



Annual Internal Audit Report & Opinion
2021/22

1. Introduction and context

- 1.1 This report outlines the internal audit work carried out by Internal Audit for the year ended 31st March 2022.
- 1.2 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.
- 1.3 Internal Audit is a statutory requirement for local authorities, in accordance with:
 - Section 151 of the Local Government Act 1972 – which requires every local authority to make arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs; and
 - The Accounts and Audit Regulations 2018 (England) – which state that “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 1.4 Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Chief Executive, Senior Leadership Team (which includes the Section 151 Officer), and the Chair of the Audit & Standards Committee. Internal auditors have no direct operational responsibility or authority over any of the activities audited and the Internal Audit Charter sets out how independence and objectivity is maintained and evidenced.
- 1.5 The Public Sector Internal Audit Standards require the Chief Internal Auditor to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, which should provide a reasonable level of assurance, subject to the inherent limitations described below and set out in Appendix 1 and takes into account other sources of assurance, as appropriate. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.
- 1.6 As such, the Annual Report contains:
 - the Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment);
 - a summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
 - a statement on the extent of conformance with the Standards.

2. Head of Internal Audit Opinion 2021/22

2.1 Based upon the work undertaken by Internal Audit during the year, the Chief Internal Auditor's overall opinion on the Council's system of internal control is that:

I am satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control for 2021/22. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

It is my opinion that **Satisfactory Assurance** can be given over the adequacy and effectiveness of the Council's control environment for 2021/22. This control environment comprises of the system of internal control, governance arrangements and risk management.

Financial control

Controls relating to the key financial systems which were reviewed during the year were concluded to be generally operating effectively, with opinions for control environment and compliance being of at least Satisfactory Assurance. A high priority recommendation relating to debt recovery will be subject to ongoing audit follow up to ensure controls are strengthened in this area.

Risk management

Structures and processes for identifying, assessing and managing risk have been further developed and embedded during 2021/22. An audit of the revised Risk and Performance Management framework was delivered in 2021/22 and resulted in an opinion of Good Assurance for design and compliance.

Internal control

For the audits completed in 2021/22, 93% of the opinions given in relation to the control environment and compliance have been of at least Satisfactory Assurance. The areas of Limited Assurance relate to Planning Enforcement and an action plan is in place to address the areas for improvement.

Of the recommended actions agreed during 2021/22, and due for implementation, 84% had been completed during the year.

The Council's IT network has been subject to review as part of the Public Sector Network compliance process and has valid certification, providing assurance over security measures.

There have been no incidences where Internal Audit have highlighted a fundamental risk or weakness during 2021/22 and management have sought to accept the risk, rather than take appropriate action.

Internal Audit has not been made aware of any further governance, risk or internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

- 2.2 The basis for this opinion is derived from an assessment of the individual opinions arising from assignments from the risk-based Internal Audit plan that have been undertaken throughout the year. Assurances from other sources have also been taken into consideration, where appropriate.
- 2.3 The assessment has taken account of the relative materiality of areas highlighted for improvement and management's progress in addressing any control weaknesses.

3. Summary of findings

- 3.1 All final reports have agreed action plans, dates and responsible officers, where required. The audit opinions arising from the work of Internal Audit are summarised in Table 1, split by assurance area.

Table 1 – Summary of audit opinions 2021/22:

Area	Substantial	Good	Satisfactory	Limited	No
Financial systems	-	1	1	-	-
Corporate Governance and Counter Fraud	2	4	-	-	-
Corporate controls and policy compliance	2	3	3	-	-
Delivery of corporate objectives	-	1	7	2	-
Total	4	9	11	2	-
Summary	15%	34%	42%	7%	-
2020/21 comparison	15%	40%	40%	5%	-

4. Review of audit coverage

Audit opinion on individual audits

- 4.1 The Committee is reminded that the following assurance opinions were assigned during 2021/22:

Table 2 – Assurance categories:

Level of Assurance	Definition
Substantial	There are minimal control weaknesses that present very low risk to the control environment. The control environment has substantially operated and either no, or some minor, errors have been detected.
Good	There are minor control weaknesses that present low risk to the control environment. The control environment has largely operated as intended although some errors have been detected.
Satisfactory	There are some control weaknesses that present a medium risk to the control environment. The control environment has mainly operated as intended although errors have been detected.
Limited	There are significant control weaknesses that present a high risk to the control environment. The control environment has not operated as intended. Significant errors have been detected.
No	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment. The control environment has fundamentally broken down and is open to significant error or abuse.

- 4.2 All individual reports represented in this Annual Report are final reports and, as such, the findings have been agreed with management, together with the accompanying action plans.

Summary of audit work

- 4.3 Table 3 details the assurance levels resulting from all audits undertaken in 2021/22 and the date of the Committee meeting at which the outcome of the audit was presented.
- 4.4 All completed assignments have been delivered in accordance with the agreed terms of reference and provide assurance in relation to the areas included in the specified scope.

Table 3 – Summary of audit opinions 2021/22:

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
Financial systems				
Financial System Key Controls	Good assurance	Satisfactory assurance	Minor	June 2022
Governance & Counter Fraud				
Risk and performance framework	Good assurance	Good assurance	Minor	March 2022
Procurement compliance	Good assurance	Good assurance	Minor	March 2022
Covid 19 recovery	Substantial assurance	Substantial assurance	Minor	March 2022
Key corporate controls and policies				
Project management	Substantial assurance	Good assurance	Minor	March 2022
Starters and leavers	Good assurance	Satisfactory assurance	Moderate	June 2022
Procurement cards	Substantial assurance	Good assurance	Minor	September 2021
Asset management – leases	Satisfactory assurance	Satisfactory assurance	Minor	January 2022
Delivery of Corporate Objectives				
Land charges	Satisfactory assurance	Satisfactory assurance	Minor	November 2021
Planning Service review	Satisfactory assurance	Satisfactory assurance	Minor	June 2022
Planning enforcement	Limited assurance	Limited assurance	Moderate	June 2022
Temporary accommodation	Satisfactory assurance	Satisfactory assurance	Moderate	June 2022

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
Community grants	Good assurance	Satisfactory assurance	Minor	September 2021

- 4.6 Audit outcomes have been reported to the Audit and Standards Committee during the 2021/22 financial year. All audit reports which were finalised since the last Audit and Standards Committee meeting are summarised in Appendix B to this report.
- 4.7 Audit coverage in relation to Local Taxation Fraud was of a consultancy nature and has resulted in a new NFI Strategy which will be adopted from 2022/23. The audit of the Intensive Housing Management service has not progressed pending conclusion of ongoing internal review of the service – Internal Audit will engage with this ongoing work in 2022/23. The audit of the Housing Repairs contract was delayed at management request until Q1 of 2022/23. The outcome of the audit will be reported to the Audit and Standards Committee once finalised.

Implementation of Internal Audit recommendations

- 4.8 Internal Audit follow up on progress made against all recommendations arising from completed assignments to ensure that they have been fully and promptly implemented. Internal Audit trace follow up action on a monthly basis.
- 4.9 A total of 22 audit recommendations have been implemented by officers during 2021/22, this relates to 16 actions from 2021/22 audits and 6 actions from previous years.
- 4.10 Details of the implementation rate for the audit recommendations made during 2021/22 are provided in Table 4, as at 31st March 2022. In addition to these, there remained 14 audit actions outstanding from previous financial years – these are detailed in Table 5.

Table 4 - Implementation of audit recommendations agreed in 2021/22:

	'High' priority	'Medium' priority	'Low' priority	Total
Agreed and implemented	-	7	9	16 (30%)
Agreed and not yet due for implementation	7	18	7	32 (60%)
Agreed and due within last 3 months, but not implemented	-	-	-	- -
Agreed and due over 3 months ago, but not implemented	-	2	1	3 (8%)
TOTAL	7	28	18	53 (100%)

4.11 A full overview of all overdue actions is provided in Table 5. This includes the three overdue actions relating to 2021/22 audits and a further 14 which remained overdue from previous financial years.

Table 5 - Summary of overdue recommendations from 2021/22

Audit area	Audit Year	High		Medium		Low	
		Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue
Financial systems key controls – benefit overpayment and rent recovery	2019/20	-	-	2	-	2	-
Intensive housing management service	2019/20	1	-	-	-	-	-

Audit area	Audit Year	High		Medium		Low	
		Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue
Financial systems – debt recovery policy	2020/21	-	-	1	-	-	1
Housing repairs	2020/21	2	-	-	-	-	-
Lifeline	2020/21	-	-	1	-	-	-
Rent arrears	2020/21	-	-	1	-	1	-
Ethics and equalities – HR recruitment policies	2020/21	-	-	1	-	1	-
Community grants – monitoring and usage	2021/22	-	-	2	-	1	-
Totals		3	0	8	0	5	1

5. Internal Audit contribution and performance

Added value

- 5.1 It is important that Internal Audit demonstrates its value to the organisation. The service provides assurance to management and Members via its programme of work and also offers support and advice to assist the Council in new areas of work.
- 5.2 During 2021/22, the Internal Audit service was delivered under the shared service arrangement led by Milton Keynes Council. From 1st April 2022, this service is to be led by the new North Northamptonshire Council Internal Audit service.
- 5.3 The Internal Audit service's performance against its key performance indicators for 2021/22 is summarised in Table 6.

Table 6 – Internal Audit KPIs 2021/22

Indicator description	Target	Actual
Delivery of the agreed annual Internal Audit Plan to at least draft report stage by 31 st March 2022 (excluding audits delayed at management request)	90%	100%
Overall delivery of the agreed annual Internal Audit Plan by deadline for Annual Report (excluding audits delayed at management request)	100%	100%
Customer Feedback – rating on a scale of 1 to 4 (average) Whereby: 1 = Poor, 2 = Satisfactory, 3 = Good and 4 = Outstanding	3.2 (average)	3.6 (average)

Internal Audit contribution in wider areas

- 5.4 Key additional areas of Internal Audit contribution to the Council in 2021/22 are set out in Table 7:

Table 7 – Internal Audit contribution

Area of Activity	Benefit to the Council
Sharing advice and fraud alerts in relation to the Covid-19 business grants.	Pro-active counter fraud support and learning from other authorities.

Area of Activity	Benefit to the Council
Providing a point of contact for Whistleblowing, to enable concerns to be raised directly with Internal Audit.	Supporting the Council in its Counter Fraud strategy and reinforcing a zero tolerance culture.
Maintaining good working relationships with External Audit.	Maximising value of audit resources.
Ad hoc advice and assistance.	Assistance with ad-hoc queries and advice. Raising the profile of Internal Audit with service leads to increase the effectiveness of the service.

Professional Standards

- 5.5 The Public Sector Internal Audit Standards (PSIAS) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013. The standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.
- 5.6 The objectives of the PSIAS are to:
- Define the nature of internal auditing within the UK public sector;
 - Set basic principles for carrying out internal audit in the UK public sector;
 - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
 - Establish the basis for the evaluation of internal audit performance and to drive improvement planning.
- 5.7 During 2021/22, the Internal Audit service was delegated to a shared service led by Milton Keynes Council. A detailed self-assessment against the PSIAS was completed by the Chief Internal Auditor and the outcome of the assessment was that the Internal Audit service was operating in general conformance with the Standards.
- 5.8 From 1st April 2022, the Internal Audit service is being delivered in house and a Quality Improvement Plan is being drafted by the Chief Internal Auditor to support ongoing development, in line with the Standards. Assessment against the Standards will be embedded in the delivery of the service and ongoing development work. An external assessment must be completed at least every five years and the timing and outcome of such external assessments will be reported to the Audit and Standards committee.
- 5.9 The Chief Internal Auditor can confirm that there has been no evidence of impairment of the independence of the Internal Audit team during 2021/22 and no auditors have reviewed systems/controls which they have been responsible for delivering.

Appendix A: Limitations and responsibilities

Limitations inherent to the Internal Audit's work:

Our work has been performed subject to the limitations outlined below:

Opinion

The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our agreed annual programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence management and the Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended or other relevant matters were brought to our attention.

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls relating to the areas audited is for the period 1st April 2021 to 31st March 2022. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities.

However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as internal auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

Appendix B: Audit reports finalised since last Audit & Standards Committee meeting

Financial system key controls

The Council operates a number of systems designed to ensure that transactions are recorded in a timely, accurate and complete manner, free from fraud or error. These systems are often referred to as 'Key' or 'Fundamental' financial systems. The Council's Chief Financial (section 151) Officer is required to include a statement in the annual accounts to certify that proper accounting records have been kept that are up to date and reasonable steps have been taken for the prevention and detection of fraud and other irregularities. Internal Audit's control evaluation and compliance testing supports the s151 officer in exercising this duty and combines a risk based approach to areas highlighted during the last twelve months as increased risk, with a cyclical approach to coverage of key financial systems.

The audit this year provided cyclical coverage on key controls relating to: financial system user access and the creditors system (accounts payable). Further targeted, risk based testing was also conducted on elements of debt recovery and changes to supplier bank details.

The Council implemented a new finance system, E-Financials (Advanced) in April 2021 and audit testing confirmed that controls over user access have been designed and implemented effectively, ensuring that users are only given access that is commensurate to their roles and responsibilities.

Adequate segregation of duties and delegated, approved ordering and payment authorisation limits are in place and complied with for processing creditor invoices. New suppliers and changes to supplier bank details are well controlled with supporting documentation held. Sample testing of five changes to supplier details, however, identified two changes, that were not independently verified by telephone, in line with expected procedure. These two cases were considered to be lower risk, due to the nature of, and value spent with, those suppliers, but a revised procedure was implemented by the finance team during the audit to address this finding.

The Council has an approved policy for debt recovery. Roles and responsibilities and priorities relating to debt recovery are clearly defined. Aged debt reports are reviewed monthly and shared between the revenues team and service areas to assist with debt collection. Aged debt reports dated 4th January 2022 confirmed a sundry debt total of £1,119,428.64 of which 81% was overdue more than 90 days. Testing of 25 overdue accounts identified that in eleven cases (44%) there no evidence of any recent (i.e. in the last three months) recovery action being taken.

Bad debt write offs processed in 2021/22 (£7,196.92) were all approved in line with Council policy and reported to Cabinet where required. Furthermore, the total sundry debt arrears value is reported regularly to Members as part of the corporate performance framework, however this could be enhanced further by setting specific key performance indicators for sundry debt to help monitor performance and allow for sufficient oversight and scrutiny.

Based upon the findings, Internal Audit has given the following assurance opinions over the management of the associated risks:

Assurance Opinion		
Control environment	Good	●
Compliance	Satisfactory	●
Organisational impact	Minor	●

Starters and leavers

It is important that the Council has appropriate arrangements in place for new starters to avoid any disruption to service delivery and to ensure prompt and accurate payment of salary. In addition, sufficient procedures should be in place to ensure that all relevant parties are notified of, and act upon, leaver end dates in an effective and timely manner to mitigate the risks of inappropriate access to Council property and information.

Internal audit sought assurance over the controls in place for managing new starters at the Council, and the leavers process, including setting up new starters with relevant accesses and revoking this promptly for leavers, including agency and interim workers.

There have been 54 starters and 42 leavers since April 2021. Audit sample testing of six new starters (incl. off payroll staff) confirmed that controls are broadly operating as intended. HR, Payroll, and IT were all notified of each starter and access to ICT equipment and Council buildings was granted promptly. System administrators were, however, not notified in 60% of cases in sample testing, which could have led to delays in granting access to relevant Council systems.

The Council is reliant on line managers informing relevant departments if an individual is leaving employment. Whilst two leaver forms (HR & ICT) are used by the Council, audit testing identified that line managers are not consistently complying with the process. This has led to audit identifying two individuals in a sample of six that had active ID cards, allowing them to have access to the building, as well as ICT equipment (a laptop) not being located for one employee that left in July 2020. In all three instances, ICT access had been revoked and none of the employees had used their ID card since their last employment date. The missing equipment has not been located as at time of producing the annual report (June 2022).

The process for notifying HR and payroll of a leaver or a starter was found to be operating well and no anomalies were identified in this area i.e. no late notifications to payroll which would lead to overpayments.

Based upon the findings, Internal Audit has given the following assurance opinions over the management of the associated risks:

Assurance Opinion		
Control environment	Good	
Compliance	Satisfactory	
Organisational impact	Moderate	

Planning Service review

In March 2019, the former Interim Director for Growth and Regeneration completed a planning service review which identified multiple recommendations to improve the planning service. There were 110 detailed recommendations in the 2019 report. Management grouped these recommendations into themed mini-projects to aid in their implementation. Certain recommendations were not taken forward as they were thought to have been covered by implementation of other parallel actions. Others were deferred due to COVID restrictions or to link into other work, such as review of the Local Plan. Consequently, the agreed scope of this audit was to review the Council's overall approach to determining which recommendations to take forward and the associated governance arrangements to manage delivery. This was not a review of the planning service as a whole. The audit did not seek to examine the implementation of all recommendations arising from the 2019 report but focused on a sample of areas agreed by management, specifically: process review; performance framework; and

application of policies/regulation. Planning enforcement has been subject to a separate audit review and has not therefore been included in this review or report.

It is for the Council and management to decide whether or not to implement the recommendations arising from any particular service review or report. Given the Council's approach of addressing the 2019 review through themed projects rather than individual recommendations, it has not been possible to provide a clear conclusion on the overall level of implementation of the 2019 report's findings. Evidence was provided to demonstrate that most areas have been addressed and explanations and justifications were provided for determining which areas to take forward and which would feed into other, related, projects/processes. Appropriate governance arrangements were applied to ensure effective management and delivery of the specific areas within the scope of the Internal Audit review. However, the fragmented approach and lack of application of a formal project management methodology means that it is not possible at this stage to demonstrate whether or not the expected outcomes and improvements have been delivered. It is recommended that officers undertake a stock-take and post-implementation review to provide the necessary assurance that the remaining areas for improvement have been progressed and that the outcomes and improvements arising from the original review have been delivered.

The review of application of policies and regulations has resulted in improvements to Planning Committee processes and work undertaken by the Planning Advisory Service to carry out sample testing of the application of policies and regulations has provided positive feedback. Audit sample testing confirmed that new streamlined operational processing of planning applications was fully embedded with the objective to eradicate waste and inefficiency. However, there is currently no means to measure the impact of these efficiencies. A revised Performance Framework has been created and will 'go-live' in April 2022 but there remains scope to strengthen and further develop the proposed performance indicators to include more qualitative information, including levels of customer satisfaction.

Based upon the findings, Internal Audit has given the following assurance opinions over the management of the associated risks:

Assurance Opinion		
Control environment	Satisfactory	
Compliance	Satisfactory	
Organisational impact	Minor	

Planning enforcement

The primary aim of planning enforcement is to achieve a balance between freedom of landowners to use and alter their land or properties whilst at the same time needing to safeguard amenities from significant harm. The regulatory framework is set out in the Town and Country Planning Act 1990 together with the National Planning Policy Framework (NPPF). Guidance is also provided in the enforcement handbook of the National Association of Planning Enforcement (NAPE). The audit was invited by the Council's management team following concerns raised by Members and the team regarding capability and capacity within this area. The change in leadership in planning offered an opportunity to pause, review current practices and identify improvements for enhanced service delivery.

The Council commissioned a review of its planning services in 2019 which concluded that the approach to enforcement, at that time, was unsatisfactory and given insufficient priority and resources. The lack of sufficient proactivity in pursuing unauthorised development and monitoring implementation of conditions was reported as a major concern for Members. The

report made a number of recommendations for improvement, including the cessation of enforcement work by Planning Officers and appointment of one or two dedicated planning enforcement and conditions monitoring post(s).

Based on the findings of this review, whilst some progress has been made, there remains insufficient capacity and expertise to deliver an effective planning enforcement service. Following the 2019 review, an additional post was created to undertake both licensing and planning enforcement work, thereby increasing the planning enforcement capacity by 0.5FTEs. The post was designed in a supporting capacity and the officer appointed to the role has no planning enforcement experience or qualifications. Planning Officers continue to undertake enforcement work but inevitably give priority to their planning application caseload, meaning the enforcement officer role has expanded into undertaking full enforcement case work but without the benefit of a suitable policy or support framework. Consequently, whilst officers have stated that there has been no increase in unauthorised developments, the quality and timeliness of enforcement work remains inadequate and there are a large number of open cases. In addition, there remains no capacity to undertake any proactive conditions monitoring work.

It is recognised that the Council has modest enforcement resources and that proactive steps have been taken to increase capacity in three areas since 2019 (environment, licensing and planning). However, in order to provide a fully effective and professional planning enforcement function, additional resources need to be put in place to deliver the service with a clear policy framework, operational procedure, customer standards, documentation protocols and performance management arrangements.

Based upon the findings, Internal Audit has given the following assurance opinions over the management of the associated risks:

Assurance Opinion		
Control environment	Limited	
Compliance	Limited	
Organisational impact	Moderate	

Temporary accommodation

The risk of a non-compliant and inefficient housing options and homelessness prevention service had been identified by the Senior Leadership Team (SLT) and captured within the Council's strategic risk register in September 2021. Following robust monitoring by the Director for Housing and Communities, and significant progress in implementing the relevant actions, this risk is now captured within a directorate risk register, with a reduced RAG rating of amber.

The scope of the audit included a review of the Council's policies, procedures and IT systems in relation to the provision of temporary accommodation, and the controls in place to provide assurance that placements are in line with the relevant legislation, regulatory and eligibility requirements, whilst maximising value for money.

Effective controls exist to confirm the eligibility of homeless households placed in temporary accommodation. Current record-keeping arrangements will require strengthening to provide assurance that placements are in line with the relevant procedures and eligibility requirements. In addition, personal housing plans should be fully completed and retained on file to demonstrate the Council's commitment to the prevention and relief of homelessness.

A collaborative decision-making process exists in relation to temporary accommodation placements. Formalised review and approval of decisions would demonstrate that a separation of duties exists going forward, whilst the documenting of operational procedures may further enhance control and improve operational efficiency.

Temporary accommodation placements are currently procured in response to demand, on a spot purchase basis, with a £12,050 overspend forecast for this financial year. The introduction of a procurement strategy would aid the Council in forecasting and meeting demand for the coming year, whilst providing a framework for ensuring robust procurement processes that maximise value for money. It is also noted that monitoring procedures require strengthening to provide assurance that all relevant costs (i.e. service charges) are being recovered.

Temporary accommodation properties are not currently subject to health and safety inspections, and statutory compliance evidence is not currently obtained for bed and breakfast or hotel accommodation.

The accounting for costs associated with Council owned housing for temporary accommodation requires review to ensure these are all consistently and accurately charged to the general fund.

Based upon the findings, Internal Audit has given the following assurance opinions over the management of the associated risks:

Assurance Opinion		
Control environment	Satisfactory	●
Compliance	Satisfactory	●
Organisational impact	Moderate	●