

Internal Audit Activity Progress Report

2020/21



(1) Introduction

All local authorities must make proper provision for Internal Audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states 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”. The Internal Audit Service is provided by Audit Risk Assurance under a Shared Service agreement between Stroud District Council, Gloucester City Council and Gloucestershire County Council and carries out the work required to satisfy this legislative requirement and reports its findings and conclusions to management and to this Committee.

The guidance accompanying the Regulations recognises the Public Sector Internal Audit Standards 2017 (PSIAS) as representing “proper Internal Audit practices”. The standards define the way in which the Internal Audit Service should be established and undertake its functions.

The Shared Service Internal Audit function is conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

(2) Responsibilities

Management are responsible for establishing and maintaining appropriate risk management processes, control systems (financial and non financial) and governance arrangements. Internal Audit plays a key role in providing independent assurance and advising the organisation that these arrangements are in place and operating effectively. Internal Audit is not the only source of assurance for the Council. There are a range of External Audit and inspection agencies as well as management processes which also provide assurance and these are set out in the Council's Code of Corporate Governance and its Annual Governance Statement.

(3) Purpose of this Report

One of the key requirements of the standards is that the Head of Audit Risk Assurance should provide progress reports on internal audit activity to those charged with governance. This report summarises:

- The progress against the 2020/21 Revised Internal Audit Plan, including the assurance opinions on the effectiveness of risk management and control processes;
- The outcomes of the Internal Audit activity during January to March 2021; and
- Special investigations/counter fraud activity.

(4) Progress against the 2020/21 Revised Internal Audit Plan, including the assurance opinions on risk and control

The schedule provided at **Attachment 1** provides the summary of 2020/21 audits which have not previously been reported to the Audit and Standards Committee.

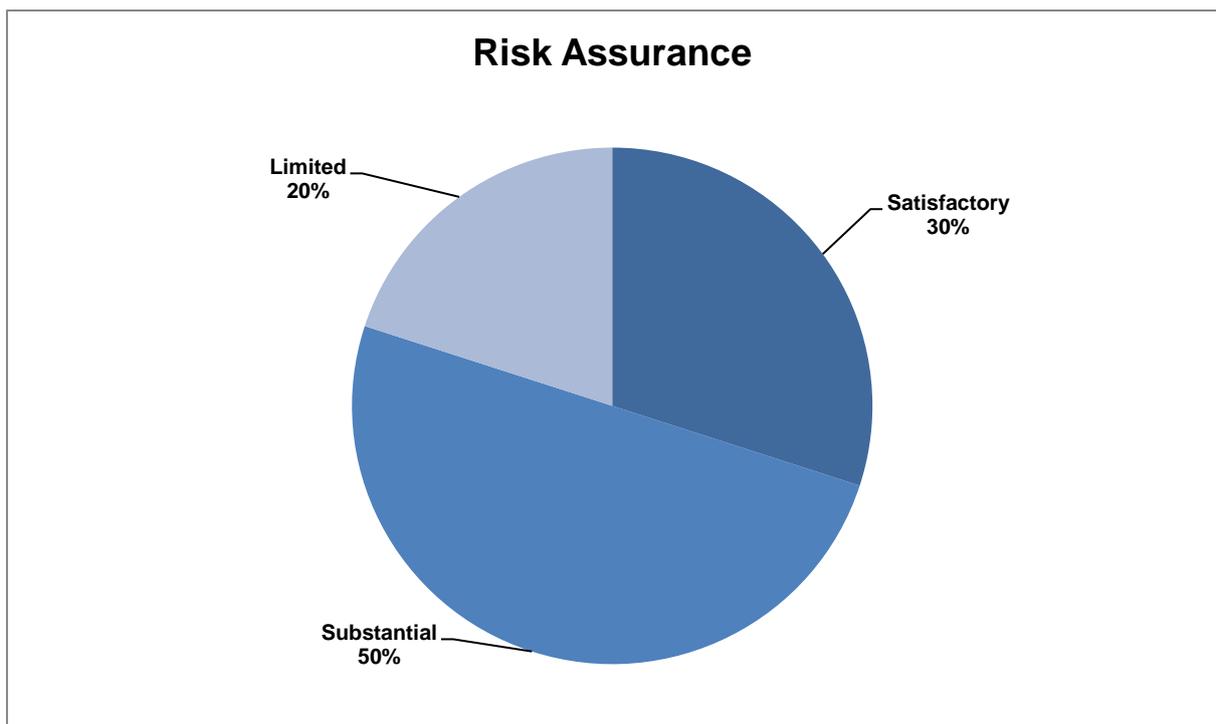
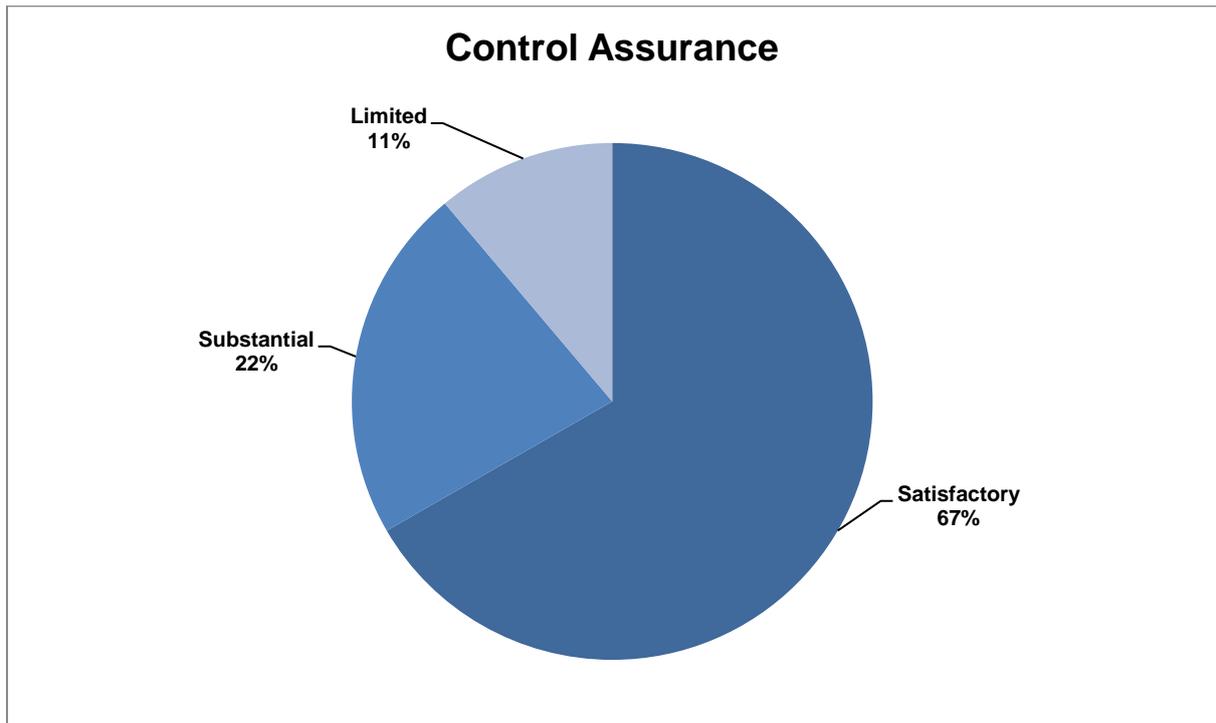
The schedule provided at **Attachment 2** contains a list of all of the 2020/21 Internal Audit Plan activity undertaken during the financial year to date, which includes, where relevant, the assurance opinions on the effectiveness of risk management arrangements and control processes in place to manage those risks and the dates where a summary of the activities outcomes has been presented to the Audit and Standards Committee. Explanations of the meaning of these opinions are shown in the below table.

Assurance Levels	Risk Identification Maturity	Control Environment
Substantial	<p>Risk Managed Service area fully aware of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners, and staff. All key risks are accurately reported and monitored in line with the Council's Risk Management Policy.</p>	<ul style="list-style-type: none"> • System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved • Control Application – Controls are applied continuously or with minor lapses
Satisfactory	<p>Risk Aware Service area has an awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners, and staff. However some key risks are not being accurately reported and monitored in line with the Council's Risk Management Policy.</p>	<ul style="list-style-type: none"> • System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger • Control Application – Controls are applied but with some lapses
Limited	<p>Risk Naïve Due to an absence of accurate and regular reporting and monitoring of the key risks in line with the Council's Risk Management Policy, the service area has not demonstrated a satisfactory awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, client/customer/partners and staff.</p>	<ul style="list-style-type: none"> • System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls • Control Application – Significant breakdown in the application of control

(4a) Summary of Internal Audit Assurance Opinions on Risk and Control

The pie charts below show the summary of the risk and control assurance opinions provided within each category of opinion i.e. substantial, satisfactory and limited in relation to the 2020/21 audit activity undertaken up to March 2021.

It is noted that the split assurance risk opinion (Limited/Satisfactory) on Tenancy Lettings reported to Committee in January 2021 has been reflected in both relevant assurance levels (limited/satisfactory) within the risk assurance pie chart.



(4b) Limited Control Assurance Opinions

Where audit activities record that a limited assurance opinion on control has been provided, the Audit and Standards Committee may request Senior Management attendance to the next meeting of the Committee to provide an update as to their actions taken to address the risks and associated recommendations identified by Internal Audit.

(4c) Audit Activity where a Limited Assurance Opinion has been provided on Control

During January to March 2021, no limited assurance opinions on control have been provided.

(4d) Satisfactory Control Assurance Opinions

Where audit activities record that a satisfactory assurance opinion on control has been provided, where recommendations have been made to reflect some improvements in control, the Committee can take assurance that improvement actions have been agreed with management to address these.

(4e) Internal Audit Recommendations

During January to March 2021, Internal Audit made a total of **4** recommendations to improve the control environment, **0** of which were high priority and **4** which were medium priority recommendations (**100%** of these being accepted by management).

The Committee can take assurance that all high priority recommendations will remain under review by Internal Audit, by obtaining regular management updates, until the required action has been fully completed.

(4f) Risk Assurance Opinions

During the period January to March 2021, no limited assurance opinions on risk have been provided on completed audits from the 2020/21 Revised Internal Audit Plan.

Monitoring of the implementation of recommendations to manage the risks identified is owned by the relevant manager(s) and helps to further embed risk management in to the day to day management, risk monitoring and reporting process.

(4g) Internal Audit Plan 2020/21 Refresh – Covid-19

Covid-19 has placed significant pressures on Council services and has impacted (and continues to impact) the Council's priorities, objectives and risk environment.

Appendix A

Due to this changing position and to ensure that the Risk Based Internal Audit Plan meets the assurance needs of the Council, the Internal Audit Plan 2020/21 was reviewed and refreshed in consultation with Officers (Strategic Leadership Team, Heads of Service and Service Managers). This included consideration of newly identified activities, current activities that should be prioritised within 2020/21 and activity deferrals/cancellations (due to risk).

The Revised Internal Audit Plan 2020/21 was presented to Audit and Standards Committee on 6th October 2020 and approved.

This included reflection of the new activities completed by ARA since the outcome of the pandemic. For example and as reflected within the Internal Audit Progress Report, to date within 2020/21 ARA has:

- Provided consultancy support (from both our internal audit and counter fraud teams) to the Revenues and Benefits service and Finance regards Business Grants and Supplier Relief.
- Progressed Internal Audit review of the Lost Sales, Fees and Charges Grant (Covid-19) claims 1 and 2; and
- Completed review of the financial close information required to support stage 2 of the Council's Ofgem Application: Non-Domestic Renewable Heat Incentive.

Completed Internal Audit Activity during January to March 2021

Summary of Substantial Assurance Opinions on Control

Service Area: Resources

Audit Activity: Corporate Induction Process

Background

The Council employs 456 staff, which is 324 whole time equivalents, as at 31st December 2020. The impact of Covid-19 remote working upon staff induction will result in a flexible and pragmatic approach being implemented. For the period April to December 2020, 33 new members of staff joined the Council.

A corporate induction process for staff should result in both employee and employer benefitting in terms of efficiently and effectively integrating new hires into the Council.

Scope

The audit reviewed the robustness of the Council's Corporate Staff Induction Process, to determine whether it is consistently applied.

Risk Assurance – Substantial

Control Assurance – Substantial

Key Findings

- The corporate staff induction process is directly linked to the Council's workforce plan, which seeks to ensure that suitably qualified people are recruited to ensure service continuity is delivered to the district. The continuity of services is a strategic risk, which should be frequently reviewed, assessed and recorded on the Excelsis risk and performance system.
- Audit review of Excelsis confirmed that the continuity of services risk had been reviewed by lead officers and clearly documented the mitigating actions taken to respond to the Covid-19 pandemic.
- It is essential to have a systematic documented induction process for staff in place, to facilitate successful integration and avoid the risk of applying a haphazard approach. The Intranet (HUB) was reviewed with the objective of assessing the completeness of available information and documentation for new staff. The review of the HUB for information and documents for new staff did not identify any significant weaknesses.

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- When new members of staff join the Council, it is important to ensure that their IT requirements and access rights are effectively set up so that the induction process runs smoothly. A walkthrough test for a new member of staff confirmed this as being appropriately in place and actioned.
- Having an effective pre-employment process embedded from the offer stage, enables the transition for the new member of staff to be conducted effectively. A walkthrough test was completed and verified that the pre-employment process was operating correctly.
- During the initial induction period in week one, it is important to make new staff aware of the employee benefits they have and the Council's employment policies in place. Audit testing found that week one induction procedures would benefit from a refresh by particularly drawing new staff's awareness to all the employment benefits available, therefore a medium priority recommendation was made.
- The importance of completing staff induction reviews on a regular basis, informs the employee, service manager and the Human Resources (HR) team of progress, performance achievements and development needs. Audit testing of induction reviews confirmed clear documentation of the member of staff's progress, performance achievements and future development needs.
- As part of the corporate induction process, staff training comprises two elements; i) corporate; and ii) service, tailored to the needs of the role and responsibilities. Test results for a sample of three confirmed that new staff received appropriate training.
- Effective HR monitoring controls for corporate employee induction ensures that the team are correctly overseeing the actual process in place for staff. Monitoring controls reviewed for a sample of three new staff, verified that they were working effectively.

Conclusion

Internal Audit's review of the Council's Corporate Staff Induction Process, found that it had been consistently applied for the selected sample of new employees. The process was found to be comprehensive and the embedded systematic approach reflected an appropriate and effective control environment.

One audit recommendation has been raised regards the contents of the week one induction, to ensure that the staff benefits available are adequately signposted and the new employee confirms that they have received all relevant guidance and information.

Management Actions

Management have responded positively to the one recommendation and it has been promptly implemented by the Council.

Summary of Satisfactory Assurance Opinions on Control

Service Area: Place

Audit Activity: Gloucestershire Building Control Partnership (GBCP) - Limited Assurance Follow Up

Background

Stroud District Council (SDC) and Gloucester City Council (GCityC) have collaborated to provide a shared local government building control service known as the Gloucestershire Building Control Partnership (GBCP). The GBCP was established on 1st July 2015 through a Section 101 Agreement, with staff being employed by SDC acting as the host Authority. The Building Control function comprises of two elements:

- Plan vetting and inspection of applications, which is a statutory Council function in direct competition with the private sector; and
- Enforcement of Building Control legislation and regulations.

A review of this activity was undertaken during 2019/20. The audit concluded that only 'Limited Assurance' could be provided for both the risk identification maturity and the control environment.

Scope

This follow up audit review sought to provide assurance that the recommendations raised in the 2019/20 audit review have been fully implemented or there is an approved action plan to show how and when they will be implemented.

Risk Assurance – Substantial

Control Assurance – Satisfactory

Key Findings

The status of the four high and five medium priority recommendations raised in the 2019/20 audit at the point of this Internal Audit follow up review is summarised in the table below:

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Original Recommendation Priority	Original Recommendations Raised	Position at 2020/21 Internal Audit Follow Up	
		Implemented	Partially Implemented
High Priority	4	3	1
Medium Priority	5	5	

As result of the current health pandemic, GBCP has had to adapt to a new way of working resulting in:

- A change in its work priorities;
- A focus on maintaining service continuity;
- The revaluation of the requirements and implications required to maintain the service in a new environment; and
- The management and wellbeing of officers.

It is therefore commendable that GBCP management have fully implemented eight out of the nine original audit recommendations and that GBCP are progressing resolution of the one outstanding recommendation. Details of the partially completed recommendation are:

- High Priority recommendation one – Review and amendment of the Section 101 Agreement.

A review of the Section 101 Agreement was undertaken by the SDC Building Control Manager during 2019/20 and variations to this agreement were submitted to and approved by the September 2020 GBCP Shared Service Board. A review, by Internal Audit, of the key requirements of the Section 101 Agreement and any subsequent variations for compliance with them highlighted, that due to the impact of the Covid-19 pandemic, the following requirements have not been fully completed as at the time of this follow up review:

- Production of two additional progress reports for April and July;
- Production of GBCP minutes within stated timeframes;
- Formal agreement of the Service Delivery Plan / Business Plan by the stated timeframe;
- Application of Department for Communities and Local Government (DCLG) performance standards;
- Development of a customer feedback procedure; and

- Completion and approval of a five year financial plan.

The SDC Building Control Manager is fully aware of the above areas and is managing them to ensure compliance during the first half of 2021/22.

A summary of the eight completed recommendations are as follows:

High Priority recommendations

- SDC Shared Service Board members, at the point of this follow up review, have demonstrated an active role in the GBCP;
- The trading account reserve balance, building control fees and the forecast of future income and expenditure was reviewed by the Board and appropriate actions agreed; and
- The financial statement for the financial years 2017/18 to 2019/20 were published on the GBCP website.

Medium Priority recommendations

- Building Control officers have completed a timesheet on an agreed regular basis to either reaffirm the current apportionment between chargeable and non-chargeable services or to adjust the calculation;
- A review of the basis for apportioning costs for the 'non-trading' account between SDC and GCityC was undertaken by the Board;
- The data owner for the Building Control systems was agreed by the Board;
- Monthly income reconciliations have been completed for the period April to September 2020 and subject to SDC Building Control Manager review; and
- The debt recovery process was approved by the Board.

Conclusion

Good progress has been made by management in implementing Internal Audit's agreed recommendations from the 2019/20 audit review, particularly in the current unprecedented work environment due to the Covid-19 pandemic.

Management Actions

The actions taken by GBCP to implement the recommendations have resulted in a strengthening of the control environment. One recommendation remains in progress at the point of audit follow up, for implementation in early 2021/22. No new recommendations have been raised as a result of the audit follow up review.

Service Area: Resources**Audit Activity: Littlecombe Scheme - Limited Assurance Follow Up****Background**

The Littlecombe development is a mixed-use regeneration scheme providing 600 new homes, community facilities and other commercial opportunities. The Council took ownership of the site from the South West Regional Development Agency in 2011 for £1. The intention was to unlock a stalled scheme for the benefit of Dursley, Cam and district.

The Council stepped into the partnership agreement with a national property development company and is entitled to 85% of the net development profit at completion of the scheme (July 2023), although this potential financial gain is subsidiary to the main purpose of leading the scheme to completion.

A review of this activity was undertaken during 2019/20. The audit concluded that only 'Limited Assurance' could be provided for both the risk identification maturity and the control environment.

Scope

This audit sought to provide assurance that the recommendations raised in the 2019/20 audit review had been fully implemented or there was an approved action plan to show how and when they would be implemented.

Risk Assurance – Substantial**Control Assurance – Satisfactory****Key Findings**

The status of the six original (2019/20) audit recommendations at the point of this Internal Audit follow up review is summarised in the table below:

Original Recommendation Priority	Original Recommendations Raised	Position at 2020/21 Internal Audit Follow Up	
		Implemented	Partially Implemented
High Priority	4	3	1
Medium Priority	2	2	

Details of the partially completed recommendation are as follows:

- High Priority recommendation one – Develop and introduce an appropriate governance and reporting structure.

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The governance arrangements for the Littlecombe scheme and the reporting structure was determined by Property Services and documented in the Council's corporate risk and performance management system (Excelsis). This consisted of the Investment and Development Panel and one to one meetings between the Property Manager and Principal Estates Surveyor, and Head of Property Services and Property Manager to discuss and manage the Littlecombe scheme.

Due to the pandemic impact, the Investment and Development Panel has not met during 2020. The purpose and scope of this panel is also being evaluated by the Strategic Director of Place. Verbal assurance from the Property Manager was received by Internal Audit that the one to one meetings have taken place and the Littlecombe scheme discussed, but that formal notes of these meetings have not been retained.

An 'Information Sheet' on the progress and current position of the Littlecombe scheme is planned to be written by Property Services during the first half of 2021 and presented to Members. It will then be published on the Council's website for residents so that all are apprised of the development. Going forward an 'Information Sheet' is expected to be published annually thereafter.

The five completed recommendations were relevant to the following areas:

- Regular review of the scheme strategic and operational risks, including documentation on Excelsis and confirmation of risk appetite;
- Receipt and review of the completed Project Expenditure Accounts from the developer in the frequency as detailed in the Development Agreement; and
- Project Expenditure Accounts to include assertions that they represent a true and fair view and these are verified by the developer lead Finance Officer.

Conclusion

Good progress has been made by management in implementing Internal Audit's agreed recommendations from the 2019/20 audit review, particularly in this unprecedented environment we are all working under due to the Covid-19 pandemic.

Management Actions

The actions taken by management to implement the recommendations have resulted in a strengthening of the control environment. One recommendation remains in progress at the point of audit follow up, for implementation in 2021/22. No new recommendations have been raised as a result of the audit follow up review.

Summary of Consulting Activity, Grant Certification and/or Support Delivered where no Opinions are provided

Service Area: Resources (Grant Certification)

Audit Activity: Lost Sales, Fees and Charges Grant Claim 1 and 2

Background

Covid-19 has impacted local authorities' ability to generate revenues in several service areas as a result of lockdown, government restrictions and social distancing measures related to the pandemic. This new, one-off income loss scheme (the scheme) will compensate for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services in the financial year 2020/21.

The scheme involves a 5% deductible rate, whereby authorities absorb losses on 5% of their planned 2020/21 sales, fees and charges income, with government compensating them for 75p in every pound of relevant loss thereafter.

The grant scheme is co-ordinated by the Ministry of Housing, Communities and Local Government (MHCLG), and is submitted in three claims covering four consecutive calendar months each.

The scheme also requires a reconciliation process to be completed by the Council after the submission of the third claim and is due to account for losses claimed for in the early part of the scheme that may ultimately be recoverable, and others that might ultimately be irrecoverable when recoverability was originally considered possible.

Scope

The objective of this audit was to review the two grant submissions and supporting documentation for the period April to November 2020 (claim 1 – April to July 2020 and claim 2 – August to November 2020), with the objective of assessing compliance with the guidance issued by MHCLG.

Key Findings

The grant claim for April 2020 to July 2020 totalled £512,963. The grant claim for August 2020 to November 2020, totalled £333,000.

The claims and supporting documentation/audit trail were reviewed and it was confirmed that:

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- All 2020/21 budget financial values for service income had been correctly recorded on the grant claims as documented in the Council's Financial Management System;
- The net losses for the period April to November 2020 matched to the information within the Council's Financial Management System and had been calculated correctly in accordance with the guidance issued by MHCLG;
- The parameters set out in the formula for the scheme have been correctly applied to the applicable losses claimed for in the period (April 2020 to November 2020);
- MHCLG accepted grant claim 1 and promptly paid £512,963 on 27th November 2020; and
- As at 1st March 2021, MHCLG are due to settle the second grant claim for £333,000 shortly.

Conclusion

Internal Audit can confirm that compilation of the Lost Sales, Fees and Charges grant claims for the period April to November 2020 complied with the guidance issued by MHCLG.

Management Actions

Not applicable – no audit recommendations raised.

Service Area: Communities

Audit Activity: Housing Reactive Repairs and Maintenance - Property Care Operations Manual

Background

The Property Care Manual has been developed to ensure that the Council meets its legal obligations to repair and maintain Council owned properties; and to protect the health, safety and well-being of customers and visitors to these tenancies. A well documented procedures manual also provides clarity of agreed processes; aims to minimise the risk of errors/mistakes, and should aid employee efficiency.

The Property Care Manual currently has one section the contents are:

- i) Procedures for customers to report the need for repairs;

- ii) Processes for staff or contractors, to complete the repairs to the required quality standards; and
- iii) Complete timely repairs to the satisfaction of the customer.

The intention is to expand this manual so it becomes a comprehensive record of the existing processes, procedures and controls for emergency and reactive repairs.

Scope

The consultancy review inspected the Property Care Operations Manual with the objective of designing out inherent known risks, and identifying any gaps within the documented control environment.

Key Findings

- The approach used to review the above manual considered the following qualities: evidence of a systematic “end-to-end” approach for the documented processes; and consistency with the reporting a repair process as documented on the Council’s website.
- Review of the above manual confirmed that substantially the existing processes, procedures and controls are suitably documented. Improvements can be made to documenting section one of the manual. In particular, improvements relating to; i) version control; ii) reporting a repair; iii) raising a repairs order; iv) appointing and scheduling; v) cancellation via engineer; vi) materials returns and credit note; vii) van stock replenishment; viii) van stock weekly audit; ix) lone worker escalation process; and x) appendices.
- Consideration has also been given to identify associated processes which have a direct correlation to the emergency and reactive repairs work streams, with the objective of enhancing the completeness of the Property Care Operations Manual and its value to staff and contractors.
- The existing Covid-19 risk assessments and health and safety procedures produced by Housing Services and details of the outside of normal working hours third party contractor would be a welcome addition to section two of the manual.
- Internal Audit acknowledges that the impact of Covid-19 will have a subsequent impact upon staff’s roles and priorities. Inspection of the Housing Repairs and Planned Maintenance Policy 2017 found that the review period of September 2020 has now lapsed, and is in need of a procedure which will update the document ready for the Housing Committee to consider for approval.

Conclusion

Review of the Property Care Operations Manual established that the repair processes are fundamentally documented. Two recommendations to improve the completeness of the manual have been made.

In addition due to its inter-relationship with the Property Care Operations Manual, one recommendation for review of the Housing Repairs and Planned Maintenance Policy in 2021 has been made to ensure that it remains fit for purpose and is subject to appropriate scrutiny and subsequent approval.

Management Actions

Management have responded positively to the three recommendations made and the proposed target date is set for these to be fully implemented by 31st August 2021.

Service Area: Communities

Audit Activity: Housing Revenue Account (HRA) Delivery Plan

Background

The Council's HRA Delivery Plan sets out the Council's direction and priority for the Council's Housing Service - enabling it to focus on the delivery of stated priorities, manage and respond to business risks and opportunities, and have appropriate contingencies in place.

The HRA Delivery Plan includes an action plan which is revised annually to ensure that it remains relevant and supports the Council's ability to meet local needs, statutory and regulatory responsibility, borrowing and debt repayment commitments, stock investment and management objectives (decent homes), service delivery, (tenancy management, resident involvement, satisfaction levels) objectives, as well as ensuring that it remains sustainable.

Following a period of consultation during summer 2019 with tenants and leaseholders and the application of the Tenant survey reports (STAR Survey), members of Housing Committee and the Housing Review panel reviewed and updated the HRA Delivery Plan 2020-2025 with additional strategic priorities. This was approved by the Housing Committee on 10th December 2019.

The HRA Delivery Plan was updated with the following key strategic objectives for the medium term:

- Improve tenant satisfaction and culture exploring different avenues and opportunities to build, enhance and grow communities;
- Delivery of the older person's strategy and action plan over the next 5 years including the current programme to modernise the Council's sheltered housing stock and the quality of the 'housing offer';
- New development;
- Investment in sustainable and attractive estates and stock; and
- Implementation of the updated energy strategy.

Scope

The review sought to determine whether the updated action plan would effectively address the key strategic objectives defined within the HRA Delivery Plan 2020-2025. The specific objectives of the review were to provide assurance on the following areas:

- a) The HRA Delivery Plan 2020-2025 action plan documents activities that will address each of the five key strategic objectives;
- b) Each action is specific, measurable, achievable, realistic, time-bound with responsible officers assigned to manage the action; and
- c) Effective monitoring arrangements are in place to track that actions are progressing as planned, and in line with the agreed target dates.

Position Statement

Due to the challenges of Covid-19 and lockdown periods, Stroud District Council priorities have had to shift dramatically to support communities, residents and businesses. This has meant that the strategic objectives defined within the HRA Delivery Plan have been impacted as it has not been possible to conduct the required consultations, and work streams that were planned have either been suspended or deferred until lockdown measures are eased.

To support the Head of Housing Services at this challenging time, Internal Audit has adopted an agile audit approach to delivering the audit objectives and to ensure that the audit provides added value to the Council and Head of Housing Services.

As audit testing for objectives a) and b) would not have been appropriate due to the impact of Covid-19 on Tenant Services, this position statement has been written to update Members and confirm that it is internal audit's intention to undertake a full review during 2021/22.

Progress update for objective c): Effective monitoring arrangements are in place to track that actions are progressing as planned, and in line with the agreed target dates.

Internal Audit can confirm that in July 2020, the Head of Housing Services provided members with an Information Sheet update regarding the Housing Revenue Account Delivery Plan 2020-2025. This Information Sheet was also referenced in the agenda pack for the Housing Committee meeting on 22nd September 2020.

Internal Audit has established:

- The HRA Delivery Plan 'Action Plan' is a living document with clear measures of success and targets dates;
- The HRA Delivery Plan 'Action Plan' is maintained and reviewed regularly by the Head of Housing Services; and
- The Head of Housing Services, Head of Housing Contracts, New Homes and Regeneration Manager and the Head of Strategic Housing Services are aware of the 'Action Plan' and provide updates to it.

Next Steps

The Head of Housing Services will continue to work with the action plan leads to progress the HRA Delivery Plan 'Action Plan' and continue to annually update the Housing Committee.

A full HRA Delivery Plan internal audit is proposed for completion within the draft Internal Audit Plan 2021/22.

Summary of Special Investigations/Counter Fraud Activities

Current Status

The Counter Fraud Team (CFT) within Internal Audit has received five actionable referrals in 2020/21 to date, three of which have been closed and previously reported to the Audit and Standards Committee.

The two remaining ongoing cases are both Covid-19 grant related and will be reported on further once closed.

In addition to the referrals that require further investigation, the CFT has continued to provide support and guidance to the Council in respect of the government initiative Coronavirus: Small Business Grant Fund (SBGF) as requested. Since the start of the Covid-19 pandemic, ARA has also provided the Council with regular updates on local and national scams which sought to take advantage of the unprecedented circumstances, including a rise in bank mandate frauds, inflated claims, duplicate payments and the submission of fraudulent SBGF applications.

Any fraud alerts received by Internal Audit from National Anti-Fraud Network (NAFN) and other credible organisations are passed onto the relevant service areas within the Council, to alert staff to the potential fraud.

National Fraud Initiative (NFI)

Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The data collections for the 2021/22 exercise have been uploaded to the Cabinet Office. The release of the data matches began in mid January 2021 and staff have been advised that the matches are now ready for review. The timetable can be found using the following link [GOV.UK](https://www.gov.uk).

Examples of data sets include housing, insurance, payroll, creditors, council tax, electoral register and licences for market trader/operator, taxi drivers and personal licences to supply alcohol. Not all matches are always investigated but where possible all recommended matches are reviewed by either Internal Audit or the appropriate service area within the Council.

It is understood that the Counter Fraud Unit (hosted by Cotswold District Council) will be undertaking some of the match reviews on behalf of the Council and the Counter Fraud Unit findings will be reported to the Audit and Standards Committee separately.

Progress Report including Assurance Opinions

Department	Activity Name	Priority	Activity Status	Risk Opinion	Control Opinion	Reported to Audit and Standards Committee	Comments
Council Wide	Local Government Association Peer Review	1	Planned				Brought Forward from 19/20 plan. Interim report confirming 19/20 position issued to Committee in July 20. Audit review to be concluded and reported in 20/21 annual report.
Council Wide	Risk and Performance Reporting	1	Deferred				Activity proposed for deferral through the draft Internal Audit Plan 21/22. Activity scope updated based on consultation and risk assessment.
Council Wide	Supplier Relief	1	Consultancy				New Activity. To be reported in 20/21 annual report.
Change and Transformation	Modernisation Programme	1	Planned				Brought Forward from 19/20 plan.
Place	Brimmscombe Port - Project Management	1	Final Report Issued	Substantial	Satisfactory	06/10/2020	
Place	Carbon Neutral - Strategy	1	Deferred				Activity proposed for deferral through the draft Internal Audit Plan 21/22 (Covid 19 impact).
Place	Gloucestershire Building Control Partnership - Limited Assurance Follow Up	1	Final Report Issued	Substantial	Satisfactory	27/04/2021	
Place	Planning Applications	1	Audit in Progress				Brought Forward from 19/20 plan.
Place	Covid 19 Recovery Strategy	1	Audit in Progress				New Activity. Work replaces Corporate Delivery Plan audit.
Resources	Constitution Review	1	Deferred				Deferral (due to work on Business Grants) approved via the Revised Internal Audit Plan 20/21. Re-considered as part of 21/22 audit planning process.
Resources	Corporate Delivery Plan	1	Deferred				Deferral (replaced by Covid 19 Recovery Strategy audit) approved via the Revised Internal Audit Plan 20/21. Re-considered as part of 21/22 audit planning process.
Resources	Corporate Induction Process	1	Final Report Issued	Substantial	Substantial	27/04/2021	
Resources	ICT Action Plan	1	Final Report Issued	Satisfactory	Satisfactory	06/10/2020	Brought Forward from 19/20 plan.
Resources	ICT Service Desk	1	Consultancy				To be reported in 20/21 annual report.
Resources	IT Disaster Recovery	1	Draft Report Issued				Consultancy. To be reported in 20/21 annual report.
Resources	Cyber Security	1	Audit in Progress				To be reported in 20/21 annual report.
Resources	IT Infrastructure Strategy	1	Deferred				Activity proposed for deferral through the draft Internal Audit Plan 21/22 (Covid 19 impact).
Resources	Information Management (Data Breaches)	1	Audit in Progress				
Resources	Littlecombe Scheme - Limited Assurance Follow Up	1	Final Report Issued	Substantial	Satisfactory	27/04/2021	
Resources	Payroll - Starters	1	Final Report Issued	Substantial	Substantial	06/10/2020	
Resources	Procurement	1	Draft Report Issued				To be reported in 20/21 annual report.
Resources	Ofgem Application: Non-Domestic Renewable Heat Incentive	1	Final Report Issued	Not applicable	Not applicable	26/01/2021	New Activity.
Resources	Lost Sales Fees and Charges - claim 1	1	Final Report Issued	Not applicable	Not applicable	27/04/2021	New Activity. Outcomes from claims 1 and 2 consolidated in to one summary paragraph.
Resources	Lost Sales Fees and Charges - claim 2	1	Final Report Issued	Not applicable	Not applicable	27/04/2021	New Activity. Outcomes from claims 1 and 2 consolidated in to one summary paragraph.
Communities	HRA Delivery Plan	1	Final Report Issued	Not Applicable	Not Applicable	27/04/2021	Position Statement reported to April 21 Audit & Standards Committee. New activity (updated scope) also proposed through the draft Internal Audit Plan 21/22.
Communities	Anti-social Behaviour Management	2	Deferred				Deferral due to work on the priority 1 Covid-19 relevant new activities (e.g. Business Grants and Lost Sales Fees and Charges). Re-considered as part of 21/22 audit planning process.
Communities	Careline Service	2	Deferred				Deferral due to work on the priority 1 Covid-19 relevant new activities (e.g. Business Grants and Lost Sales Fees and Charges). Re-considered as part of 21/22 audit planning process.
Communities	Complaints Handling	2	Final Report Issued	Satisfactory	Satisfactory	06/10/2020	Brought Forward from 19/20 plan.
Communities	Housing Benefits - Overpayments	2	Deferred				Deferral (due to work on Business Grants) approved via the Revised Internal Audit Plan 20/21. Re-considered as part of 21/22 audit planning process.
Communities	Tenancy Lettings	2	Final Report Issued	Limited/Satisfactory	Satisfactory	26/01/2021	Split opinion on risk identification maturity - Limited/Satisfactory.
Communities	Electrical Works Contract	1	Final Report Issued	Limited	Limited	17/11/2020	
Communities	Housing Reactive Repairs & Maintenance - Property Care Operations Manual	1	Final Report Issued	Not applicable	Not Applicable	27/04/2021	
Communities	Stratford Park Leisure Centre	1	Audit in Progress				New Activity.

Progress Report including Assurance Opinions

Department	Activity Name	Priority	Activity Status	Risk Opinion	Control Opinion	Reported to Audit and Standards Committee	Comments
Communities	Business Grants	1	Consultancy				New Activity. To be reported in 20/21 annual report.
Communities	Youth Service	2	Deferred				Deferral (due to work on Business Grants) approved via the Revised Internal Audit Plan 20/21. Re-considered as part of 21/22 audit planning process.