Chief Executive  
Deputy Chief Executive  
Head of Finance  
Portfolio Holder (Cllr Tracey)

---

## 1 **Introduction**

- 1.1 An audit had been included on the Audit Plan for 2021/22 to examine the work that was being performed to enable the ICT Service to operate across both Warwick District Council and Stratford-on-Avon District Council.
- 1.2 Whilst work began back in September 2021, the audit was still ongoing when the decision was made to stop the merger and, as a result, this audit became redundant. This audit was performed by the Council's ICT Internal Audit contractors, TIAA.
- 1.3 This 'briefing' report has been written to summarise the findings that had been made up to that point and to highlight items that were still felt to be relevant for consideration at the individual councils.
- 1.4 The report below includes comments from the Head of ICT against each of these 'items', setting out the current position at the Council and the plans in place to address them.

## 2 **Expected Controls and Findings**

### 2.1 **ICT Governance – CAB structure, IT Strategy, Shared management structure/ rationale for how it is made up in terms of personnel**

- 2.1.1 There is a joint Change Advisory Board (CAB) or similar body in place.

ICT workload planning was found to be in place and this was covering both Councils. However, at the time of the review, it only covered 2021/22.

**Item for consideration** - We would expect that this process is to be continued by the separate Councils into 2022/23 and beyond.

There has been no structured Change Advisory Board (CAB) or similar process at either Council prior to the joint working arrangement. However, there was a Joint Transformation Steering Group in place that had its own formal Terms of Reference documented.

This document had undergone several reviews since its original creation in mid-2021. The latest revision in April 2022 was undertaken to remove the management representation from Stratford District Council, suggesting the Warwick District Council intends to continue using this group.

Meeting minutes from the January and March 2022 meetings were provided as evidence that the group had been meeting and it was noted that a project case for a merged telephony system, which was one of the first joint projects that had been worked on, had been presented to the group at the January meeting.

**Item for consideration** – We would expect to see evidence of project approvals in these meetings should this group continue to operate (or elsewhere as appropriate).

**Head of ICT response** – The Transformation Steering Group (TSG) has continued to operate at Warwick District Council (the Council) and it has been written into the groups current Terms of Reference that it has some responsibility for change management, the approval of projects and workload management. These responsibilities will also be referenced in a forthcoming paper to the Overview and Scrutiny committee, recommending that TSG also forms part of an official approval process for future ICT related procurements, which at present, ICT have limited influence over.

#### 2.1.2 There is a documented and agreed joint ICT Strategy in place.

Work had been undertaken to document, agree and implement a joint ICT Strategy, although it is not currently clear what the post-separation plans are in this respect across both Councils. The work plan described above includes a line for working on strategy management.

**Item for consideration** – what is the proposed future work to review the ICT Strategies at the Council?

**Head of ICT response** – The Council's Digital Strategy will be revised before the end of 2022. As part of this, consideration will also be given to a revised ICT strategy and a revised Customer Access strategy. These three complementary strategies will define how the Council delivers services in the future, what we will do to ensure our services are efficient and, define the technology that will underpin these provisions.

#### 2.1.3 There is a shared management structure and rationale for how it is made up in terms of personnel / roles.

Work had been undertaken to develop a joint ICT service structure. Internal Audit were given access to early work in this respect (marked as Confidential) although, with the recent decision to terminate the joint Councils, this work has been terminated.

**Item for consideration** – Was there anything in the work to design the joint ICT service that might be adopted anyway? Opportunities to implement certain relevant best practices might still be worth considering.

**Head of ICT response** – During the merger process, both ICT services identified gaps in their capabilities. For example, neither council had any serious project management capabilities within ICT and key responsibilities such as cyber security in both councils were distributed amongst a range of staff but lacked coordination. These shortcomings will be addressed within the Council’s structure.

## 2.2 **Policies & Procedures – the development of unified user and ICT operational policies and procedures**

### 2.2.1 The development of unified user and ICT operational policies and procedures.

The merger programme included a workstream specifically for policy and procedure development.

**Item for consideration** – Will this work continue as local policy / procedure development, adopting any best practices that could still be relevant at the local level?

**Head of ICT response** – ICT have recently commenced a series of policy and procedural reviews. Over the course of the next twelve months we will look at each of our operational policies in turn and ensure that, as far as possible and practical, they align with industry best practice and standards.

## 2.3 **3<sup>rd</sup> Party Supplier management – Vendor licencing, management of SLAs and differing conditions therein**

### 2.3.1 There are processes in place to manage vendor licencing across both Councils. To include service area applications and M365 licencing.

There has been a specific merger programme workstream dedicated to this. Combining vendor contracts is no longer a key concern and the individual Councils can continue to manage their respective ICT vendor relationships locally.

**Item for consideration** – Is there any best practice that was going to be adopted as part of this workstream that could still be implemented? (NB the scope of the 2022/23 audit on Cyber Security includes Supplier Risk Management, so this can be revisited).

**Head of ICT response** – The merger process highlighted several shortcomings in ICT’s supplier management processes. This was hindered by the approach taken at both councils where overall responsibility for procurement and contract management for ICT systems had been devolved to service areas – at the Council it was entirely possible for a service to procure an ICT based solution, without involving ICT.

Improvement can be made at the Council, particularly regarding how we manage our relationships with suppliers, the involvement of ICT in ongoing dialogue and how we support services with the software they use. This will require cooperation across service areas but improvements are already underway.

- 2.3.2 There are processes in place for the management of SLAs and potential differences between them across the Councils.

This had not been considered to any great extent at the time that the audit became redundant as is no longer a priority.

2.4 **ICT Procurement – Compliance with existing corporate procurement processes, ensuring ICT Management involvement at all times**

- 2.4.1 There are appropriate procurement policies and procedures across both Councils.

There were inconsistencies across the Councils where ICT procurement is concerned, with the ICT service generally not being asked to be actively involved from the start of any procurement. 'Shadow ICT' has been a common practice at Warwick District Council whereby ICT procurements take place without the ICT service being aware of it.

As part of the merger work, The Head of ICT drafted a paper that was presented at the joint management committee setting out the current processes and setting out recommendations for improvements, including rationales for why they have been raised.

Despite the termination of the merger, the contents of the paper are considered to be good practice processes that can still be adopted locally at each Council.

**Item for consideration** – What are the plans for ICT procurement going forward at the Council? The existing processes are inconsistent and not transparent to the ICT service. Hence, the recommendations set out in the paper mentioned above are still considered to be relevant, taking out any references to a joint process.

**Head of ICT response** – The recommendations put forward in the joint working paper will be reviewed and put forward again for consideration at the Council. There are still issues surrounding the procurement of ICT solutions at the Council, but the situation has improved significantly thanks to the support of the Council's Procurement Officer and ICT's involvement in the procurement board.

- 2.4.2 Compliance with existing corporate procurement processes, ensuring ICT Management involvement at all times.

Included as part of the findings above.

2.5 **Service Desk Management – Unified contact points and procedures**

- 2.5.1 Service Desk Management operational policies and procedures are present across both Councils.

As the service is not merging, this is not considered to be relevant any longer, with the exception of any relevant Service Desk operational policies

and procedures that may have been being developed and which may still be appropriate to adopt.

## 2.6 **Active Directory Management – unified approach to AD design and implementation**

### 2.6.1 There is an agreed unified AD design approach being implemented.

There was a programme workstream in the merger programme looking at this. However, this is no longer relevant.

## 2.7 **Data Centre Management – leveraging excess capacity for retrospective assistance such as Disaster Recovery scenarios and/or offsite and offline cloud storage**

### 2.7.1 Leveraging excess capacity for retrospective assistance such as Disaster Recovery scenarios and/or offsite and offline cloud storage.

A recent audit of Disaster Recovery had been undertaken at Stratford-on-Avon District Council which raised a number of findings and recommendations. The merger plans had presented some opportunities to address the recommendations naturally as part of the work being done to join the networks and related infrastructure.

The ICT work plan was very specific on the opportunities in this respect: "Merger of the WDC and SDC datacentres including the replacement and harmonisation of key technology stacks such as server infrastructure, virtualisation platforms, storage, power and location."

Such work would have included using spare capacity at either Council's infrastructure or potentially an element of cloud-hosted storage.

**Item for consideration** – Does the Council plan to implement any changes locally per the original plan? Some of the intended works may still be appropriate to take forward.

**Head of ICT response** – As part of the merger, the Council held off making major investments in our ICT infrastructure which required the replacement of some significant infrastructure items. Whilst the merger is no longer a consideration, any future core infrastructure design will incorporate consideration of using cloud services, business continuity capability and the potential for "mutual aid" with a partner authority or 3<sup>rd</sup> party supplier.

## 3 **Summary and Conclusion**

### 3.1 As highlighted above, this briefing report has been written to summarise the work that had been completed before the audit became redundant. It does not, therefore, provide a level of assurance.

### 3.2 However, items for consideration are included along with responses from the Head of ICT regarding how they are being addressed.

Richard Barr  
Audit and Risk Manager

**FROM:** Audit and Risk Manager  
**TO:** Deputy Chief Executive  
**C.C.** Chief Executive  
Head of Finance  
Green Space Manager  
Portfolio Holder (Cllr Grainger)

**SUBJECT:** Open Spaces  
**DATE:** 28 July 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 There are currently 175 parks and open spaces within the district that the Council own and manage. These consist of seven major parks and a number of community parks, green spaces, urban woodlands, and burial grounds. Within these areas, there are approximately 53 maintained play areas, as well as outdoor sports facilities, BMX, and skate parks.
- 2.2 The Council, via a Service-Level Agreement (SLA) with Warwickshire County Council (WCC), are responsible for around 19,000 individual trees and 250 acres of woodland. There are currently 11 nature reserves managed in partnership with the Warwickshire Wildlife Trust.
- 2.3 The Green Spaces team also manage floral planting across the district, utilising hanging baskets and approximately 13,400m<sup>2</sup> of floral bedding. The Green Spaces team have been involved in the completion of the restoration of the Pump Room Gardens and are continuing to meet the Abbey Fields management plan. The team play an important role in the function of green space planning and have a designated Planning Development Officer for this.

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.

- 3.2 In terms of scope, the audit covered the following risks:
1. Excessive costs and budget overruns on green space projects.
  2. Inappropriate deployment of Section 106 funds.
  3. Failure to comply with Section 106 agreements.
  4. Failure to deliver on Green Space Strategy.
  5. Adverse public perception of Council's management of open space land.
  6. Staff resources unable to deliver adequate services due to increase of open spaces.
  7. Attempts to bribe officers into prioritising the maintenance of an open space.
  8. Undeclared conflict of interest from a responsible officer residing in close proximity to an open space.
  9. Council/contractor staff subject to harm from accident or verbal/physical abuse on site.
  10. Playgrounds and playground equipment not fit for purpose.
  11. Direct injury/damage caused by trees.
  12. Drowning or injury as a result of water in vicinity of park or open space.
  13. Breakdown of relationship between Council and contractor.
- 3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Departmental Risk Register has also been reviewed.
- 3.4 These risks, if realised, would be detrimental to the Council, with regards to achieving the delivery of the Sustainable Community Strategy, covering themes of Prosperity, Health, and Wellbeing.

## 4 Findings

### 4.1 Recommendations from Previous Reports

- 4.1.1 There were no recommendations arising from the previous report.

### 4.2 Financial Risks

#### 4.2.1 Excessive costs and budget overruns on green space projects.

The budget for Open Spaces is split across a number of different ledger codes. The Green Space Manager (GSM) discusses the budget informally with the accountants on a monthly basis, although these meetings will become more frequent as the end of the financial year approaches. There are currently two nominated accountants for Open Spaces - one Assistant Accountant deals with revenue whilst the other focuses on capital. The revenue budget includes several smaller budgets relating to trees, play areas and landscape improvement. There has been slippage in recent capital projects. This is because there has been very little capital expenditure. For this reason, the GSM has not met with the capital accountant for some time. Despite this, progress with capital projects, or lack thereof, is discussed with the Deputy Chief Executive.

Funding is obtained either through Section 106 funds or by applying for grants and sponsorship. The Pump Room Gardens are currently funded through the



Heritage Lottery Fund (HLF); there is still one lot of funding yet to be claimed from the HLF for this. A Public Amenity Reserve is still in place, although this has not been spent due to understaffing. The HLF set conditions on the Pump Room Gardens project, specifying that this should be completed within five years. The team have met this condition and the project was completed in December 2021.

The budget is maintained via the Council's Finance Management System (FMS), Ci Anywhere. This enables both the accountants and the GSM to extract specific spreadsheets when needed. Testing conducted by the auditor highlighted that all budgets recorded on the Ci Anywhere general ledger were evidenced by journals and transaction logs. However, the GSM advised that he has experienced issues where revenue budgets have been reduced without his knowledge or authority. This occurred in both 2021/22 and in 2022/23.

**Recommendation – Quarterly meetings should be held with the accountant to ensure that the budgets are being rigorously monitored.**

Budgets are set based on the works required, project allowances and cashflow. In order to receive funding, the Council have to meet the requirements of the relevant funding body. Broadly indicative costs are produced periodically by the Council, in order to offer guidance to developers. This is a legal requirement, as stipulated in the Supplementary Planning Document (SPD). Since the last audit, the team have kept within the budgeted cost codes.

The budget is also allocated on a rolling basis and so is set based on previous year balances, including small under and overspends. Capital, such as the Public Amenity Reserve, rolls over to the next financial year if the Council has been unable to deliver on certain projects. Legal agreements with housing developers stipulate that funding needs to be spent within a certain timeframe; the refurbishment of the Victoria Park playground for example, was subsidised by funds that had not previously been spent.

**4.2.2 Inappropriate deployment of Section 106 funds.**

The Green Space Strategy considers funding an important factor affecting the standards of green space provision. It is a requirement that any management plans consider the budget; action plans and project programmes look at costing, which allows the team to bid for resources.

The external parks audits, which are conducted every three years, give the team an indication as to what should be included in the scheduled programme of works. These audits determine whether any areas are deficient in either 'quality' or 'quantity' and instruct the Green Spaces team to bid for extra resources if necessary. A cyclical replacement of assets exists which looks at the life expectancy of equipment (approximately 15-20 years).

The yearly budgets have taken funding into consideration. This is included on the yearly forecasts under the grants, contributions, donations, and sponsorship headings. Business cases are also used to determine the agreed budget.

With regards to major developments within the district, Section 106 agreements are held on the network files. There is also a Section 106 tracker which helps the team monitor the stages of an agreement between the Council and the developer.

Often funding does come from community group support or external bodies e.g., the Friends of Christchurch Gardens. Funds from external bodies are regularly matched by community groups and pooled together to increase the Council's funding. Testing showed that any overspends with regards to the grants and contributions budget were substantiated by the journal entries on the FMS. For the financial year 2021/22, the overspends came from bench renovations and replacement plaques.

For the financial year 2020/21, the total money received through funding was £1,224,656.65. This figure was reduced in 21/22, (£162,623.89) as the previous year's funding was spent on the Pump Room Gardens project. Testing revealed that Section 106 has been duly considered within the expenditure; legal fees relating to the transfer of open spaces from the developer to the Council were clearly documented.

### **4.3 Legal and Regulatory Risks**

#### **4.3.1 Failure to comply with Section 106 agreement.**

The annual, external playground audit determines features which need to be updated or improved. The park audits also provide a chance to discuss development opportunities, which in turn help to create a scheduled programme of works. The team are currently awaiting the 21/22 annual inspection; the inspections contribute to best practice and allow the Green Spaces team to prioritise sites.

Approvals have to be collected as part of the planning consultation process and most of these are retrieved directly from residents. As of 2018, legislation was introduced which stipulates that before an open space can be developed, the Green Spaces team have to engage with the portfolio holder and the local ward councillors. The Section 106 agreement is included as an appendix to the SPD.

The Green Space Planning Officer (GSPO) is a statutory consultee on planning applications for new developments which meet Section 106 conditions, where open space contributions may be required.

The GSM advised that there have been a number of instances where the GSPO has not been consulted by the planning department which has led to difficulties with schemes, despite the GSPO making it clear to case officers that she is contactable should they require any advice or guidance on playgrounds or sustainable drainage system landscaping etc. The GSM reiterated that the Council's planning standards are outlined in the SPD. It is also highlighted in the Council's Green Space Strategy that there is a specific need to determine minimum acceptable standards for green space provision as part of the planning policy and development management decision making process, and this standard should be used as the benchmark throughout the district. This

standard should not just be seen as the minimum compliance level but the starting point for all strategic decisions about the planning, management, and delivery of green space'. 14 of the 15 planning applications sampled during testing held green space consultation responses on file; one application did not hold a response. The GSPO confirmed that she was not consulted on this application, presumably due to a conflict of interest, as she was involved in both the assessment of the scheme at tender stage and worked with the GSM and GSDO on the Heritage Statement.

**Advisory – Where planning applications relate to the provision of green spaces, consideration should be given to reminding Council planning officers of the need to consult with the GSPO.**

#### 4.3.2 **Failure to deliver on Green Space Strategy.**

The Green Space Strategy aims to recognise the social, environmental, and economic benefits of open space. The first Green Space Strategy was adopted in 2012 with a vision to have 'a well-planned and managed network of integrated, accessible and diverse green spaces within [the] Warwick District, creating a sustainable environment for the benefit of people, wildlife and natural heritage' by 2026. The Green Space Strategy previously focused on deficiencies and issues with quality which led to bids for neighbourhood parks. Newbold Comyn, St Nicholas' Park and Abbey Fields all needed cost requirements in order to make improvements. This document is publicly available to download on the Council website; however, it has not been amended since 2018.

**Recommendation – The Green Space Strategy should be reviewed and updated. It should also take the Council's actions towards the climate emergency, ecological emergency, and health inequality into consideration.**

Operational plans continue to be compiled yearly. The 2022 plan is still in draft form, due to a change in Portfolio Holder and the reversing of the merger with Stratford District Council. Surplus land was previously offered up for use by Affordable Housing. There were, however, major public objections to this and so this project is no longer viable. The Chief Executive also wants to boost the Council's portfolio of green spaces. A small area of The Holt was disposed of as it proved surplus to requirements (this was examined under the previous audit).

Open spaces are gained as part of new developments, although many are managed by the developer rather than the Council. It is stipulated in the SPD that 'on all residential developments of 11 or more dwellings, there will be a requirement for public open spaces provision in accordance with the standards specified.' Where it is demonstrated that it is impractical or inappropriate to provide open space physically on-site, the Council may consider alternative locations, provided that they are within reasonable walking distance of the development. The amount of land required to meet the standard is determined by calculating the population of the proposed development. For residential developments this is calculated by taking the number of bedrooms in each dwelling.

The GSM advised that the Council is due to take over a large number of new spaces. Myton Green and Chesterton Gardens have already been adopted and sites on the Harbury Lane development are due to come forward for adoption. The Pump Room Gardens project follows its own management plan, which includes expenditure and timescales.

The SPD outlines what the Council expects to find in their parks. This includes what the spaces should look like and the ecological development surrounding them. It is a Council requirement that green spaces be included as part of any new housing developments. However, in recent cases, the developers have not been meeting the Council's standards and the GSPO will be drafting in support from the Planning Enforcement team to combat this. The GSM also advised that the SPD may be rewritten as part of the South Warwickshire Local Plan.

#### **4.4 Reputational Risks**

##### **4.4.1 Adverse public perception of Council's management of open space land.**

The Green Flag Award is a nationally recognised accreditation that assesses the accessibility of the parks and open spaces within a certain area. If any recommendations come about as a result of these inspections, then the Green Spaces team will carry out the necessary improvements where possible. However, Green Flag present these findings as an overview, rather than highlighting any problematic areas in specific sites.

The independent play area inspection criteria are also used to determine accessibility; any issues raised concerning Council projects are then visited accordingly. The Council adheres to the policies set out in the Countryside For All Guide and although outdated, the Access For All Design Guide (2012) contains design element sheets to help developers implement surfaces, ramps, steps, handrails, and gates etc. Issues with accessibility have been highlighted in the management plan for Abbey Fields, however, the team are currently responding to this.

An accessibility audit has not been conducted on all 175 open spaces, as this is not feasible in terms of time, staff resources and budget. However, the GSM advised that the team have worked alongside Fieldfare on the nature reserves in Kenilworth, to ensure that these have disabled access.

The high standard of open spaces has been recognised, with the Council having received three Green Flag awards for the past four years. The Green Space team have applied for another Green Flag for the Pump Room Gardens. This is currently at judging stage and the team will know if this has been successful by August 2022. Crackley Wood has also received a Green Flag, although this is managed by the Warwickshire Wildlife Trust. Foundry Wood and Myton Pool are both sites within the district that have received Green Flags. However, these are managed by differing organisations (Friends of Foundry Wood) and (Friends of Myton Pool Trust Limited).

The Warwickshire Wildlife Trust published a report in 2021 which highlighted how the Council has improved the wildlife of many of its 175 sites. This has

included providing bird and bat boxes, developing wildflower areas, and reducing the use of pesticides. Boundary management has also been introduced since 2013 to increase biodiversity in 150 of the parks. The Council website provides a list of community parks within the district.

Advertising material is also published on social media. The grand opening of the Victoria Park play area was both promoted via the Council website and internally to staff. The green spaces newsletter is distributed monthly and contains up-to-date bulletins about the local parks and promotes any upcoming events. Due to understaffing, however, this newsletter is likely to be discontinued.

The Green Spaces Team have made safe havens for bees, moths, butterflies, and other insects to thrive, as part of National Insect Week. The proliferation of wildflower meadows, flower beds and selective mowing to extend the areas of long grass, have significantly improved the natural habitat and biodiversity of the Council's open spaces. Oakley Wood will be made more accessible, due to a major upgrade of the main path network, which is due to commence late July. The completion of two seasons of woodland thinning, and the process of clearing conifer trees has allowed for the return of native broadleaved trees and given the Warwickshire Wildlife Trust the opportunity to create a 3,300-metre stone pathway around the wood.

In terms of obtaining feedback from the public about the provision of services, the GSM advised that this has lapsed in recent years; in the past, the team have approached parish councils for feedback.

**Advisory – Consideration should be given to obtaining feedback from the general public about the quality of the Council's open spaces.**

The Victoria Park playground has cost £350,000 and therefore feedback may be needed to justify this cost. There is a facility on the Council website for members of the public to report a park or green space maintenance issue. The Council also actively promotes green space activities to complete at home.

Playground inspections are carried out by an external provider on an annual basis (The Play Inspection Company Ltd). Poolcare Leisure Limited also carry out water quality checks daily. This partnership has been in place for nearly three years. As they are a local company, they are also very proactive in bringing any issues identified during the water tests to the Council's attention. Bacteriological test results conducted by Poolcare are held on the network files. With regards to tree inspections, an SLA with the WCC forestry team is also in place.

Any issues found during inspections are reported and repaired where necessary. If a replacement part is required repairs may be held off if a revamp of the park is due to be completed. Red Kite Network carry out the three-yearly quality park audits; the next park audit is due to be conducted this year. The audit will look at the number of parks that the Council currently maintain, compared with ownership of the parks, as evidenced on the land registry.

**4.4.2 Staff resources unable to deliver adequate services due to increase of open spaces.**

The GSM reviews workload regularly; there are time allocation sheets in place for all team members so that work can be monitored. The team also have regular meetings in which current workload is discussed. There is currently no software in place which allows staff to monitor set tasks. There is, however, a spreadsheet which details a list of the sites that the Council maintain. Anything asset-related is passed to the Asset team, such as the repair of a fence or a bridge etc. However, the GSM advised that the lack of software does not hinder the team, as they are still able to complete work in a timely manner. If an issue is raised by a contractor on site, the contractor is able to either repair the broken part or decommission the playground equipment until such a time when it becomes safe to use.

#### 4.5 **Fraud Risks**

##### 4.5.1 **Attempts to bribe officers into prioritising the maintenance of an open space.**

Whilst there are no formal reviews of maintenance timescales, the contractors are obligated to notify the Council in advance of any slippage against the planned programme of works. With regards to tree inspections, it is stipulated in the contract with WCC, that 'if any defects are found within a tree which would make the specified work or remainder thereafter inappropriate or inadequate, the supplier must cease work and notify the Authority, who will determine any appropriate alternative action which is to be taken.'

In these instances, the Green Spaces team will work alongside the contractor to ensure any overdue works are completed. This in turn helps to provide the public with the assurance that the service is being appropriately delivered. Invoices are submitted by the contractor before payments are made. Testing conducted by the auditor showed that all payments recorded on the FMS were supported by invoices and were paid in line with the contracted amounts. Payments to WCC for quarterly tree works were substantiated by the budget breakdown for 2021/22. The costs detailed in the 21/22 budget also supported the tree scheduled works orders which displayed the prices charged by WCC. Invoices from the Warwickshire Wildlife Trust outlined quarterly set figures, which were validated by the annual works orders.

##### 4.5.2 **Undeclared conflict of interest from a responsible officer residing in close proximity to an open space.**

There is only one officer within the Green Spaces team that lives in the Warwick District and thus there have never been any declarations of personal interest. Whilst the various team job descriptions include 'liaising with interested third parties' and 'adhering to planning legislation', there is nothing that specifically refers to declaring personal interests during the planning consultation process. However, as aforementioned, the Green Space Planning Officer has demonstrated impartiality by abstaining from participating in the consultation process, regarding the Victoria Park play area.

#### 4.6 **Health and Safety Risks.**

##### 4.6.1 **Council/contractor staff subject to harm from accident or verbal/physical abuse on site.**

Various parks and open space risk assessments are available on AssessNet. These are fairly detailed with regards to the specific risks concerning parks and playgrounds. The assessments were, however, last completed in March 2021 and now require an update. The team are reviewing the most recent ROSPA (Royal Society for Prevention of Accidents) guidance, which considers how frequently parks should be assessed for risk.

**Recommendation – All parks and open spaces should be reviewed to determine the frequency of their risk assessments.**

In terms of park management, the GSDO holds monthly meetings with the rangers, the Assets team, and the Grounds Maintenance officers. These meetings will often comprise of a physical inspection of the Council's sites. Each site has a designated folder on the network file. Contained within these folders are site photographs, maps, plans, and legal documents such as procurement contracts. There have been no accidents reported within the Green Spaces team; there have been some near misses recorded by the grounds maintenance contractor, but incidents of this nature are flagged at monthly team meetings with WCC.

##### 4.6.2 **Playgrounds and playground equipment not fit for purpose.**

There are various inspections carried out at play areas to ensure that they are safe and well maintained. With regards to legislation, the Green Spaces team follow the LAP (local area for play), LEAP (local equipped area for play) and NEAP (neighbourhood equipped area for play) acronyms. These define the different levels of outdoor space and provide authorities with a guide on the level of recreational space that should be accommodated within new housing developments.

Playgrounds follow a formal plan of inspection and there is currently a programme in place for the replacement of equipment. Weekly and monthly inspections of play equipment are saved to the network folder and monitored to keep track of any outstanding repairs. Any issues identified during inspections are reported to the GSDO. If the issues are small, the contractors are able to conduct repairs on-site.

**Recommendation – A review of the new Victoria Park play area should be conducted, to ensure that the equipment is appropriate.**

##### 4.6.3 **Direct injury/damage caused by trees.**

A formal strategy is in place for the management of trees within the district, although this requires an update. The strategy divides the Council's tree population into four categories: street trees, woodlands, trees in parks, cemeteries and open spaces, and housing area trees. Each area receives priority

once every four years with urgent or annual work being carried out in the nonpriority areas. There are several pages on the Council's website dedicated to trees and how they are managed throughout the district. This includes tree preservation orders, policies for pruning Council managed trees and tree planting at Newbold Comyn.

**Advisory – Although this would be based on the resources available and external support, consideration should be given to revising the Tree Woodland Strategy to ensure that it is up to date.**

The Green Spaces team have a formal inspection plan in place which details when both play areas and trees should be inspected. This also evidences at which points works should be carried out to maintain hedges, grass, and open water. Some trees are inspected annually; others are inspected on a 3-year basis. WCC Forestry inspect the trees on behalf of the Council. Their software (Arbortrack) lists an inventory of trees across the district; however, the Council do not have access to this software. It is outlined in the SLA that 'the Customer will need access to this information for day-to-day operations and dealing with initial enquires [on a] read-only basis'. The GSM advised that WCC are very efficient in passing information to the Green Spaces team when needed, particularly regarding insurance claims.

Trees are allocated a frequency zone based on the amount of people using the green spaces around them. This also takes the number of pedestrians and nearby traffic into account. By zoning the trees, inspections can be prioritised; the zones specify the frequency of the inspections which are either every one, three or five years. The tree inspection schedule highlights the trees that the Council maintain. Meetings are held on a monthly basis with WCC to discuss the inspections and any works due to be carried out. There is an inspection schedule spreadsheet saved to the network folder, which shows the progress and the outcomes of the inspections carried out. The contract in place with WCC Forestry for the maintenance of the trees managed by the Council details the timescales in which tree works should take place following inspections. Emergency works should take place within forty-eight hours and routine works should be completed within twelve calendar months.

If a tree requires particular attention, the rangers will report it to the Council, who then communicate with WCC. Rangers also highlight any health and safety issues with benches and play equipment. Due to staffing issues, there are less frequent ranger visits made around the parks.

#### 4.6.4 **Drowning or injury as a result of water in vicinity of park or open space.**

The Bodies of Water plan is a basic document which lists any water inspections that are required. A water risk assessment was conducted ten years ago and a second one completed three years ago. However, this report was never finalised with ROSPA and so remains an outstanding document.

**Recommendation – An up-to-date water risk assessment should be conducted as soon as possible in conjunction with ROSPA.**



There is currently no signposting of any hazards next to rivers or bodies of water within the district, as this was not previously highlighted as an issue in ROSPA's assessment. It was, however, emphasised during the last assessment that appropriate signage be left at park entrances; this has since been completed.

**Advisory – Consideration should be given to signposting water hazards within the Council parks and open spaces.**

Parks and cemeteries are locked overnight; spaces such as The Dell in central Leamington are also kept locked after 1pm. The opening and closing times of the parks are clearly located on the Council website. 5 out of the 7 parks on the website all clearly display the opening and closing times. The remaining 2 areas are public fields and so are not subject to closing hours. It is stipulated in the SPD that 'public open spaces require unfettered access for members of the public throughout the year.'

**4.6.5 Breakdown of relationship between Council and contractor.**

The SLA with the WCC Forestry Team was renewed in 2021 for a further 5 years. A signed contract with the Warwickshire Wildlife Trust is also in place for a further 22 years. The contract with Poolcare Leisure Ltd has been renewed and now takes the increase in RPI into consideration. In terms of obtaining office supplies or outdoor gym equipment, the Green Spaces team were advised by the Procurement Team to use ESPO, rather than put fixed contracts out to tender. As part of the Neighbourhood Services Risk Register, it was agreed that an emergency service plan would be drawn up in the event that a service could not be delivered. The plan is dependent on the availability of contractors, and many will be affected by the same issues such as fuel shortages. The Contract Services Manager is currently working on a Business Continuity Plan (BCP). The Emergency Team Leader is also looking into enhancing staff awareness of the BCP.

**5 Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 1 – The budget may not be being monitored frequently.

Risk 4 - The Green Space Strategy is outdated.

Risk 9 – Up-to-date risk assessments have not been completed.

Risk 10 – Play equipment may be inappropriate.

Risk 11 – An up-to-date water risk assessment is not currently in place.

5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted as there is no risk if the actions are not taken.

5.3 In overall terms, however, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Open Spaces are

appropriate and are working effectively to help mitigate and control the identified risks.

5.2 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

## 6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Open Spaces – July 2022

| Report Ref. | Risk Area  | Recommendation  | Rating* | Responsible Officer(s) | Management Response  | Target Date          |
|-------------|--|---|---------|------------------------|--|----------------------|
| 4.2.1       | Financial Risks - Excessive costs and budget overruns on green space projects.                                   | Quarterly meetings should be held with the accountant to ensure that the budgets are being rigorously monitored.  | Medium  | Green Space Manager    | Agree and will be implemented straightaway.  | From September 2022  |
| 4.3.2       | Legal and Regulatory Risks - Failure to deliver on Green Space Strategy.   | The Green Space Strategy should be reviewed and updated. It should also take the Council's actions towards the climate emergency, ecological emergency, and health inequality into consideration. | Low     | Green Space Manager    | Any review needs to address the climate emergency, ecological emergency, and health inequality. Current strategy ends in 2026 so would start planning to review in 2024. | Start 2024           |
| 4.6.1       | Health & Safety Risks - Council/contractor staff subject to harm from accident or verbal/physical abuse on site. | All parks and open spaces should be reviewed to determine the frequency of their risk assessments.  | Low     | Green Space Manager    | There is a need to review the parks risk assessment process based on recent ROSPA recommendations. Need to take a step back and evaluate what is appropriate.            | Start September 2022 |

| <b>Report Ref.</b> | <b>Risk Area</b>   | <b>Recommendation</b>   | <b>Rating*</b> | <b>Responsible Officer(s)</b> | <b>Management Response</b>  | <b>Target Date</b>        |
|--------------------|--|---|----------------|-------------------------------|---|---------------------------|
| 4.6.2              | Health & Safety Risks - Playgrounds and playground equipment not fit for purpose.                  | A review of the new Victoria Park play area should be conducted, to ensure that the equipment is appropriate. | Low            | Green Space Manager           | The play area is safe because it received a post installation independent safety inspection and is now on the inspection regime. Agree there is need to evaluate the play area success and failures. Plan to work with the Friends of Victoria Park in getting public feedback. | Complete by December 2022 |
| 4.6.4              | Health & Safety Risks - Drowning or injury as a result of water in vicinity of park or open space. | An up-to-date water risk assessment should be conducted as soon as possible in conjunction with ROSPA.        | Medium         | Green Space Manager           | Agree - resources allowing.   | December 2022.            |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

**FROM:** Audit and Risk Manager  
**TO:** Deputy Chief Executive  
**C.C.** Chief Executive  
Head of Finance  
Portfolio Holder (Cllr Tracey)

**SUBJECT:** Payroll and Staff Expenses  
**DATE:** 27 July 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 The payroll function has been outsourced to Warwickshire County Council since 1 April 2021. Processes are now completed via a 'self-serve' system, although HR staff continue to deal with the 'in-house' elements of the payroll. Individual line managers are responsible for checking and authorising payments where a self-serve process has been implemented.

## 3 Scope and Objectives of the Audit

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.
- 3.2 In terms of scope, the audit covered the following risks:
1. Incorrect payments made to staff and Members go undetected.
  2. Breach of PAYE regulations.
  3. Payments made are not accurately reflected in the accounts.
  4. Incorrect and late payments leading to industrial action.
  5. Misappropriation of payments.
  6. Fraudulent expenses claims submitted and paid.
  7. 'Ghost' employees added to the system.
  8. Personal data is not secure.

3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Significant Business Risk Register has also been reviewed.

3.4 These risks, if realised, would be detrimental to the Council with regards to achieving the internal People and Money themes, as set out in the Fit for the Future Strategy.

**4 Findings**

**4.1 Recommendations from Previous Reports**

4.1.1 The current position in respect of the recommendations from the audit reported in January 2019 was reviewed. The current position is as follows:

| <b>Recommendation</b>  | <b>Management Response</b>   | <b>Current Status</b>   |
|--|--|---|
| 1 The categorisation of documents on the HR handbook should be reviewed so that relevant documents can be easily located.  | This has been reviewed previously with Media. However, the issue will be revisited.                              | The HR handbook is available on the Intranet; the Digital Content & Social Media Officer has reviewed this. There is, however, an ongoing issue regarding the categorisation of certain items in the handbook. The support team may have to look at re-naming certain items if staff are unable to locate them. |
| 2 A consistent method of storing documents in the HR network folders should be introduced.   | HR team are reviewing how they save documents and are agreeing a best practice for this.                         | Testing by the auditor revealed that most starter and leaver files had been stored correctly. Although folder headings had been given appropriate names some inconsistencies were noted with where network files were located. These were rectified during the audit.   |
| 3 HR should review the requirement for retaining expense receipts. Should it be confirmed that there is a requirement to retain them, the method of storing the receipts should be reviewed to ensure appropriate accessibility and retrieval. | Agreed. Payroll will be contacted to review the retention requirements with action taken accordingly thereafter. | This is no longer an issue as expense receipts are submitted on I-Trent and remain on the self-serve system indefinitely. These are viewable only to Managers, the HR support team and the member of staff submitting the claim.  |

| Recommendation   | Management Response  | Current Status   |
|--|--|--|
| 4 A decision should be taken with regards to the dates that Member allowance changes become effective, with this being consistently applied. | We welcome this finding and have agreed that this would be implemented with the leave date being the date the Councillor was removed from the Committee and the replacement Councillor starting the day after. | The Democratic Services Manager has been working on these. All Member's allowances were stopped for Annual Council and will recommence if the Member is successfully re-appointed. |

## 4.2 Financial Risks

### 4.2.1 Incorrect payments made to staff and Members go undetected.

At the time of the audit, the HR support team were still basing cost codes on the figures quoted in TOTAL. However, this is currently being dealt with and the team are working with the Principal Accountants to align these codes with Ci Anywhere, the new FMS (Finance Management System).

The auditor conducted a walkthrough of the payroll system, which revealed that the effective start, leave, and transfer dates appear at every stage of the 'keying-in' process. The information relating to each staff member is also repeatedly saved and information is copied directly from staff forms to ensure that no information is missed. The system allows for quality control and error messages will appear if any field is completed incorrectly.

Testing conducted by the auditor confirmed that all payments were in line with the correct salary grades. There were some discrepancies between the salaries quoted on the staff list and the figures quoted on the May-22 gross pay report. During the audit, the Learning & Development Officer (LDO) confirmed that the discrepancies in the samples highlighted, affected only part-time and agency staff. The payroll did not pick up these discrepancies as the amount concerned was too negligible; the biggest difference amounted to only sixty-nine pence.

For new starters, there is a checklist in place to make sure that the documents received are correct. This checklist also ensures that Line Managers have retained formal notification that the new starter has accepted the position. Testing revealed that all new starters in the sample had both starter checklists and additional documents (bank forms, HMRC forms etc.,) saved on file. All data is retained on I-Trent and ensures that the HR support team have access to any information that they require. Due to auto enrolment, contracted members of staff will automatically be opted into the WCC Pension scheme. Staff are unable to opt out of this scheme until after they have started. To opt-out of the scheme, staff are required to notify WCC Pensions by completing the opt-out form on their website.

Upon successful appointment, the individual will be contacted and asked for a form of identification, as well as their bank details and any references. Once medical clearance, DBS checks (where appropriate) and all relevant documents have been received, HR will then inform the appropriate manager that they can offer the individual a start date. The HR support team cannot make the individual a new starter on the payroll without these documents, and thus they will not key them onto the system prior to their start date. To avoid fraudulent payments, new starters will be added to the payroll after their start date. This policy is different for casual workers, who are responsible for claiming their own hours; they can be keyed onto the system in advance of their start date.

A checklist also exists for leavers of the organisation. As with new starters, the checklist serves to ensure that the correct documents have been received prior to staff departure. Managers are required to send resignation letters to the HR support team. The team then inform the officer of their notice period, which is usually one calendar month. The form requires that a reason for leaving is provided. Warwickshire County Council (WCC) need to know by the sixth of the month if a member of staff is leaving; the payroll is locked after this time, so that changes cannot be made. Leavers are only keyed onto the system once a resignation letter has been received.

Leaver's checklists are an optional HR internal process; it is not legally necessary to have these before making an employee a leaver. Despite this, testing showed that seven of the ten chosen samples had a leavers checklist in place. In all cases, a resignation letter was held on file. One leavers checklist could not be located during the audit. Where appropriate, annual leave had been adjusted accordingly.

The HR support team are working with the Democratic Services Manager to improve the Members Allowances Scheme. The support team are required to send a hornbill to WCC, asking them to adjust any set allowances, which are attached to the payroll when complete. The Members Allowances Scheme is published on the Council website and sets out the figures for 21/22. This includes the basic allowance that is paid to all Members alongside schedules showing the designated posts which attract special responsibility allowances. Special responsibility allowances are also displayed on the monthly pay reports. The 22/23 figures are due to be published in June and the new scheme will be added to the Constitution online.

Committee Services are working through a number of changes to the constitution following Council on 11 May 2022. Testing revealed that the payments sampled were correct and in line with the published figures. Where the payments were small in number, this was due to administration changes in which Members either transferred committees or were not re-elected.

### **4.3 Legal and Regulatory Risks**

#### **4.3.1 Breach of PAYE regulations.**



Most policy and procedural documentation are held within the HR Handbook on the Council's Intranet. Since the previous audit, HR have worked with the Media team to streamline this page so that it is easier to locate specific documentation.

The LDO advised that often staff believe documents should be categorised under different headings. There now exists a large number of documents in the handbook, meaning that it is difficult to look for specific items (e.g., there is a section for Leavers and Starters, but also a heading entitled Leavers and a further heading entitled New Starters).

**Advisory – Consideration should be given to transforming document headings into large buttons on the Intranet. All documentation relevant to a specific button could then be grouped together.**

Guidance for staff relating to the self-serve system is available on the Intranet and regularly updated. The latest version of this is dated March 2022. Guidance for managers on how to complete various tasks on I-Trent is also signposted. The Pay Policy Statement considers local government regulations, although PAYE regulations are not specifically referred to. The document also refers to shared positions with Stratford District Council, which are no longer relevant.

**Recommendation – The HR Handbook should be reviewed, and irrelevant documentation should either be updated or discarded where appropriate.**

The LDO advised that with the transfer from Coventry City Council (CCC) to Warwickshire County Council (WCC), there is currently no report that produces a list of staff tax codes or National Insurance numbers. There is, however, no current need for this, as both NI numbers and tax codes can be viewed by the HR support team through I-Trent. The NI category will almost always be code 'A' for staff unless they are aged under 21. The NI number is also a mandatory field for staff to complete on their new starter form.

#### 4.3.2 **Payments made are not accurately reflected in the accounts.**

Deductions such as county court claims and attachments of earnings are dealt with by the HR support team, as they concern legal instructions from HMRC. The support team have a printed booklet of instructions regarding the completion of these processes.

The Principal Accountant confirmed that payments to external organisations are coded appropriately on the ledger, based on their underlying pay element. The Finance team are required to sign off the ledger before any monies are deducted from the payroll. Reports are sent from WCC in the first instance - the HR support team will then check these to ensure that the figures are correct.

The LDO advised that although the payroll is a large document, errors are often easily noticed, especially if the error relates to a part-time member of staff. It would, for example, be obvious if a casual hour's officer submitted a claim for overtime. The yearly final costing reports outline all staff deductions including Child Care vouchers, rent Union subs and council tax payments.

During the previous audit, the HR support team would receive instructions from staff regarding non-statutory deductions. This is no longer the case as staff deduction requests are now sent directly from the relevant Council department to WCC.

These deductions can be stopped at any time upon request of the staff member; however, deductions can only be changed on the system via the Accountancy Team. There are currently no student loans showing on the gross pay report for May-22; instructions for these are sent to HMRC/WCC.

A formal signed, Service-Level Agreement (SLA) has been in place with WCC since November 2020, replacing the previous partnership with CCC. Upon review, the document was found to clearly set out the scope of the agreement and the obligations of WCC. Six-weekly meetings are held with the account management team at WCC. They will make necessary adjustments to the payroll and discuss any challenges that have occurred.

#### **4.4 Reputational Risks**

##### **4.4.1 Incorrect and late payments leading to industrial action.**

BACS payments are run monthly. There is currently no formal back-up 'system' in place that would continue to pay staff in the event of a current system failure. However, the SLA details that if there are issues with I-Trent that 'the Parties shall co-operate and provide all reasonable assistance to each other to enable the transfer of the responsibility for the provision of the Services from the Supplier to the Customer, or, at the Customer's request, to another supplier.' Service issues aim to be resolved in a 90-day period, but in most instances will be resolved much quicker than this.

There are currently five increment codes that must be separately keyed onto the payroll. These include Heads of Service, apprentices, annual increases and the April and October salary increments. It was found during the audit, that there were some incremental errors with the payroll. In April 2020, some staff experienced an automatic, incorrect salary increment, which resulted in an overpayment. These increments were not due until October 2020. This was corrected, and the affected staff were required to repay the six-month overpayment that they had received. It must be noted that this issue was not picked up by the HR support team, but instead by a member of staff. Upon a cursory review of the payroll extracts, the Principal Internal Auditor found that several staff members were overpaid, having received an increment in both October 2019 and April 2020. It was declared by the HR support team that eleven staff were affected in total; the staff were individually contacted, and regular updates were posted on Rumour Mill. System changes have since been put into place to ensure a more rigorous monitoring of the increment reports; this was included in the specification for WCC as the new payroll provider.

In October 2021, there was a subsequent issue with increments not being paid in a timely manner. Staff on an October salary increment did not see the new scale point on I-Trent, until 19 October (date of payroll). It was also confirmed

by the LDO that two Heads of Service did not receive the salary increment which was due in April 2021.

**Recommendation – Salary increments should be reviewed to ensure that these are correct before the payment run in October 2022.**

#### 4.5 **Fraud Risks**

##### 4.5.1 **Misappropriation of payments.**

Monthly reconciliation reports are sent automatically to WCC. Whilst most staff members are paid monthly with no need for any adjustments, WCC will analyse any changes in salaries and alter the payroll accordingly.

Emergency payments are only performed as a last resort and have not been run for some time. The LDO advised that if this was due to a payroll mistake, then the HR support team would action the emergency payment with immediate effect. If, however, an emergency payment was needed in the case of financial distress, HR would only pay this on receipt of an email from the relevant line manager, confirming that this was the case. It is stipulated in the SLA that emergency payments can only be made in exceptional circumstances at the fee of £100 per transaction. There is also set criteria outlined in the SLA that determine if the payment is 'valid'. In the case where staff did not claim their hours in time (unless they were in a position where this had caused them financial difficulty) this would not be considered an emergency payment. In the event of an emergency payment, the member of staff is set up as a creditor and put through the Ci Anywhere system. A hornbill is then sent to WCC asking them to remove the payment from the next payroll.

If staff leave Council employment owing money, then the officer concerned has to go through the FMS as a debtor. It is outlined in the SLA that where an overpayment has been made as a result of an error that the organisation has made, there will be a £100 fee for WCC to calculate the overpayment amount and administer any adjustments in the system to reclaim the debt. The Council are responsible for arranging the repayment method directly with the employee. Where any payment errors are not caused by the Customer, then the Supplier shall be responsible for resolving the same.

**Advisory – Consideration should be given to reminding managers to conduct exit interviews. This may enable CMT to analyse problematic areas.**

##### 4.5.2 **Fraudulent expenses claims submitted and paid.**

If a claim has been authorised by the appropriate manager, then the HR support team have no reason to query this. Despite this, within the temporary input report, HR staff will check claims before these are sent to WCC. Mileage is claimed monthly and must be claimed within three months for officers to receive reimbursement. The current mileage rate is forty-five pence per mile and is clearly displayed on payslips.

If a claim needs backdating further than three months, staff either must submit the claim under the current month or email the HR support team with manager authorisation. Heads of Service must confirm that emergency claims are valid before they are submitted. HR do not encourage large claims post cut-off, as this alters departmental budget projections. Claim cut-off dates are clearly signposted on the Intranet; managers are also asked to circulate these dates to staff.

Testing conducted by the auditor indicated that 18 out of the 20 samples had their mileage authorised in a timely manner and these figures matched the gross pay report for May-22. One sample had not been authorised on time, whilst another had been submitted by the officer after the cut-off date, and so will instead appear on the pay report for June-22.

At present receipts for mileage and expenses claims are uploaded onto I-Trent. These were previously forward to the Corporate Support Team (CST), where receipts were stored in numerical order, based on the claim reference number. The Corporate Support Team Manager advised that, although they still retain claim receipts, these have been rare since the COVID-19 pandemic. Receipts received in previous years have been retained in hard copy, with full boxes being moved to the Document Store. The LDO highlighted that the onus for checking receipts lies with the authorising managers. In terms of the need for retention of the receipts, HMRC guidance suggests that these should be held for three years plus the current financial year.

**Recommendation – Staff should be reminded to attach expense receipts to I-Trent.**

**Recommendation – The Document Store should be purged of receipts that are more than three years old.**

As I-Trent is a self-serve system, staff are responsible for claiming their own hours and expenses. As the budget holders, managers are ultimately responsible for checking and authorising these before they are submitted to payroll. It was apparent during testing that the majority of staff claiming overtime and casual hours did so, after the self-service cut-off date. Their payments are therefore not showing on the May-22 report.

**Advisory – Consideration should be given to reminding staff about claiming overtime and checking the cut-off dates on the Intranet.**

Honoraria must be signed off by Heads of Service and the Head of People and Communications. If a member of the HR support team is due to receive an honorarium, another colleague would be required to key this onto the system, whilst being shadowed by a second HR business partner, to avoid fraudulent activity. If staff are due to receive an honorarium, an instruction is keyed onto the HR system which is then sent to WCC. The temporary elements tab on the gross pay report displays honoraria awarded for the month, which are keyed onto I-Trent by the relevant line managers. It was revealed in testing that all the May-22 honoraria held appropriate authorisation from management.

Maternity and paternity forms are keyed onto the system and checked by WCC. The date of the baby's birth is given to the relevant line manager, who then passes this to the HR support team. This is keyed onto the system to ensure that payments are made in accordance with the birth. As an organisation, there are very few paternity payments made. In the event of paternity leave, the HR support team will collaborate in order to key this onto the system correctly. Due to the size of the organisation, shared parental leave is also rare; there has been only one instance of this in the last four years.

The LDO advised that, since the adoption of the latest Members' Allowances scheme, there has been a dramatic reduction in the number of claims submitted (with no recent examples), as Members can now only claim for travel outside of the district; there have been no Members claims for three consecutive years. In order to claim, Members are required to log into I-Trent. Members also need to register for I-Trent in order to access their P60s.

Any changes to allowances have to go to WCC via a hornbill. Members reappointed in June will receive money from their re-appointment, plus any backdated payments from Annual Council. Whilst the HR support team tend to review sickness absence, it is the line manager's responsibility to end a term of sickness and complete a return-to-work form with the relevant member of staff. Managers are also expected to inform HR when a member of staff has returned to work if relevant.

#### 4.5.3 **'Ghost' employees added to the system.**

The 'establishment' refers to the number of job posts at the Council. The HR team are currently working with WCC to streamline how this is reported. The current consensus is that if it exists as a parameter on I-Trent, then it should be reportable on the establishment database. Amendments to the establishment can only be requested by management. The latest establishment change was conducted on 13 May 2022, due to the merger with Stratford District Council no longer taking place. All posts that exist on the database have an established position number. Any that are not currently held are clearly labelled as 'VACANT'.

Testing revealed that nine staff held no post number. It was later confirmed by the LDO that this is because they were agency staff, whom whilst having access to I-Trent for training purposes, do not hold established posts. It was found that one officer appeared twice on the staff list under the same post number. The LDO confirmed that this was an accidental duplicate report. This issue was of a 'one-off' nature and did not suggest a wider problem.

#### **Advisory – Consideration should be given to checking the staff list for any inaccuracies.**

Any changes to pay or to the establishment are reflected on the employee changes tab which is produced as part of the monthly gross pay reports. Queries from HR go through to WCC on an automated system; WCC then email their response to the support team which is saved on the system for future reference.

HR will not set a new position on the establishment without authorisation from management. The system currently operates on 'tables and chairs' software, in which the job title is represented by the table and the number of staff attached to that job role are represented by a chair. A green chair represents a vacant position, a blue chair corresponds to an occupied post, and a red chair relates to a post that the Council are currently recruiting for. Some services have multiple tables for jobs with different cost codes.

#### 4.6 **Other Risks**

##### 4.6.1 **Personal data is not secure.**

If staff select e-form preferences through I-Trent, then their payslips become password-protected and can be downloaded via the self-serve system at any time. Leavers are given a letter with instructions asking them to set their e-form preferences so that their P45s can be sent electronically. HR have the right to email P45s to leavers, but they must declare that the document is not password protected.

I-Trent only allows individual staff members to edit their personal information. Managers have the ability to edit sickness absence, holidays, and nickname preferences. The Accountancy team also have viewing access to I-Trent, although they cannot make any physical changes. In viewing mode, the HR support team can examine all staff records, apart from their own. Payslips are viewable only to HR, the staff member, and the Finance team. The May-22 payroll consists of 567 pages, which corresponds to the number of staff paid for that month. It is possible to print staff pages to a PDF and share these with the individual, but they are not password protected. Staff are encouraged to view payslips via Self-Serve.

Historic payrolls are kept but these are secure at Riverside House and accessible only by permission from the Head of People and Communications. During the last audit, it was previously highlighted that there was an inconsistent method of storing documentary evidence. This is no longer the case as all evidence is now electronic. The SLA makes solid reference to Data Protection, stipulating that both parties will comply with all applicable requirements of the Data Protection Legislation.

The booking system for meeting rooms ensures that confidential discussions between the support team can take place; however, remote working has made confidential discussions much more feasible.

## 5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 2 – The HR handbook contains outdated and/or irrelevant documents.

Risk 4 – Increments in salary are not always correctly calculated.

Risk 6 – Staff do not submit expense receipts onto the self-serve system.

Risk 6 – Hard-copy receipts not retained, contravening HMRC requirements.

- 5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no risk if the actions are not taken.
- 5.3 In overall terms, however, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Payroll and Staff Expenses are appropriate and are working effectively to help mitigate and control the identified risks.
- 5.4 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

**6 Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
 Audit and Risk Manager

## Action Plan

## Internal Audit of Payroll and Staff Expenses– July 2022

| Report Ref. | Risk Area   | Recommendation  | Rating* | Responsible Officer(s)            | Management Response  | Target Date |
|-------------|---|---|---------|-----------------------------------|--|-------------|
| 4.3.1       | Legal and Regulatory Risks - Breach of PAYE regulations.                    | The HR Handbook should be reviewed, and irrelevant documentation should either be updated or discarded where appropriate. | Low     | Head of People & Communications   | Agreed to implement – streamlining the HR Handbook is an ongoing project. This will be done in line with the new Intranet platform.        | Dec 2023    |
| 4.4.1       | Financial Risks - Incorrect and late payments leading to industrial action. | Salary increments should be reviewed to ensure that these are correct before the payment run in October 2022.             | Medium  | Head of People & Communications   | Learning & Development Officer has created a severe diary note for this and will run a salary increment report to ensure they are correct. | Oct 2022    |
| 4.5.2       | Fraud Risks – Fraudulent expenses claims submitted and paid.                | Staff should be reminded to attach expense receipts to I-Trent.   | Low     | Learning & Development Officer    | Agreed – to use Meta as reminder.  | Sept 2022   |
|             |   | The Document Store should be purged of receipts that are more than three years old.                                       | Low     | HR/Corporate Support Team Manager | Agreed –suspect that many of the documents over three years old will have been destroyed already. HR to contact CMT to confirm.            | Sept 2022   |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.





# INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager  
**TO:** Head of Housing  
**C.C.** Chief Executive  
Deputy Chief Executive  
Business Support Manager  
Head of Finance  
Portfolio Holder (Cllr Matecki)

**SUBJECT:** Right To Buy  
**DATE:** 2 September 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 Section 121AA of the Housing Act 1985 says that landlords must provide their secure tenants with information about the Right to Buy. Tenants of Warwick District properties can apply for the Right to Buy scheme if they are on a secure tenancy and meet the following conditions:
- They live in a property which the Council owns or holds the lease for.
  - They are purchasing either in a sole name, or jointly with other people named on the secure tenancy. (On a joint tenancy, the Right to Buy belongs to all tenants so you can either buy jointly; or individually where the other tenants agree to this.)
  - They occupy the property as their only or principal home.
  - They have the minimum qualifying tenancy period of 3 years public sector tenancy. (The 3-year period does not have to be consecutive and can include your current tenancy and any previous public sector tenancy.)
- 2.2 Since the last audit, completed in 2019, there have been 180 Right to Buy (RTB) applications received. 59 RTB properties have been sold and, at present, there are 36 live applications (at various stages of the process).

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 A 'risk-based audit' approach has been adopted whereby key risks have been identified during discussion between the Internal Auditor and key departmental staff and upon review of the Significant Business Risk Register and the relevant Departmental Risk Register.

- 3.2 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.
- 3.3 In terms of scope, the audit covered the following risks:
1. Inaccurate valuations lead to loss of income.
  2. Due diligence may be completed late in the process increasing costs incurred by the Council.
  3. The Council may incur repair and maintenance costs for properties they are no longer responsible for.
  4. Excluded properties are sold.
  5. Proceeds from money laundering used to purchase properties under the scheme.
  6. There may be a deferred resale agreement in place.
  7. Vulnerable tenants are taken advantage of.
  8. Application processing is delayed.
- 3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the following corporate objectives, as set out in the Fit for the Future Strategy:
- The Right to Buy scheme has an indirect impact on the external People strand and the internal Money strand of the Fit for the Future (FFF) strategy document.

## 4 Findings

### 4.1 Recommendations from Previous Reports

- 4.1.1 The current position in respect of the recommendations from the audit reported in February 2019 was also reviewed. The current position is as follows:

|   | <b>Recommendation</b>   | <b>Management Response</b>  | <b>Current Status</b>   |
|---|---|---|---|
| 1 | The Council's website should be updated to include the correct maximum discount figure.   | Oversight corrected 7 <sup>th</sup> February with diary note to uprate to new amount in April 2019.   | The current maximum discount of £87200 is displayed on the Council's website on the RTB page. |
| 2 | Consideration should be given to drawing up a formal agreement document containing relevant terms and conditions for the structural surveys 'contract'. | Discussed with Procurement. Agreed standard purchase order terms and conditions on internet sufficient for the work done by current supplier. | There is a signed formal agreement on file for the structural surveys contract.               |

## 4.2 **Financial Risk**

### 4.2.1 **Risk: Inaccurate valuations lead to loss of income.**

Valuations of RTB properties are completed by Godfrey Payton. There is an electronic copy of the signed agreement held in the contract files. The contract was agreed after obtaining three quotes and is due for renewal in October 2022. The contract has a value of £20,832 and an appropriate contract manager has been assigned. Godfrey Payton are suitably qualified to provide valuations and are registered chartered surveyors.

Valuations are not routinely checked against the market value. Applicants have the opportunity to appeal valuations, free of charge. When appealing a valuation the district valuer will re-value the property; the cost could go up or down at this point. The Council pays the fee for the re-valuation.

A sample of property valuations were checked against Zoopla (house price valuation site); this gives an educated estimate of the market value based on sold prices locally and the housing market trends. The valuations given by Godfrey Payton were all at or below the lower end of the estimated market value on Zoopla. In the sample, where the applicant had appealed the value of the property, the district valuer had provided a re-value amount at the same value as Godfrey Payton.

Structural checks are completed on leasehold properties by Bill Hancock. The contract for the structural checks was agreed after obtaining three quotes and is due for renewal in August 2024. The contract has a value of £10,800 and an appropriate contract manager has been assigned. There is a signed copy of the agreement held with the electronic contract records.

The discount given depends on the length of tenancy, any previous discounts received and the maximum discount given. Applicants who have been secure tenants for three to five years are entitled to 35% discount for a house and 50% discount for a flat. From six years onwards applicants gain an additional 1% per year for houses and 2% per year for flats. The discount is capped at 70% or the maximum cash amount – whichever is lower. The current maximum discount is £87,200 across the UK except for in London. It increases each year in line with the consumer price index.

There is a procedure document in place which sets out the steps to calculate the discount applicants are entitled to. All applications are input onto a spreadsheet which calculates the discount when the application details have been checked and input onto the sheet.

Before inputting the application onto the spreadsheet, the length of tenancy is confirmed on ActiveH (housing management system). Where applicants have been tenants under another local authority that authority is contacted to confirm the length of tenancy. Once the length of tenancy has been confirmed the percentage of discount can be input onto the spreadsheet. The valuation when received is also input onto the spreadsheet so the discount amount can be calculated. Where an applicant has previously purchased a RTB property the

final discount is reduced by the amount of discount they had previously received.

A sample of RTB applications was reviewed from across the last two financial years. The sample was checked and in all but one case the discount had been calculated correctly on the master spreadsheet. Those discounts had then been transferred to the S125 offer letter.

There was one case where it was found that the discount had not been calculated correctly. This was due to the applicant having previously purchased multiple RTB properties. The discount applied had been partially reduced but not by the amount of discount the applicant had previously received for all RTB applications. This was highlighted to officers who were able to alert the legal team and reissue a corrected S125 to resolve the issue. The procedure document has also been updated to reflect the changes required. At this time a recommendation is felt unnecessary as the issue was quickly resolved and was the first time the RTB team had come across an applicant having previously purchased more than one property. The likelihood of the risk occurring again is minimal and the documented process has been updated.

It is not often that there is an application received where the applicant has previously purchased a RTB property. Where it had been identified that this was the case the discount had been reduced by the appropriate amount.

When the S125 paperwork has been received the applicant can appeal the valuation of the property. The appeal process is available on the RTB website (managed by Gov.UK); it is also set out in the S125 paperwork. If the applicant doesn't agree with the Council's valuation, they can request that the valuation be determined or re-determined by the District Valuer. They must give the Council written notice to this effect not later than three months after the S125 Offer Notice has been received, unless there are proceedings pending between the applicant and the Council concerning any other matter in relation to the Right to Buy, in which case a later date will be allowed.

Information regarding the appeals process is published online, in the S125 paperwork and in the booklet "Your Right to Buy Your Home" available to applicants.

Should the RTB process take longer than the legislation specifies because, for example, the Council does not complete within a reasonable amount of time, the applicant can issue a delay notice which could result in additional discount being offered.

#### 4.2.2 **Risk: Due diligence may be completed late in the process increasing costs incurred by the Council.**

There is a comprehensive procedure document in place. It goes through all stages of the application and describes the checks to be taken, including screen shots and images to show where to confirm the information and any relevant points to take note of. The checks include basics such as checking the applicant lives at the address and that they are entitled to RTB scheme.

A note of the date the application is received is made to ensure the responses are issued in the correct time frame. Legislation sets out the timeframe allowing four weeks for the Council to accept or deny a RTB application or eight weeks if the application has tenancy years gained with another landlord or authority. The signatures on the application are checked against those on file on the tenancy agreement. Background checks are completed to ensure that the applicant has no rent arrears, have not been declared bankrupt or have an IVA against them. A tenant claiming housing benefits can apply for the RTB but additional checks will be completed for affordability as housing benefits cannot be claimed if you own your own home.

If the applicants are receiving full/partial benefits or Universal Credit an email of the application details is sent to the fraud team to complete additional background checks. It is set out in legislation that applicants receiving benefits cannot be refused the RTB but the Council is under obligation to investigate. When referring the application to the fraud team they are provided with details of the timescales.

Where it had been noted that the building had been altered, building regulations were reviewed to ensure the applicant had gained approval and had the work signed off appropriately.

If the Council has performed alterations or adaptations such as kitchen and bathroom replacements, solar panel fitting or window renewals the details of the works and costings are obtained.

Once all of these checks are completed the RTB can be confirmed with the applicant and logged onto ActiveH.

If there are concerns about the application and a second more in-depth review is needed the fraud team will be contacted. Rather than have the potential of sending multiple investigation requests regarding one application the officer will email the fraud team once they have completed all other due diligence checks.

The procedure document has an up-to-date list of contacts enabling the officer to contact the person best suited to provide a response to any requests. There is a bank of template requests which set out the request and the timescale.

Once the applicant has been issued a letter confirming their RTB the next stage of the process gives the Council up to eight weeks to issuing the applicant with paperwork including the S125 valuation and offer letter.

Staff are trained on the process with the procedure document being readily available to use throughout the application process. Tenant eligibility is checked as part of the application procedure.

A sample of applications was reviewed to ensure all appropriate due diligence had been completed. Where tenants had completed the application with incorrect details such as the start date of their tenancy the correct date has been used and the application updated. Where the applicants' signatures did not match those held on file further proof was requested from them and the application file was updated. If it was identified that the applicant details were

different to the tenant details, further investigations had been completed. When enquiring about the funding, if the funds were being gifted by a non-tenant, this was also investigated further. The referrals to the fraud team were recorded in the application file.

In some cases concerns were raised about safeguarding or the welfare of the applicant; home visits had been completed (or contact made over the phone due to covid restrictions) to check that the tenant knew what they were signing up for and that they understood the financial implications.

#### 4.2.3 **Risk: The Council may incur repair and maintenance costs for properties they are no longer responsible for.**

The RTB process includes updating the status of the property on ActiveH. This procedure stops repairs and maintenance jobs being issued against the property. The system does allow this to be overridden but only in the case of emergency repairs. Once the property sale has completed the details are again updated on ActiveH making the property "view only", thus preventing repairs and maintenance jobs being issued against it.

A sample of sold properties from within the last two years was checked and all were clearly identified as sold on the system. None of them had repairs listed against them since the RTB application had been logged and they had not been included in the compliance works plans.

### 4.3 **Legal and Regulatory Risks**

#### 4.3.1 **Risk: Excluded properties are sold.**

Legislation sets out the exceptions to the right to buy in schedule 5 of the 1985 housing act. These properties are identified on ActiveH so when an application is received the excluded properties are easily identified.

The documented procedure also states:

*Attention – in case you see sheltered property or O.P. bungalow – this type of property cannot be sold – You have to reject the RTB application.*

When reviewing properties on ActiveH it is clearly marked on the file what type of property it is. In the sample used for the audit one property was identified where an applicant had applied for the RTB but had been declined due to it being on the exceptions list. The applicant had been notified and reminded that their handbook, provided to them at the start of their tenancy in the property, stated that they could not purchase it under the RTB scheme.

All properties (freehold and leasehold) sold under Right to Buy legislation since 18th January 2005 contain a covenant which compels the owner, if the property is offered for sale within ten years of the original purchase, to offer the property back to the Council. The Housing Act 1985 provides further details on the covenant which is in place for 10 years from the date of purchase.

#### 4.4 **Fraud Risks**

##### 4.4.1 **Risk: Proceeds from money laundering used to purchase properties under the scheme.**

There is a document included in the application pack provided by WDC called "Further Questions". Provided at application stage, the form provides additional due diligence checks to be completed early in the application process. Unlike the application form itself the Further Questions document is not a standard government issued form and is something that has been implemented by WDC within the last few years. It enables early identification of issues and potential fraud whilst improving the application process. By completing these checks at the start of the process it allows investigations to be carried out early, potentially reducing costs to the Council and minimising the opportunity for fraud.

There is a section within the Further Questions document which covers money laundering regulations, providing an opportunity for the applicant to state how they will be funding the purchase. It requests they provide the name of the mortgage lender (if known) or details of the person providing the money if it is being funded as a gift or loan.

In the sample the responses to the money laundering section of the document were reviewed. Over 60% of responders could specify how they were funding the purchase. The remainder had put "mortgage" but had not specified a lender due to not yet having obtained an offer in principle. There is no obligation for the applicant to provide this information or to have a mortgage in place at this stage. Both the legislation and the official guidance online from the governments Right to Buy website lists applying for mortgage or loans after receiving the S125 valuation and offer letter.

The right to buy booklet, produced by the government and available to applicants, has a step-by-step guide which also suggests obtaining a mortgage after receiving the S125 offer letter.

Where funding sources have been listed as loans from friends or family or through inheritance, additional information has been sought, such as what relation the person is to the applicant, and whether there are conditions involved with the loan or gift. Background checks may also be completed on the lender to check that they are not a property developer, or why they might have the funding available which they are willing to gift or loan to someone else.

In the sample where applicants had given a response to say the money was from inheritance, or loan or gift from friend or family, the application file was further interrogated. In all cases there had been additional checks completed on the background of the applicant and the source of funding. Where the Council officers were concerned about the funding the case had been referred to the fraud team.

If the legal team notice any changes to the way the purchase is funded or have concerns themselves, they also have the opportunity to raise it with the fraud team.

#### 4.4.2 **Risk: There may be a deferred resale agreement in place.**

There is a covenant in place which is registered on Land Registry so that when an applicant later goes to sell the property or transfer ownership the covenant will apply. The covenant means that should someone want to sell within ten years of purchasing the property they must offer it back to the Council first; if it is within five years, they have to repay a percentage of the discount.

The Council's RTB webpage does not advise applicants about selling their home back to the Authority if they decide to sell within 10 years of purchasing, nor does it advise about repaying a percentage of the discount. It only provides limited details and refers the enquiry to the government-managed RTB website. When going through the purchasing stage the applicant should be informed of the conditions by their solicitor.

There were no properties that could be recalled as being offered back to the Council before being listed on the open market. The covenant on the property is listed on Land Registry so, when a property is listed for sale or there is a request to transfer the ownership, Land Registry will inform the Council and the sale or transfer can be prevented until the Council accept or decline the buyback opportunity.

No one routinely checks the market for properties for sale that were once Council-owned properties; this is unnecessary due to the covenant on the property and the land registry notification. No buy backs or sales within five years of purchase were identified as part of the audit so the repayment of discount could not be checked.

The Business Support Manager confirmed that it would be unlikely that the Council would buy the properties back as market value would apply. Properties are acquired through new build developments which is cheaper for the Council than buying an older house off the open market.

#### 4.5 **Health and Safety Risks**

##### 4.5.1 **Risk: Vulnerable tenants are taken advantage of.**

If an application is received from a vulnerable tenant, the tenancy officer is asked to contact the tenant and visit them, if possible, to confirm that they are aware of the RTB, that they want the RTB and that they are not being pushed into it by family members against their will and are 'of sound mind'. They are also reminded that if they are receiving housing benefit it will stop and that other benefits may also be impacted. If they are unable to get the tenancy officers to speak and or visit them, the RTB team will call the applicant themselves.

Where it was identified in the sample that the applicant was potentially vulnerable the case file showed that checks had been completed and the tenant had been spoken to or visited.



Where the applicant was behind in rent payments the tenant was provided information in advance of the completion date enabling them time to clear any debt. Any correspondence regarding this was saved in the applicants file.

Where the applicant claimed housing benefit, letters had also been saved to the file showing what had been issued to them to explain that the housing benefit payments would stop on completion of the RTB.

## 4.6 **Other Risks**

### 4.6.1 **Risk: Application processing is delayed.**

The Council's webpage provides some advice regarding RTB. This includes eligibility requirements, and it reminds applicants that not all properties are available to purchase through the scheme. There are a number of links which take the user to a variety of supporting pages and external websites including: an eligibility quiz, in depth information about the scheme (on the government website), and further details about the discount (maximum of £87,200). The pages explain reasons why an application may be refused and provides a link to the application form.

The timeframe for responses, set out in legislation, are also given, allowing the applicant to manage their expectations and keep track of the progress. Legislation specifies that if the Council does not respond in the specified timeframe the applicant can issue a delay notice which could result in additional discount being offered.

A sample of applications received within the last two years was reviewed. The time taken to accept the application took, on average, 16 days and it took an average of 34 days to complete or checks and issue the applicant with an S125 offer and valuation of the property. These averages are well within the timescales specified in legislation (in most cases four weeks to confirm the application and eight weeks to issue a S125).

A sample of cases, where the application had been referred to the fraud team, was reviewed separately. In the last 12 months five cases had been referred to the fraud team. Referrals had been made within 1 to 2 weeks of the application being received. This is after the due diligence checks had been completed internally by RTB officers. In most cases the referral was due to the applicant receiving benefits. Response times from the fraud team were varied and inconsistent, with one being received on the same day as the referral and another never receiving a response (having been referred in October 2021). One was received 23 days later after it was chased up by a RTB officer. The other two responses were received after 48 and 65 days with a request for more information. In these cases the RTB process had continued as the timeframes needed to be adhered to. If the RTB team were to wait for responses there would be penalties for the delays resulting in a larger discount for the applicant. A recommendation was not felt necessary in this case as the delays were discussed with the contract manager for the fraud contract who will ensure that the fraud team are aware of the timeframes set out in legislation and the need to respond in a timely manner.

5 **Summary and Conclusions**

5.1 In overall terms, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Right to Buy are appropriate and are working effectively to help mitigate and control the identified risks.

5.2 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

Richard Barr  
Audit and Risk Manager



# INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager  
**TO:** Safeguarding Lead  
**C.C.** Chief Executive  
Director for Climate Change  
Head of Finance  
Portfolio Holder (Cllr Falp)

**SUBJECT:** Safeguarding  
**DATE:** 2 September 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 Safeguarding is a term used to denote measures which protect the health, well-being, and human rights of individuals. Safeguarding allows children, young people and adults with care and support needs to live free from abuse, harm, and neglect.
- 2.2 Although the primary safeguarding duties fall on Warwickshire County Council (WCC) as the social services authority, Warwick District Council (WDC) has a duty to promote safeguarding awareness and report any concerns. WDC works with multiple agencies to help identify and reduce safeguarding issues across the district.
- 2.3 Under Section 11 of the Children Act 2004, it is stated that Local Authorities and District Councils have a duty to promote the rights, wishes and feelings of children and young people, as well as create safe and healthy environments within all their services.
- 2.4 As included in the Care Act 2014, the Council's safeguarding policy is underpinned by the six principles of safeguarding. These include:
- Empowerment: people being supported and encouraged to make their own decisions
  - Protection: support, protection, and representation for those in greatest need
  - Prevention: taking action before harm occurs
  - Proportionality: proportionate and least intrusive response appropriate to the risk presented

- Partnership: providing local solutions through services working with communities
- Accountability: accountability and transparency in safeguarding practice

2.5 Every member of society has a responsibility to protect and safeguard children and adults from abuse and neglect. By training and educating staff, safeguarding concerns and incidents can be identified early, allowing for quick intervention against concerns of abuse, neglect, and exploitation.

### 3 **Objectives of the Audit and Coverage of Risks**

3.1 The management controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.

3.2 In terms of scope, the audit covered the following risks:

1. Costs of being taken to court/potential fines should the Council be found negligent in the handling of incidents.
2. Non-compliance with legislation.
3. Failure to meet internal/statutory requirements.
4. Lack of safeguarding corporate policy/framework.
5. Inactivity or failure to identify and deal with incidents.
6. Safeguarding reviews not undertaken appropriately.
7. Staff inadequately trained on safeguarding issues, putting service users at risk.
8. Health and safety of children and vulnerable adults not dealt with appropriately.
9. Lack of resources to perform the service.
10. Lack of commitment to deal with the Council's responsibilities, both at senior levels within the Council and by Members.
11. Staff unaware of their safeguarding responsibilities.

3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Significant Business Risk Register has also been reviewed.

3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the 'People' and 'Service' strands of the Fit for the Future Strategy. Without the appropriate measures in place, Council officers may not be able to recognise and report safeguarding concerns.

## 4 **Findings**

### 4.1 **Recommendations from Previous Reports**

4.1.1 The current position in respect of the recommendations from the audit reported in January 2020 was reviewed. The current position is as follows (overleaf):

| Recommendation  | Management Response   | Current Status  |
|---|---|---|
| The 'Safeguarding' homepage should be available with the other team pages rather than only being accessible through the search bar. | The new homepage is due to be launched on the Intranet; it will be easy to locate and will be kept up-to-date.                              | The new Intranet safeguarding homepage was launched on the 14 July 2020.  |
| The whistleblowing policy should be reviewed and corrected with the current information.  | The whistleblowing policy is about to undergo a thorough review and, as part of that process, will be updated with the correct information. | Although a review of the policy was started during 2020, this was never completed. The Audit & Risk Manager has confirmed that no further revisions have been made to the policy since 2020. It was agreed at Audit & Standards Committee (30 August 2022) that the policy would be updated as a matter of urgency. |

## 4.2 Financial Risks

### 4.2.1 Risk: Costs of being taken to court/potential fines should the Council be found negligent in the handling of incidents.

The Intranet has its own page designated to safeguarding which can be found either through the team page or via the search bar. Guidance for staff on how to make safeguarding referrals is contained within this. The guidance has been divided into sub-sections relevant to each safeguarding scenario. Mental Health Awareness, Trans Awareness and Hate Crime Awareness have also been the subjects of recent Intranet publications.

As of April 2022, an extensive list of external organisations and their contact details has been published on the Intranet. A range of services providing support and advice have been outlined; this includes support services for victims of crime, sexual abuse, domestic abuse, and substance misuse. The Intranet also lists useful links to the National Crime Agency, Warwickshire Safeguarding, PREVENT, the modern slavery helpline and ACT (Action Counters Terrorism).

All staff have a moral duty towards safeguarding; it is a societal responsibility to report any concerns regardless of the timescale. Staff who report safeguarding suspicions receive feedback as to whether the report has been actioned; they are rarely provided with more information than this after the referral has been made. PREVENT also promise that any safeguarding concerns referred to them in error will be forwarded to the relevant authority.

It is outlined in the complaints policy that the Council aims to investigate complaints within twenty working days. However, complaints regarding homelessness, children, and young people up to 21 years of age (25 years if

disabled) or where the particular circumstances identify vulnerability, are prioritised, investigated, and reported within five working days.

### 4.3 **Legal and Regulatory Risks**

#### 4.3.1 **Risk: Non-compliance with legislation.**

The most recent safeguarding information and procedure booklets were updated in March 2022. The information document provides safeguarding definitions and cites how to spot warning signs relating to different types of abuse. This document is used in conjunction with the safeguarding procedure manual, which highlights to staff how to report a safeguarding concern. These documents were recently updated to incorporate Stratford District Council's (SDC) safeguarding policies. However, as the merger between WDC and SDC is no longer being pursued, the Safeguarding Lead (SL) has received confirmation that references to SDC can be removed from these documents, providing that the fundamentals of the policies do not change.

#### 4.3.2 **Risk: Failure to meet internal/statutory requirements.**

The Safeguarding Policy has been made available to all staff and has a designated button on the Intranet; this was last updated in July 2020.

#### **Recommendation – References to SDC should be removed from the relevant safeguarding policies.**

The purpose of the policy is to ensure that the Council complies with its legal safeguarding duties. The policy applies to all staff, Members, and contractors of the Council who may come into contact with children, young people, and adults in the course of their work. Contained within this policy is the legal framework and other policy guidance relating to safeguarding procedures. An updated list of contacts has been collated amongst the safeguarding team; this aligns with the details that have been posted on the Intranet.

Intelligence referrals are sent directly to Warwickshire Police. The police have also provided the Council with a basic Counterterrorism briefing that includes how to spot signs of radicalisation.

The safeguarding team are part of numerous groups and partnerships including:

- Child Exploitation Sub-Group
- Warwickshire Safeguarding Partnership Board
- Violence against Women and Girls
- Domestic Violence
- Hate Crime
- Adult and Child Vulnerability

The Warwickshire Safeguarding Partnership issue quarterly bulletins which allow the WDC safeguarding team to keep abreast of recent changes to safeguarding policies and promote forthcoming safeguarding events. An initiative known as the Philomena Protocol was launched in May 2021 to help locate and safely return missing children and young people in care. Warwickshire Safeguarding

have also published a suicide alert crib sheet which educates staff on how to spot when an individual is feeling suicidal. A digital mental platform known as Kooth has been launched to provide a confidential, anonymous space for all young people. It offers free, immediate, online counselling and access to self-help tools such as discussion forums, an online magazine, and an activity hub; this service is available all year round.

The Council also work with the Multi Risk Agency Risk Assessment Conference (MARAC) in order to safeguard victims of domestic violence and abuse. Furthermore, the Council sits on a Domestic Homicide Sub-Group. If an individual residing in the district is killed in a relationship of violence and the death is treated as suspicious, it is referred onwards as a domestic homicide according to a set of criteria. The Community Safety Partnership then assess the death, and an independent chairperson is brought in to examine the case.

#### 4.3.3 **Risk: Lack of safeguarding corporate policy/framework.**

Although there is a corporate safeguarding policy in place, safeguarding considerations should be included within all council policies. Strategic responsibilities lie with the Head of Community Protection, as Strategic Lead Safeguarding Officer and named point of contact.

With regards to the Domestic Abuse Bill, WDC has worked with WCC and Warwickshire Police to conduct a Partnership Impact Assessment. This outlines how the Council's policies meet current legislation. WDC have further developed a Section 11 self-assessment tool which enables the safeguarding team to assess themselves against a set of standards; as of July 2022, the service met twenty-two of the thirty-three standards.

Some service area plans, including Cultural Services, Health and Community Protection, Housing and People and Communications, refer to safeguarding and 'ensuring that the community feel safe' within their Fit for the Future Strategy targets.

**Advisory – Consideration should be given to reminding all service areas to include safeguarding measures within their service area plans.**

#### 4.4 **Reputational Risks**

##### 4.4.1 **Risk: Inactivity or failure to identify and deal with incidents.**

WDC's safeguarding policy outlines the Council's responsibilities, as follows:

- To have specific duties to co-operate with WCC, both in general and in specific cases to safeguard and promote the welfare of children, young people, and adults.
- To be committed to ensuring the needs and welfare of the people they have a duty to keep safe, safeguarding issues are considered by their staff, Members, and contractors in the provision of services and decision-making.
- To be members of the Warwickshire Safeguarding Partnership, together with other local authorities and agencies in the county. Warwickshire Safeguarding ensures that safeguarding measures are met in Warwickshire

and that children, young people and adults are protected from harm and abuse.

- To be responsible for promoting the Council's safeguarding responsibilities under the Care Act 2014 and under Section 11 of the Children Act 2004.

Although there are no specific references to individual staff responsibilities, the safeguarding procedure booklet does state that 'safeguarding is everyone's business and that staff have a duty to report any suspicions.' When and how to act upon safeguarding concerns is then outlined throughout the document.

The team discuss quarterly referrals at safeguarding meetings as well as policy reviews and updates on radicalisation. The referrals log contains information concerning where the referral has come from and any brief details regarding the situation. Upon review of the referrals, it was clear that most referrals made during 2021/22 concerned either homelessness, domestic abuse, or mental health concerns. This same trend has become apparent within the referrals made thus far throughout 2022/2023.

The whistleblowing policy is regarded separately to that of the safeguarding policies. However, it allows staff to come forward and voice concerns regarding the Council without fear of victimisation, subsequent discrimination, or disadvantage. It is intended to encourage and enable employees to raise serious concerns within the Council rather than overlook potential issues.

Whistleblowing essentially protects all staff who may wish to raise an issue. Concerns are generally reported to line managers, although staff can raise issues with whomever they wish.

#### 4.4.2 **Risk: Safeguarding reviews not undertaken appropriately.**

The quarterly referrals data aligns with the referral information reported in the yearly spreadsheet that the safeguarding team maintain. However, the referral information for 2021/22 insinuated that fourteen referrals were made throughout Qtr. 1, where only twelve had been recorded. When discussed with the Customer Involvement Officer (CIO) it became clear that fourteen referrals had indeed been made and there was in fact a miscalculation in the quarterly data. This was a minor oversight which has since been rectified. The number of referrals made in Qtr. 4 of 2021 have, however, been omitted from the data.

**Recommendation – The Qtr. 4 referral data for 2021 should be included in the figures.**

Since 2020, the referral figures have remained fairly consistent. The largest number of yearly referrals made to date is currently twenty; typically, referral numbers tend to range between eleven and thirteen. In order to determine how many referrals have been made in total, the CIO maintains a record of historic data from the previous financial year. Referrals are sent either to the adult referrals team or to the Triage Hub if the referral concerns a child. WDC are copied in on all referrals and any referrals made are stored in an encrypted inbox.

Safeguarding Adult Reviews (SARs) are initiated by Warwickshire Safeguarding when someone with care and support needs dies as a result of neglect or abuse



and there is a concern that the local authority could have done more to protect them. They arrange, where appropriate, for an independent advocate to represent and support an adult who is the subject of a safeguarding enquiry or review. A referral made by a WDC officer is regarded as a professional referral and, for cases relating to an adult at risk, the assumption of Warwickshire Safeguarding is that the family will be told where the referral has come from. If there is a need by Warwickshire Safeguarding to open a SAR or Child Safeguarding Practice Review (previously known as Serious Case Reviews) staff may be called in to give evidence. Reviews concerning a vulnerable adult or child are dealt with by an independent author at WCC. WDC can only participate in these enquiries when called upon to supply information regarding individuals involved in the SAR.

**4.4.3 Risk: Staff inadequately trained on safeguarding issues, putting service users at risk.**

Officers and Members need to be able to recognise and respond to potential safeguarding issues. Basic safeguarding training is mandatory for all staff; this is outlined in the Learning and Development Guide. More in-depth training sessions on domestic violence, PREVENT, child exploitation, autism awareness, victim blaming, county lines, hate crime and transgender rights are also offered.

The Learning and Development Officer (LDO) confirmed that the HR Support Team have been running joint safeguarding training sessions with SDC since the beginning of 2021. The dates of these training sessions are advertised on the Learning Management System until early 2023. If required, a safeguarding Meta Compliance message could be issued to all staff; the most recent of these was distributed in July 2020 and continues to be sent to new starters of the organisation.

**Advisory – Consideration should be given to making basic safeguarding top-up training mandatory for all staff.**

Warwickshire Safeguarding run victim focus training which equips staff with a greater understanding of trauma informed practice and the psychology of victim blaming. Topics have included trauma, blame, shame, Child Sexual Exploitation and Child Sexual Abuse. This training is aimed at staff who work with children and adults who have experienced trauma and/or sexual violence. All staff working with or having regular contact with children, young people and adults are expected to discuss safeguarding at one-to-ones and appraisals, as outlined in the safeguarding information booklet.

In 2021, it was published on the Intranet that the Children's Society were running a series of training sessions and workshops surrounding child exploitation and harm. It was further announced in August 2022 that Warwickshire Safeguarding have launched a new multi-agency training programme that includes sessions on understanding hate crime, preventing radicalisation, domestic abuse, safeguarding and organised crime.

**Advisory - Consideration should be given to reminding managers to discuss safeguarding concerns in 1:1's and appraisals.**

Call operators and taxi drivers are obligated to attend mandatory training on child exploitation; this is outlined in the terms of their licence. Training has also been provided to hotels, B+B's, clubs, hubs, and contractors. Warwickshire Safeguarding have produced four briefings relating to Domestic Violence, Safer Sleep for Babies, Street Harassment and Victim Blaming Language in Child Exploitation. These briefings provide a background on the subjects and outline the ways in which staff can work to prevent incidents of this nature from occurring.

A flowchart is held on file, which gives staff step-by-step instructions on how to handle adult referrals. This document needs updating, as it contains the contact details for staff who either no longer hold that specific job title, or who have left the organisation.

**Recommendation – The adult referral procedure flowchart should be updated to reflect correct staff titles and contact details.**

**Advisory – Although procedure steps are outlined in a separate document, consideration should be given to compiling a procedure flowchart for child referrals.**

#### 4.5 **Health and Safety Risks**

##### 4.5.1 **Risk: Health and safety of children and vulnerable adults not dealt with appropriately.**

DBS checks are not mandatory as the safeguarding team do not physically deal with children or vulnerable adults; their purpose is simply to identify where things are not as they should be. The DBS checker tool is used when deciding if a DBS check is required. If required, they are renewed every three years.

Interviews for new staff are carried out with two officers present and two references are always taken during the recruitment stage. The safeguarding policy refers to recruitment and selection, including the use of DBS checks for relevant roles and references. Under DBS rules, very few roles actually require a DBS check.

Officers are also required to ensure that any contractor or sub-contractor whose work is likely to bring them into contact with children, young people or adults is monitored appropriately. Contractors should either have their own safeguarding policy or comply with the terms of the Councils' policy. It is the responsibility of the manager who is using the services of the contractor to check that a policy is in place and that DBS checks have been made, as necessary.

Upon review of AssessNet, it was found that there was no specific risk assessment in place for safeguarding. It is outlined in both the Significant Business Risk Register and the Neighbourhood Services departmental risk register, however, that there is a risk of 'the public feeling unsafe' and 'failing to manage the health, safety and welfare of the district'.

In terms of media content, still photographs are not taken without justification, and access to recorded material is restricted. All still photographs are securely stored and subject to an audit trail; they are only destroyed when no longer required, unless retained as evidence. The WDC Media team use social media platforms to share carefully desensitised information. The Media team often publish Twitter posts to raise awareness of County Lines and exploitation. The Digital Content & Social Media Officer confirmed that, in regard to photocalls involving residents, individuals are asked to complete a filming and photography consent form, allowing the Council, in specified ways, to use their image. The form outlines the rights of the individual and highlights the ways in which they can contact WDC should they wish to update or remove their consent. This form is then stored with the digital image on the network drive.

There is no reasonable expectation of privacy for events that take place on public land, such as EcoFest. However, the Council do have large A3 signs that are displayed at main information points, advising the public that filming and/or photography is taking place. Individuals wishing to be excluded from filming are advised to approach a member of staff, although to date this has never occurred. Drone photography requires the Media team to complete a Data Protection Impact Assessment (DPIA) that identifies the risks associated with using the drone and capturing footage. This assessment is signed off by the Information Governance Manager, Head of People & Communications and Deputy Chief Executive before the drone is used; this is outlined in the Council's privacy notice.

The Warwickshire Safeguarding Information Sharing Agreement provides a framework to facilitate the appropriate sharing of information between the Warwickshire Safeguarding Partner Agencies. This serves to promote the welfare of children and adults in Warwickshire and protect them from harm. Safeguarding concerns override General Data Protection Regulations (GDPR); if an individual's personal safety is imminently at-risk, staff are required to act even if this breaches GDPR requirements. Any decision to share information is recorded by the Council.

Where possible and appropriate, consent must be sought from the individual before a referral can be made. Permission from a child for referral is not needed unless the child has stated otherwise. Permission is, however, required before staff can make an adult referral. Exceptions to this are in the cases of self-neglect, mental health issues, drug and/or alcohol abuse or where the individual poses an immediate danger to themselves or others.

## 4.6 **Other Risks**

### 4.6.1 **Risk: Lack of resources to perform the service.**

There are nominated safeguarding officers across each department within the Council and these can be found on the Intranet. Staff do not need to obtain approval from the relevant line manager in order to make a referral but, in cases of uncertainty, it is advised that staff speak to the relevant safeguarding officer; some concerns may be reported directly to the SL.

4.6.2 **Risk: Lack of commitment to deal with the Council’s responsibilities, both at senior levels within the Council and by Members.**

There are currently two Members who act as safeguarding champions: Councillor Falp and Councillor Cullinan. They have received mandatory safeguarding training and have the option to seek additional training if they wish. Councillor Falp is also part of the statutory South Warwickshire Community Safety Partnership and has therefore received the relevant training for this.

Feedback is regularly sought from Members. This has helped to identify where further information or support is required. The safeguarding position statement is reported to the Overview and Scrutiny Committee on an annual basis; any policies to be rewritten or changed are reported to the Chief Executive’s Office.

WDC’s safeguarding group, comprising the SL, Member Champions, and Officer Representatives, meets quarterly to discuss updates to the action plan. Local and national safeguarding guidance is evaluated during these meetings and discussions are had as to the role the group plays in improving outcomes for adults and children. The SL regularly reports to the Senior Leadership Team and an End of Term Briefing note is sent to all Councillors.

4.6.3 **Risk: Staff unaware of their safeguarding responsibilities.**

As Head of Community Protection, the current SL is appropriately placed within the organisation to ensure that the topic of safeguarding is given due consideration. Certain officer job descriptions refer to the post holder as being expected to comply with Council policy at all times, in relation to their responsibilities for safeguarding and promoting equality. It is also stipulated in the employee code of conduct that it is a legal duty to ensure, so far as is reasonably practicable, the health, safety, wellbeing, and welfare of everyone in the workplace (including members of the public).

**Advisory – Consideration should be given to appointing a Deputy SL.**

**Advisory – Although not a legal requirement, consideration should be given to advising managers to include safeguarding responsibilities in Council officer job descriptions.**

5 **Summary and Conclusions**

5.1 Section 3.2 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

- Risk 3 – Policies currently still refer to Stratford District Council.
- Risk 6 – Quarterly referral data has not been updated.
- Risk 7 – The procedure flow chart has not been updated.

5.2 Further ‘issues’ were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no risk if the actions are not taken.

5.3 In overall terms, however, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Safeguarding are appropriate and are working effectively to help mitigate and control the identified risks.

5.4 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

## 6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Safeguarding – September 2022

| Report Ref. | Risk Area   | Recommendation  | Rating* | Responsible Officer(s)       | Management Response   | Target Date     |
|-------------|---|---|---------|------------------------------|---|-----------------|
| 4.3.2       | Legal and Regulatory Risks - Failure to meet internal/statutory requirements.                         | References to SDC should be removed from the relevant safeguarding policies.                                  | Low     | Customer Involvement Officer | This recommendation was included in the safeguarding action plan. | 31 October 2022 |
| 4.4.2       | Reputational Risk - Safeguarding reviews not undertaken appropriately.                                | The Qtr. 4 referral data for 2021 should be included in the figures.  | Low     | Customer Involvement Officer | This recommendation was included in the safeguarding action plan. | 31 October 2022 |
| 4.4.3       | Reputational Risk - Staff inadequately trained on safeguarding issues, putting service users at risk. | The adult referral procedure flowchart should be updated to reflect correct staff titles and contact details. | Low     | Customer Involvement Officer | This recommendation was included in the safeguarding action plan. | 31 October 2022 |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

**FROM:** Audit and Risk Manager  
**TO:** Chief Executive  
**C.C.** Head of Financial Services  
Procurement Manager  
Portfolio Holder (Cllr Hales)

**SUBJECT:** Sundry Debtors  
**DATE:** 15 September 2022

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Emma Walker, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 The Purchasing and Payments Team (PAPT) oversee the creation of Sundry Debtor transactions and monitor the debt recovery process. Since the implementation of the Council's new Financial Services Management System (FMS), Ci Anywhere, service areas have been required to raise their own invoices in order to collect debts from 'one-off' charges. Although recurring invoices remain the responsibility of the individual service area, they are administrated, raised, and issued by the PAPT through Ci Anywhere. These include Lifeline rentals, licensing fees and commercial rent and insurance.
- 2.2 The average six-monthly value of debtor invoices processed across the Council using Ci Anywhere is £1,120,000.

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being appropriately controlled or whether there have been issues identified that need to be addressed.
- 3.2 In terms of scope, the audit covered the following risks:
1. Failure to raise sundry debtor invoices resulting in income not being received.
  2. Ineffective recovery of debts.
  3. Creation of duplicate invoices leading to incorrect payments.
  4. Debtors misrepresented in Council's Statement of Accounts.

5. Legal costs could incur for the Council if the debtor does not pay as demanded.
6. Failure to deliver service in a timely manner.
7. Invoices are lost or stored against incorrect ledger codes.
8. Payments against sundry debtors are misappropriated.
9. Collusion with debtors leading to fraudulent invoices.
10. Failure to identify incorrect payments.
11. Loss of IT/access to Finance Management System.
12. Issues with BACS payments resulting in Council taking unnecessary recovery action.

3.3 A 'risk-based audit' approach has been adopted, whereby key risks have been identified during discussions between the Internal Auditor and key departmental staff. The Departmental Risk Register has also been reviewed.

3.4 These risks, if realised, would be detrimental to the Council with regards to achieving the Money strand, as set out in the Fit for the Future Strategy.

## 4 Findings

### 4.1 Recommendations from Previous Reports

4.1.1 The current position in respect of the recommendations from the audit reported in November 2019 was reviewed. The current position is as follows:

| Recommendation   | Management Response  | Current Status  |
|--|--|---|
| <p>1. Except in exceptional cases, which should be agreed by the Head of Finance, invoices should be issued before services have been provided. Where invoices are not issued in advance, the circumstances should be recorded and kept under review by the relevant Head of Service and Head of Finance. Where there is no pre-agreed reason for the delay, the relevant Head of Service should provide authorisation explaining the reason for the delay when submitting the documentation for the raising of the invoice.</p> | <p>A meeting is going to be held to decide how the recommendations will be actioned.</p> | <p>Leamington Lamp Ltd are the only debtor that are legally bound to pay once an invoice has been issued. The Senior Finance Admin Officer advised that this is due to a long-standing agreement within their lease, which stipulates that they will pay rent/service charges one month in arrears. It is, however, generally promoted that invoices should be sent after funds have been received. The Crematorium invoice credit in arrears at the end of each month, but this may change, as they are due to implement their own finance system.</p> |



## 4.2 **Financial Risks**

### 4.2.1 **Risk: Failure to raise sundry debtor invoices resulting in income not being received.**

General user guidance is held on the Intranet outlining how to use the FMS. The PAPT used to run formal monthly training sessions on this, but these have since lapsed. The PAPT have, however, screenshotted task guidance which is added to as and when. Any previous guidance has been rendered obsolete as it referred to the old TOTAL system. Guidance videos are also available on Ci Anywhere and training videos have been supplied on the Intranet regarding basic system guidance.

**Advisory – Consideration should be given to reinstating formal Ci Anywhere training sessions.**

### 4.2.2 **Risk: Ineffective recovery of debts.**

The sundry debtor system covers two types of invoices: one-off invoices and those raised periodically. Whilst the PAPT are given caseloads containing invoices that have not been paid, the responsibility ultimately lies with the service area to chase the debtor directly and take recovery action where necessary.

The Debtors Accounts report was interrogated to collate a sample of debtors for testing. These accounts were then explored to determine whether the invoices raised were paid on time. Testing conducted by the auditor revealed that all twenty samples were paid well in advance of their due date. The payment due dates were also communicated appropriately to the customer on all twenty invoices.

The Council continue to use two debt collectors - Bristow and Sutor are used during the initial stages of recovery and Spratts Endicott Solicitors are used when a case requires legal action. In the event that funds cannot be recouped, the account is then passed back to the Council for review. The PAPT then consult with the service area responsible, to consider both the likelihood and the cost of recovery verses the amount detailed on the invoice. This enables the service area to determine whether legal action is viable. Should the Council decide that payment is still required, Spratts Endicott Solicitors are asked to intervene.

A sample of unpaid invoices was collated from the Outstanding Debt report. The relevant accounts were then investigated to determine whether debtors had received the appropriate reminder letters in a timely manner. Testing revealed that all twenty of the unpaid invoices sampled were sent appropriate reminder letters. One account received a reminder letter twenty days outside of the specified timescale. However, this was due to direct debit issues. There were also some small delays in the distribution of eight reminder letters, although this was not found to be a significant issue, as the letters had been raised to fall in line with postal collection dates. Reminder letters are raised and issued by the PAPT on Mondays and Thursdays, in preparation for the collection of post by Royal Mail on Tuesday and Friday mornings.

**Recommendation – Staff should be reminded to promptly issue reminder letters.**

**4.2.3 Risk: Creation of duplicate invoices leading to incorrect payments.**

The PAPT monitor all outstanding debts and correspond with the relevant service area as and when these debts need chasing. Although the team maintain a current list of debtors, the accounts spreadsheet does not identify if an invoice has been raised against a particular account. This is easily located on the FMS, however, by searching under the relevant debtor account name. Summaries of debt collected by service areas can be produced in order to highlight any immediate issues and determine whether invoices are being raised both promptly and correctly.

Access to the FMS is only available on completion of a new user access request form, authorised by the relevant line manager. On TOTAL, incorrect invoices were previously cancelled. However, through Ci Anywhere, they are now reversed, and a credit note is issued to the customer to advise them that the invoice has been reversed.

Responsible officers and Council service areas are shown both on the invoice and in the additional documentation fields on Ci Anywhere. This was the case for the sample of unpaid invoices tested in which, in all cases, a responsible officer name was held on file.

The Manual Caseload module on Ci Anywhere was interrogated to form a sample of incorrect invoices; ten incorrect invoices were sampled in total. It was found that the account notes all detailed the actions that were taken to rectify the issue and held supporting documentation to justify why these actions were taken. It was noted that one sample held four reversed transactions on the account, albeit that the transactions were supported by appropriate evidence.

**Recommendation - Staff should be reminded to check that invoices are in line with the correct charges before being issued.**

A daily checklist helps the team to ensure that various workloads are completed on time. However, the team are looking to condense this list, as there is now 1 FTE Finance Administration Officer and 1 FTE Senior Finance Administration Officer, where previously there were 2.6 FTE Finance Administration Officers, 1 FTE Senior Finance Administration Officer and 1 FTE Finance Administration Manager.

**4.3 Legal and Regulatory Risks**

**4.3.1 Risk: Debtors misrepresented in Council's Statement of Accounts.**

The PAPT often leave notes on the account to advise that the payment has been acknowledged but that no funds have been allocated. These notes are then sent to Treasury who check that the payments have been assigned to the correct accounts. The Head of Financial Services confirmed that details from the aged debt reports are included in the Finance Service Area Plan; this is updated for

Members quarterly. Since the start of the audit, the Senior Finance Administration Officer (SFAO) has had confirmation from the Head of Financial Services that an evaluation of KPI's has kickstarted; dashboards are being developed so that the relevant figures can be reported on to senior management.

The Principal Accountant and Strategic Finance Manager also regularly ask the PAPT for the amount of aged debt accumulated over 90 days. This enables the accountants to calculate the bad debt provision. The 2021/22 Statement of Accounts will not be released until November 2022 due to them having to be externally audited. The 2020/21 Statement of Accounts, however, does list the amount of income that was received across the financial year from long-term debtors. It also contains a list of write-offs, although it neither outlines whether any recovery action was taken, nor whether a reason for the write-off was supplied.

**Advisory – Consideration should be given to compiling a write-off report which details the amount of monthly debt written off and outlines whether any recovery action has been taken.**

**4.3.2 Risk: Legal costs could incur for the Council if the debtor does not pay as demanded.**

Amongst the recurring sundry debtors' contracts, all but one payment is sought in advance of the services being provided. The exception to this – Leamington Lamp Ltd - can only be recouped after the service has been provided, due to a long-standing lease agreement. During testing, it was found that all twenty sundry debtor payments were made on the day that the invoices were raised. One invoice was originally issued to the wrong company; however, a credit note was later distributed, and the correct supplier invoiced.

Although invoices provide a clear payment due by date, they do not provide any information regarding the event of a non-payment. Reminder letters instead advise the customer to pay as demanded in order to avoid recovery action. The final reminder letter further advises that the costs incurred from referring to a debt collection agency will be charged to the customer. Ci Anywhere automatically generates reminder letters twice a week. In the event of a non-payment, licenses are suspended within seven days. Lifeline customers receive three reminders on account of them being considered vulnerable. In the event of a non-payment, a manual caseload of outstanding Lifeline debtors is sent directly to the Lifeline team. The PAPT cannot chase Lifeline invoices, as there may be extenuating circumstances that have prevented the individual from paying as demanded.

In terms of Assets, two reminder letters are issued before a non-payment is reported to the Building Surveyor. The Building Surveyor is responsible for contacting the lessee to ensure that rent and insurance payments are up-to-date. Commercial Rent is recovered by Bristow and Sutor via the Commercial Rent Arrears recovery process (CRAR). Through this process, the debtor immediately incurs heavy costs, and this process is therefore considered as a last resort.

In terms of BID Levies, individuals are sent two reminders and the list of outstanding debt is then sent to BID Leamington. BID allow the customer two weeks to pay and then decide the next stages of action if funds are not received; this is reviewed periodically by the service area.

Spratts Endicott Solicitors will inform debtors that they are liable for any legal charges; costs due for legal fees are payable directly to the solicitors. Court Summonses are similarly communicated via Bristow and Sutor. Debtors who have incurred debt recovery charges are not currently tracked on the FMS. Monthly summaries are downloaded on the network files which outline the court fees that each debtor has incurred and whether the solicitor has been paid.

**Advisory – Consideration should be given to including a parameter on Ci Anywhere that allows users to see which debtor accounts have incurred recovery charges.**

Bristow and Sutor send through monthly analysis to help determine how many debts have been recovered. These are regularly downloaded and are stored on the network files. Whilst the PAPT are the liaison between the debt recovery agents and the Council, it is ultimately the service area's responsibility to recover any debt relevant to their service.

Debts can be viewed on Ci Anywhere based on age. This determines the live debt per service area and also enables staff to see how many licenses have been suspended. The SFAO has created a 'Debtors Statistics' page on Ci Anywhere which could be used to determine common trends and peaks, although this is not something which is currently performed. The SFAO also monitors outstanding debtor transactions to ensure that recovery is moving forward. It should be noted that, due to staffing issues within the Lifeline team, some overdue Lifeline invoices have not been chased.

#### 4.4 **Reputational Risks**

##### 4.4.1 **Risk: Failure to deliver service in a timely manner.**

As soon as a user creates and then issues a 'one-off' invoice, it is either immediately sent to the customer by email, or to the print room if it is due to go by post; recurring invoices are raised and issued on the first of the month. Testing conducted by the auditor revealed that all of the sampled accounts had been invoiced promptly, with every invoice being raised in advance of a payment request. As sundry debtor invoices are raised on a daily basis, there is very little delay in processing them.

##### 4.4.2 **Risk: Invoices are lost or stored against incorrect ledger code.**

The Principal Accountant confirmed that, currently, there is no document retention policy in place on Ci Anywhere; instead, invoices remain indefinitely on the system. This was not something the accountants discussed with the supplier during the procurement stage but could be reviewed in the years ahead if performance becomes an issue. Due to data migration from the old TOTAL

system, not all documents were available on Ci Anywhere. The Principal Accountant is currently working to migrate accounts receivable (AR) and accounts payable (AP) data to Ci Anywhere, over the course of the next few months. The service has developed a Total Viewer in which all AP invoices received, and AR invoices sent via Total Mail, can be viewed based on old supplier numbers. Posted invoices are not retained on the database and so it is not possible to view these. The Total Viewer is only available to the Accountancy, PAPT and Audit Teams.

Individuals paying via CAPITA, or All Pay are required to quote the invoice number provided on the receipt. This allows funding to be correctly allocated to the appropriate invoice and placed against the correct ledger code on Ci Anywhere. Testing conducted by the auditor, revealed that all twenty debts sampled, corresponded with the correct general ledger codes and payments were accurately reflected in the Council's accounts.

Ci Anywhere lists the number of responsible officers who have current access to the system and their authorisation limits. The Head of Financial Services has also confirmed the levels of authorisation regarding debt write-offs; for larger debts, a more senior member of staff is required.

Payments without an invoice number are transferred into suspense listing; this is a database of all payments which have not been assigned to an account, or those which have been issued against incorrect invoices. At the time of the audit, twenty payments were held in suspense listing and fifteen licenses had been suspended. Whilst payments made through CAPITA must also quote the invoice number, this is not a requirement for BACS payments and therefore incorrect invoice numbers are often quoted by the customer. Incorrect invoice payments are sent to Treasury to be correctly allocated; remittances are also sent to Treasury or forwarded on from the PAPT. During testing it was found that all of the twenty invoices sampled had been uniquely and consecutively numbered.

## 4.5 **Fraud Risks**

### 4.5.1 **Risk: Payments against sundry debtors are misappropriated.**

Previously, prior to an invoice being raised, a new debtor request was made by the relevant service area through a form held on the Intranet. However, this procedure has been discontinued. Instead, it is the individual user's responsibility to raise an invoice; service areas are responsible for managing their own debtors directly through Ci Anywhere.

The old TOTAL ledger codes have been converted to usable Ci Anywhere codes and a link to these is held on the Intranet.

### 4.5.2 **Risk: Collusion with debtors leading to fraudulent invoices.**

Reports are run in three-month stages; these monitor all outstanding debtor transactions. Age debtor reports are run once a month and these include all outstanding payments to date, including overdue invoices and reminder letters. These can be split into 30-, 60-, 90- and 120-day periods.

Some invoices are sent via post if the customer does not have access to email. BID invoices are also sent by post and booklets are attached for the customer's information. The SFAO frequently downloads an outstanding debt report to confirm that recovery action has progressed correctly. From this same report, the SFAO then identifies any debts that have received reminder letters and manually adds these to the PAPT caseload to review and action accordingly.

As aforementioned, service areas are responsible for checking that their own invoices are correct. Whilst they have the ability to raise their own invoices, individual users cannot set up direct debit payment plans; only the PAPT are able to do this as they remain the central point of communication with the banks. There are currently between 800 and 1000 live Lifeline accounts - only thirty-six of which are in arrears. Certain BID accounts are in arrears dating back two years; however, these have come about as a result of businesses having to close during the COVID-19 pandemic.

The Debtor Accounts report was examined to determine whether, as per government guidelines, invoices included all required details. Testing concluded that all twenty of the invoices sampled included the Council's details, debtor details, the invoice date, the VAT (where applicable), the invoice amount, and the goods or services this covered. The invoices also supplied an all pay bar code and payment instructions for the debtor.

Five of the twenty tested invoices did not include the dates that the goods were supplied. However, they did include reference numbers to the relevant licenses, planning and building control applications and purchase orders, which confirmed the dates that the goods were supplied.

**Advisory – Consideration should be given to including the date the goods were supplied on all invoices.**

If an invoice has been raised incorrectly, the PAPT will often speak with the officer responsible and ask them to rectify any errors. The PAPT rely on instructions from the relevant service area to advise them that a debtor is ready to be set up on the system. Lifeline customers set up direct debits with the Lifeline team; these details are sent through on a form to the PAPT.

The Licensing team perform their own checks on sundry debtors, as they have a management system in place which administers the bills. Within the Assets team, legal and commercial leases are subject to approval before they can be loaded onto the system; assets debts are managed by the Building Surveyor.

Spreadsheets are sent by the PAPT to individual teams, making them aware of the outstanding debt within their service area. If a payment is received after a licence has been suspended, a letter must first be sent to the debtor, advising them that their license has been reactivated.

**4.5.3 Risk: Failure to identify incorrect payments.**

The PAPT are unable to delegate the amount at which an invoice should be raised. Previously, the lowest amount an invoice could be raised for was £10.

Although old annual invoices are raised at £9.30 per year, these are automatically generated and so do not pose any specific problems. If an invoice amount were particularly low, the PAPT would question this before issuing the invoice.

Debts are only written off once confirmation from the service area that issued the invoice has been received. The Financial Services network files were interrogated, in order to find a sample of debts that had recently been written off. These accounts were then explored further to ascertain whether the write-offs had been evidenced via supplementary documentation. Sixteen invoices were sampled during testing; fourteen of these all had appropriate write-off forms on file. The two outstanding accounts did not hold forms due to a lack of data migration from TOTAL. Although a certificate was held on the system, one write-off transaction had not received any authorisation. Reasons were, however, provided on all sixteen samples as to why the write-off had been performed.

Currently, there are no Debtor Reconciliation Reports undertaken by Treasury. The Assistant Accountant used to conduct a separate debtors reconciliation through TOTAL, but this process is no longer carried out through Ci Anywhere. The Principal Accountant did confirm, however, that he is in the process of setting this up with a Ci Anywhere consultant and it should be available by late August. In the meantime, the PAPT are continuing to monitor all debtor accounts.

#### 4.6 **Other Risks**

##### 4.6.1 **Risk: Loss of IT/access to Finance Management System.**

There is currently no back-up system in place in the event of a Ci Anywhere system failure. There were issues with CAPITA payments when Ci Anywhere was first introduced, whereby debtors could not pay into CAPITA and had to use alternative methods of payment. In the event of system failure, payments can still be received but invoices cannot be issued.

##### 4.6.2 **Risk: Issues with BACS payments resulting in Council taking unnecessary recovery action.**

In the event that the BACS system should fail, instructions on how to alternatively pay outstanding debts are outlined to the customer via the invoice. The PAPT are also able to place individual transactions or entire accounts on hold, if appropriate. In doing so, this prevents reminder letters from being sent unnecessarily. Testing revealed that there are currently only three accounts on hold. In all three cases, supporting notes were held on file and both the Building Surveyor and BID Leamington were made aware of these.

## 5 **Summary and Conclusions**

### 5.1 Section 3.2 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 2 – Reminder letters may not be issued in a timely manner.

Risk 3 – Invoices may not be charged in line with the correct fees.

- 5.2 Further 'issues' were also identified where advisory notes have been reported. In these instances, no formal recommendations are thought to be warranted, as there is no risk if the actions are not taken.
- 5.3 In overall terms, however, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Sundry Debtors are appropriate and are working effectively to help mitigate and control the identified risks.
- 5.4 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

## 6 **Management Action**

- 6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager



## Action Plan

## Internal Audit of Sundry Debtors – September 2022

| Report Ref. | Risk Area   | Recommendation  | Rating* | Responsible Officer(s)                | Management Response   | Target Date      |
|-------------|---|---|---------|---------------------------------------|---|------------------|
| 4.2.2       | Financial Risks - Ineffective recovery of debts.                                | Staff should be reminded to promptly issue one-off invoices and reminder letters.                         | Low     | Senior Finance Administration Officer | PAPT issue reminder letters for all debts which are run twice a week. Users are only responsible for issuing one-off invoices, which should be done promptly. A reminder will be issued to staff ASAP. This will also be included as a yearly Intranet reminder as part of the year end process. The Debtor Intranet page contains information on how to raise invoices prior to services being delivered. However, some information/FAQs on the intranet page are showing as old Total processes which will need updating. | 30 November 2022 |
| 4.2.3       | Financial Risks - Creation of duplicate invoices leading to incorrect payments. | Staff should be reminded to check that invoices are in line with the correct charges before being issued. | Medium  | Senior Finance Administration Officer | Reminder to staff to be written up and issued ASAP. A yearly reminder will be included within year end guidance and on annual Intranet posts. Debtor Intranet page to be updated.   | 30 November 2022 |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

**FROM:** Audit and Risk Manager                      **SUBJECT:** Sustainability and Delivery Outcomes

**TO:** Director for Climate Change                      **DATE:** 12 September 2022

**C.C.** Chief Executive  
Head of Finance  
Portfolio Holder (Cllr Rhead)

---

## 1 Introduction

- 1.1 In accordance with the Audit Plan for 2022/23, an examination of the above subject area has recently been completed by Jemma Butler, Internal Auditor, and this report presents the findings and conclusions for information and, where appropriate, action.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

## 2 Background

- 2.1 This is the first audit under the new title of Sustainability and Delivery Outcomes, previously called Sustainability and Climate Change. Previous audits had looked at the actions and outcomes of the Sustainability Officers Group (SOG). SOG are responsible for delivering sustainability internally at the Council, with their tasks mostly supporting the Climate Change Action programme.
- 2.2 In 2019 Warwick and Stratford-on-Avon District Councils both declared a climate emergency. This resulted in a joint Climate Change Action Programme which was agreed by Cabinet in November 2021. This programme sets out the ambitions of the Council and the actions to help achieve those ambitions. With a number of potential risks identified across the ambitions it was felt that it was more appropriate to review the bigger picture rather than the work of the SOG team.

## 3 Objectives of the Audit and Coverage of Risks

- 3.1 A 'risk-based audit' approach has been adopted whereby key risks have been identified during discussion between the Internal Auditor and key departmental staff and upon review of the Significant Business Risk Register and the relevant Departmental Risk Register.
- 3.2 The management and financial controls in place have been assessed to provide assurance that the risks are being managed effectively. The findings detailed in the following sections confirm whether the risks are being controlled appropriately or whether there have been issues identified that need to be addressed.

3.3 In terms of scope, the audit covered the following risks:

1. The funds are not available to meet the climate emergency aims.
2. The joint approach with SDC fails due to political differences.
3. Failure to meet climate change ambitions.
4. The climate aims set out in the Business Strategy are not met.
5. The Council will not meet the aim of being net zero by 2025.
6. Data used to monitor progress is out of date.

3.4 These risks, if realised, would be detrimental to the Council with regards to meeting the following corporate objectives, as set out in the Fit for the Future Strategy:

- The work in this area cuts across the different strands of the FFF strategy for both the internal and external elements, ranging from direct impacts relating to air quality under the external Services strand to the reduced energy costs under the internal Money strand.

## 4 Findings

### 4.1 Recommendations from Previous Reports

4.1.1 The previous audit covering the subject of Sustainability and Climate Change was carried out in March 2018. The current position in respect of the previous recommendations have not been reviewed as part of this audit as they were no longer relevant.

### 4.2 Financial Risk

#### 4.2.1 **Risk: The funds are not available to meet the climate emergency aims.**

The funding for climate emergency projects are largely grant-based or match-funded. Various grants have already been applied for and obtained with other upcoming grants noted enabling timely applications to be submitted. The grants often have stipulations in place which determine how the funding is used or when it must be used by.

Climate agenda budgets are split across the service areas and are managed by different officers. A review of the budgets managed and monitored by the Assets and Housing services was carried out. Budget managers were identified and it was confirmed that monthly budget meetings were held with the nominated accountant. These budgets identify funds for decarbonisation works and climate change projects such as: installation of solar PV panels or heat source pumps.

Not all budget managers were identified across other service areas which meant that relevant budget codes and details of the funding could not be reviewed. The Principal Accountant did confirm that budget meetings are frequently held with budget managers so the accountants would be able to highlight any overspend or concerns.

The Principal Accountant confirmed that one of the finance actions in the Climate Change programme had been completed early. Equity funds, which had exposure to fossil fuels, had been divested in Sep 2021.

From a sample of planned projects within Housing Services future budgets had been considered and plans were in place to apply for various grants and programmes to help support the funding of the projects. Some future projects are currently unfunded, a range of sources are being explored, including: CIL, grants and partnerships with other councils.

#### 4.3 **Reputational Risks**

##### 4.3.1 **Risk: The joint approach with SDC fails due to political differences.**

The Climate Change Action Programme Risk Register highlights the risk of politically different priorities and appetites between WDC and SDC when addressing the ambitions. There are a number of controls in place to manage this risk. These include: a working group – established to discuss shared priorities; Flexibility built into the programme – enabling different priorities to be worked on at different times; regular communication between the Councils and the Portfolio holders.

Over the last year, with the Councils working towards a merger, joint climate plans were being worked on. Now that the merger has been withdrawn the plans are under review with shared governance arrangements being considered to oversee the delivery and deployment of the programme.

The Director for Climate Change regularly attends the Climate Change Panel at SDC to report on the progress made on the joint ambitions. He is currently in discussion with SDC over agreeing a way forward, reviewing the options for working together.

There is a working group in place which facilitates communication between the Councils. The Climate Emergency Programme Advisory Board meets on a regular basis to discuss the priorities and to review the progress against the plan.

With the regular communication between the Councils, any political differences should be highlighted early enough to adapt approaches and plans to help the Councils achieve their joint ambitions. The discussions and reviews being had to help the Councils work together, now the merger isn't happening, will help to set and agree policies to guide the decision making when differences are identified.

##### 4.3.2 **Risk: Failure to meet climate change ambitions.**

The Climate Change Action Programme was approved at Cabinet on 4 November 2021. It set out three ambitions:

- Ambition 1 - Net Zero Carbon Council 2025: ensure the new South Warwickshire Council is net zero carbon within a year of its first elections and that services provided through contractors include carbon reduction targets to deliver net zero by 2030 (date shown as in the report).

- Ambition 2 – Low Carbon South Warwickshire 2030: to reduce net carbon emissions from across South Warwickshire by a minimum of 55% by 2030 and, alongside this, plan how to further reduce carbon emissions to net zero by 2050.
- Ambition 3 - Adaptation 2050: by 2050 to enable our environment and communities to have adapted to the potential of at least a three degree rise in global temperatures by 2100.

The paper sets out the budget that is available - £500,000 per annum for 2022/23 and 2023/24. The priorities for spending the budget are also clearly defined.

- Ambition 1:  
WDC buildings heat decarbonisation.  
EV charging infrastructure for council fleet vehicles.
- Ambition 2:  
Ecar club set up.  
Improved advice and support for landlords and homeowners including targeted service for “warm zones”.  
Study into embodied carbon to inform future policy.  
Complete NZC DPD (already agreed).  
New House Farm and Solar Farm Project Officer (already agreed).  
Feasibility study for hydrogen production (already agreed).  
Resource to prepare hydrogen bid for Government funding.
- Ambition 3:  
Climate Adaptation Project Officer.  
Large scale tree planting and biodiversity partnership.
- Other:  
Community Engagement and Communications.  
Programme Officer.

Each ambition has a detailed plan to accompany it. The plans identify a number of key attributes: the commitment, the action, start and end date and the responsible service area or officer. There are no check points noted but the plan is broken down into smaller projects and aims with target dates which could be used as progress checkpoints for the overall ambition. The plans would benefit from a review as some of the dates have been mistyped with finish dates set before the plan was in place / approved and some themes and target dates have been omitted altogether. Without reliable data the actions on the plans are not measurable, which will render monitoring and reporting ineffective.

## **Recommendation**

**The climate plans that are in place should be reviewed to ensure that actions, aims and target dates are correct and measurable.**

The Significant Business Risk Register was reviewed and it was noted that there were two risks identified regarding the achievement of the Climate Change Ambitions. These were failure to meet District’s ambition to be carbon neutral within specified timeframes and failure to adequately prepare for the impacts of

climate changes arising from higher global temperatures. The controls in place were to create and deliver an action plan and to incorporate a detailed risk register to manage the risks associated with delivery of the programme.

Both an action plan and a risk register for the climate change ambitions has been produced and approved. The register identified a number of potential risks that would impede the completion of the plans as well as the controls in place that could reduce the likelihood and / or impact of the risks.

A main control identified within the risk register was to monitor and keep track of the actions on the plan. As mentioned previously, with there being some missing or inaccurate data on the plan, monitoring and measuring progress will be difficult to undertake.

A selection of actions across the plan were inquired about, to find out about the progress made and whether they were on target to be completed by the target date.

It was determined that there are a number of larger actions which are on course to complete by the target completion date. These include the feasibility study for a hydrogen hub, installation of air source heat pumps and solar PV panels. There are also a number of actions that are unlikely to be completed on time due to lack of ownership for the actions. Where an officer or service area has been highlighted as responsible for the action there were a few cases where there was no knowledge of the action or it was not an action the role or service area could achieve. Further actions were incomplete due to the lack of funds available or the actions were unable to meet the requirements and needs of the service.

There currently is not a methodical approach to monitoring the plan. The appointment of a Climate Change Programme Officer, however, should result in the plan being monitored and reported to scrutiny committee on a regular basis. Currently, reports to scrutiny are every 6 months and there are weekly meetings held with the portfolio holder.

The Climate Change Programme Officer job description sets out clear objectives for the role including: monitoring and reporting the progress of the ambitions, making funding bids, assisting with partnership meetings and keep track of changes to external policies. The introduction of the new role provides an opportunity to review the plan and ensure all responsibilities are shared and agreed with the relevant staff member.

## **Recommendation**

**The list of service areas and/or officers with designated responsibilities on the Climate Change ambitions plans should be reviewed and responsibilities communicated to those services/officers so they are aware of the actions that they are responsible for.**

#### 4.4 **Health and Safety Risks**

##### 4.4.1 **Risk: The climate aims set out in the Business Strategy are not met.**

WDC's Business Strategy 2020/23 begins with a statement that includes a mention of the Council's climate aims: "to make Warwick District a great place, to live, work and visit, and be carbon neutral by 2030". This statement differs from the climate emergency agenda which sets ambitions of "net zero carbon Council by 2025" and "low carbon south Warwickshire by 2030" and the Climate Emergency declaration which states "[...]Warwick District to be as close to zero by 2030".

Carbon neutral refers to a policy of not increasing carbon emissions and of achieving carbon reduction through offsets, while net-zero carbon means making changes to reduce carbon emissions to the lowest amount – and offsetting as a last resort. Although they do not quite mean the same thing, they have a similar end result and are often used interchangeably. For the purpose of the audit it has been presumed that the above statement of "carbon neutral" has been used instead of "net zero carbon", based on the actions within the climate emergency agenda and aims set out in the business strategy.

There is an inconsistency with date used for the ambition of the Council being net zero carbon both in the business strategy, the climate emergency agenda and in the Climate Change Action Programme (as mentioned in para. 4.3.2). On some occasions the target date is 2025 and in others it is 2030. In some cases this just appears to be a lack of clarity when using "we" which could be interpreted as the "organisation" or the "district". In further conversation with the Director for Climate Change it was noted that moving forward this should not be an ongoing issue as a report to committee in November 2021 clarified the ambitions and the wording. Older documents have not been updated but future documents should be consistent with the agreed report.

The Business Strategy sets out a number of aims and initiatives with reference to sustainable, environmental and climate issues throughout the document. The initiatives set out are all in line with the climate change action programme, from overall ambitions of becoming a net zero carbon organisation by 2025 to smaller initiatives like expanding the provision of cycle ways in parks and cycle storage facilities in towns. Once the Climate Change Programme Officer role has been implemented the climate plan will be fully monitored.

Progress against the Business Strategy is monitored by members of the senior leadership team. The actions and aims are carried through into the service area plans which are monitored, reviewed and reported throughout the year.

#### 4.5 **Other Risks**

##### 4.5.1 **Risk: The Council will not meet the aim of being net zero by 2025.**

Ambition 1 of the Climate change action programme is for the Council to be net zero by 2025. To complete this ambition there are various themes, actions and target dates set out in the plan for Ambition 1.

The themes include (but are not limited to): decarbonising council buildings, council travel and council contracts; and moving council investments away from fossil fuels. As the ambition has an aim to be completed by 2025, in order to ensure that the Council is on track, there should be clear progress made with some actions complete or near completion.

A sample of actions on the plan was reviewed. The sample was chosen based on the target completion dates having passed or due within the current financial year.

Fourteen Council officers were contacted and asked about the actions they were responsible for and the progress made on them. A response was received from ten of the officers. There were 25 actions enquired about and responses received provided updates or information for nineteen of them. Nine of these actions had been completed or were on target to complete. Responses were received for a further ten which provided varied feedback: Some of these were not yet started, some were not possible to complete due to funding restrictions or service requirements, and in some cases there were actions for which the responsible officer was unaware of their responsibility.

The lack of data collected makes it difficult to assess the likelihood of the risk identified happening. From the data collected there were eighteen actions which were either past the target completion date or were due to be completed this financial year - nine of these had either been completed or were on track to be completed. Using this sample there is a chance of the ambition being just 50% completed by the target date.

Due to the lack of responses additional information was sought. The Sustainable Transport Project Officer provided details for the audit which shows there are a number of other actions on track. The Climate Action Team meet on a weekly basis, allowing them an opportunity to prioritise work and review progress of the plans. The team then meet on a monthly basis with the Climate Emergency Advisory Board. The meeting minutes were shared with the auditor providing an outline of the discussions held and the updates provided.

The implementation of the Climate Change Programme Officer will ensure that there is ongoing monitoring of the ambitions, thus giving them the best chance of being achieved.

### **Recommendation**

#### **Officers should be made aware of their responsibilities for actions on the Climate Change plans. (Repeat of recommendation at 4.3.2)**

One of the completed actions resulted in an update to the Council's Procurement Code of Practice and to the Procurement Strategy to include environmental objectives and CSR (corporate social responsibilities). The research completed for this audit showed that, in many cases, where climate ambitions had been incorporated into contracts, contract managers were not monitoring and reviewing them as part of the KPI's. The Council currently has over 300 contracts in place. Ensuring that climate commitments are completed will make a positive impact towards the achievement of the Council's climate ambitions.



## **Recommendation**

**Contract managers should be made aware of their responsibilities when monitoring contracts and should be trained appropriately to have the skills needed to monitor and review KPIs.**

### **4.5.2 Risk: Data used to monitor progress is out of date.**

Organisational data is collated by The Sustainability, Energy and Engagement Lead Officer and gathered from a variety of sources. The current data used is for 2020/21; data is about to be collated for 2021/22.

District data is collected through SCATTER (scatercities.com), a tool for local authorities. Drawing data from a large range of data sets (many national), there is a significant time lag. The current data is from 2018 and the next extraction will be data for 2019. The data is useful to see an overview of the area but too generic for some of the specific actions and ambitions.

The data provided by scatter cities may not be relevant to monitor the climate ambitions within Warwick District. With the data being around three years old by the time it is updated, the impact from the ambitions may not be realised for a number of years.

The risk of data being irrelevant or out of date has not been considered on the Climate Change program risk register and, consequently, no controls have been implemented.

## **Recommendation**

**Consideration should be given to including the risk of out-of-date data or data that is not useful on the risk register, with the identification of appropriate controls to manage these risks.**

Together, both the organisational and District data provide a carbon baseline to measure changes against. Various attributes are included allowing monitoring and enabling comparisons to be made when reviewing the impact of the actions completed. The attributes include a breakdown of CO2 emissions for: energy used, water, staff travel, waste collection, street cleansing and leisure centres within the district.

It has been recognised on the risk register that there is a risk of increased costs to support adaptation to the impacts from climate change. To mitigate this, MET office data will be obtained and evaluated. This will increase the volume of data collected which in turn will help to prioritise the actions and inform the officers of any adjustments needed to be made to the plan.

Once in post, the Climate Change Programme Officer will be responsible for updating and collating the data required to monitor the impact of the ambitions.

## 5 Summary and Conclusions

5.1 Section 3.3 sets out the risks that were being reviewed as part of this audit. The review highlighted weaknesses against the following risks:

Risk 3 - Failure to meet climate change ambitions.

Risk 4 - The climate aims set out in the Business Strategy are not met.

Risk 5 - The Council will not meet the aim of being net zero by 2025.

Risk 6 - Data used to monitor progress is out of date.

5.2 In overall terms, however, we can give a SUBSTANTIAL degree of assurance that the systems and controls in place in respect of Sustainability and Delivery Outcomes are appropriate and are working effectively to help mitigate and control the identified risks.

5.3 The assurance bands are shown below:

| <b>Level of Assurance</b> | <b>Definition</b>   |
|---------------------------|---|
| Substantial               | There is a sound system of control in place and compliance with the key controls.   |
| Moderate                  | Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls. |
| Limited                   | The system of control is generally weak and there is non-compliance with controls that do exist.  |

## 6 Management Action

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager

## Action Plan

## Internal Audit of Sustainability and Delivery Outcomes – July 2022

| Report Ref. | Risk Area                                 | Recommendation   | Rating* | Responsible Officer(s)   | Management Response   | Target Date |
|-------------|---|--|---------|--|---|-------------|
| 4.3.2       | Failure to meet climate change ambitions. | The climate plans that are in place should be reviewed to ensure that actions, aims and target dates are correct and measurable.   | Low     | Programme Director – Climate Change (PDCC) and Climate Change Programme Officer (CCPO) | Agreed. The climate plans will be reviewed as an early action for the CCPO when he starts on 1 September.   | 31/10/22    |
|             |   | The list of service areas and/or officers with designated responsibilities on the Climate Change ambitions plans should be reviewed and responsibilities communicated to those services/officers so they are aware of the actions that they are responsible for. | Medium  | PDCC and CCPO  | Agreed. Actions will be reviewed and officers will be reminded of their responsibilities as an early action for the CCPO when he starts on 1 September. | 31/10/22    |

| <b>Report Ref.</b> | <b>Risk Area</b>   | <b>Recommendation</b>   | <b>Rating*</b> | <b>Responsible Officer(s)</b> | <b>Management Response</b>  | <b>Target Date</b> |
|--------------------|--|---|----------------|-------------------------------|---|--------------------|
| 4.5.1              | The Council will not meet the aim of being net zero by 2025. | Officers should be made aware of their responsibilities for actions on the Climate Change plans. (Repeat of recommendation at 4.3.2)  | Medium         | PDCC and CCPO                 | Agreed. Officers will be reminded of their responsibilities for the actions on the plan as an early action for the CCPO when he starts on 1 September.  | 31/10/22           |
| 4.5.1              | The Council will not meet the aim of being net zero by 2025. | Contract managers should be made aware of their responsibilities when monitoring contracts and should be trained appropriately to have the skills needed to monitor and review KPIs.            | Medium         | PDCC                          | Agreed. Contract managers will be reminded of their responsibilities. The procurement process also highlights the need to review and monitor KPIs.      | 31/12/22           |
| 4.5.2              | Data used to monitor progress is out of date.                | Consideration should be given to including the risk of out-of-date data or data that is not useful on the risk register, with the identification of appropriate controls to manage these risks. | Low            | PDCC and CCPO                 | Agreed. The risks identified on the risk register will be reviewed and updated as needed as an early action for the CCPO when he starts on 1 September. | 31/10/22           |

\* The ratings refer to how the recommendation affects the overall risk and are defined as follows:

High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.