

A meeting of the Finance and Audit Scrutiny Committee will be held at the Town Hall, Royal Leamington Spa on Tuesday 20 August 2019 at 6.00pm.

Membership:

Councillor J Nicholls (Chair)

Councillor L Bartlett

Councillor S Syson

Councillor J Dearing

Councillor N Tangri

Councillor R Dickson

Councillor J Tracey

Councillor O Jacques

Councillor T Wright

Councillor V Leigh-Hunt

Vacancy – Whitnash RA

Emergency Procedure

At the commencement of the meeting, the emergency procedure for the Town Hall will be announced.

Agenda

Part A – General Items

1. Apologies & Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

3. Minutes

To confirm the minutes of the meetings held on 30 July 2019

(Pages 1 to 6)

Part B - Audit Items

4. **Internal Audit Quarter 1 2019/20 Progress Report**

To consider a report from Finance

(Pages 1 to 29)

5. **Risk Management Annual Report**

To consider a report from Finance set out on the Executive agenda for 20 August 2019
(Circulated separately)

Part C – Scrutiny Items

6. **Housing & Property – Service Area Update**

To consider a report from Housing

(42 Pages)

7. **Update on Action Plan following Review of Closure of Accounts**

To consider a report from the Deputy Chief Executive (AJ) set out on the Executive agenda for 20 August 2019
(Circulated separately)

8. **Review of the Work Programme and Forward Plan**

To consider a report from Civic & Committee Services

(Pages 1 to 12)

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You can e-mail the members of the Committee at

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The agenda is available in large print on request, prior to the meeting, by telephoning (01926) 456114

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 30 July 2019 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Nicholls (Chair); Councillors; Bartlett, J Dearing, R Dickson, Jacques, Kennedy, Leigh-Hunt, Syson, Tracey and Wright.

33. **Apologies and Substitutes**

- (a) there were no apologies; and
- (b) Councillor Kennedy substituted for Councillor Tangri.

34. **Declarations of Interest**

There were no declarations of interest made.

35. **Minutes**

The minutes of the meeting held on 9 July 2019 were taken as read and signed by the Chairman as a correct record.

36. **Statement of Accounts and Audit Findings Report 2018/19**

The Committee received a report from Finance that sought approval of the 2018/19 Audited Statement of Accounts and presented the External Auditor's Audit Findings Report.

The draft 2018/19 Statement of Accounts was published on the 31 May, in line with the official deadline. The accounts had been subject to audit by Grant Thornton, the Council's external auditors.

The Audit Findings Report from Grant Thornton detailed that the audit of the accounts had gone well. The working papers were subject to review and authorised by Principal Accountants prior to submission to the auditors in accordance with agreed deadlines. The responses to subsequent questions from the auditors were given priority.

There had been some minor changes to the accounts proposed by Grant Thornton, as detailed within their report. The most significant of these changes was the categorisation of the Community Infrastructure Levy income received in 2018/19. Last year was the first that this income was received by the Council. Officers recognised the incorrect categorisation of this income and alerted the auditors to this. It had been agreed that this should be adjusted before the accounts were finalised, but it did not have any impact on the Council's overall resources.

At the Finance and Audit Scrutiny Committee meeting on 9 July, there was discussion on two outstanding pensions rulings, the McCloud judgment and GMP indexation, that could impact on the 2018/19 accounts. These were both discussed in more detail within the Audit Findings Report. Based on

the figures from the actuary, the pensions liability within the Accounts of £48m (as reflected in the Pensions Reserve) was understated by £1.089m.

The pensions fund was undergoing the triennial revaluation as at 31 March 2019. The results of this revaluation would inform the Council's pension fund contributions for the next three years. In common with many funded pension schemes, there was a deficit on the Warwickshire Local Government Pension Scheme. As the liabilities on the scheme would not all materialise for many years (notably when current employees eventually draw their pension), a "recovery period" of 25 years was agreed with the actuaries. This meant that the additional contributions were made over future years to meet the deficit. Authorities had been making additional contributions towards the deficit for some years. The Council's Medium Term Financial Strategy allowed for increases in the pension contributions (on top of inflationary increases) of an additional £84,000 per annum.

The extra liability from the recent pensions rulings would be taken into account as part of the triennial revaluation. Accordingly, this increase would be spread over many future years. It would not present an additional revenue burden to the Council in one year.

As part of the audit, the auditors had agreed a materiality threshold of £1.2m. The pension adjustment was the only proposed "unadjusted misstatement", this being £1.089m. If the adjustment were to be made, more detailed additional information would be required from the actuaries, so requiring additional work by accountants and auditors, with some additional costs. Due to the accounting treatment for pensions, any adjustment to the service accounts within the Comprehensive Income and Expenditure Statement within the accounts would be reversed out. It would not impact on the sums due to be paid to the pension fund.

For the above reasons, it was proposed not to adjust the pensions figures within the accounts which auditors would accept at this time. Many other local authorities were understood to be taking this stance. Therefore, the Committee was recommended to approve non-adjustment in respect of the McCloud judgment and GMP indexation.

The Council's Constitution stated that the Finance and Audit Scrutiny Committee would be the Council's audit committee. In November 2016, the Constitution was updated so that this Committee had authority to approve the Council's Statement of Accounts each year.

The audit of the accounts was virtually complete, with the Audit Findings Report from the external auditors having been issued. Consequently, Members were asked to approve both the letter of representation and the Audited Statement of Accounts.

A review of the closedown and production of the 2018/19 Accounts was currently on-going. Details of this, and planned actions for the 2019/20 Accounts, was due to be reported to members in November.

Having the audited accounts signed off by the 31 July deadline was a major achievement. This had entailed hard work by the Accountancy Team and from officers across the Council, and from the external auditors. The close working from all involved had been important in enabling the Council to get to this position.

The Committee welcomed the comments from Grant Thornton on the accounts and working relationship with all officers. The Committee commended clear presentation of information when requested. The Committee also commended the team for recovery from failing to close the accounts on time in 2018.

In response to questions from the Committee, it was confirmed that:

- both the accounts and value for money statement were unqualified;
- all outstanding work on the accounts had been completed;
- there were some recommendations on the valuation timing and methodology which officers would be taking forward;
- new procedures and processes had been introduced within the team to share the work load more effectively;
- additional training had been provided for all officers on the closure of accounts;
- in respect of succession planning, the two officers who would be retiring had been shadowed by their replacements and combined with the new procedures and action plan should see accounts completed on time;
- a project manager role would be introduced to assist with the close down of accounts process;
- on materiality values, the Council was not out of step with other Councils but the value had been reduced this year because of the issues with the accounts last year. As a result of this year it was expected the value would increase again next year;
- officers agreed to look at how debtors were reported because a significant proportion of the £6.2million debtors were largely due to new commercially sensitive agreements to enable investment within the District; and
- officers would also reflect on the assessment of each of these agreements annually to consider if the people the money had been loaned to retained the capacity to repay the individual loan.

Resolved that the

- (1) 2018/19 Audit Findings Report, be noted;
- (2) Accounts are not adjusted in respect the McCloud judgment and GMP indexation for pensions;
- (3) the letter of representation on behalf of the Council, be approved; and
- (4) the 2018/19 Audited Statement of Accounts, be approved.

37. Finance – Service Area Update

The Committee received a report from Finance that presented the Finance Risk Register, Contract Register, Budget, and service initiatives.

The latest version of the Finance Risk Register was set out as Appendix 1 to the report. The register was last reviewed by Finance Management Team and Portfolio Holder in June 2019. The register was annotated according to

the key on the final page of the register and reflected the fact that the register was a working document.

The scoring criteria for the risk register were subjective and were based on an assessment of the likelihood of something occurring, and the impact that might occur.

In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse was true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks were within the area shaded red, whilst the latter-described set of risks were within the area shaded green; the mid-range were in the area seen as yellow.

Finance was responsible for a wide range of services. There were 34 risks contained in the risk register. These had been categorised as generic or service specific risks. However, as a support service many of the risks were effectively council-wide, reflecting how the function could be primarily managed by Finance on behalf of the rest of the Council.

There were two risks that were shown in the "red" Loss / shortage of staff (leading to loss of skills, knowledge & capacity and Qualified opinions; Late accounts; Late Government Returns).

In respect of the Loss / shortage of staff (leading to loss of skills, knowledge & capacity), this risk was high due to the turnover within the Accountancy Team over the last two years following two retirements. Whilst the retirements had been actively planned for, the situation had been exacerbated by the shortage of suitable candidates. The Register showed measures taken to manage this risk, with a view to reducing it. All posts had now been filled, with a new Apprentice post currently being recruited to. Until all staff were more established in their new roles, it was prudent to retain the likelihood of this risk occurring.

In respect of Qualified opinions; Late accounts; Late Government Returns, the Committee was aware of the problems in signing off the audited accounts for 2017/18 and the subsequent actions being taken. Whilst the audit of the 2018/19 Accounts had been progressing well, it was considered premature to reduce this risk score.

Most of the risks were "amber" in accordance with the Council's risk scoring matrix. As with all the risks in the register, it was the controls and mitigations that were being undertaken to control the risk that were of importance. These reflected the tangible actions over which there was more control.

The latest version of the Finance Contract Register was set out in Appendix 2 to the report that detailed 23 live contracts for Finance.

Two of the most significant of these contracts related to the Council's integrated Financial Management System (Total Mobile) and the Revenues/Benefits Systems (Civica). The contracts for both systems were due to come to an end in 2021 and 2022 respectively. A project team was in place to consider the options for re-procuring the Financial Management System. Following a recruitment process, a Project Manager was due to

commence with the Council by August. Public sector frameworks were also being investigated for the procurement of the Revenues/Benefits systems.

The Council's insurance contracts were due to be replaced by November 2019. In accordance with the procurement plan for this contract, this contract was currently out to tender as part of the OJEU process.

Details of Finance budgets were included as Appendix 3 to the report. This was based on the relevant pages of the Base Budget report that was considered by Members in January 2019. With the Council's accounts now closed (subject to the current on-going audit), the opportunity had been taken to include the 2018/19 Actual Expenditure alongside the Budget for the current year.

The figures for Treasury Management and Investment had not been considered in detail here. However, these were considered in more detail as part of the Treasury Management Annual Report to Finance and Audit Scrutiny Committee at their meeting on 9 July 2019.

Details of the performance of Finance against the 2018/19 Service Plan included as Appendix 4 to the report. The 2019/20 Service Plan was included within the reports to the Executive on 10 July 2019.

In response to questions from the Committee, the Head of Finance confirmed that:

- the movement of risks should have been highlighted and had not been;
- soft market testing was under way for new Financial Management System and a project initiation document would be brought to the Executive in due course, with Shadow Portfolio Holders being updated monthly;
- there were vacancies for an apprentice and a project manager within the accountancy team; and
- it was recognised that there needed to be a discussion on investment with fossil fuel companies and this would form part of the Treasury Management Training in October.

The Head of Finance agreed to investigate the terms of insurance for cultural and arts assets and would inform the Committee via email.

Resolved that the report and appendices be noted.


38. **Review of the Work Programme and Forward Plan**

The Committee received a report from Committee Services that detailed its work programme for 2019.

Resolved that the Work Programme be amended to include quarterly reports on the introduction of the new Financial Management System following the approval of its Project Initiation Document.

(The meeting ended at 7.22 pm)

CHAIR
20 August 2019

 Finance and Audit Scrutiny Committee 20 August 2019		Agenda Item No. 4
Title	Internal Audit Quarter 1 2019/20 Progress Report	
For further information about this report please contact	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee – 29 May 2019	
Background Papers	Internal Audit Reports	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	24 July 2019	Chris Elliott
Head of Service	24 July 2019	Mike Snow
SMT	24 July 2019	SMT
Section 151 Officer	24 July 2019	As Head of Service
Monitoring Officer	24 July 2019	Andrew Jones
Finance	24 July 2019	As Section 151 Officer
Portfolio Holder	25 July 2019	Councillor Hales
Consultation and Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 **Summary**

- 1.1 Report advises on progress in achieving the Internal Audit Plan 2019/20, summarises the audit work completed in the first quarter and provides assurance that action has been taken by managers in respect of the issues raised by Internal Audit.

2 **Recommendations**

- 2.1 That the report, including its appendices, be noted and, where appropriate, approved. Specifically:
 - 2.1.1 That Appendix 1, containing guidance on the role and responsibilities of audit committees, be noted. (Paragraph 3.2 of this report)
 - 2.1.2 That Appendix 2, detailing the performance of Internal Audit in completing the Audit Plan, be considered. (Para. 8.1 of this report)
 - 2.1.3 That Appendix 3, setting out the action plans accompanying all Internal Audit reports issued in the quarter, be reviewed. (Para. 10.2)
 - 2.1.4 That Appendix 4, containing the audit report of an assignment that was awarded a lower than substantial assurance opinion, be scrutinised. (Para. 10.4)
 - 2.1.4 That Appendix 5, recording the state of implementation of recommendations issued in previous quarters, be reviewed. (Para. 11.2)

3 **Reasons for the Recommendations**

- 3.1 Members have responsibility for corporate governance, of which internal audit forms a key part.
- 3.2 Finance and Audit Scrutiny Committee is operating, in effect, as an audit committee in the context of receiving and acting upon this report. Guidance on the role and responsibilities of audit committees is available from a number of sources. That which relates to audit committees' relationship with internal audit and in particular the type and content of reports they should receive from internal audit is summarised in Appendix 1.
- 3.3 Essentially, the purpose of an audit committee is:
 - To provide independent assurance of the associated control environment.
 - To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
- 3.4 To help fulfil these responsibilities audit committees should review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- 3.5 The following sections provide information to satisfy these requirements.

4 Policy Framework

4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the District's Vision of making it a Great Place to Live, Work and Visit. With those objectives the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table, overleaf, illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities.	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB.	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels.
Impacts of Proposal		
Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours.	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services.	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money.
Impacts of Proposal		
Although there are no direct policy implications, internal audit is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.		

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.3 **Changes to Existing Policies**

This section is not applicable.

4.4 **Impact Assessments**

This section is not applicable.

5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

6 **Risks**

- 6.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 6.2 It is impractical to provide a commentary on risks as the report is concerned with the outcome of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with the issues raised within the Internal Audit reports (these risks were highlighted within the reports). There is also an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

7 **Alternative Options Considered**

- 7.1 This section is not applicable.

8 **Progress against Plan**

- 8.1 At the start of each year Members approve the Audit Plan setting out the audit assignments to be undertaken. An analysis of progress in completing the Audit Plan for 2019/20 is set out as Appendix 2.

9 **Assurance**

- 9.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of financial and other management controls.

- 9.2 Each audit report gives an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands are shown below:

Assurance Levels

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
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 the controls that do exist.

These definitions have been developed following extensive investigation of other organisations' practices (including commercial operations).

10 Internal Audit Assignments Completed During Quarter

- 10.1 Four audits were completed in the first quarter of 2019/20. Copies of all the reports issued during the quarter are available for viewing on the online agenda for the meeting.
- 10.2 The action plans accompanying all Internal Audit reports issued in the quarter are set out as Appendix 3. These detail the recommendations arising from the audits together with the management responses, including target implementation dates.
- 10.3 As can be seen, responses have been received from managers to all recommendations contained in audit reports issued during the quarter in question.
- 10.4 One audit completed in the quarter was awarded a lower than substantial assurance opinion. This was in respect of the 'Loans to External Organisations' audit.

11 Implementation of Recommendations Issued Previously

- 11.1 Managers are required to implement recommendations within the following timescales:
- (a) Recommendations involving controls assessed as high risk to be implemented within three months.
 - (b) Recommendations involving controls assessed as low or medium risk to be implemented within nine months.
- 11.2 The state of implementation of **low and medium risk** recommendations made in the **second quarter of 2018/19** and **high risk recommendations** made in the **fourth quarter of 2018/19** is set out in Appendix 5 to this report.

11.3 As can be seen, responses have been received from all managers in order to provide the state of implementation of recommendations issued in this earlier quarter.

12 **Review**

12.1 Members are reminded that they can see any files produced by Internal Audit that may help to confirm the level of internal control of a service, function or activity that has been audited or that help to verify the performance of Internal Audit.

Guidance on the Role and Responsibilities of Audit Committees

Public Sector Internal Audit Standards 2013

Independence and Objectivity

The chief audit executive must...establish effective communication with, and have free and unfettered access to...the chair of the audit committee.

Glossary

Definition: Audit Committee

The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

***Audit Committees: Practical guidance for Local Authorities
(CIPFA)***

Core Functions

Audit committees will:

... Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

Suggested Audit Committee Terms of Reference

Audit Activity:

- To consider the Head of Internal Audit's report and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider summaries of specific internal audit reports as requested.
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

Called to Account: The Role of Audit Committees in Local Government (Audit Commission)

Monitoring Audit Performance

Auditor/officer collaboration

Slow delivery and implementation of recommendations reduces the audit's impact and can allow fraud to flourish or service delivery to deteriorate. Audit committees can play a key role in ensuring that auditors and officers collaborate effectively. This can enable auditors' reports to be dovetailed into the relevant service committee cycles and ensure that officers respond promptly to completed audit reports.

Management response

An audit committee can ensure that officers consider these recommendations promptly, and act on them where auditors have raised valid concerns.

Implementation

Agreed recommendations arising from audit work need to be implemented. Councils should have a forum for considering the contribution of internal and external audit and for ensuring that audit is, in practice, adding value to corporate governance.

Audit committees can be a powerful vehicle for securing implementation of audit recommendations and thereby improve the operation and delivery of Council activities.

CIPFA Technical Information Service Online

Audit Reporting

Introduction

Internal auditors should produce periodic summary reports of internal audit's opinion and major findings.

The...report could also be issued to senior management of the organisation but should primarily be issued to the audit committee to report upon the soundness or otherwise of the organisation's internal control system. This report will form the conclusion of the work undertaken by internal audit during the period of the report. A summary of the scope of this internal work should also be included in the report.

Periodic Internal Audit Reports

Audit committees should not normally be provided with the full text of internal audit reports. Audit reports are mainly concerned with operational details while audit committees and members or non-executive directors should be concentrating on ensuring that the organisation's system of internal control is effective and that the strategic or corporate objectives are being achieved efficiently. Members or non-executive directors' interest in internal audit should normally be restricted to gaining an assurance that the organisation's systems of internal control are adequate and that where audit does not consider this to be the case that action is taken to ensure that any short comings are rectified promptly.

Audit committee members should not usually get involved in discussing individual internal audit findings or recommendations but should concentrate their attentions on the opinions internal audit express on the activities and systems they have reviewed. These opinions should be summarised and should provide a clear opinion on the overall quality of the organisation's internal control system and the general level of performance across the organisation. Members or non-executive directors should not be over concerned with adverse internal audit conclusions if reasonable recommendations suggested by internal audit have been accepted and that these have been promptly implemented.

If, however, major internal control weaknesses are discovered these should be reported to the audit committee as this may indicate general weaknesses in the management of the section or the department concerned. Audit findings that appear to show a common thread of similar weaknesses throughout the organisation should also be reported to the audit committee.

9 Traits of an effective Audit Committee: Institute of Chartered Accountants in England & Wales – Technical Guidance

Having an effective Audit Committee is essential for good corporate governance as it leads on financial reporting, internal controls, risk management and external audit functions.

A group of Audit Committee Chairmen and Members, from FTSE 100 and FTSE250 businesses, identified these attributes during a roundtable event held at ICAEW in June 2018, as being qualities indicative of an effective committee:

1. Intellectual curiosity and professional scepticism
2. Courageous in making tough decisions
3. Balanced, ethical approach to whistleblowing
4. Oversight of key risks (not just financial)
5. Excellent relationship builders
6. Ability to build and develop a strong team
7. Able to challenge the external auditors
8. Good listening skills
9. Own the agenda

Intellectual curiosity and professional scepticism

Intellectual curiosity and professional scepticism are necessary attributes in an Audit Committee member. It's not enough to request confirmation from the external auditors and the executive team as this can provide a false sense of comfort. Members of the modern Audit Committee must understand the business and ask the right questions. Audit Committee members must take the time to visit the different parts of the business, particularly an international business, to scrutinise it and get a good understanding of its workings. They must also remember that they are non-executives and have a responsibility to remain objective.

Audit Committee Chairs and members may have more than one directorship and must be mindful of their time commitment to avoid becoming overwhelmed by any one role.

Courageous in making tough decisions

The toughest decisions generally concern people rather than numbers. Audit Committee Chairs have to have the strength and courage to tackle any under-performance in the finance team. In some cases, they will need to replace the existing team to ensure that they have a strong team in place to support them.

Other tough decisions are to:

appoint new external auditors. If the new auditors take a harder line with the Board then there is the potential for a backlash to be directed at the Chair of the Audit Committee. The appointment of the auditor is a key responsibility of the Audit Committee.

re-organise the internal audit function. When an organisation does not have the right skill-sets internally to perform the internal audit function, outsourcing and co-sourcing are the most popular solutions. Proponents of co-sourcing argue that it provides access to the expertise required whilst maintaining independence.

Balanced, ethical approach to whistleblowing

The Audit Committee is responsible for ensuring that the whistleblowing process is balanced, ethical and effective. The culture of an organisation is clearly visible when a whistleblower comes forward particularly at Board level if the reported incident involves a director.

Culture is an intangible yet important aspect of all organisations. It is the responsibility of the Board but is often discussed by the Audit Committee. The Chairman of the Audit Committee needs to create a forum where people can discuss all issues openly. Recent high-profile company collapses highlight the issue of management override and company culture. The Audit Committee Chairman must take a balanced and ethical perspective, scrutinise and challenge any decisions to move away from the market standards in accounting and reporting.

A culture where people can admit mistakes and learn from them was identified as the ideal. 'Near misses' offer good opportunities to learn and improve without blaming individuals. The Audit Committee needs to ensure that its working culture is one where corporate governance requirements were valued rather than seen as a compliance issue.

Oversight of key risks (not just financial)

Large scale IT projects and cybersecurity are often seen as two of the biggest risks facing a company. Solutions to these issues ranged from having a specialist presence on the Board to having a broader expertise on the Audit Committee. The use of advisors to consult on the risks is also an effective solution.

The financial services sector is subject to regulation which requires separate audit and risk committees, which emphasises the need for effective teamwork and communication between committees. When the committees are separated, greater care is necessary to ensure that some issues do not slip through the cracks. Other sectors are not required to separate the audit and risk committees but make the decision based on what is needed in the business.

Excellent relationship builder

Inviting the Chairman, Chief Executive Officer and the Chief Financial Officer to attend the Audit Committee meetings alongside external and internal audit helps to create an open and transparent culture. It is also important to build strong working relationships with these key stakeholders. The challenge of having the Chairman attend Audit Committee meetings is that there is the possibility that they may take the lead in the meeting.

Build and develop a strong team

The Nominations Committee is responsible for the membership of the Audit Committee. A Board of non-executive directors is selected and then split into committees. While this produces the correct numbers for committee membership, it does not necessarily allocate the correct skill-set. It is necessary to build and develop a strong team from this starting point.

Working relationships on the Audit Committee are important and difficult personalities need to be addressed in the feedback and performance evaluations. Facilitation skills are key and the Chair of the Audit Committee will use the evaluation process to develop the committee members.

Able to challenge the external auditors

Business structures and the industries in which they operate are becoming increasingly complex. Auditors are called upon to give their judgement on a number of issues and there is a sense that the broad range of experience and understanding of complex business issues is often only found in the larger firms.

Auditors can be reluctant to give a qualitative opinion and more junior auditors don't always fully understand the business. Members of the Audit Committee need to challenge the external auditors to be assured that they understand the complexities and culture of the business and that their judgement is sound.

Good listening skills

Audit Committees often receive large volumes of papers but need to listen to the messages delivered at Audit Committee meetings. Internal audit is widely considered to be a key element in an effective Audit Committee, often acting as their eyes and ears within the business. The Audit Committee Chairman needs to build a good working relationship with the Head of Internal Audit whilst remaining objective and independent. The head of internal audit should sit at the executive committee level, so that they have the status and opportunity to challenge the executive.

Own the agenda

These traits are specifically for the Chairman of the Audit Committee as they will need to plan ahead to ensure that the Committee has time to cover all of the issues on the annual agenda. In particular, the Audit Committee Chair

will:

Work with the company secretary to arrange the annual calendar of meetings and agendas well in advance, leaving time for new issues as they arise.

Take control of each agenda – set out the essential issues to be discussed and manage any additional agenda items as they arise.

Ensure a standard approach to papers, for example, requesting a one-page executive summary and clarity on whether a paper was for ratification or noting.

Ensure you leave enough time to discuss the outcome with the Chairman of the Board before the Board meeting.

Good time management – ensure that there is adequate time allocated to each topic and if more time is required to consider re-issued, revised versions of papers, postponing the meeting if necessary.

Each of these actions will allow the Audit Committee to operate effectively.

Internal Audit Progress 2019/20: Quarter 1**Analysis of Performance****Time Spent: Audit Plan – Planned Vs Actual**

ACTIVITY	ANNUAL ALLOCATION (DAYS)	PROFILE ALLOCATION (DAYS)	ACTUAL TO DATE (DAYS)	VARIATION (DAYS)
<u>Planned Audit Work</u>	352.0	88.0	81.3	+6.7
<u>Other Time</u>				
Sundry audit advice	22.0	5.5	4.5	+1.0
Special investigations (e.g. Fraud/Irregularities)	20.0	5.0	0.0	+5.0
Corporate and departmental Initiatives	26.0	6.5	5.6	+0.9
Non-chargeable activities	138.0	34.5	40.4	-5.9
Leave and other absences	118.0	29.5	37.5	-8.0
<i>Total Other Time</i>	324.0	81.0	88.0	-7.0
<i>Total Time</i>	676.0	169.0	169.3	-0.3

Time spent: Assignments Completed – Planned Vs Actual

AUDIT ASSIGNMENT	PLAN (DAYS)	TIME TAKEN (DAYS)	UNDER (+) / OVER (-)
Human Resources Management	7.0	6.0	+1.0
Housing Benefit & Council Tax Reduction	10.0	10.9	-0.9
Website Management	Contracted-out		
Loans to External Organisations	8.00	11.4	-3.4

Explanation for variances greater than 2 days (unless within 20%):

Loans to External Organisations. Several reasons for overspend: (1) First time the topic was audited so difficult to assess number of days required. (2) Several issues were identified. (3) Information not held centrally and difficult to obtain. (4) Several meetings were held to discuss issues arising.

Completion of Audit Plan: Target Vs Actual

NO. OF AUDITS PER AUDIT PLAN	PROFILED TARGET COMPLETION		ACTUAL NO. COMPLETED TO DATE		VARIATION	
	NO.	%	NO.	%	NO.	%
40	4	10.0	4	10.0	0	0.0

**Summary of Recommendations and Management Responses from Internal Audit Reports
issued Quarter 1, 2019/20**

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Human Resources Management – 26 April 2019				
No recommendations were issued on this occasion.				
Housing Benefit & Council Tax Reduction – 19 June 2019				
4.3.3	Management should review facilities for capturing document images on home visits to ensure acceptable clarity of information supporting claims.	Low	Benefits and Fraud Manager	There are sometimes problems with how the images upload into Civica. As a back-up the visiting team retain these in their own personal folders for a period of time so that if the assessors have a problem reading the document they can request a copy. The Recovery Manager, Council Tax, manages the visiting team and has advised that this issue has already been highlighted and is suspected as user error for which further training will be provided. TID: 30/7/19.

¹ Risk Ratings 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.

Report Reference	Recommendation	Risk Rating ¹	Responsible Officer	Management Response and Target Implementation Date (TID)
Website Management – 6 June 2019				
No recommendations were issued on this occasion.				
Loans to External Organisations – 6 June 2019				
4.2.3	To prevent loans being allocated to selected applicants, an application process should be formed. This will allow a fair and equal opportunity for a wider audience to apply.	High	CMT	We do not consider that a Loans Policy and application process should be developed. The Localism Act gives a broad remit for Councils to use what powers (tools) they consider necessary to deliver a specific objective. A loan may be the right solution for a specific case but we do not believe that in effect “a loan application scheme” should be established. We accept that a checklist should be established so that there is a consistency around process and procedure. TID: The checklist will be developed when we next consider that a loan is the appropriate tool to use.
4.3.1	The Council should consider establishing a formal policy for providing loans to external organisations. This will help to ensure approvals are fair and a good investment for the Council.	Medium	CMT	See above. TID: As above.
4.3.10	Changes made to Warwick District Council properties, using loan funds, should be reported to the Insurance and Risk Officer.	Low	CMT	Agreed. TID: When a loan enhances the value of a WDC property.

**Audit Reports with Moderate or Low Level of Assurance issued
Quarter 1 2019/20**

Loans to External Organisations – 6 June 2019

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 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 Loans to external organisations is a new venture which began with the first being set up in December 2017.
- 2.2 Since the first loan was set up there have been an additional eight loans allocated to external organisations. There are currently six active loans and a further two approved but not yet active.
- 2.3 The total sum for the nine approved loans is £8,362,642 with interest rates ranging from 0%-10%.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Loan availability and application
 - Loan approval
 - Repayment of loans
- 3.3 The audit programme identified the expected controls. The control objectives examined were:
- Applications are available to all qualifying external organisations.
 - Applications are valid and submitted correctly.
 - Loans are approved and allocated fairly.
 - The Council will not be disadvantaged through the non-repayment of loans.

- The Council achieves a good rate of return on its finances.
- Loans are lawful.
- Relevant documentation is available for allocated loans.
- Insurance implications are considered.
- Loans are monitored and used for their intended purpose.
- Loan funding is transferred to the correct bank account and in a timely manner.
- Payments are banked correctly.
- Late payments and arrears are recovered.
- Write-offs are appropriate.

4 **Findings**

4.1 **Recommendations from Previous Report**

4.1.1 There are no previous recommendations due to this being a new audit.

4.2 **Loan Availability and Application**

4.2.1 Loan funding and availability is not currently advertised publicly. As there is not a set amount of money available for loans, senior management contend that publicising or promoting the availability would attract an excessive number of applications, most of which could not be supported. Counter-balanced against that is obviously the issue of transparency and possibly even the principle of equity.

4.2.2 In general, loans are used to help support organisations within the local community when lending is seen as a viable solution to their problems. This is over and above the RUCIS grants process that is also in place. Some larger loans are also made available where the monies are to be used to help the Council achieve its aims in relation to the Local Plan.

4.2.3 However, there is currently no formal application process in place that would allow for any organisations approaching the Council for funding to know how their enquiries will be dealt with.

Risk

There may be a reputational risk if other organisations or council tax payers feel that funds are loaned unfairly.

Recommendation

To prevent loans being allocated to selected applicants, an application process should be formed. This will allow a fair and equal opportunity for a wider audience to apply.

4.2.4 All loans had either a business plan or business cases to support them, with four cases having both a business plan and a business case in place. There were four business plans and seven business cases documented and saved with the relevant loan information.

4.2.5	These supporting documents provide the Council with information on the way the business is run, the financial details, how the loan funds will be spent and the expected outcome. There is a business plan template available for applicants to use.
4.2.6	Not all applicants are able to provide business plans (e.g. community groups). In these situations, business cases are used to support the application. These are presented to Committee as reports with the relevant information included for consideration.
4.3	Loan Approval
4.3.1	There is no formal policy in place for providing loans to external organisations. However, business plans and cases are used to support the applications which are presented to Executive Committee for approval. All loans have been approved this way with some also being presented to full Council.
	Risk
	Loans may be issued incorrectly.
	Recommendation
	The Council should consider establishing a formal policy and set of procedures to use when providing loans to external organisations. This will help to ensure approvals are fair and a good investment for the Council.
4.3.2	Credit checks are not always carried out due to the type of organisations requiring funding (e.g. some are community groups for which credit checks aren't possible). Credit checks have been carried out for four of the loans and documentation has been retained, although there was no central file into which all relevant documentation was held.
	Advisory
	Consider storing all loan information securely, in a central repository, so that relevant staff can locate and access the information held.
4.3.3	Accounts were provided for the four companies that had produced a business plan. Where business plans were not suitable, business cases have provided information that assess affordability and the risk of non-repayment. There were business plans or cases available to support all of the applications. The Head of Finance confirmed that business plans or business cases had been reviewed for all loans issued, with checks carried out using the information provided in them.
4.3.4	Four of the six active loans have security in place. This is documented in the loan agreements and supported by separate legal documentation. The two without security are Council-owned buildings which are leased to the

organisations. In these cases, any non-repayment could result in early termination of the lease.

- 4.3.5 Where parent company guarantors have been used, credit checks have been carried out on them and these have been documented.
- 4.3.6 The Head of Finance calculates the interest rates charged for each case. Although it often doesn't apply, State Aid helps to inform the rate of interest charged. Each case is viewed on an individual basis taking into account the information provided in the business plan, the amount of funding and the length of the term. Interest calculations and borrowing schedules were documented for all active and closed loans.
- 4.3.7 However, whilst the documentation in relation to each loan has been provided, there is no formal risk assessment process in place to follow when loan provision is being considered. This would form part of the formal policy and procedures if they were to be put in place.
- 4.3.8 There were signed and dated agreements in place for all of the active loans. They set out the terms and conditions and include the amount borrowed and the interest rates. Some specify when repayments should begin whilst others refer to a repayment plan which is provided to the borrower separately. In one case, funds had been sent before the agreement had been signed. Loans issued since this have all had checks carried out to ensure relevant signed paperwork was in place before issuing funds.
- 4.3.9 The signed legal agreements provided were stored in secure folders on the server with limited access.
- 4.3.10 Where loans are being used to improve properties owned and insured by the Council, the Insurance and Risk Officer is not being informed of the changes.

Risk

There may be insurance implications where changes have been made to Council-owned properties.

Recommendation

Changes made to Warwick District Council properties, using loan funds, should be reported to the Insurance and Risk Officer in a timely manner.

4.4 Repayment of Loans

- 4.4.1 Checks are carried out to ensure that loans are used for their intended purpose. Funds are only released when drawdown requests have been completed and presented with copies of invoices for the work carried out. Drawdown requests and invoices were provided for all of the active loans.
- 4.4.2 Bank details are checked by the Finance Admin Manager before any payments are transferred. Payments can only be sent on set days and these

are set out in the signed agreements.

- 4.4.3 Repayment has begun for three of the active loans. One borrower was due to start repaying their loan in July 2018 but has had the date postponed three times. They have now begun making payments as of April 2019.
- 4.4.4 In the case where the borrower had failed to begin making repayments, input from Legal Services was requested after six months of non-payment. This has resulted in a new payment plan being set up with a postponed repayment start date. A direct debit has been agreed and actioned and any further failure to make payments may result in termination of the lease and legal action to recover funds from the property used as security.
- 4.4.5 The Finance Admin Manager monitors repayments, following up on any that are missed or late. Initially he contacts the organisation with a reminder to pay. If there is continued non-repayment, he involves the Chief Executive or the Deputy Chief Executive and requests input from Legal Services.
- 4.4.6 As yet, no loans have been written off and there is no intention to write off any loans until all other recovery methods have been exhausted.

5 **Summary & Conclusion**

- 5.1 Following our review, we are able to give an overall MODERATE degree of assurance that the systems and controls that are currently in place in respect of Loans to External Organisations are appropriate and are working effectively.
- 5.2 The auditor noted that the processes followed had evolved reducing the risks since the first loans had been provided. We would have been able to give a SUBSTANTIAL level of assurance if there had been a policy or procedure in place to support this. However, due to the lack of transparency when providing loans, we feel we cannot give an overall level of substantial assurance at this time.
- 5.3 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
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.

- 5.4 There were issues, however, identified during the course of the audit relating to:
- An omission of an application process.
 - An absence of a formal policy.

- The lack of timely notification to the Insurance & Risk Officer regarding changes to Council-owned properties.

5.5 A further 'issue' was identified where an advisory note has been reported. In this instance, no formal recommendation is thought to be warranted as there is no risk if the action is not taken. However, if the changes are made, the existing control framework would be enhanced. This is in respect of loans documentation being stored securely in one central repository.

6 **Management Action**

6.1 The recommendations arising above are reproduced in the Action Plan for management attention.

Current Implementation Position for Low and Medium Risk Recommendations
issued in Quarter 2 2018/19

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Corporate Governance: Ethics – 22 August 2018		
A programme of 'refresher' postings on Meta Compliance in respect of the Employee Code of Conduct should be considered following re-launch of the revised Code.	<i>Deputy Chief Executive and Monitoring Officer:</i> Agreed. I will discuss with Graham Leach and Karen Weatherburn. PID: 1 February 2019	The refresher on the Employee Code of Conduct was delayed due to refinement of wording. This is now in place ready to be sent to all members of staff in late June/early July.
Incorporation of ethical risks in the Risk Management Framework as a standard category should be considered.	<i>Deputy Chief Executive and Monitoring Officer:</i> I will discuss with Senior Management Team colleagues to determine whether this merits taking forward. PID: 1 October 2018	Senior Management Team discussed and whilst saw merit, it was agreed that DCEX would discuss the practicalities further with Audit & Risk Manager. By July 2019.
Insurances – 25 September 2018		
Development of a formal insurance strategy be considered that provides the framework to ensure that the Council has in place an optimal balance between external insurance and self-insurance.	<i>Insurance & Risk Officer:</i> Agreed. Consideration will be given to the introduction of an insurance strategy. PID: End of March 2019	Consideration has been given to writing an insurance strategy but one will not be written because insurance arrangements depend on the insurance market and business needs. As part of the procurement this year, records will be kept of the reasons for decisions taken and the instructions in the insurance manual will be updated.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
An action tracker be included as part of the update to SMT.	<i>Insurance & Risk Officer:</i> This will be included from the next report. PID: November 2018	Action tracker has been included in SMT reports from 7th November 2018.
The Risk Management Strategy be updated and made available on the Council web site.	<i>Audit & Risk Manager:</i> Agreed and now done. PID: September 2018	No need for update – recommendation addressed as per initial response.
Oversight of risk registers by the IARO be embedded to ensure that insurance is considered in all cases.	<i>Audit & Risk Manager / Insurance & Risk Officer:</i> Audit & Risk Manager in process of putting all risk registers on intranet site viewable by all staff. When set up these will be updated quarterly. Insurance & Risk Officer can then view these documents systematically and ensure that due provision has been made for insurance aspects of risks. PID: End of October 2018	Service Risk Registers and Corporate Risk Register (SBRR) put on Risk Management page on intranet and details concerning this have been publicised to staff via 'big button' notice on the intranet. Risk Registers were being updated quarterly on intranet as required but latest update is now overdue. This will be immediately rectified.
The claim forms should be refreshed and reflective of GDPR requirements.	<i>Insurance & Risk Officer:</i> Wording was reviewed and updated in May 2018 taking into account advice and examples from other authorities in the absence of an Information Governance Manager. Advice will be sought from the Information Governance Manager and wording updated accordingly. PID: End of March 2019	Met with Information Governance Manager and privacy statement amended slightly.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Places and Projects – 13 July 2018		
The 'policy' documents for the Pest Control and Dog Warden services should be reviewed and updated as appropriate.	<i>Services Team Leader:</i> Policies will be reviewed at the earliest opportunity. PID: March 2019	Pest Control Policy completed – updated Aug 2018. Expected review date for Dog Warden policy – new target date: Dec 2019.
Staff should be reminded when new fees come into force.	<i>Services Team Leader:</i> New fees are circulated at the beginning of each year. Reminders have been sent following this report. PID: January each year.	No need for update – recommendation addressed as per initial response.
All relevant staff should attend the Conflict Management training, with the Pest Control Officers also attending the Lone Worker training.	<i>Services Team Leader:</i> Staff have been requested to attend internal courses relating to Lone Working and Courageous Conversations from the WDC 2018/19 training guide following this report. PID: January 2019	Employee NP: Lone Working completed 29 Jan 2019 Safeguarding completed 26 June 2018 Employee LT: Lone Working completed 01 Nov 2018 Safeguarding completed 3 July 2018 Employee VT: Lone Working completed 2016 & 01 Nov 2018 Conflict Management completed 06 November 2018 Safeguarding completed 3 July 2018 Body cam training completed 16 Aug 2018.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
CCTV Services – 14 September 2018		
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><i>Safer Communities Manager / CCTV Manager:</i></p> <p>This was picked up as an issue and detailed in next steps in the original version of the most recent CCTV report to Executive. It was removed.</p> <p>We will diarise meetings with internal customers to re-visit the SLA's and bring them up to speed with transformation proposals.</p> <p>PID: End of March 2019</p>	<p>Draft SLA's produced.</p> <p>Housing – Lisa Barker Date to be confirmed</p> <p>Rangers / Car parks – Zoe Court Date to be confirmed</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><i>Safer Communities Manager / CCTV Manager:</i></p> <p>As above but first we will confirm the VAT situation.</p> <p>PID: End of March 2019</p>	Date of meeting 11 July 2019, to discuss summary of main points of contract, selling points, including possible termination of contract, increase in cost of contract plus vat.
Training in the use of TOTAL should be arranged for the CCTV Manager.	<p><i>Safer Communities Manager:</i></p> <p>Already identified in the CCTV Managers PDP.</p> <p>PID: End of October 2018</p>	No need for update – recommendation addressed as per initial response.
The charge being made for the provision of CCTV to Regent Court should be reviewed.	<p><i>Safer Communities Manager / CCTV Manager:</i></p> <p>This will be considered as part of 4.2.8.</p> <p>PID: End of March 2019</p>	See update in response to "agreement recommendation".

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Arrangements should be made to apply VAT to all future invoices for Regent Court CCTV.	<i>Safer Communities Manager:</i> CCTV Manager to meet with FAST team. PID: End of October 2019	See update in response to "agreement recommendation".
An up to date, priced inventory, including office furniture, should be compiled and a copy forwarded to the Insurance & Risk Officer in Finance.	<i>CCTV Manager:</i> We already have an inventory for CCTV equipment but will add furniture and other equipment to this. PID: End of January 2019	Completed.
Leaseholder Service Charges – 17 September 2018		
A more regular debt monitoring and recovery regime should be introduced and, where possible, leaseholders should be required to pay regularly in advance in accordance with the lease.	<i>Business Administration Manager:</i> Agreed –implement quarterly reminders for non-payment and actively pursue debt before end of financial year. PID: December 2018 (end of quarter 3)	Implemented – highlighted in letter annual charging letter and next reminders going week beginning 1 July.

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Asbestos Management – 17 September 2018		
<p>The Contracts Administrator (Asbestos) should be consulted during the planning stages of all housing works projects.</p>	<p><i>Individual project surveyors:</i> Agreed – will be taken forward as part of the Asset restructure. PID: 1 November 2018</p>	<p><i>Building Surveyor Team Leader / Technical Manager:</i> The recommendation was based on budgetary pressures on the asbestos budget from programmed works. These have escalated recently due to significant increases in programmed works due to the WDC Executive pledge to ensure all of the housing stock is in a satisfactory condition. All very poor and poor properties are being brought up to date. To mitigate this, we are in regular communication with them regarding the volume of properties and the associated costs and have offered use of the programmed works budgets which have been used historically to facilitate the increased costs. As previously stated we regularly are in contact with the asbestos officer regarding these programmed works as we can't begin on site without these being in place.</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE (PID)	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The contractors should be requested to provide annual evidence of their insurance cover, with the request being timetabled in line with the policy renewal dates.	<i>Compliance Administrator (revised structure):</i> Agreed – will be taken forward as part of the Asset restructure. PID: 1 November 2018	Shield/Tersus have sent current insurance documents and provided renewal dates which have a reoccurring diary reminder in outlook. The up-to date documents are stored within the Asbestos folders on the I drive – please let me know if you would like them forwarded to you.
Entries should be included on AssessNet for other (relevant) corporate buildings and for staff that may come into contact with asbestos containing materials during their day to day work.	<i>Compliance Team Leader (revised structure):</i> Agreed but needs ICT support to develop AssessNet to accommodate Asbestos Survey. PID: 1 April 2019	With the uncertainty with AssessNet system staying we are not sure if this recommendation is still valid. We are currently working on uploading all asbestos surveys for corporate buildings on to the asset document management centre. There is a copy of the survey left on site for staff and contractors to view. Also the survey is available to download on 'Teams' which staff have access to.

FROM: Audit and Risk Manager

SUBJECT: Administration of Housing
Benefit and Local Council
Tax Reduction

TO: Head of Finance
Benefits and Fraud Manager

DATE: 5 July 2019

C.C. Chief Executive
Deputy Chief Executive (AJ)
Portfolio Holder – Cllr Richard
Hales

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been completed recently and this report is intended to present the findings and conclusions for information and action where appropriate.
- 1.2 Wherever possible, results obtained have been discussed with the staff involved in the various procedures examined and their views are incorporated, where appropriate, in any recommendations made. My thanks are extended to all concerned for the help and co-operation received during the audit.

2 Background

- 2.1 Local authorities continue to administer housing rent benefit for limited categories of claim with resourcing from central government subsidy while the migration to Universal Credit remains in a transitional state. Latest predictions indicate migration of all new claims by 2021 and ultimate completion of the migration process by the end of 2023.
- 2.2 In accordance with requirements under the Localism Act 2011, the Council has adopted and maintains under review its own scheme for determining eligibility for council tax reliefs which are incorporated into the council tax billing process. This includes central government provisions on eligibility for pensioners.
- 2.3 Based on budget projections, approximately £25 million is expected to be paid by Warwick District Council in housing benefit in the current financial year. Reliefs granted under the adopted Council Tax Reduction Scheme are expected to total in the region of £6.5 million in the year.
- 2.4 While the two types of relief are subject to separate umbrella frameworks in legislative and financing terms, the processes for administering them day-to-day have not changed greatly except for the advent of, and ongoing enhancements to, digital application and assessment solutions.

- 2.5 Claimants in the categories not yet captured by the Universal Credit migration can still claim both local council tax reduction (LCTR) and housing benefit in a single application. While the eligibility and calculation criteria remain largely harmonised between the two reliefs, some detachment in the finer detail for LCTR-only claims became evident in the course of the audit (a profile analysis showed that these account for approximately 70 per cent of all new claims).
- 2.6 Along with continuing migration of new claims to Universal Credit, other noted changes since the last audit include:
- discontinuation of the Risk Based Verification Policy;
 - replacement of the former externally hosted e-form service with an in-house process integrated with the Civica benefits application;
 - advent of a fast-track approach to determining LCTR entitlements for claimants on Universal Credit and the introduction (in April 2019) of a banded scheme for these claimants in April 2019;
 - implementation of an interface to HMRC Real Time Information (RTI) data enhancing means of verifying household income.

3 **Scope and Objectives of the Audit**

- 3.1 The audit examination was undertaken for the purpose of reporting a level of assurance on the adequacy of controls for the determination of entitlement to housing benefit and council tax reduction in accordance with the national framework and local scheme respectively.
- 3.2 While the usual cyclical approach applying elements of CIPFA Systems-Based Auditing Matrices has been followed, it was noted that test programmes within the CIPFA Matrices represent operating environments that pre-date the Local Housing Allowance Scheme as well as the subsequent welfare reform agenda. Some judgement has had to be used in applying, prioritising and adapting the programme based on the assurance objectives.
- 3.3 The areas covered under this examination come under the 'Administration' and 'Assessment' modules. Evidential testing has focused on the following themes with much of the emphasis on verifying adherence to the traditional DWP evidence standards:

Administration

- Policies and Procedures
- Staff Training and Awareness
- Service Accessibility
- Benefits Documentation
- Receipt of Claims and Supporting Information

Assessment

- Claims and Supporting Documentation
- Liability, Residency and Identity
- Income
- Capital
- Households and Non-Dependents.

- 3.4 The findings are based on discussions with Andrea Wyatt (Benefits and Fraud Manager) along with examination of relevant documents and, where appropriate, data analytics. Samples for testing have concentrated on the most recent new claims processed from December 2018 to April 2019 to reflect the latest stages of the Universal Credit migration and the discontinuation of the risk-based verification formalities.

4 Findings

4.1 Recommendations from previous report

- 4.1.1 The previous audit covering the Administration and Assessment modules was undertaken in July 2017 with a single recommendation reported concerning standards of documentation supporting the risk-based verification process. In view of the discontinuation of the aforementioned Policy, the issue raised is no longer deemed relevant.

4.2 Administration

- 4.2.1 It has been confirmed from discussions, documentary evidence and testing that:
- the administrative processes are supported by appropriate internal procedure documentation in electronic form, system training manuals and authoritative online reference resources accessible to all Benefits staff;
 - arrangements for staff development, training and awareness promotion are appropriate;
 - facilities in place to secure accessibility for claimants in line with equality standards are appropriate;
 - claim forms and related information resources are appropriate for purpose;
 - arrangements for receiving and acting on claims and related enquiries are appropriate for purpose.
- 4.2.2 From analysis of recent claims, online e-form applications continue to account for around two-thirds of all claims. In view of the aforementioned changes to the e-form and related interfaces, testing by completion of dummy online applications undertaken in the previous audit was repeated for the current e-form.
- 4.2.3 This was found straightforward to use and meets the traditional test criteria for content and declaration requirements. A technical issue was experienced on a test e-form in the scenario of a third party declared as completing the form on behalf of the claimant and this was reported to the Principal Benefits Officer (no known incidences could be recalled of any similar issues experienced on 'live' applications).
- 4.2.4 On the area of data security in the context of the Benefits service, it is noted that a retention schedule has been compiled in accordance with corporate GDPR compliance policies and implementation of a software product to manage data retention in the Civica application is being explored.

- 4.2.5 On closer inspection, the retention schedule appeared incomplete in its coverage of housing benefit and LCTR data. This has been raised with the Benefits and Fraud Manager to be followed up.

4.3 **Assessment**

- 4.3.1 The test programme under this module has traditionally considered staff awareness in terms of acceptable conduct. The corporate framework and declaration requirements specific to users of the Civic system are unchanged from the previous audit and reference to the declaration forms, along with data match testing, revealed no issues.
- 4.3.2 Tests on individual new claims mainly used a random sample drawn from new claims dating from 1 December 2018 that were either pending or in payment at the time of the audit. Observations from the testing overall showed the claims to be properly constituted on valid forms supported by clear scanned document images, the only reservation being the clarity of photographed images of supporting documents taken on home visits.
- 4.3.3 In some instances, figures supporting declared capital amounts were not always discernible from the images, although visible print patterns were sufficient to rule out any significant variation of the amounts in these cases.

Risk

Declared income, capital, etc. for claims may not be verifiable to acceptable standards.

Recommendation

Management should review facilities for capturing document images on home visits to ensure acceptable clarity of information supporting claims.

- 4.3.4 The new streamlined approach to LCTR-only claims is triggered by incoming Universal Credit Notices transmitted electronically by the DWP. Where these relate to households liable to council tax but not currently in receipt of LCTR, the Benefits service can work proactively to determine LCTR entitlement without requiring a formal application from the liable person(s).
- 4.3.5 Observations from the sample showed some of these Notices coinciding with claim applications which would be processed in the usual manner. Where there was no accompanying application, a standard letter would be generated requesting the Universal Credit claimant's signed permission to use the information to assess LCTR entitlement and further processing held pending return of the signed permission.
- 4.3.6 Until recently, this was believed to be necessary to comply with the GDPR. It was revealed in subsequent discussion, however, that this permission request correspondence has been discontinued on the basis of DWP advice that the requisite permission is already covered in the sign-up to Universal Credit.

- 4.3.7 Only three cases in the aforementioned sample were initiated from Universal Credit Notices without accompanying applications, but inordinate processing delays were evident for all three. On further examination, and following discussion with the Benefit and Fraud Manager, these are attributed to a more general processing backlog rather than any workflow management issues specific to this type of claim.
- 4.3.8 The above three cases were the exception in the context of the wider sample. The remainder, from paper and online application forms, were typically determined within three working days of receipt of all requisite information. In the more protracted cases, there were explainable factors including referral for senior officer consideration and dependency on Housing Services for completion of tenancy succession formalities.
- 4.3.9 The remainder of the audit testing was devoted mostly to confirming that the key information elements making up new claims are properly verified to supporting evidence in accordance with the traditional DWP standards. This was done by tracking those elements from a selection of claims to the linked supporting records within the electronic document management repository, supplemented by data exception and duplicate testing where appropriate using the HBMS extract.
- 4.3.10 Individual case testing on the identity, residency and liability elements used the aforementioned profile sample while separate extractions were drawn from the new claims within the aforementioned time range for capital and certain components of income.
- 4.3.11 The outcomes of these tests overall proved satisfactory for assurance purposes, subject only to isolated anomalies which have been referred individually to Benefits for follow-up. Those with potentially significant implications for the respective claims (or related relief) were:
- non-dependent member of a household declared where single occupant discount has been applied;
 - failure to notify a change in circumstances in connection with a declared company directorship (shown on the Companies House Register to have been dissolved in February 2019).
- 4.3.12 Other instances that did not have significant implications were:
- two claims where proof of capital appeared incomplete (statement for secondary bank account could not be located in each case);
 - deduction of full occupational pension contributions in earnings calculation instead of regulation 50 per cent (historic only in this case as subsequently awarded Universal Credit).
- 4.3.13 A brief examination and sample test with reference to system reports and spreadsheet exports confirmed that active processes are in place to periodically review the status of dependents household members over eighteen years of age.

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 administrative and assessment processes for operating the Local Council Tax Reduction Scheme and residual Housing Benefits are appropriate and working effectively.

5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
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 the controls that do exist.

5.3 Minor issues have emerged from testing under the Assessment module and a single recommendation made along with descriptions of isolated anomalies as informal advisories.

6 **Management Action**

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

Richard Barr
Audit and Risk Manager

Appendix A**Action Plan****Internal Audit of Administration of Housing Benefit and Local Council Tax Reduction - June 2019**

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.3	Management should review facilities for capturing document images on home visits to ensure acceptable clarity of information supporting claims.	Declared income, capital, etc. for claims are not verifiable to acceptable standards.	Low	Benefits and Fraud Manager	There are sometimes problems with how the images upload into Civica. As a back-up the visiting team retain these in their own personal folders for a period of time so that if the assessors have a problem reading the document they can request a copy. The Recovery Manager, Council Tax, manages the visiting team and has advised that this issue has already been highlighted and is suspected as user error for which further training will be provided.	30/07/19

* Risk Ratings are defined as follows:

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

FROM: Audit and Risk Manager
TO: Chief Executive
C.C. Head of Finance
HR Manager
Portfolio Holder (Cllr Andrew Mobbs)

SUBJECT: Human Resources Management
DATE: 26 April 2019

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 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 Human Resources management is a centralised function at the Council with the service coming under the management of the Chief Executive.
- 2.2 This audit is concerned with the strategic aspects of Human Resources management as opposed to the day-to-day management of staff.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- People strategy and action plan.
 - Performance indicators and management information.
- 3.3 The audit programme identified the expected controls. The control objectives examined were:
- The overall management of staff helps the Council to meet its objectives
 - HR Management staff are working towards agreed actions
 - The Council can demonstrate that the management of its staff is meeting agreed objectives
 - Senior Management are aware of the overall staffing picture
 - Areas of 'poor performance' are identified and addressed to ensure that the Council can meet its objectives

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 The report relating to the previous audit of this topic, undertaken in March 2017, did not include any recommendations.

4.2 People Strategy and Action Plan

- 4.2.1 There is a clear link between the People Strategy 2016-2020 and the Council's objectives. One of the three key themes of the Council's Fit for the Future (FFF) programme is 'People' and this is clearly referenced in the People Strategy document.
- 4.2.2 The action plan supports the strategy and is broken down into six key themes:
- Equality and diversity
 - Workforce planning and performance
 - Leadership and organisational development
 - Employee wellbeing, reward and recognition
 - Communications and involvement
 - Learning and development
- 4.2.3 The People Strategy document sets out the arrangements in place which are agreed by SMT and formally approved by the Employment Committee.
- 4.2.4 The current strategy was presented to SMT along with the action plan. The action plan has been amended since approval; this is to be expected as actions have been completed and additional actions have been added.
- 4.2.5 The action plan is available on the intranet as an operational document. This allows the relevant owners for the actions to edit and update the document as progress is made.
- 4.2.6 Once approved the action plan is not presented again to the committee. The plan is monitored, viewed and updated by different groups. Updates regarding the plan are provided to them on a quarterly basis. Minutes available for SMT and Employment Committee show the updates provided and any actions agreed.
- 4.2.7 The Human Resources (HR) Manager advised that the items on the action plan were mainly generated following the Investors In People (IIP) report. The report highlighted a number of areas where the Council needed to improve. The report was shared with various groups within the Council and key themes were identified, this leading to the items in the action plan.
- 4.2.8 The Workforce Steering Group (WSG), a strategic level group, 'owns' the People Strategy Action Plan and works with other groups within the Council to ensure actions are carried out and are successful. They work with the People Strategy Action Group (PSAG) and the People Strategy Steering Group (PSSG).
- 4.2.9 The PSAG is made up of various staff members and includes input from staff groups, including Staff Voice and Unison reps. They communicate and liaise

with staff regarding the priorities identified, and feedback the information to SMT.

- 4.2.10 The PSSG is a subgroup of the Employment Committee with the membership of the group being a mix of Councillors, SMT and the HR Manager.
- 4.2.11 The groups discuss specific priorities and key themes rather than being overwhelmed by the details. Employment Committee also get updates on the main themes and priorities rather than the detail of the action plan.
- 4.2.12 One of the objectives is to reduce staff absence. To help meet this objective a key focus area was identified (staff health and wellbeing). A separate Health and Wellbeing Action Plan has been drawn up using a combination of BUPA and Warwickshire County Council themes as well as incorporating local events such as the 'Regency Run' and national days like the 'Random act of kindness day'. The actions utilise various tools such as the big buttons on the intranet and using the staff break and informal meeting area (The Space).
- 4.2.13 Unison are working on a staff wellbeing questionnaire with HR which will be used to help identify and reduce stress triggers to help improve staff health and wellbeing. This came about after a Unison inspection highlighted concerns about work-related stress, not just when staff have clocked in but when they are off work (evenings and weekends). As part of the questionnaire they are also incorporating parts of the 'Thrive at Work' document, a Coventry City Council document formed in partnership with West Midlands Combined Authority, which encourages companies to promote staff wellbeing to create a better workforce.
- 4.2.14 A sample of actions that have been completed and actions in progress identified on the up-to-date action plan were viewed and discussed with the HR Manager. Evidence was obtained to support the actions completed and to show that steps were being taken to allow them to meet agreed target dates for other actions.

4.3 Performance Indicators and Management Information

- 4.3.1 The HR Manager advised that the performance indicators are agreed as part of the Service Area Plan for the Chief Executive's Office.
- 4.3.2 The management information provided to SMT is a subset of the information compiled by the HR team. The HR Manager advised that this brings together the information SMT want to see rather than all of the collected data. Further details can be asked for whenever they require it.
- 4.3.2 HR management information is reported to both SMT and Employment Committee on a regular basis. The minutes showing the information shared and updates provided are published on the Staff Intranet; Employment Committee meetings are also published on the WDC Internet.
- 4.3.3 There were a couple of areas identified in the IIP report as areas in need of improvement. These have formed some of the key themes in the action plan. One of the areas picked up on was training for new managers. Actions have been taken to improve this and evidence to support the improvements was found to be in place.

- 4.3.4 Benchmarking against other councils is undertaken for some of the performance indicators, including sickness absence and staff turnover. This allows HR and SMT to compare performance and monitor improvement against similar areas.

5 **Summary & Conclusion**

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls that are currently in place in respect of Human Resources Management are appropriate and are working effectively.

- 5.2 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
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.

6 **Management Action**

- 6.1 There are no recommendations arising from this report.

Richard Barr
Audit and Risk Manager

FROM: Audit and Risk Manager

SUBJECT: Loans to External Organisations

TO: Chief Executive

DATE: 6 June 2019

C.C. Deputy Chief Executive (AJ)
Head of Finance
Portfolio Holder (Cllr Andrew Day)

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 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 Loans to external organisations is a new venture which began with the first being set up in December 2017.
- 2.2 Since the first loan was set up there have been an additional eight loans allocated to external organisations. There are currently six active loans and a further two approved but not yet active.
- 2.3 The total sum for the nine approved loans is £8,362,642 with interest rates ranging from 0%-10%.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Loan availability and application
 - Loan approval
 - Repayment of loans
- 3.3 The audit programme identified the expected controls. The control objectives examined were:
- Applications are available to all qualifying external organisations.

- Applications are valid and submitted correctly.
- Loans are approved and allocated fairly.
- The Council will not be disadvantaged through the non-repayment of loans.
- The Council achieves a good rate of return on its finances.
- Loans are lawful.
- Relevant documentation is available for allocated loans.
- Insurance implications are considered.
- Loans are monitored and used for their intended purpose.
- Loan funding is transferred to the correct bank account and in a timely manner.
- Payments are banked correctly.
- Late payments and arrears are recovered.
- Write-offs are appropriate.

4 Findings

4.1 Recommendations from Previous Report

- 4.1.1 There are no previous recommendations due to this being a new audit.

4.2 Loan Availability and Application

- 4.2.1 Loan funding and availability is not currently advertised publicly. As there is not a set amount of money available for loans, senior management contend that publicising or promoting the availability would attract an excessive number of applications, most of which could not be supported. Counter-balanced against that is obviously the issue of transparency and possibly even the principle of equity.
- 4.2.2 In general, loans are used to help support organisations within the local community when lending is seen as a viable solution to their problems. This is over and above the RUCIS grants process that is also in place. Some larger loans are also made available where the monies are to be used to help the Council achieve its aims in relation to the Local Plan.
- 4.2.3 However, there is currently no formal application process in place that would allow for any organisations approaching the Council for funding to know how their enquiries will be dealt with.

Risk

There may be a reputational risk if other organisations or council tax payers feel that funds are loaned unfairly.

Recommendation

To prevent loans being allocated to selected applicants, an application process should be formed. This will allow a fair and equal opportunity for a wider audience to apply.

- 4.2.4 All loans had either a business plan or business cases to support them, with four cases having both a business plan and a business case in place. There

were four business plans and seven business cases documented and saved with the relevant loan information.

- 4.2.5 These supporting documents provide the Council with information on the way the business is run, the financial details, how the loan funds will be spent and the expected outcome. There is a business plan template available for applicants to use.
- 4.2.6 Not all applicants are able to provide business plans (e.g. community groups). In these situations, business cases are used to support the application. These are presented to Committee as reports with the relevant information included for consideration.

4.3 **Loan Approval**

- 4.3.1 There is no formal policy in place for providing loans to external organisations. However, business plans and cases are used to support the applications which are presented to Executive Committee for approval. All loans have been approved this way with some also being presented to full Council.

Risk

Loans may be issued incorrectly.

Recommendation

The Council should consider establishing a formal policy and set of procedures to use when providing loans to external organisations. This will help to ensure approvals are fair and a good investment for the Council.

- 4.3.2 Credit checks are not always carried out due to the type of organisations requiring funding (e.g. some are community groups for which credit checks aren't possible). Credit checks have been carried out for four of the loans and documentation has been retained, although there was no central file into which all relevant documentation was held.

Advisory

Consider storing all loan information securely, in a central repository, so that relevant staff can locate and access the information held.

- 4.3.3 Accounts were provided for the four companies that had produced a business plan. Where business plans were not suitable, business cases have provided information that assess affordability and the risk of non-repayment. There were business plans or cases available to support all of the applications. The Head of Finance confirmed that business plans or business cases had been reviewed for all loans issued, with checks carried out using the information provided in them.
- 4.3.4 Four of the six active loans have security in place. This is documented in the loan agreements and supported by separate legal documentation. The two without security are Council-owned buildings which are leased to the

organisations. In these cases, any non-repayment could result in early termination of the lease.

- 4.3.5 Where parent company guarantors have been used, credit checks have been carried out on them and these have been documented.
- 4.3.6 The Head of Finance calculates the interest rates charged for each case. Although it often doesn't apply, State Aid helps to inform the rate of interest charged. Each case is viewed on an individual basis taking into account the information provided in the business plan, the amount of funding and the length of the term. Interest calculations and borrowing schedules were documented for all active and closed loans.
- 4.3.7 However, whilst the documentation in relation to each loan has been provided, there is no formal risk assessment process in place to follow when loan provision is being considered. This would form part of the formal policy and procedures if they were to be put in place.
- 4.3.8 There were signed and dated agreements in place for all of the active loans. They set out the terms and conditions and include the amount borrowed and the interest rates. Some specify when repayments should begin whilst others refer to a repayment plan which is provided to the borrower separately. In one case, funds had been sent before the agreement had been signed. Loans issued since this have all had checks carried out to ensure relevant signed paperwork was in place before issuing funds.
- 4.3.9 The signed legal agreements provided were stored in secure folders on the server with limited access.
- 4.3.10 Where loans are being used to improve properties owned and insured by the Council, the Insurance and Risk Officer is not being informed of the changes.

Risk

There may be insurance implications where changes have been made to Council-owned properties.

Recommendation

Changes made to Warwick District Council properties, using loan funds, should be reported to the Insurance and Risk Officer in a timely manner.

4.4 Repayment of Loans

- 4.4.1 Checks are carried out to ensure that loans are used for their intended purpose. Funds are only released when drawdown requests have been completed and presented with copies of invoices for the work carried out. Drawdown requests and invoices were provided for all of the active loans.
- 4.4.2 Bank details are checked by the Finance Admin Manager before any payments are transferred. Payments can only be sent on set days and these are set out in the signed agreements.

- 4.4.3 Repayment has begun for three of the active loans. One borrower was due to start repaying their loan in July 2018 but has had the date postponed three times. They have now begun making payments as of April 2019.
- 4.4.4 In the case where the borrower had failed to begin making repayments, input from Legal Services was requested after six months of non-payment. This has resulted in a new payment plan being set up with a postponed re-payment start date. A direct debit has been agreed and actioned and any further failure to make payments may result in termination of the lease and legal action to recover funds from the property used as security.
- 4.4.5 The Finance Admin Manager monitors repayments, following up on any that are missed or late. Initially he contacts the organisation with a reminder to pay. If there is continued non-repayment, he involves the Chief Executive or the Deputy Chief Executive and requests input from Legal Services.
- 4.4.6 As yet, no loans have been written off and there is no intention to write off any loans until all other recovery methods have been exhausted.

5 **Summary & Conclusion**

- 5.1 Following our review, we are able to give an overall MODERATE degree of assurance that the systems and controls that are currently in place in respect of Loans to External Organisations are appropriate and are working effectively.
- 5.2 The auditor noted that the processes followed had evolved reducing the risks since the first loans had been provided. We would have been able to give a SUBSTANTIAL level of assurance if there had been a policy or procedure in place to support this. However, due to the lack of transparency when providing loans, we feel we cannot give an overall level of substantial assurance at this time.
- 5.3 The assurance bands are shown below:

Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
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.

- 5.4 There were issues, however, identified during the course of the audit relating to:
- An omission of an application process.
 - An absence of a formal policy.
 - The lack of timely notification to the Insurance & Risk Officer regarding changes to Council-owned properties.

5.5 A further 'issue' was identified where an advisory note has been reported. In this instance, no formal recommendation is thought to be warranted as there is no risk if the action is not taken. However, if the changes are made, the existing control framework would be enhanced. This is in respect of loans documentation being stored securely in one central repository.

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 Loans to External Organisations – June 2019

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.2.3	To prevent loans being allocated to selected applicants, an application process should be formed. This will allow a fair and equal opportunity for a wider audience to apply.	There may be a reputational risk if other organisations or council tax payers feel that funds are loaned unfairly.	High	CMT	We do not consider that a Loans Policy and application process should be developed. The Localism Act gives a broad remit for Councils to use what powers (tools) they consider necessary to deliver a specific objective. A loan may be the right solution for a specific case but we do not believe that in effect "a loan application scheme" should be established. We accept that a checklist should be established so that there is a consistency around process and procedure.	The checklist will be developed when we next consider that a loan is the appropriate tool to use.
4.3.1	The Council should consider establishing a formal policy for providing loans to external organisations. This will help to ensure approvals are fair and a good investment for the Council.	Loans may be issued incorrectly.	Medium	CMT	See above.	See above.

Report Ref.	Recommendation	Risk	Risk Rating*	Responsible Officer(s)	Management Response	Target Date
4.3.10	Changes made to Warwick District Council properties, using loan funds, should be reported to the Insurance and Risk Officer.	There may be insurance implications where changes have been made to Council-owned properties.	Low	CMT	Agreed.	When a loan enhances the value of a WDC property.

* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.

FROM: Audit and Risk Manager

TO: Chief Executive

C.C. Head of Finance
HR Manager
Marketing & Communications
Manager
Website Services Manager
Portfolio Holder (Cllr Day)

SUBJECT: Website Management

DATE: 6 June 2019

1 Introduction

- 1.1 In accordance with the Audit Plan for 2019/20, an examination of the above subject area has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 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 specific audit of the management of the Council's website, although certain aspects will have been covered in other audits such as Customer Access Facilities.
- 2.2 The website is managed by staff within the Media team, although there are content editors within all departments of the Council.

3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.
- 3.2 In terms of scope, the audit covered the following areas:
- Policies and procedures
 - Development and digital transformation
 - Content management
 - System access
 - Accessibility and availability
 - Customer surveys, performance management and analytics
 - Procurement.
- 3.3 The audit programme identified the expected controls. The control objectives examined were:

- Staff are aware of what should and shouldn't be included on the Council's website
- The Council's website allows appropriate interaction and self-serve functionality
- The Council's website accurately reflects changes in Council processes
- Customers are able to obtain relevant, up-to-date information on Council services
- Only appropriate staff can update and publish information on the Council's website
- Customers can access the website on their chosen device
- Customers with disabilities can access the information / services they require
- Customers can access the information / services they require on a 24/7 basis
- The Council is aware of the 'usability' of the website
- The Council is aware of customer experience of using the website
- The Council makes appropriate access channels available to customers
- Value for money is achieved via the appropriate procurement of services relevant to the development and management of the Council's website.

4 Findings

4.1 Recommendations from Previous Reports

- 4.1.1 This is the first audit of this topic and, as such, this section is not applicable.

4.2 Policies & Procedures

- 4.2.1 The Website Services Manager (WSM) advised that the Digital Strategy is the main driver for the website. Whilst this does not go into detail about exactly what should or shouldn't be on the website, it highlights that there is a shift towards 'digital by default' with integrated web forms being the preferred method of achieving customer self-service. In short, therefore, if something can be done online, then the relevant service should aim to ensure that it is included on the website.
- 4.2.2 The strategy (amongst other things) is available to all staff via the intranet on the Website Guidance and Policy page.
- 4.2.3 The current strategy covers the period 2015-2019. The ICT Services Manager advised that a new strategy will be written following the identification of the (new) corporate priorities, with the process starting once the new administration is in place (i.e. following the Council elections in May).
- 4.2.4 There is no separate strategy for the future development of the website, with this being covered under the abovementioned digital strategy. This sets out overall, strategic, themes including:
- Digital Customer – Enabling customers to get the services and information they need online (by providing services and information online to residents and businesses in a user friendly way), and

- Digital Workforce – Staff will have the digital tools and skills required to deliver services effectively and efficiently (delivering positive outcomes for our customers by giving staff access to the data and the most appropriate technology).

- 4.2.5 Digital transformation is being performed via a number of distinct projects. A report was presented to Executive on 6 February 2019 setting out the digital work programme for the current financial year along with progress against the projects for 2018/19. These include a number of website-related projects along with a list of web forms that have been set up or updated during the last financial year.
- 4.2.6 Links to relevant procedural guidance, the user manual for the content management system (Jadu), and Moodle training are included on the Website Guidance & Policy intranet page. There is also a link to the Jadu user manual through the system itself.
- 4.2.7 The WSM advised that the guidance is to be reviewed regarding accessibility (see 4.6 below) as part of a wider review of the topic. He also suggested that the Moodle training is out of date with some (minor) changes being required. However, as these are in hand, it is not considered that a formal recommendation is warranted.
- 4.2.8 The WSM also highlighted that he would provide one-to-one training with users if required and that he would not provide users with their log-in details until they had either attended a session with himself or completed the Moodle training.

4.3 **Development & Digital Transformation**

- 4.3.1 The WSM advised that different elements of the site (including the 'sub-sites' for the Royal Spa Centre and the Royal Pump Rooms) are developed by different people.
- 4.3.2 The main site development is undertaken by Jadu. However, whilst contracts are in place with them for the website's content management system and the ongoing support for forms used, any future 'major' developments such as an upgrade to the 'form' system and website rebranding would incur extra costs. That being said, the WSM highlighted that 'patches' supplied by Jadu will often add new 'tweaks' or features.
- 4.3.3 The WSM suggested that future development work could be placed via another contractor, but advised that this would probably be costlier due to the need for them to get acquainted with the system and our website and Jadu may also charge for implementing the work on their system.
- 4.3.4 Where smaller developments are proposed, these can be undertaken in-house, either by the WSM, ICT staff, sub-site 'managers' or individual content editors (if the development is content-related).
- 4.3.5 The Application Support Manager (ASM) advised that ICT staff do not do any specific development of the site itself, as they do not have the relevant

system knowledge. However, they undertake development of in-house applications hosted by other servers that are then linked to the website.

- 4.3.6 These applications are included on the website based on an agreed programme of works which is agreed by the ICT steering group with this programme being reported to Executive (as per 4.2.5 above).
- 4.3.7 The WSM highlighted that self-service and service request forms are in place for various different 'interactions' and these are detailed on the Do it Online page of the Council's website. He advised that these are a combination of the Council's own in-house applications, Jadu forms and other external systems accessed via external links.
- 4.3.8 Some of the forms listed are in PDF format. These, ideally, would be converted to online forms, but the WSM suggested that it would be a big job to transform some of the more complex forms, and it would require a more advanced form system with the ability to save and create accounts on the Council's website.
- 4.3.9 He also advised that, at present, the majority of forms are standalone with no direct interaction with back-office systems, although there are some (non-Jadu) forms that are directly linked to the system and populate the system accordingly. Forms relating to third-party products such as CIVICA Open Channel are also to be included which will fully integrate with the CIVICA Open Revenues system.
- 4.3.10 The Exchequer Manager confirmed that, at present, web forms are in place which, when completed, create a work item in the relevant queue for someone to deal with. However, CIVICA Open Channel has been purchased which includes similar web forms (which have been customised for the Council's needs) and these will automatically input the details onto the system. However, if there are any issues with the information supplied, a work item will be created instead.
- 4.3.11 A number of forms for Council Tax have been created and internal testing has been performed on two of these (advisers are taking the details over the phone and are then completing the forms themselves as if the customer was completing them directly). The expectation is that all relevant Council Tax forms will be live within a couple of months.
- 4.3.12 The WSM advised that the main focus so far has been to remove email addresses from the website and replace these with forms, making sure that information required is obtained and goes to the correct staff member, with integration being the next step. This requires ICT application support and is ideally where the Council wants to get to, but is not there yet.
- 4.3.13 The ASM confirmed that an integration which will take info from Jadu and will process data for importing directly onto the CIVICA APP system (regarding waste management etc.) is now being worked on and testing will be undertaken to ensure that the correct information is captured. She also commented that other systems may not, however, allow for this level of integration so it may not be possible for all services to go digital in this way.

- 4.3.14 The WSM advised that there is nothing formal in place for services to request new on-line services. They would get in touch directly with himself, ICT, or members of the Media Services team. He also highlighted that some proactive work is undertaken, reviewing the website to identify where email addresses are included and then contacting the service to see if the information could be provided on a form as opposed to directly contacting the officer / team. A spreadsheet is being maintained of the contact forms that are in place and / or are being worked on.
- 4.3.15 The WSM confirmed that internal testing is undertaken on the forms before the go live on the website and provided details of two recent pieces of work:
- Reporting and enquiry forms for the Green Space team – all forms were checked and then a live test was undertaken to ensure that relevant information was being obtained and the information was going to the correct person.
 - Building Control – internal testing and direct user testing on site at Riverside House with customers who had come in to process a transaction.
- 4.3.16 The WSM also advised that usability testing software has recently been acquired, and testing has been undertaken on the Elections pages. Now that the software is in place, it is anticipated that regular user testing will be undertaken.

4.4 **Content Management**

- 4.4.1 The WSM advised that the usability testing referred to above also encompasses navigation, i.e. how easy it is for a user to navigate to the correct page on the website. He also highlighted that the annual 'Plain English' review covers navigation of the website and the last report raised no issues over this aspect, highlighting a number of features that were best practice. With the new usability testing software in place (see 4.3.16 above), the WSM advised that he is planning to undertake a couple of usability tests a month going forward.
- 4.4.2 'Card sorting' software had been used by the WSM's predecessor when the website was being created to show how the menus should be structured and the WSM advised that an ongoing restructure of the leisure pages has used an internal card sorting exercise (although these pages have not yet gone live).
- 4.4.3 He also advised that, in his old job, he undertook a six-monthly web page review process, but this would take a lot of work to set up as pages are not individually assigned at present and it would need about 20% of site being rebuilt. This 'issue' was flagged when he started at the Council and intends to send an email to all content editors as part of the accessibility review that is to be undertaken (see 4.6 below) to advise them of the need to regularly review their content.

- 4.4.4 Staff within each service area are responsible for making sure that content remains appropriate / up-to-date. Users are split between two main groups – those who can create content and those who can publish and the ‘publishers’ have to review the content before it goes live on the website. The majority of users are only creators but there are generally publishers in each service area and workflows on Jadu show who can create (edit) and publish content for each part of the website.
- 4.4.5 A specific software system (Silktide) is in place to flag any issues with accessibility, broken links, spelling errors and profanities. The WSM advised that he logs onto Silktide two or three times a week, although weekly reviews are formally diarised.
- 4.4.6 The front page of the Council’s website includes (amongst other things) details of events that are being held along with news items. Events are automatically archived when the date has passed but news items stay on the site although they are moved onto an archive which is retained on the site.
- 4.4.7 A sample of content editors was chosen and they were each asked how they maintained their pages, ensuring that they remain up to date and relevant. Whilst each member of staff had their own processes, all were considered appropriate.

4.5 **System Access**

- 4.5.1 A list of staff with access to Jadu was obtained. This showed the general level of access that each user has, along with the ‘areas’ that they can edit.
- 4.5.2 Access permissions can be set at an individual level or the user can be assigned to a specific role, and permission can be further amended to allow different levels of access (read only, edit, delete, publish) to different elements of the system.
- 4.5.3 The WSM advised that, historically, there had been nothing formal in place in terms of an approval process for access to be provided to Jadu. Individuals either approached the WSM to request access, with no approval being required from their manager, or he was providing access to some staff members who had contacted him to ask for updates to be undertaken and, instead of doing it himself, he would provide the member of staff with access so that they could do it. The WSM also advised that he emailed all authors when he started in the role to ascertain if they still needed access, whether the pages they had access to were still relevant, and whether they needed any refresher training.
- 4.5.4 A new form has now been introduced (available via the intranet) to ensure that an audit trail can be maintained to show who has been provided with access. However, this is very new and had not been used at the time of the audit.
- 4.5.5 The WSM advised that he receives no formal notification of leavers or staff changing their roles and, as such, there is no formal process of removing / amending user access. However, he highlighted that a user cannot log on to

the system if they are not logged on to the Council network and ICT will remove this access when someone leaves the Council.

- 4.5.6 He also highlighted that a user 'audit' was planned and it was confirmed that this was a yearly recurring appointment on his Outlook calendar. This was to be undertaken following the completion of this (internal) audit to see if there was any further information that needed to be included in the email that was to be sent out to users as part of the process.
- 4.5.7 As highlighted above (see 4.5.5), the system is held on the Council's network, so network access is required before system access can be gained by users. The WSM advised that this has been a fairly recent change as he used to be able to access it externally.
- 4.5.8 The ASM advised that this had come about following the last PSN IT health check which had found an issue with the Jadu administration interface. This highlighted that there was a lack of two factor authentication and this was solved by restricting access to internal IP addresses.
- 4.5.9 The ASM also advised that the annual health checks include penetration testing, both from an external perspective and an internal one (i.e. once someone is inside the network) and this helps to ensure that access to the system is secure.

4.6 Accessibility & Availability

- 4.6.1 The WSM advised that the website had been designed to meet the accessibility standards that were in place at the time (Web Content Accessibility Guidelines (WCAG) 2.0 AA). He suggested that the themes and overall set up meet this, but individual items of content might not.
- 4.6.2 A new standard has now been introduced (WCAG 2.1) and the Council's website has to be compliant by 23 September 2020, subject to any issues of 'disproportionate burden' (e.g. if it would take too long to make a page compliant or it would be too costly to do so, then an exemption can be 'claimed'). The WSM advised that a couple of areas of the Council's website do not meet this standard at present.
- 4.6.3 A review of the website's accessibility is to be undertaken by an external company to ensure compliance, although an internal review can also be undertaken using the Silktide software that the Council uses. The WSM had also drawn up an accessibility review plan.
- 4.6.4 There is a requirement to include an accessibility statement on the Council's website to reflect what doesn't meet the (current) standard and why. Upon review of the website, this was found to be in place.
- 4.6.5 The WSM also highlighted that web browsers allow you to view the webpage as it would appear on any given device (using the F12 key) and this can be used to confirm that the Council's website can be appropriately used on any device. He also suggested that most browsers are now standardised using 'future-proofed' technologies. The only issues tend to be with outdated

browsers and there always has to be a trade-off between maintaining compatibility for a few users with the costs of doing so.

- 4.6.6 As per the accessibility review plan referred to above, training is to be provided to relevant staff to raise awareness of accessibility. In terms of specific queries raised, the WSM highlighted that:
- The design of the site is keyboard friendly for those who may struggle to use a mouse, with movement between fields possible via the tab key. This was tested as part of the audit and was found to work as described.
 - The WSM advised that Jadu requires 'alt text' to be entered for any images used and form fields to be labelled and this was confirmed to be the case upon review.
 - The website meets the relevant contrast ratios set out in WCAG 2.0 AA (although does not yet meet the 2.1 standard), and colours, text sizes etc. can be amended by the user via the accessibility page on the website. Text sizes and zoom control can also be amended via the inbuilt browser settings.
 - Pause buttons are included on scrolling media to allow users the opportunity to read all information on the individual screens, although the WSM highlighted an issue with the position of some of the promotional text when reviewing the Royal Spa Centre page on the website, with the 'labels' on each screen not covering all of the relevant text that was included on the images.
- 4.6.7 The WSM advised that the website can be updated from home if required (as long as the network access is available) using an RSA token. However, if electricity goes down at Riverside House (as was the case with the recent fire), the website will also go down.
- 4.6.8 In these instances social media updates will be posted by the Digital Content & Social Media Officer. Warwickshire County Council's website also includes a page that can be made live if the Council's website goes down which will be referred to on the social media posts.
- 4.6.9 Two external alert systems are also in place:
- Eggplant monitors the health of the server (e.g. if the site is slow) although the WSM advised that, whilst alerts are generated, this is used more for performance reporting than alerts.
 - Uptime Robot (a free, online tool) provides a simple dashboard and sends emails to the WSM's personal and work emails highlighting any issues.
- 4.6.10 The WSM advised that there are monthly reboots plus other times when server maintenance or an upgrade is required and the website will be taken down. Planned items are put in his calendar and an announcement will be placed on the website with a news item being created to advise that the site will not be available. This was evidenced for the last regular maintenance (18 March 2019). Announcements will also be placed on social media.
- 4.6.11 Reboots are undertaken overnight (between 01:00 and 03:00) to ensure that disruption to customers is minimised, with the timing of other maintenance

(including patching) being dependant on whether someone has to be in office. The WSM advised that the website analytics will be checked to see if anyone is currently on the site prior to the site being taken down.

4.7 Customer Surveys, Performance Management & Analytics

- 4.7.1 As previously highlighted (see 4.3 above), some user testing has been undertaken with regards to specific pages of the Council's website. The WSM advised that he wants to undertake more testing now that the usability software is in place and plans to undertake two tests a month.
- 4.7.2 Pop-up surveys are used on the Council's website and the results from these are collated onto a spreadsheet with this information being summarised to (try to) get an understanding of the customer satisfaction levels. However, the WSM was unsure whether these presented an accurate picture due to the small percentage of overall visitors that completed the surveys.
- 4.7.3 The WSM highlighted that the responses are 'scanned' for any obvious issues but feels that more could be done with the responses, especially with regards to flagging any compliments received and forwarding these to the relevant service.

Advisory

The production of management reports from the survey responses received should be considered to flag up any issues raised and compliments received.

- 4.7.4 The WSM advised that visitor numbers are obtained via Google analytics, with reports being generated as and when necessary. Visitor statistics are placed on the website and information is also provided to the Marketing & Media Officer (MMO) who produces an 'infographic' for the intranet.
- 4.7.5 The MMO also sends a link to the information to SMT on a quarterly basis, although she advised that this will be done monthly in the future in line with the new Marketing & Communications Strategy, which was presented to (and approved by) SMT on 30 January 2019.
- 4.7.6 The WSM also compiles customer service statistics on a spreadsheet, giving details of overall figures, form completions, and details of individual pages. However, again, the WSM feels like this is a data dump at the moment and nothing is generally done with the data obtained.

Advisory

The production of management reports from the customer service statistics should be considered to allow management to evaluate the website performance.

- 4.7.7 In terms of comparisons with other access channels, the WSM was unsure how previous figures had been compiled, although the Business Support and Development Manager (BSDM) compiles phone call figures for his service

area (Neighbourhood Services), with this being carried forward from when he had been responsible for the management of the Warwickshire Direct Partnership arrangement.

- 4.7.8 The BSDM advised that he has produced a report for SMT which looked at what the Council would have to do differently given the increase in the number of houses being built and this covered the use of different access channels to some extent. He also advised that a Business Support measure is to be included in the Service Area Plan for Neighbourhood Services which will cover the number of contacts through different access channels and this will be compiled in conjunction with the WSM. This will be reviewed monthly with quarterly reports being prepared for the Head of Neighbourhood Services) although this has yet to be undertaken.
- 4.7.9 The WSM also highlighted that the Contact Us page on the Council's website had been redesigned to refer to the forms available before phone numbers etc. so that customers are directed towards the Council's preferred contact methods.
- 4.7.10 An analytics tool (Crazy Egg) is also used. This gives detailed page analytics, page heat maps and A/B testing (where two slightly different version of a page can be tested to see which one performs better). These tools will help guide decision making when building pages or content.

4.8 **Procurement**

- 4.8.1 With the exception of the main, ongoing, support contract, most items of expenditure are fairly minor. However, the WSM advised that he had recently procured two software 'systems' in relation to quality and performance monitoring and three quotes had been obtained in relation to these procurement exercises.
- 4.8.2 Some other prices had also been obtained in these instances via 'standard' fees that are published on the websites for the companies. Evidence was provided which confirmed that this process had been followed.
- 4.8.3 There was also a cost related to the implementation of the new website form builder included on the cost centre. The WSM advised that this was placed via Jadu as they are the existing provider of the system.

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 Website Management are appropriate and are working effectively.
- 5.2 The assurance bands are shown below:


Level of Assurance	Definition
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.

Level of Assurance	Definition
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 No formal recommendations are included. However, two (related) 'issues' were identified where advisory notes have been reported. In these instances, no formal recommendation is thought to be warranted as there is no risk if the action is not taken. However, if the changes are made, the existing control framework would be enhanced:

- The production of management reports could be considered to make better use of the information obtained in relation to customer surveys and customer service statistics.

Richard Barr
Audit and Risk Manager

 Warwick District Council		Finance and Audit Committee 20th August 2019	Agenda Item No. 6
Title	Review of Housing Services- Service Area Update		
For further information about this report please contact	Amanda Bennett Service Improvement Manager amanda.bennett@warwickdc.gov.uk or Lisa Barker Head of Housing Services lisa.barker@warwickdc.gov.uk		
Wards of the District directly affected	N/A		
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No		
Date and meeting when issue was last considered and relevant minute number	24 TH July 2018 minute number 34		
Background Papers	Finance & Audit Committee report 24th July 2018 and its appendices as follows: Appendix A - Risk Register 2018 Appendix B – Contract Register 2018 Appendix C – Budgets 2018		
Contrary to the policy framework:			No
Contrary to the budgetary framework:			No
Key Decision?			No
Included within the Forward Plan? (If yes include reference number)			No
Equality Impact Assessment Undertaken			N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Chris Elliott
Head of Service	02/08/2019	Lisa Barker
CMT		Bill Hunt
Section 151 Officer		Mike Snow
Monitoring Officer		Andrew Jones
Finance		Andrew Rollins
Portfolio Holder(s)		Jan Matecki
Consultation & Community Engagement		
None for the purpose of this report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report presents to members the risk register, contract register and budget outline for Housing Services.

2. **Recommendation**

- 2.1 That Finance and Audit Scrutiny Committee considers and comments upon the risk register, contract register and budget outline for Housing Services.

3. **Reasons for the Recommendation**

- 3.1 Each service area reports periodically to Finance and Audit Scrutiny Committee to give members the opportunity to scrutinise the three documents appended to this report. The latest version of the Risk Register is set out in Appendix A, the up-to-date contract register is set out in Appendix B, details of Housing Services budgets are included in Appendix C for consideration and Appendix D summarises current levels of performance for the Service Area..

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key Projects People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy."

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
There are no specific proposals as this is a performance review report.	There are no specific proposals as this is a performance review report.	There are no specific proposals as this is a performance review report.
Internal		
Effective Staff	Maintain or Improve	Firm Financial Footing

	Services	over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
There are no specific proposals as this is a performance review report.	There are no specific proposals as this is a performance review report.	There are no specific proposals as this is a performance review report.

4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies and there are several policies and strategies which Housing Services lead on. These are primarily the Housing & Homelessness Strategy and the Housing Revenue Account Business Plan.

4.3 **Changes to Existing Policies**

This report does not propose any changes to existing policies.

4.4 **Impact Assessments**

This report does not propose any changes to existing policies therefore no new or significant changes are proposed in respect of equalities.

5. **Budgetary Framework**

5.1 Details of the Housing Services budgets are shown at Appendix C.

5.2 Budget reports are routinely considered by the Senior Management Team, with quarterly reports issued to the Executive. The next Executive report is due in September 2019.

6. **Risks**

6.1 The Housing Services Risk Register is included in Appendix A with explanatory information in section 8 below.

7. **Alternative Option(s) considered**

7.1 As this report is predominantly for information, at the request of the Finance and Audit Scrutiny Committee, no other options are proposed.

8. **Background information**

Risk Register

- 8.1 The scoring criteria for the Risk Register is subjective and is based on an assessment of the likelihood of something occurring, and the impact that might have on the service.
- 8.1 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.
- 8.3 Housing Services provides a wide range of services with varying levels of inherent potential risk. There are 12 risks contained in the Risk Register.
- 8.4 11 of the 12 risks are shown as "amber" in accordance with the Council's risk scoring matrix. The other risk shown as "red" is being addressed by identifying posts, recruitment, retention and job evaluations. Mobile working arrangements are also being investigated.
- 8.5 As with all the risks in the register, it is the controls and mitigations that are being undertaken to control the risks that are of importance. These reflect the tangible actions over which there is more control.

Contract Register

- 8.6 Housing Services currently has 29 live contracts on the contract register.
- 8.7 The most significant of these contracts relates to the Council's in-house Housing Management System (MIS - ActiveH). The contract for this system is due to come to an end in 2020 but there is an option to extend the contract for a further two years which will be taken up .

Housing Services Risk Register

July 17th 2019

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
1. Inadequate staffing resources	<ul style="list-style-type: none"> Inability to recruit/retain staff Uncompetitive salaries and terms & conditions Poor working environment Poor management of staff Increasing sickness levels Heavy workloads Low morale Inadequate training 	<ul style="list-style-type: none"> Failure to meet statutory/regulatory obligations Inability to provide services at normal levels Pressure on remaining staff leading to deterioration in staff morale Complaints/Legal action/strike action Additional costs to employ temporary staff Reputational damage 	<ul style="list-style-type: none"> Terms & conditions review The Service Area Crisis Plan has been updated to ensure sufficient plans are in place to maintain service in the event of significant loss of staff or systems Delay in the VARF process Mobile (home) working practices in place Potential to apply a market supplement 	1.1 Identify posts where recruitment/retention issues and consider new job evaluation, Revaluation of lifeline completed. Monitoring homeless & HA officers delay in VARF Housing management review required.	HMT	Staff time	March 2020	<div> <div>Impact</div> <div>Likelihood</div> </div>
				1.2 Investigate the opportunity for implementing further mobile working arrangements so that we have a more flexible workforce and working arrangements.	HMT	Staff time – Income and Tenancy teams to trial mobile offer	March 2020	
				1.3 Ensure all appraisals and PDPs have been completed.	HMT	Staff time	Annual Action	
				1.4 Ensure that home workers are adequately managed.	HMT	Staff time	Ongoing	
				1.5 Review Service Area Crisis Plan.	HMT	Staff time	Ongoing	
				1.6 Finalise the overall structure for the housing management team.	HMT	Staff Time	Dec 2019	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
2. Insufficient financial resources to sustain the services (HRA and General Fund)	<ul style="list-style-type: none"> Unexpected cuts in sources of finance Major uninsured or uninsurable incident Poor budget management Increasing costs Significant variances in the assumptions that underpin the Business Plan High value void levy Mandatory rent reduction 2016 – 2020 Changes to government regulations and legislation Increase in the rent not being collected due to 53 weeks Mondays in the financial year 	<ul style="list-style-type: none"> Reduction in staffing levels Low morale among staff Inability to deliver services Increased complaints Reputational damage Reduction in Services Reduction in the delivery of new homes Rent more difficult to collect. 	<ul style="list-style-type: none"> Regular budget monitoring and early warning systems for any unexpected major expense or drop in income. Early contact with insurance Officer. Regular review of business plan performance and environmental budgets which is reported to Finance and Audit Scrutiny Committee bi-annually Business Plan is updated annually and reported to Executive for approval All significant decisions are evaluated and impact on the business plan is considered Business Plan has its own risk register which is annually reviewed along with the Business Plan. Keep abreast of policy developments and changes in Government. Any change in the law would affect all stock-owning councils and in this case we would have collective bargaining power. 	2.1 To review HRA business plan and ensure sufficient resources to meet plans.	Lisa Barker	Staff time	Aug 2019	<div> <div>Impact</div> <div>Likelihood</div> </div>
				2.2 To consider service charges and disaggregation from basic rent	Caroline Russell	Staff time	March 2020	
				2.3 Developing a marketing plan for Lifeline	James Baker	Staff time	Dec 2019	
				2.4 Consider bringing in additional income to support Housing Services: - Housing Company - Attract Government funding - Applying for charitable funding.			Ongoing Awaiting Resource	
				2.5 Reviewing the staffing structure to determine requirements	Lisa Barker	Staff Time	March 2020	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
3. Failure to: Respond to new legislation; Comply with new/existing legislation; take into account legal implications of decisions.	<ul style="list-style-type: none"> Lack of adequate training or failure to comply with policies & procedures Lack of appropriate performance management Low staff morale Inadequate supervision and management procedures Fraud & corruption by staff, contractors or tenants (e.g. tampering with electric supply/meter) Staff shortages 	<ul style="list-style-type: none"> Failure to deliver statutory and contractual obligations Deterioration in service delivery Increase in number of complaints/ compensation/ negligence/liability/ claims resulting in financial cost and/or reputational damage to Council Poor service performance against SAP measures Deterioration in staff morale Not legally compliant Breach of Data Protection Act 	<ul style="list-style-type: none"> Effective supervision and management controls in place including; one to ones, team meetings, appraisals, training, recruitment & selection, capability Corporate audit programme in place and service specific management audits in place E Learning system in place and promotion of corporate policies, including; Anti-Fraud & Corruption Strategy, Bribery Act, Internal Audit guidance notes, Whistleblowing Policy, Money Laundering Policy, Employee Code of Conduct Compliance with Code of Financial Practice & authorisation limits supported by system based controls Separation of duties and declarations of interests Effective budgetary control Electronic devices have integrated security systems so that systems cannot be accessed if they are stolen 	3.1 Complete a review of all policies to ensure that they are up to date, relevant and compliant and put in place a programme for updating and reviewing on a regular basis.	Caroline Russell	Staff time	March 2020	<p>Impact</p> <p>Likelihood</p>
				3.2 Assess the need for specific procedures to back up policies and prepare these as necessary.	Caroline Russell	Staff time	March 2020	
				3.3 Monitor proposed and new legislation and case law and introduce/amend procedures as necessary.	Caroline Russell	Staff time	Ongoing	
				3.4 Sign up to legal update- is this toolkit??	Caroline Russell	Staff Time	September 2019	
				3.5 Ensure all work is recordable on management system/s and explore telephone call recording	Caroline Russell	Staff time	November 2019	
				3.6 To produce a toolkit on housing management procedures for income collection and sustaining tenancies service areas	Caroline Russell	Staff time	March 2020	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
4. Loss of IT	<ul style="list-style-type: none"> Failure of WDC system or support, Power failure, System problems, including hacking/ cyber security threats & cyber crime Major incident at Riverside House 	<ul style="list-style-type: none"> Failure to meet statutory obligations Inability to provide services at normal levels which could include an effect upon home working Incorrect data on systems after a system failure Pressure on staff leading to deterioration in staff morale Legal action Reputational damage 	<ul style="list-style-type: none"> The Service Area Crisis Plan has been updated to ensure sufficient plans are in place to maintain service in the event of significant loss of staff or systems Hard copy database of lifeline customers is maintained Financial System reconciliation Hard copy of Housing Management customers to be created 	4.1 Review Service Area Crisis Plan 6 monthly.	HMT	Staff time	July 2019	<div> <div>Impact</div> <div>Likelihood</div> </div>
				4.2 Review Business Continuity Plan.				
				4.3 Waiting List backup to be reviewed.	Elaine Wallace	Staff time	March 2020	
				4.4 Explore how Lifeline Services can maintain tenant and property lists in case of IT outage to ensure we can identify venerable tenants and leaseholder	James Baker	Staff time	Nov 2019	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating																				
5. Accidents /health and safety of staff and contractors	<ul style="list-style-type: none">Lone workingPotential violent customersHazardous premisesBad weatherHeavy workloadsTirednessDrivingInadequate / faulty equipment	<ul style="list-style-type: none">Death or ill healthIncrease in sickness absenceLoss of confidenceDeterioration in staff moraleIncrease in compensation claims from staffReputational damageImpact on service delivery	<ul style="list-style-type: none">Operate Staff Alert List- corporate review of lone workingPartnership links with MAPPA, Police and Social ServicesIssue of mobile phones to staff working out of the officeBespoke assessment of safe working practices where requiredJoint Consultative GroupAccident/incident reporting and investigationDSE assessmentsWDC Health & Safety Advisor has reviewed the operation of the Tunstall Lone Worker system on our recommendation & reliability has improved as a resultCorporate health & safety policy& risk assessmentsAdequate equipment inc. PPECOSSH, safe systems at work and permits to work complianceICE list maintained	5.1 All managers to carry out lone worker risk assessments for their lone worker roles – implement corporate review.	HMT	Staff time	Ongoing	<div><div>Impact</div><table><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table><div>Likelihood</div></div>																				
5.2 Implement the Internal Audit findings on lone worker monitoring arrangements.	Ian Carden; Sue Sweeney	Staff time	Ongoing	September 2019																								
Staff Alert List – A back up ripple stone report schedule to capture data to be run monthly and stored at control.																												
5.3 Managers to check and take a copy of: - Driving Licence - Insurance - MOT	HMT	Staff time	Annual exercise																									

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
6. Failure of contractor to deliver effective service	<ul style="list-style-type: none"> Lack of appropriate performance & contract management Inadequate procurement Contractor dissatisfaction with client 	<ul style="list-style-type: none"> Increase in number of complaints / compensation / negligence / liability claims Damage to buildings Failure to deliver statutory and contractual obligations Deterioration in service delivery Poor service performance against Service Area Plan measures Deterioration in staff morale 	<ul style="list-style-type: none"> Effective procurement and contract management procedures in place including regular contractor meetings Regular meetings with procurement team Regular meetings with contractors Cleaning contract transfer to Kingdom is completed, novated and no bond in place To attend the HEART management board 	6.1 Monitor performance of Kingdom contract	HMT	Staff time	Ongoing	<div> <div>Impact</div> <div>Likelihood</div> </div>
				6.2 Implement the actions from the recent internal audit of Kingdom contract has been completed.	HMT	Staff time	Ongoing	
				6.3 Grounds maintenance contract to be reviewed and monitored - Removing rubbish - Grounds - Monitoring ongoing	HMT	Staff time	June 2020	
				6.4 to have regular contact with Assets	HMT	Staff Time	Ongoing	
				6.5 Review all contracts and insurance on a regular basis	HMT	Staff time	Ongoing	
				6.6 Attendance at quarterly HEART management board	HMT	Staff time	Quarterly	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
7. Risk of fire in blocks of flats	<ul style="list-style-type: none"> Fire in a communal area of a block of flats or individual flat which spreads to other parts of the building General acts or omissions by anyone Accidental or deliberate ignition of a fuel Electrical fault Gas explosion 	<ul style="list-style-type: none"> Loss of confidence and reputational damage Improvement notices Prohibition notices Fines, compensation and imprisonment Ill health and/or death Damage to property Effect on staff Need to rehouse occupiers 	<ul style="list-style-type: none"> Compliant services testing programmes (gas, electric, biomass, fire detection and firefighting equipment) Fire risk assessment programmes Ensure that recommendations in FRAs are completed Procedure for the inspection and removal of stored items from communal areas Procedure for leaseholder fire doors Compliance Register in place Work with Warwickshire Fire and Rescue Service Completion of programme of inspection/visits to all high rise tenants/leaseholders Compliant service testing programs, checks carried out weekly and quarterly and any follow up works carried out in a timely manner 	7.1 Implement actions as a result of assessments fire risk assessments with ACESSnet.	Caroline Russell	Staff time	Ongoing	<div> <div>Impact</div> <div>Likelihood</div> </div>
				7.2 Maintain daily inspection of communal areas in high rise.	Caroline Russell	Staff time	Ongoing	
				7.3 Complete all safety improvement work to 9 high rise blocks.	Caroline Russell	Staff time	March 2020	
				7.4 complete fire safety work programme for sheltered.	Caroline Russell	Staff time	March 2020	
				7.5 Start fire programme for low rise.	Caroline Russell	Staff time	March 2020	
				7.6 Complete/review fire safety in temporary accommodation.	Elaine Wallace	Staff time	March 2020	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
8. Deterioration of external areas – paths, greens, trees	<ul style="list-style-type: none"> Failure to maintain areas Lack of awareness of ownership Vandalism Fly tipping 	<ul style="list-style-type: none"> Injury to members of the public Damage to buildings including subsidence due to trees Damage to vehicles Complaints / legal action / Compensation claims 	<ul style="list-style-type: none"> All staff who regularly visit estates to inspect for problems Ensure Tenancy Officer / Neighbourhood Officer visits include communal areas 	8.1 Review the role of the NHO team and integrate into their role.	Sue Sweeney	Staff time	March 2020	<div> <div>Impact</div> <div>Likelihood</div> </div>
				8.2 Implement action plan from tree audit inspection	Sue Sweeney	Environmental budget	March 2020	
				8.3 Audit of paths- undertaken by Assets	Sue Sweeney	Staff time	December 2020	
				8.4 High-rise environment audit / redesign – external works	Sue Sweeney	Staff time	March 2020	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
9. Significant non-payment of rent leading to high rent arrears.	<ul style="list-style-type: none"> Ongoing welfare reform (including Universal Credit) Ongoing economic uncertainty Housing related support budget cuts to floating support as a result of ongoing austerity measures. Tenants withholding rent additional risk for increase in rent not being collected due to there being 53 Mondays. For those tenants that claim UC this causes issue as the DWP will only account for a 52-week year when calculating the claimants monthly housing costs element. 	<ul style="list-style-type: none"> Reduced rental income Reduced services Business plan revisions Negative publicity & criticism from members Reputational damage 	<ul style="list-style-type: none"> Clear and effective rent arrears recovery procedures Financial inclusion strategy Financial inclusion initiatives Additional staff resources Vulnerable groups identified and offered support Staff training Increase tenant awareness Closer working with other departments – especially Health and Community Protection Ensure money advice services in the district are fit for purpose Work in partnership with other Registered Providers to deliver local and national financially inclusive initiatives Financial risk assessments for new tenants Raise opportunities of financial inclusion initiatives within other council departments Work with partners to explore the benefits of collaborative working such as The Breathing Space 	9.1 Increase uptake of tenants paying by direct debit	Caroline Russell	Staff time	Ongoing	<div> <div>Impact</div> <div>Likelihood</div> </div>
				9.2 Financial Inclusion Action Plan to be reviewed	Caroline Russell	Staff time	Sept 2019	
				9.3 To consider customer insight	Caroline Russell	Staff time	March 2020	
				9.4 To consider Moby soft Rent Sense	Caroline Russell	Staff time	March 2020	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating																								
10. Failure to adequately manage residential leases	<ul style="list-style-type: none">Lack of staff awareness of leasehold rights and responsibilitiesLack of leaseholder awareness of responsibilitiesDifferent lease agreements in place on different properties.Some leaseholders responsible for buildings insurance	<ul style="list-style-type: none">Increased complaints potentially escalating to legal action.Inability to fully recover costs through service charges.Damage to adjoining council properties	<ul style="list-style-type: none">Current management arrangements.	10.1 Work with relevant tenants and leaseholders on block-specific issues.	HMT	Staff time	Ongoing	<div><div>Impact</div><table><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></div>																								
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Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
11. Increasing levels of homelessness	<ul style="list-style-type: none"> Buoyant housing market pushing house prices out of reach of local people Recession causing increasing evictions Homeless Reduction Act 	<ul style="list-style-type: none"> Increased workloads and pressure on staff Pressure on temporary accommodation leading to increased bed and breakfast use Pressure on budgets Reputational damage Complaints Increased rough sleeping 	<ul style="list-style-type: none"> Current management and monitoring arrangements Exec approval for up to 5 units of leased accommodation Purchase of Beauchamp House Opening of twenty-two bedspace Direct Access Hostel at William Wallsgrove House 	11.1 Review the homelessness strategy and develop an action plan	Elaine Wallace	Staff time	March 2020	<div> <div>Impact</div> <div>Likelihood</div> </div>
				11.2 To considered service provision with housing review	Lisa Barker	Staff time	March 2020	

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Action(s)	Officer	Resource	Due Date	Residual Risk Rating
12. Reputational risk due to Inability to meet the need for housing across the district	<ul style="list-style-type: none"> Worsening housing crisis Lack & cost of land availability Inadequate appraisal of full range of options Poor partnership arrangements with registered providers & developers Ineffective S.106 procedure Poor housing market assessment data Not effectively using/spending commuted sums or other resources 	<ul style="list-style-type: none"> Not meeting the housing need Increase in numbers on the waiting list Increase in homelessness & demand for temporary accommodation Damage to RP partnerships Criticism from politicians & the regulator Loss of opportunity to get government funding Instructed to house somebody by courts 	<ul style="list-style-type: none"> The Housing & Homelessness Strategy has an action plan to address the strategic objective Housing Revenue Account Business Plan directs available resources towards building new affordable homes The council is exploring the potential to develop a Council Economic Development and Housing Company and other strategic opportunities to increase the delivery of affordable homes Build partnerships with Housing Associations e.g. W2 Strategic market assessment Affordable Housing Supplementary Planning Document in place to ensure developments deliver a suitable amount of affordable housing Committed sums policy in place and regular monitoring of funds Bring forward plan for building affordable homes 	12.1 Commission new housing market information	Vacant	Staff time Cost of £3000	March 2020	<div> <div>Impact</div> <div>Likelihood</div> </div>
				12.2 Consider the potential for a Housing Company	Lisa Barker	Staff time	March 2020	
				12.3 To deliver the framework for the delivery of affordable housing	Ken Bruno	Staff time	March 2020	

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>HOUSING SERVICES PORTFOLIO</u>					
S1050 PUBLIC CONVENIENCES	193,391	196,200	193,800	174,876	204,900
S1590 HOMELESSNESS/HOUSING ADVICE	653,186	556,700	734,500	352,221	639,900
S1605 HOUSING STRATEGY	381,743	373,900	492,600	285,994	260,700
S1610 OTHER HOUSING PROPERTY	(7,473)	(2,400)	800	(7,898)	19,700
S1615 CONTRIBUTIONS TO HRA	37,900	37,900	37,900	37,900	37,900
S1625 SUPPORTING PEOPLE TO HRA	-	-	-	-	-
S1630 PRIVATE SECTOR HOUSING	257,157	542,900	406,700	344,065	367,800
TOTAL HOUSING SERVICES PORTFOLIO	1,515,904	1,705,200	1,866,300	1,187,159	1,530,900

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S1050 PUBLIC CONVENIENCES</u>					
DIRECT EXPENDITURE					
Premises	150,121	145,400	145,000	141,608	145,400
Supplies and Services	-	-	100	95	-
TOTAL DIRECT EXPENDITURE	150,121	145,400	145,100	141,702	145,400
DIRECT INCOME					
Rents	(209)	-	-	(10)	-
TOTAL DIRECT INCOME	(209)	-	-	(10)	-
NET DIRECT (INCOME) / EXPENDITURE	149,912	145,400	145,100	141,692	145,400
Support Services	16,230	23,600	21,500	6,888	21,000
Capital Charges	27,249	27,200	27,200	26,295	38,500
NET (INCOME) / EXPENDITURE TO SUMMARY	193,391	196,200	193,800	174,876	204,900

Public conveniences across the district operate under one service that covers the cleansing, opening and locking of all Council owned public conveniences.

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S1590 HOMELESSNESS/HOUSING ADVICE</u>					
DIRECT EXPENDITURE					
Employees	406,830	409,400	438,900	428,366	447,300
Premises	111,905	102,600	102,600	144,578	102,700
Transport	5,377	5,200	6,500	5,881	1,900
Supplies and Services	176,832	219,000	297,000	92,942	187,000
Third Party Payments	26,991	-	21,200	13,375	19,400
TOTAL DIRECT EXPENDITURE	727,935	736,200	866,200	685,142	758,300
DIRECT INCOME					
Government Grants	-	-	(21,200)	(305,330)	(19,400)
Other Grants and Contributions	(14,539)	(14,000)	(29,100)	(17,904)	(14,000)
Other Income	(42)	-	-	(43,655)	-
Fees and Charges	(2,797)	(2,800)	(2,800)	(11,676)	(2,800)
Rents	(144,540)	(246,100)	(240,100)	(63,281)	(240,100)
TOTAL DIRECT INCOME	(161,918)	(262,900)	(293,200)	(441,846)	(276,300)
NET DIRECT (INCOME) / EXPENDITURE	566,017	473,300	573,000	243,295	482,000
Support Services	491,663	430,400	508,500	577,489	504,900
Recharges	(404,494)	(347,000)	(347,000)	(468,563)	(347,000)
NET (INCOME) / EXPENDITURE TO SUMMARY	653,186	556,700	734,500	352,221	639,900

Homelessness

The prevention of homelessness is a strategic priority for Warwick District Council. To do this, the Council:

- Provides an increased choice of affordable, secure housing by introducing a programme to build new Council-owned housing
- Gives quicker access to vacant Council owned homes by speeding up the time they are repaired and made ready for letting
- Increases access to housing association owned homes through the Council's Housing register and Allocations Policy
- Helps people rent accommodation from private landlords with a Rent Deposit Scheme
- Uses general housing stock for temporary accommodation
- Helps people living in temporary accommodation move into a more secure home by supporting a Resettlement Officer
- Supports a wide availability of advice, assistance and supported housing through continued close liaison with statutory and voluntary agencies
- Provides a Sanctuary scheme for people suffering from domestic violence

The Council has a statutory duty under the Housing Act 1996 and Homelessness Act 2002 to make sure that advice and information about homelessness and preventing homelessness, is available to everyone in the district, free of charge. The legislation also requires the Council to assist individuals and families who are homeless or threatened with homelessness or in housing need, who apply for help. The Council has a duty to make sure that accommodation is secured for people to whom it has, or may have, either a temporary, interim or full duty to accommodate. The Council only uses 'Bed and Breakfast' accommodation in these emergency situations when no other alternative accommodation, such as using available general needs housing, is available.

Allocations

By advertising affordable housing provided by both the Council and housing associations the Council's 'HomeChoice' scheme allows people to express preferences about where they would most like to live. Final allocation of homes is completed by assessing with reference to the Council's Allocations Policy the comparative needs of all those who have bid for a particular property. The Policy is fully compliant with all current legislation relating to how a local authority can allocate tenancies for affordable housing. It has been designed to:

- Help create and maintain mixed, balanced and sustainable communities
- Offer as wide a choice as possible of affordable housing, both to rent and to buy
- Match people to homes that are best suited to their needs
- Help those who most need affordable housing find a place to live
- Help prevent homelessness
- Give people the information they need to make informed choices over where they want to live
- Support affordable housing providers manage their vacancies effectively and efficiently.

The cost of providing services to help people who are already or who are threatened with homelessness and to prevent homelessness.

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S1605 HOUSING STRATEGY</u>					
DIRECT EXPENDITURE					
Employees	59,305	48,100	52,900	38,681	53,200
Transport	149	1,300	1,300	59	1,300
Supplies and Services	191,512	180,700	180,700	189,616	300
Third Party Payments	87,314	95,100	209,100	20,688	161,400
TOTAL DIRECT EXPENDITURE	338,280	325,200	444,000	249,044	216,200
DIRECT INCOME					
Fees and Charges	-	-	-	(151)	-
TOTAL DIRECT INCOME	-	-	-	(151)	-
Support Services	63,228	68,400	68,300	58,689	64,200
Recharges	(19,765)	(19,700)	(19,700)	(21,588)	(19,700)
NET (INCOME) / EXPENDITURE TO SUMMARY	381,743	373,900	492,600	285,994	260,700

The Council's **Housing Strategy Service** provides the strategic, policy and enabling role for all aspects of housing provision within the District.

The work of the Housing Strategy Service includes:

- Deciding where investment should be made in affordable housing through understanding housing needs and markets
- Making sure that new affordable housing is built and managed to a high standard by guiding and overseeing providers and developers, including managing the use of planning powers and financial incentives where necessary to secure the best outcomes for the district
- Securing housing for people with special needs by working with and understanding the needs of different communities in the district and bringing them together with specialist housing providers
- Bringing investment into the district's housing by identifying and attracting funding from other agencies, such as the Government
- Preparing and monitoring budgets
- Improving the quality of housing services by monitoring, analysing and driving forward performance management across the Housing & Property service
- Preparation of strategic housing analysis and reports
- Submission of statistical returns to the Department for Communities and Local Government

The costs incurred by the Council are to cover the work to administer and deliver the above activity, which includes selecting, monitoring and processing the payment of grants, negotiating affordable housing agreements with developers, gathering and analysing data and information and influencing external investors.

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S1610 OTHER HOUSING PROPERTY</u>					
DIRECT EXPENDITURE					
Premises	603	100	100	1,392	100
Supplies and Services	66	-	-	-	-
TOTAL DIRECT EXPENDITURE	669	100	100	1,392	100
DIRECT INCOME					
Rents	(41,994)	(35,600)	(35,600)	(44,275)	(35,600)
TOTAL DIRECT INCOME	(41,994)	(35,600)	(35,600)	(44,275)	(35,600)
NET DIRECT (INCOME) / EXPENDITURE	(41,325)	(35,500)	(35,500)	(42,883)	(35,500)
Support Services	10,354	9,600	12,800	11,243	12,800
Capital Charges	23,498	23,500	23,500	23,743	42,400
NET (INCOME) / EXPENDITURE TO SUMMARY	(7,473)	(2,400)	800	(7,898)	19,700

This account reflects the costs and income associated with properties held by the Council outside the Housing Revenue Account,(HRA), but used for to house applicants on the Council's Housing Register. This does not include dwellings used the housing of service tenants, as these are included within the budget of the appropriate service.

S1615 CONTRIBUTIONS TO HRA

DIRECT EXPENDITURE					
Supplies and Services	37,900	37,900	37,900	37,900	37,900
NET (INCOME) / EXPENDITURE TO SUMMARY	37,900	37,900	37,900	37,900	37,900

Schedule 4, paragraph 3 (1) of the Local Government and Housing Act 1989 requires that the cost of '....amenities shared by the whole community....' should be borne by the General Fund.

Under this legislation contributions are included in respect of Open Spaces on Council Estates.

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S1625 SUPPORTING PEOPLE TO HRA</u>					
DIRECT EXPENDITURE					
Supplies and Services	154,977	-	-	-	-
TOTAL DIRECT EXPENDITURE	154,977	-	-	-	-
DIRECT INCOME					
Other Grants and Contributions	(154,977)	-	-	-	-
TOTAL DIRECT INCOME	(154,977)	-	-	-	-
NET (INCOME) / EXPENDITURE TO SUMMARY	-	-	-	-	-

Supporting People Grant was paid into the General Fund initially, as it came from a source external to the HRA. It was then transferred in full to the HRA to fund the housing related support services received by eligible HRA tenants.

The grant was received from Warwickshire County Council which is the Administering Authority, acting as distributing agents on behalf of the Department for Communities and Local Government.

Funding for Supporting People was reviewed by Warwickshire County Council and ceased on 31 July 2016 to reflect changes in their priorities and resources available.

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S1630 PRIVATE SECTOR HOUSING</u>					
DIRECT EXPENDITURE					
Employees	312,478	343,800	359,200	360,086	324,800
Premises	-	-	-	88	-
Transport	6,021	4,800	6,000	6,352	2,300
Supplies and Services	14,658	18,000	767,400	764,049	767,000
Third Party Payments	31,009	11,400	11,400	27,037	11,400
TOTAL DIRECT EXPENDITURE	364,166	378,000	1,144,000	1,157,611	1,105,500
DIRECT INCOME					
Government Grants	(684,793)	(373,100)	(750,200)	-	(750,200)
Other Grants and Contributions	(80,499)	(73,900)	(73,900)	(956,570)	(73,900)
Other Income	(501)	(1,000)	(1,000)	(1,661)	(1,000)
Fees and Charges	(76,375)	(84,100)	(700)	(1,394)	(700)
TOTAL DIRECT INCOME	(842,168)	(532,100)	(825,800)	(959,624)	(825,800)
NET DIRECT (INCOME) / EXPENDITURE	(478,002)	(154,100)	318,200	197,986	279,700
Support Services	185,436	207,300	191,900	209,803	191,500
Capital Charges	652,653	593,100	-	67,438	-
Recharges	(102,930)	(103,400)	(103,400)	(131,162)	(103,400)
NET (INCOME) / EXPENDITURE TO SUMMARY	257,157	542,900	406,700	344,065	367,800

The **Housing Standards Service** is designed to make sure that the standard of all housing in the district is habitable and does not present a risk to the health and safety of either the occupiers or those in the local community. To do this, it works closely with private property owners and housing associations. The responsibilities of this service are wide and far ranging and include:

- Encouraging responsible property management by private landlords by providing help and assistance in cases of harassment and illegal eviction and poor property conditions, including when necessary taking rigorous enforcement action through the Courts
- Raising the standard of accommodation by inspecting and where necessary licensing Houses in Multiple Occupation and inspecting mobile homes, caravan and gypsy and traveller sites
- Inspecting and taking action to put right houses in disrepair and which are unsuitable for human habitation
- Resolving the most acute problems of poor conditions for those who are most unable to pay for repairs by identifying and managing grant assistance
- Improving the quality of life for people with disabilities by overseeing aids and adaptations, funded by the Better Care Fund's Disabled Facilities Grants programme
- Increasing quality of life and reducing the cost of living by promoting energy efficiency measures and investment
- Increasing the number of homes available for people to live in by helping property owners bring empty homes back into use

The provision of a Disabled Facilities Grants service is mandatory. However, the provision of other grants is discretionary, allowing the Council greater discretion on how money is invested. All grants are subject to a test of the financial resources of the applicant. Consequently, even eligibility for a grant may not result in the applicant receiving financial assistance.

HOUSING REVENUE ACCOUNT

The **Housing Revenue Account (HRA)** is a statutory account which identifies the income and expenditure associated with the provision of housing for Council tenants. The main function of the account is to isolate, or 'ring fence', all transactions relating to Council housing from the rest of the Council's functions, which are funded by Council Tax, Revenue Support Grant from the Government and other sources of incomes, such as charges made for Council services.

The major sources of income to the HRA are from rents, service charges and supporting people grant, whilst the main areas of expenditure are management and maintenance of the stock and servicing the £136.2m debt taken on as part of the implementation of Housing Self Financing in April 2012.

Rent Restructuring and Rent Calculation

Rent is the main source of income to the HRA. For four years, with effect from 2016/17, in line with national policy, rents are to be reduced by 1% per year for four years.

Housing Revenue Account Self Financing

From 1st April 2012, Housing Revenue Account Self Financing replaced the previous national Housing Subsidy regime. The Council had to borrow £136.2m to make a one-off 'buy out' payment from the Housing Subsidy system. This debt is serviced from HRA funds. Any money not needed for servicing the debt are retained by the Council to spend on managing, maintaining and developing its own stock and covering the cost of any levies or charges that may be imposed on the Council as a result of national housing policy. Compliance with national policy to reduce rents by 1% per year for four years with effect from 2016/17, plus the potential introduction by the Government of levies to cover the cost of compensation housing associations for the extension of the Right-to-Buy to their tenants mean long term income is likely to be lower than the Government modelled when determining the £136.2m 'buy out' payment.

Housing Related Support

A supporting people grant was paid since April 2003, to cover the 'Housing Related Support' service charge, for eligible tenants. It was paid into the General Fund initially, as it was received from a source external to the HRA and then transferred across, in full, to the HRA. Supporting People Grants have been reviewed by Warwickshire County Council, the Administering Authority, and was terminated from 31 July 2016. It has been agreed that the HRA will fund the provision of this service until a review of the service has been completed in 2017.

Service Charges

This is mainly income from Council leaseholders, owner/occupiers who have purchased flats under the 'Right to Buy' scheme, as their contribution towards management and maintenance of their property. Heating and Water Service Charges are recharges to tenants of Sheltered Housing Schemes, who benefit from the provision of communal heating and communal water supply. The 'Housing Related Support' Service Charge covers the Housing Support elements included in the provision of the warden service and alarm system for the elderly and is paid by those tenants not in receipt of housing benefit.

Supervision & Management

This covers the general management of the housing stock, plus special services which include the provision of a warden service and alarm system for the elderly.

Bad Debts Provision

The Council has made provision for 'Bad Debts' in respect of Council tenants' arrears. This represents an assessment, in accordance with directions previously issued by the Secretary of State, of the most likely value of rent arrears that will never be recovered.

Housing Stock

The Council's estimated Housing Stock at 1 April 2018 is:

- Houses and Bungalows	3,061
- Flats and maisonettes	2,422
Total Dwellings	5,483
Garages	1,899

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S7010 HSG SUP+MAN GENERAL</u>					
DIRECT EXPENDITURE					
Employees	1,338	7,100	7,100	6,919	7,200
Premises	175,091	185,400	183,400	182,688	192,500
Supplies and Services	97,386	102,800	104,200	113,423	107,700
Third Party Payments	354,161	376,200	376,200	177,928	376,200
TOTAL DIRECT EXPENDITURE	627,976	671,500	670,900	480,956	683,600
DIRECT INCOME					
Other Income	(60,699)	(41,000)	(41,000)	(73,746)	(41,000)
Other Grants and Contributions	(11,110)	(20,000)	(20,000)		(20,000)
Fees and Charges	(205,496)	(119,800)	(130,800)	(149,966)	(130,800)
TOTAL DIRECT INCOME	(277,305)	(180,800)	(191,800)	(223,712)	(191,800)
NET DIRECT (INCOME) / EXPENDITURE	350,671	490,700	479,100	257,244	491,800
Support Services	2,704,270	3,018,000	3,004,100	2,857,266	3,050,700
Recharges	(824,286)	(682,300)	(798,300)	(946,740)	(860,600)
NET (INCOME) / EXPENDITURE TO SUMMARY	2,230,655	2,826,400	2,684,900	2,167,770	2,681,900

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S7200 HOUSING SERVICES</u>					
DIRECT EXPENDITURE					
Employees	1,430,927	1,510,100	1,614,700	1,581,991	1,669,000
Premises	4,535	-	-	-	-
Transport	43,210	39,900	38,700	32,224	18,300
Supplies and Services	146,773	297,100	201,600	160,400	197,100
Third Party Payments	97,250	163,700	181,500	66,462	183,700
TOTAL DIRECT EXPENDITURE	1,722,695	2,010,800	2,036,500	1,841,077	2,068,100
DIRECT INCOME					
Other Income	(42,578)	(39,600)	(39,600)	(45,594)	(39,600)
Fees and Charges	(47,024)	(47,000)	(47,000)	(31,959)	(47,000)
TOTAL DIRECT INCOME	(89,602)	(86,600)	(86,600)	(77,553)	(86,600)
NET DIRECT (INCOME) / EXPENDITURE	1,633,093	1,924,200	1,949,900	1,763,524	1,981,500
Support Services	479,791	518,600	584,700	611,595	568,800
Recharges	(2,112,884)	(2,442,800)	(2,534,600)	(2,208,402)	(2,550,300)
NET (INCOME) / EXPENDITURE TO SUMMARY	-	-	-	166,717	-

Housing Revenue Account Services

The Housing Revenue Account is managed by the Housing and Property Services unit. The teams within Housing Services are responsible for the Council's housing stock and its tenants. The main services provided are:

Lettings

This service deals with the letting of empty Council homes to new tenants following an advert under the HomeChoice scheme. It covers the assessment and management of priority transfers for existing tenants and delegated lettings for new applicants, which fall outside of the HomeChoice scheme, the management of incentive schemes to tackle low demand and under-occupation and garage lettings.

Tenancy Management

This service covers the management of tenant's rights, responsibilities and obligations as legislated in the introductory or secure tenancy agreement, taking enforcement action and court action, where appropriate.

Rents and Charges

This service covers the control of rent and charge debits, the management of rent collection, processing of housing benefit transactions to tenant's rent accounts and the recovery of rent and charge arrears for both current and former tenants, including the commencement of court action where appropriate. Other functions include the notification and recovery of the annual service charge levied on leasehold properties and the administration of sales of HRA properties, predominantly under the Right to Buy.

Engagement

This service covers formal and informal structures for tenant and leaseholder involvement, community initiatives, tenant and leaseholder consultation and satisfaction surveys.

Site Based Services

This service encompasses the work of the Neighbourhood and Estates Services team, responsible for caretaking functions in areas with a high density of flats, the Housing Support team who support tenants in sheltered and supported housing, and the Lifeline Services team. Lifeline Services provides a cross tenure community alarm service to older and vulnerable tenants and other residents in Warwick district.

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S7015 HSG SUP+MAN SPECIAL</u>					
S7410 LIFELINE	491,487	651,100	475,000	443,298	720,500
S7430 SHELTERED HOUSING	7,957	-	-	(2,895)	-
S7440 HOUSING SUPPORT	434,676	435,700	515,000	419,710	88,000
S7450 CENTRAL HEATING	141,743	153,900	154,100	150,250	153,900
S7460 COMMUNITY CENTRES	3,255	9,900	9,900	5,046	9,900
S7620 HSG OPEN SPACES	442,396	382,500	567,600	677,058	567,800
S7630 HSG COMMUNAL AREAS	345,624	372,700	396,400	352,294	403,200
S7635 ESTATE SUPERVISORS	162,201	161,600	233,500	193,728	194,100
7928 REPM FIRE RISK ASSESSMENTS- COMMUNAL	9,236	49,300	49,300	-	49,300
NET COST TO HRA SUMMARY	2,038,575	2,216,700	2,400,800	2,238,487	2,186,700

S7410 LIFELINE**DIRECT EXPENDITURE**

Employees	549,808	572,600	655,900	640,046	696,700
Premises	6,352	7,100	6,700	6,705	10,300
Transport	23,570	35,400	19,900	19,019	5,900
Supplies and Services	147,898	138,900	149,000	128,724	230,600
Third Party Payments	168	300	300	-	300

TOTAL DIRECT EXPENDITURE

727,796	754,300	831,800	794,493	943,800
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DIRECT INCOME

Other Grants and Contributions	(144)	-	-	-	-
Other Income	(69,472)	(30,000)	(50,000)	(9,547)	(50,200)
Fees and Charges	(274,933)	(250,300)	(436,300)	(453,048)	(433,900)

TOTAL DIRECT INCOME

(344,549)	(280,300)	(486,300)	(462,596)	(484,100)
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NET DIRECT (INCOME) / EXPENDITURE

383,247	474,000	345,500	331,898	459,700
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Support Services	108,240	177,100	129,500	111,400	260,800
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NET COST TO SUP + MAN SUMMARY

491,487	651,100	475,000	443,298	720,500
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S7430 SHELTERED HOUSING**DIRECT EXPENDITURE**

Premises	7,550	-	-	-	-
Supplies and Services	1,791	-	-	2,537	-
Third Party Payments	400	-	-	-	-
	-	100	100	-	-

TOTAL DIRECT EXPENDITURE

9,741	100	100	2,537	-
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DIRECT INCOME

Other Income	(1,811)	-	-	(5,432)	-
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TOTAL DIRECT INCOME

(1,811)	-	-	(5,432)	-
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NET DIRECT (INCOME) / EXPENDITURE

7,931	100	100	(2,895)	-
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Support Services	27	-	-	-	-
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NET COST TO SUP + MAN SUMMARY

7,957	100	100	(2,895)	-
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	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S7440 HOUSING SUPPORT</u>					
DIRECT EXPENDITURE					
Employees	218,628	254,500	262,100	251,359	63,600
Premises	15,020	8,900	8,800	10,383	5,600
Transport	11,971	10,100	10,400	8,711	300
Supplies and Services	63,997	78,700	81,700	71,917	100
Third Party Payments	2,728	-	-	49	-
TOTAL DIRECT EXPENDITURE	312,344	352,200	363,000	342,420	69,600
DIRECT INCOME					
Other Income	(1,811)	(200)	(200)	-	-
Fees and Charges	(4,536)	(3,100)	(3,100)	(3,979)	-
TOTAL DIRECT INCOME	(6,347)	(3,300)	(3,300)	(3,979)	-
NET DIRECT (INCOME) / EXPENDITURE	305,997	348,900	359,700	338,441	69,600
Support Services	128,679	89,000	157,500	81,269	20,600
Recharges	-	(2,200)	(2,200)		(2,200)
NET COST TO SUP + MAN SUMMARY	434,676	435,700	515,000	419,710	88,000
<u>S7450 CENTRAL HEATING</u>					
DIRECT EXPENDITURE					
Premises	139,698	151,700	151,900	148,204	151,700
Supplies and Services	1,732	1,900	1,900	1,731	1,900
TOTAL DIRECT EXPENDITURE	141,430	153,600	153,800	149,936	153,600
Support Services	313	300	300	314	300
NET COST TO SUP + MAN SUMMARY	141,743	153,900	154,100	150,250	153,900
<u>S7460 COMMUNITY CENTRES</u>					
DIRECT EXPENDITURE					
Premises	3,860	6,400	6,400	4,193	6,400
Supplies and Services	115	4,200	4,200	1,573	4,200
TOTAL DIRECT EXPENDITURE	3,975	10,600	10,600	5,766	10,600
DIRECT INCOME					
Other Income	(720)	(700)	(700)	(720)	(700)
TOTAL DIRECT INCOME	(720)	(700)	(700)	(720)	(700)
NET COST TO SUP + MAN SUMMARY	3,255	9,900	9,900	5,046	9,900

Item 6 - Appendix C

	ACTUAL 2016/17 £	ORIGINAL BUDGET 2017/18 £	LATEST BUDGET 2017/18 £	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £
<u>S7620 HSG OPEN SPACES</u>					
DIRECT EXPENDITURE					
Premises	15,197	30,200	47,700	63,626	30,200
Supplies and Services	5,068	3,000	3,000	5,780	3,000
Third Party Payments	314,856	293,400	386,200	427,240	397,600
TOTAL DIRECT EXPENDITURE	335,121	326,600	436,900	496,647	430,800
Support Services	107,275	55,900	130,700	180,411	137,000
NET COST TO SUP + MAN SUMMARY	442,396	382,500	567,600	677,058	567,800
<u>S7630 HSG COMMUNAL AREAS</u>					
DIRECT EXPENDITURE					
Premises	281,509	304,400	329,500	288,403	336,200
Supplies and Services	357	600	600	227	600
TOTAL DIRECT EXPENDITURE	281,866	305,000	330,100	288,630	336,800
Support Services	63,758	67,700	66,300	66,663	66,400
NET COST TO SUP + MAN SUMMARY	345,624	372,700	396,400	355,293	403,200
<u>S7635 ESTATE SUPERVISORS</u>					
DIRECT EXPENDITURE					
Employees	147,619	146,900	203,300	165,992	164,600
Premises	8,570	16,100	15,600	7,085	16,300
Transport	11,816	4,000	14,000	13,559	14,100
Supplies and Services	6,231	6,300	6,900	6,204	6,300
Third Party Payments	1,651	-	700	3,148	-
TOTAL DIRECT EXPENDITURE	175,887	173,300	240,500	195,989	201,300
Support Services	13,314	15,300	20,000	24,739	19,800
Recharges	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)
NET COST TO SUP + MAN SUMMARY	162,201	161,600	233,500	193,728	194,100
<u>7928 REPM FIRE RISK ASSESSMENTS- COMMUNAL</u>					
DIRECT EXPENDITURE					
Premises	9,236	49,300	49,300	-	49,300
NET COST TO SUP + MAN SUMMARY	9,236	49,300	49,300	-	49,300

Housing Services – Appendix A Service Area Plan

Performance 2018/19

1. Background

Corporate/Strategic

Housing Services is responsible for managing the Housing Revenue Account within the context of the corporate Fit For the Future Strategy. This includes maintaining the Services' Medium Term Financial Strategy, budget setting and monitoring expenditure/income against the budget.

Customers

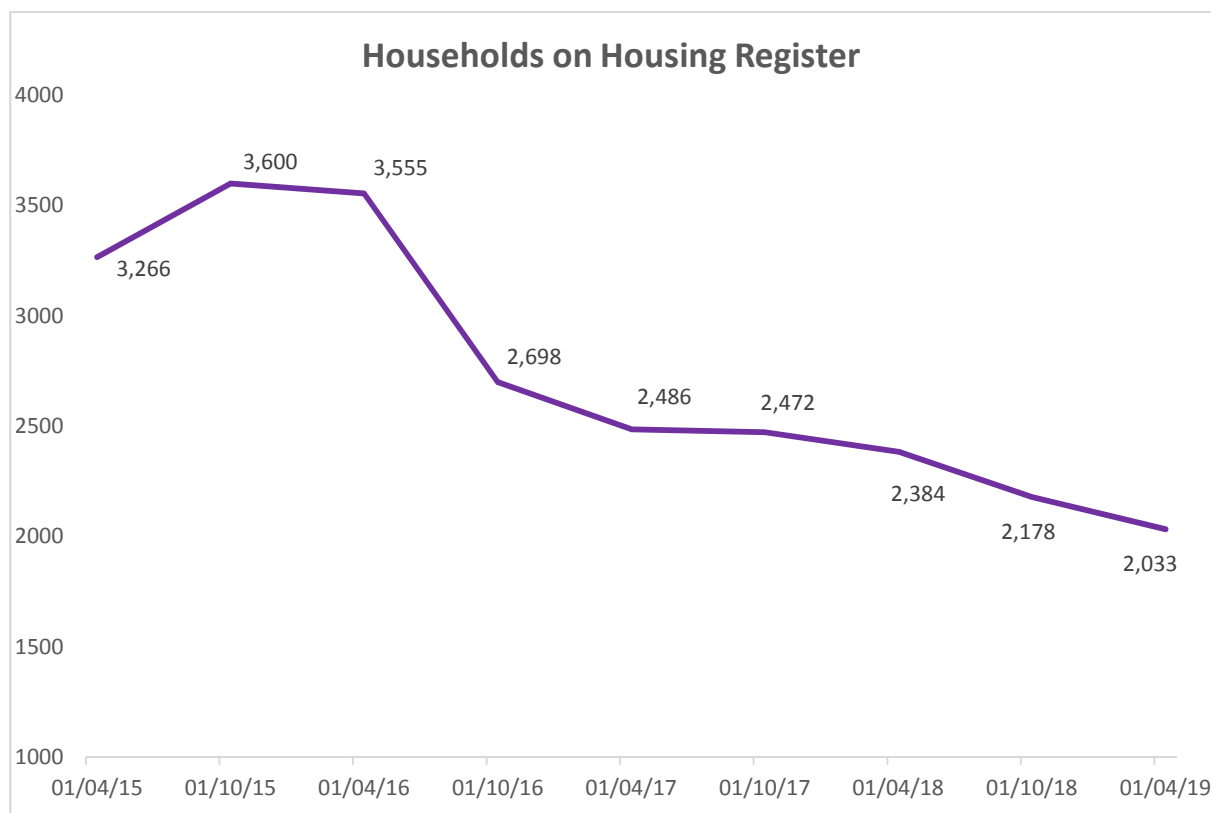
The customers of Housing Services include all those responsible for the payment of current rent and service charges. There are approximately 5284 tenants and 606 leaseholders (as at June 2019). The Housing Advice Team administers the Housing Register (HomeChoice) which includes over 1926 applicant households.

In addition, Housing Services works with partner organisations including other local authorities and housing associations, other agencies such as the Home Office, Immigration and National Directorate as well as other UK government departments.

2. Performance

Housing Advice and Allocations

In the 10 months since revisions were implemented to the Council's Allocations Policy (August 2018), the number of households waiting for a home on the housing register has decreased by approximately 250.



The Allocations Policy and its subsequent revisions have placed greater emphasis on providing opportunity for current tenants to transfer which in turn assists the Council to make the best use of its stock. During 2018/19, 210 existing Council tenants transferred through HomeChoice, thereby freeing up their existing property for another Housing Register applicant.

During 2018/19 the Head of Housing Services, in consultation with the Portfolio Holder, has approved two minor amendments to the housing allocations scheme. These were as follows:

Policy	Amendment	Reason
In band three there is the "children above first floor" category. The policy states that:	Use time on waiting list for prioritisation of all band three applicants including "children above first floor".	The policy was not practical because of the various band three categories.

<p>"If two or more applicants in this category say they are interested in a property; we will give priority to the applicant on the highest floor".</p>		<p>As an example, suppose 10 band three applicants bid for a property but only the first and tenth bidders have children above first floor while the applicants who came second down to ninth are all in band three for other reasons.</p> <p>If the applicant who came tenth lives on a higher floor than the applicant who came first they would leapfrog the whole list and be offered the property whereas if the applicant that came first did not bid for it then the applicant who came tenth would remain well down the list in ninth place.</p>
<p>The "Children above first floor" category within the transfer policy and in band 3.3 only applies to children above the first floor in flats, not maisonettes.</p>	<p>Allow applicants in above first floor maisonettes to be awarded the "children above first floor" categories.</p>	<p>There is some ambiguity over the definition of a "maisonette". Many maisonettes with the main entrance above the first floor suffer the same issues as flats on the same level, namely difficult access up communal stairways, and lack of defensible or overlooked space to allow children to play out safely.</p>

The Housing Advice and Allocations team received a 'substantial level of assurance' rating from the lettings and void control audit.

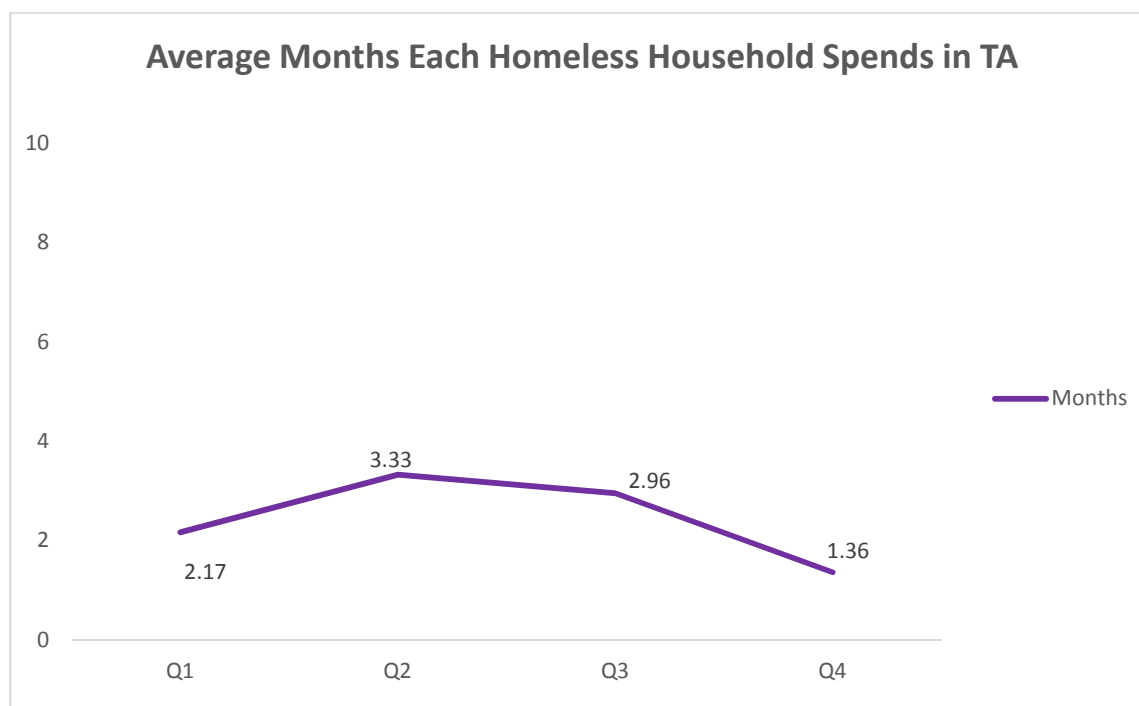
Housing Advice and Homelessness

During 2018/19, there were significant changes to homelessness legislation, with the implementation of the Homelessness Reduction Act. The team have had

to manage new responsibilities, with earlier interventions, the new prevention and relief duties and the introduction of Personal Housing Plans. The team have managed this change extremely well and have adopted a very proactive approach to helping those approaching us to prevent their homelessness or to help them find new accommodation.

The use of bed and breakfast has been kept to a minimum by the careful management of our own temporary accommodation and the proactive work the team are doing to find solutions.

During the year the team have dealt with 732 approaches from those homeless or threatened with homelessness. The average length of time each homeless household spent in temporary accommodation was 2.38 months. It initially increased between the first and second quarters but reduced for the final two quarters.



Housing Strategy and Development

With our partners, we continue to deliver affordable homes. The 2018/19 financial year saw 471 reported completions of affordable homes. Through our joint venture with W2, we saw the first completions at Station Approach in Leamington, a scheme that will deliver 160 affordable homes in total. W2 also started on site to develop 39 properties at Theatre Street, Warwick.

In 2017/18 we made a successful bid to the Local Government Association (LGA) for grant assistance with the development of the Student Housing Strategy. The

LGA decided to invite a small number of authorities, who had made satisfactory progress with their projects, to apply for additional funding. We applied and as a result we obtained a further £14,000 for 2018/19 to spend on community consultation. This concluded in December 2018 and we are now taking forward the recommendations of that work.

We have put in place plans for building new Council housing at scale again and are in discussions and negotiations with a number of land owners now to acquire sites to achieve this ambition. We have also begun bidding again to acquire affordable homes being built under planning obligations as another way of replacing homes sold each year under the Right to Buy and increasing the housing stock.

During 2018/19 we began to take advantage of the Right to Buy “buyback” clauses that require more recent purchasers to offer properties back to the Council before selling on the open market. The Head of Housing Services, in consultation with the Portfolio Holder, has purchased five former Council properties and allocated them at social rents to people on the Council’s housing register:

15 Kennedy Square, Royal Leamington Spa	Two-bedroom flat
22 Great Field Drive, Warwick	Two-bedroom house
19 Stonehouse Close, Cubbington	Three-bedroom house
24 Murcott Road West, Whitnash	Two-bedroom flat
109 Albion Street, Kenilworth	One-bedroom flat

Fire Safety

It is recommended that Members note the update of fire safety measures at Appendix C.

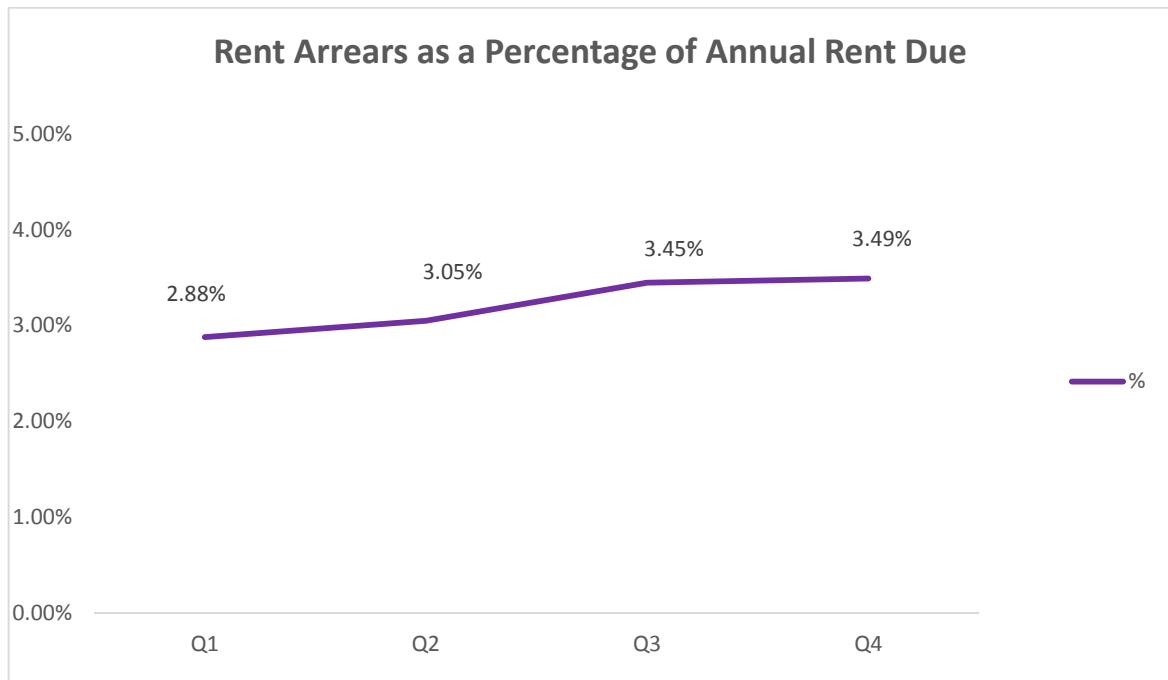
Income Recovery and Financial Inclusion

There has been a change in focus for the Income Recovery & Financial Inclusion Team who have been working closely with our tenants and customers to help them maximise their income and help make arrangements with them for them to stay in their home. This has resulted in a positive impact in that the number of evictions has reduced, and is helping families to stay in their home.

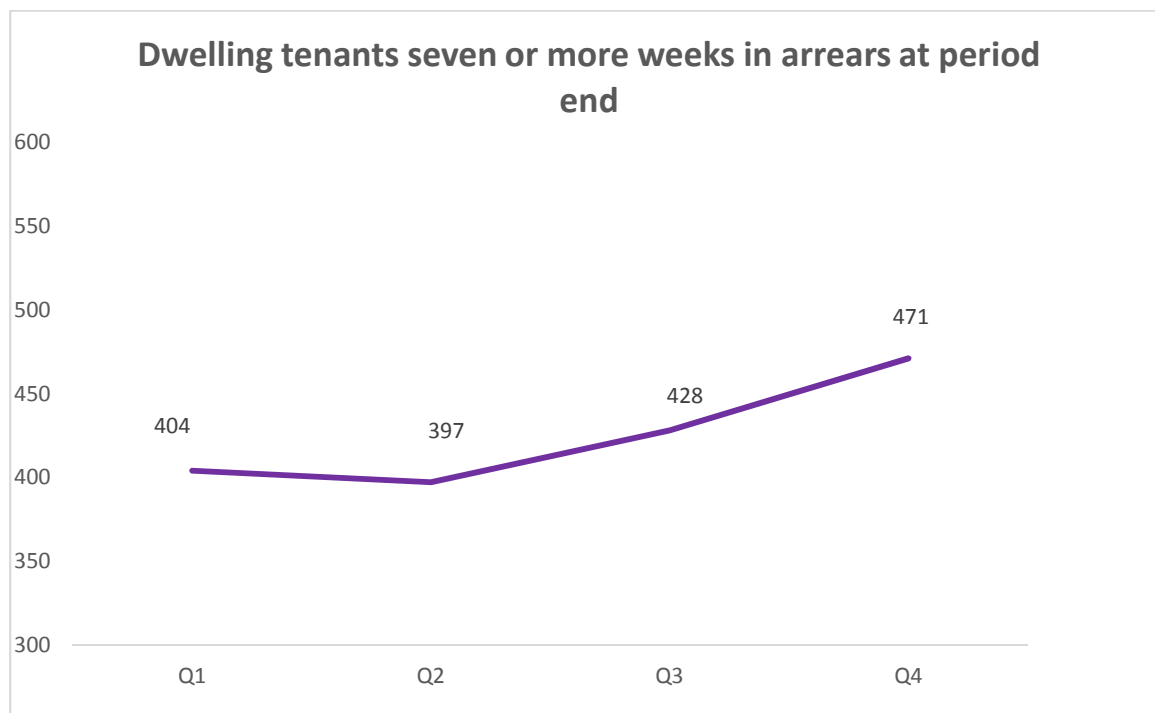
There has been a big increase in the number of tenants who are in receipt of Universal Credit (UC) which has had a negative impact on arrears. However, we have provided additional support for our tenants to help them with their claims and to help them manage paying their rent. This has seen an increase in managed payments from tenants on UC, which we have agreed with our tenants to ensure that their rent is paid.

In the coming year we will be reviewing the Financial Inclusion Plan and relaunching the Financial Inclusion Working Group.

Rent arrears as a percentage of rent due has progressively risen over the last year as the following graph shows:



The number of tenants who are in seven or more weeks' arrears decreased in the first quarter, however, the number of cases over the last three quarters has gradually increased.



Tenancy Management

The work of the Tenancy Officers during the year 2018/19 regarding fire safety continues. We have completed works at an age-designated tower block, with upgrades for fire safety improvements as well as environmental improvements. We also continue with the annual tenancy update visits at all of our high rise blocks.

The Sustaining Tenancies Team has continued to complete tenancy update visits every three years. They have completed visits to each of the 400 high-rise residents and have ensured that entry was gained to every property to check that there were no fire safety issues and to reiterate in person the fire safety advice. New leaflets and new signage have been supplied to our blocks.

We are jointly managing a post with WCC for a Family Support Worker, to assist families with complex needs, to help keep the family together and to keep them in their homes.

Lifeline and Supported Tenancies

Lifeline has been operating in its new structure for two years now. Whilst the redesign had some benefits there have been some downsides to how the roles operate. We have therefore reviewed the service and will be looking to make some minor changes to our structure to operate more efficiently as part of the wider housing review.

We have sourced new items including a GPS device that acts as a Lifeline when out and about and locates the person's position so help can be sent directly to

them wherever they are. We are also in the process of setting up a low level falls service to help people who have fallen but are uninjured to try and prevent some of the low level calls to the ambulance service.

Lifeline has assisted with decanting residents of William Wallsgrove House to Beauchamp House in Warwick and continues to provide the landlord function and support in partnership with Home Group. We have managed to get over 10 residents to move on and to sustain their own tenancy in the community.

Private Sector Housing

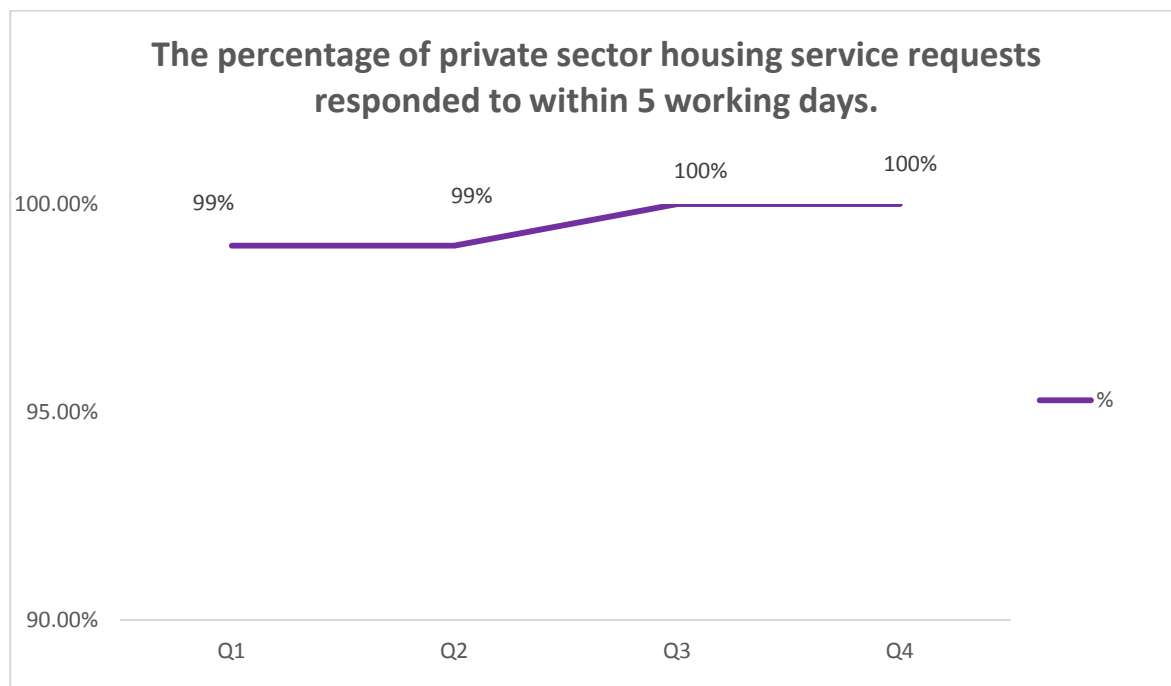
The major area of work for the team this year has been the extension of House in Multiple Occupation (HMO) licensing from 1 October 2018. Due to preparations the team made in advance of this we have been able to make excellent progress with 180 HMOs licensed for the first time by 31 March 2019.

Another challenging area for the team during the year has been responding to the high levels of unauthorised traveller encampments, particularly during the summer months. Over the year by working closely with the Police and WCC Legal Team we brought 19 encampments to an end within an average of five calendar days for each encampment.

In collaboration with Stratford-On-Avon District Council, we have held another Landlord Forum bringing together 50 to 60 different stakeholders including private sector landlords, letting and property management agencies, and the National Landlord Association. These events enable the sharing of information and ideas particularly in respect of new legislation and an opportunity for landlords to find out about good practice elsewhere in the sector.

We will continue to vigorously pursue landlords who flagrantly breach housing regulations, whether related to HMO licensing, fire safety or overcrowding and we have issued our first Civil Penalty to a landlord.

Over the course of the year virtually all service requests have been responded to within 5 days.



Tenant Engagement 2018-2019

During the past year the engagement team has focused on consultations on fire safety refurbishments to our High rise and medium rise blocks.

Fire Safety Communications included: -

- Newsletters
- Open days
- Satisfaction surveys
- A new fire safety leaflet
- New web pages on high rise living

New Tenant Surveys: - The feedback helps to find out whether any aspects of our Housing Services may need improvement.

Environmental Improvements have been carried out which have enhanced neighbourhoods.

We have continued to improve our services for leaseholders as follows;

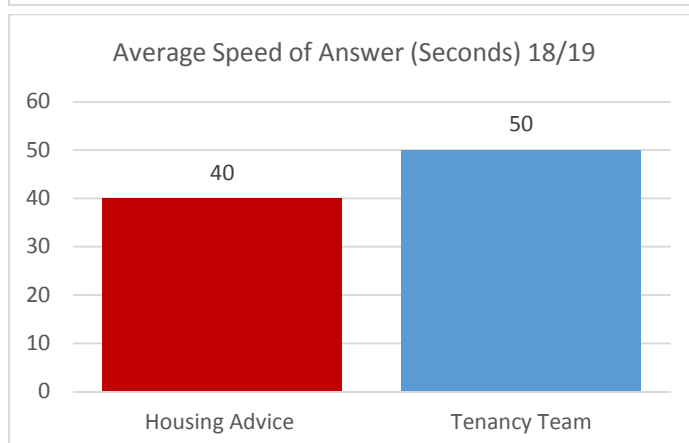
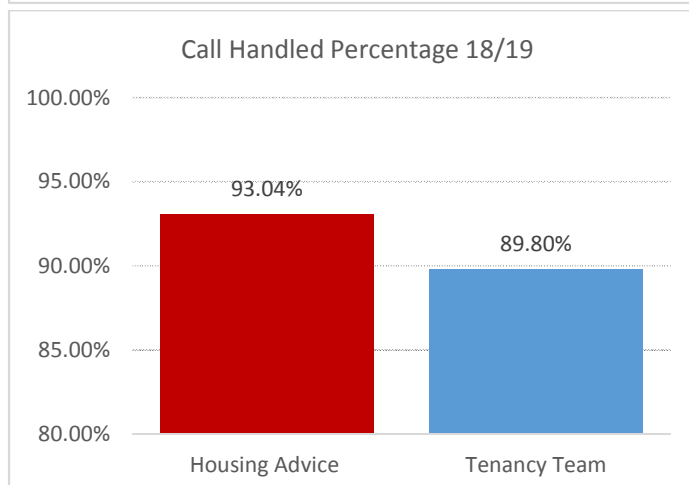
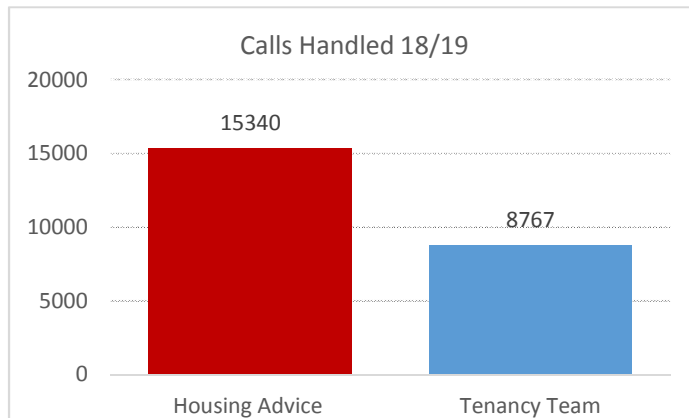
- when we carry out major works for tenants, we offer to carry out the same work to leaseholders at a cost
- consulting before we carry out major works to the blocks where they live. This process also enables us to recover some of the costs of the work through leaseholders' service charges.

We have also improved information for staff to be able to deal with leasehold issues.

The STAR satisfaction survey was completed in 2017 and this independent survey found that 82% of tenants were satisfied with the service provided by Warwick District Council.

Call Centres

The Housing Advice Team and Tenancy Team continue to use a CISCO developed telephony system to handle the enquires that come into the teams. Please see the tables below for performance information.



Risks

The Housing Risk Register has continued to be reviewed throughout the year, and is due to be presented to Finance & Audit Scrutiny Committee in 2019, alongside the Contract Register and budget review. There is one risk score in red which is Inadequate staffing resources. To address these risks, we are undertaking a review of staffing resources and identifying posts where we have had recruitment and retention issues. The Service Area Crisis Plan is being reviewed and risks are regularly considered at Housing Management Team meetings.

4. Budget

Annual budgets for Housing are agreed by Executive and budget reports are routinely considered by the Senior Management Team, with quarterly review reports issued to the Executive.

Budgets are agreed to enable Housing Services to deliver its core agreed services relating to housing provision within the district. The net cost of General Fund Housing Services budgeted for 2019/20 is £1.5m. Services include Housing Strategy, Homelessness, Housing Advice, Public Conveniences and Private Sector Housing. These are funded by Council Tax, Revenue Support Grant and charges for council services.


Housing Services also include the Housing Revenue Account (HRA), a statutory ring-fenced account identifying the net cost associated with the provision of housing for Council tenants. The main sources of income to the HRA are from rents and service charges from tenants, with income budgeted to be £26.4m in 2019/20. This takes into consideration a 1% rent reduction for 2019/20, the final year of a 4-year national policy.

Main areas of expenditure include repairing, maintaining and improving existing housing stock (budgeted to be £12.7m in 2019/20), and servicing the debt taken on when the Council made a one-off 'buy-out' payment to Government to purchase its housing stock in 2012 (£4.8m debt servicing 2019/20). Where a surplus is generated on the net cost of services (budgeted to be £3m in 2019/20), this money is ring-fenced to support future investment in major housing projects, including the construction and acquisition of housing stock, and currently ongoing investment in improvements to our existing high-rise housing stock, including fire safety improvements.

5. Planned Changes, Major Work streams and Projects

The following table shows the major work streams/projects to be taken for by Housing Services for 2019/20.

Change/Project	Milestones	Date
Fire Safety – including FRA Please see update on fire safety in Appendix D	Westbrook ongoing CLS determine requirements FRA programme developed	31/03/20
Review our approach to the types of tenancies we offer and the legal agreement with our tenants, as well as the way in which we use our stock and engage / interact with our tenants	De-designation Exec Report Draft Tenancy Strategy Await green paper	30/05/19 31/12/19 Summer '19
Improve the way we maintain, improve and repair our housing stock	Planned and Cyclical Programmes	Ongoing
Improvements to our Lifeline Service, increasing its 24/7 concierge role across the district	Analogue switch off Product identification	Spring '19 Autumn '19
Tackle homelessness, including developing strategic and local responses	Mid-term RSI strategy Hostel review Night Shelter redevelopment	Spring '19 Ongoing Ongoing
Ensure that our workforce is structured to be able to meet present & future challenges and are sufficiently skilled and equipped to undertake their roles	Housing Review Exec Report and consultation Identify system developments	31/12/19 Autumn '19
Ensure that our policies and practices are designed to produce optimal results and a good standard of customer care	Establish policies	Ongoing
Developing the role of the Council as a builder of new local homes		Ongoing
Complete the re-licensing of existing HMOs and the new licensing required by the revised regulations	Legislation Start work	Ongoing

 Finance & Audit Scrutiny Committee 20 August 2019		Agenda Item No. 8
Title	Work Programme & Forward Plan	
For further information about this report please contact	Graham Leach 01926 456114 or committee@warwickdc.gov.uk	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers	N/A	
This report is produced for Scrutiny meetings for governance purposes. It is part of the process for ensuring that the Council is held to account for the decisions it makes or may make.		

1. Summary

- 1.1 This report informs the Committee of its work programme for 2019 (Appendix 1) and of the current [Forward Plan](#).

2. Recommendation

- 2.1 Members consider the work programme (Appendix 1), remove the Annual Governance Statement quarterly update reports and agree any further changes as appropriate.
- 2.2 The Committee to:
- identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and
 - to nominate a Member to investigate that future decision and report back to the Committee.

3. Reasons for the Recommendation

- 3.1 The work programme as attached at Appendix 1 to the report should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2 The sole action within the Annual Governance Statement Action Plan for this year is in respect of the late closure of accounts in 2017/18. Therefore as the Committee will be receiving regular reports on this matter it is considered unnecessary to add a further report on the same matter to the workload of the Committee.
- 3.3 Two of the five main roles of overview and scrutiny in local government are to undertake pre-decision scrutiny of Executive decisions and to feed into policy development.

- 3.4 If the Committee has an interest in a future decision to be made by the Executive, or policy to be implemented, it is within the Committee's remit to feed into the process.
- 3.5 The Forward Plan is actually the future work programme for the Executive. If a non-executive Member highlighted a decision(s) which is to be taken by the Executive which they would like to be involved in, that Member(s) could then provide useful background to the Committee when the report is submitted to the Executive and they are passing comment on it.

4. **Background**

- 4.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.
- 4.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 4.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve-month period to give a clearer picture of how and when the Council will be making important decisions.
- 4.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 4.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 4.6 There may also be policies identified on the Forward Plan, either as key or non-key decisions, which the Committee could pre-scrutinise and have an impact upon how these are formulated.
- 4.7 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan.
- 4.8 At each meeting, the Committee will consider their work programme and make amendments where necessary, and also make comments on specific Executive items, where notice has been given by 9am on the day of the Finance & Audit Scrutiny Committee meeting. The Committee will also receive a report detailing the response from the Executive, on the comments the Committee made on the Executive agenda in the previous cycle.
- 4.9 The Forward Plan is considered at each meeting and allows the Committee to look at future items and become involved in those Executive decisions to be taken, if members so wish.

- 4.10 As part of the scrutiny process, the Committee is not considering the whole of the Executive agenda.
- 4.11 On the day of publication of the Executive agenda, all Councillors are sent an e-mail asking them to contact Committee Services, by 9.00am on the day of the Committee meeting to advise which Executive items they would like the Committee to consider.
- 4.13 If the Committee made a comment on an Executive report a response will be provided to the Committee at its next meeting. In reviewing these responses, Committee can identify any issues for which they would like a progress report. A future report, for example on how the decision has been implemented, would then be submitted to the Committee at an agreed date which would then be incorporated within the Work Programme.

Finance and Audit Scrutiny Committee WORK PROGRAMME 2019/20

20 August 2019

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
Housing & Property – Service Area Update	Scrutiny	Written report follow by Q&A	Lisa Barker / PH H&P		Annually
Risk Management Annual Report	Audit	Item on the Executive agenda	Richard Barr / Cllr Day		Annually
Internal Audit Quarter 1 2019/20 Progress Report	Audit	Written report followed by Q&A	Richard Barr		Quarterly
Closure of Accounts Review	Scrutiny	Item on the Executive agenda	Andy Jones / Cllr Hales		

26 September 2019

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
Procurement Strategy half year update	Scrutiny	Written report followed by Q&A	Becky Reading		
Annual Governance Statement Quarter 1 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr		Quarterly
Neighbourhood Services – Service Area Update	Scrutiny	Written report followed by Q&A	Rob Hoof / PH Neighbourhood Services		Annually
Significant Business Risk Register	Scrutiny	Item on the Executive agenda	Richard Barr / Cllr Day		
Closure of Accounts Review	Scrutiny	Item on the Executive agenda	Andy Jones / Cllr Hales		
Review of Pump Room Gardens project. Setting out lessons Learned. To include recommendations for similar projects in the future.	Scrutiny	Written report followed by Q&A	Rob Hoof / Cllr Norris		
Financial update on Covent Garden Car Park	Scrutiny	Written report followed by Q&A	Paul Garrison / Bill Hunt / Cllr Norris		
Update on financial implications of delaying HQ move	Scrutiny	Written report followed by Q&A	Chris Elliott / Cllr Day		

12 November 2019

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
National Fraud Initiative Update	Audit	Written report followed by Q&A	Richard Barr		
Corporate Fraud Update	Audit	Written report followed by Q&A	Andrea Wyatt		
Treasury Management Half Year Review	Audit	Written report followed by Q&A	Richard Wilson		Half Yearly
Use of Parent Companies Update Report	Audit	Written report followed by Q&A	Mike Snow		
Development Services - Service Area Update	Scrutiny	Written report followed by Q&A	Dave Barber / PH Development Services		Annually
Closure of Accounts Review	Scrutiny	Item on the Executive agenda	Andy Jones / Cllr Hales		

17 December 2019

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
Internal Audit Quarter 2 2019/20 Progress Report	Audit	Written report followed by Q&A	Richard Barr		Quarterly
Annual Governance Statement Quarter 2 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr		Quarterly
Environment & Business - Service Area Update	Scrutiny	Written report followed by Q&A	Dave Barber / PH Environment & Business		Annually
Closure of Accounts Review	Scrutiny	Item on the Executive agenda	Andy Jones / Cllr Hales		

11 February 2020

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
Strategic Leadership/Chief Executive – Service Area Update	Scrutiny	Written report followed by Q&A	Chris Elliott / Leader of the Council		Annually

17 March 2020

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
Internal Audit Quarter 3 2019/20 Progress Report	Audit	Written report followed by Q&A	Richard Barr		Quarterly
Annual Governance Statement Quarter 3 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr		Quarterly
Internal Audit Strategic Plan (2020/21 to 2022/23 plan)	Audit	Written report followed by Q&A	Richard Barr		Annually
Culture – Service Area Update	Scrutiny	Written report followed by Q&A	Rose Winship / PH Culture		Annually
Significant Business Risk Register	Scrutiny	Item on the Executive agenda	Richard Barr / Cllr Day		

21 April 2020

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor	Next report date if applicable	Completion date
Procurement full year review	Scrutiny	Written report followed by Q&A	Becky Reading		
Health & Community Protection – Service Area Update	Scrutiny	Written report followed by Q&A	Marianne Rolfe / PH H&CP		Annually
Significant Business Risk Register	Scrutiny	Item on the Executive agenda	Richard Barr / Cllr Day		

In addition to the above the Committee have agreed to receive quarterly reports on the introduction of the new Financial Management System, once the project initiation document is agreed by the Executive.

Service Area Update Rota
Finance
Housing & Property
Neighbourhood Services
Development Services
Environment & Business
Chief Executives
Culture
Health & Community Protection

Response from the meeting of the Executive on F&A and O&S Committees' Comments – 10 July 2019

Item no.	5	Title	Commonwealth Games 2022 (CG 2022) – CWLEP funding bid
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved		

Item no.	7	Title	Local Football Facilities Projects
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The Portfolio Holder for Culture, Councillor Grainger, thanked the Scrutiny Committee for the very good questions raised ahead of the meeting and proposed the report as laid out.		

Item no.	8	Title	Project Officers – Cultural Services
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	Councillor Grainger, the Portfolio Holder for Culture, reminded Members that there were some very big projects coming forward, and as one project was expected to finish, another one would be coming along. The recommendations in the report were approved		

Item no.	10	Title	WDC Discretionary Housing Payment Policy Review
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved		

Item no.	11	Title	Service Area Plans for 2019/20 & Fit For the Future Change Programme Update
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved		

Item no.	13	Title	New contract terms for Internal Health and Safety IT system - AssessNet
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	<p>The Portfolio Holder for Health & Community Protection, Councillor Falp, emphasised that the Council was receiving a very good deal and thanked officers for all their hard work in securing this offer.</p> <p>The recommendations in the report were approved</p>		

Item no.	14	Title	Final Accounts 2018/19
Scrutiny Comment	<p>The Finance & Audit Scrutiny Committee received an addendum to the report that updated the table detailing the significant variations within the general fund so it includes the percentage or variation.</p> <p>The Finance & Audit Committee noted the report.</p>		
Executive Response	The recommendations in the report were approved.		

Item no.	15	Title	Recording & Broadcasting of Council meetings
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved.		

Item no.	16	Title	Significant Business Risk Register
Scrutiny Comment	The Finance & Audit Committee noted the report.		
Executive Response	The Significant Business Risk Register attached at Appendix 1 to the report, be noted; and the emerging risks identified in section 10 of the report, were noted		

Item no.	17	Title	Update on Action Plan following Review of Closure of Accounts
Scrutiny Comment	<p>The Committee received a briefing from the Council auditors (Grant Thornton) regarding an emerging issue for the potential increase in pension liability for the Council, as the result of a national case regarding public sector pensions. There is to be a formal conversation with officers on the potential need for the 2018/19 Accounts to be amended to reflect this before they are formally signed off by the Committee and Audit at the end of July.</p> <p>The Committee took the opportunity to thank officers and Grant Thornton for their work completing the accounts on time.</p>		

Executive Response	The recommendations in the report were approved		
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Item no.	19	Title	Affordable housing purchase – Montague Road, Warwick
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved		

Item no.	21	Title	Compulsory Purchase Order – Land at Warwick Road
Scrutiny Comment	The Finance & Audit Committee supported the recommendations in the report.		
Executive Response	The recommendations in the report were approved.		