

Cotswold District Council

Report of Internal Audit Activity

January 2025

Contents

The contacts at SWAP in connection with this report are:

Lucy Cater

Assistant Director

Tel: 01285 623340

lucy.cater@swapaudit.co.uk

Jaina Mistry

Principal Auditor

Tel: 01285 623337

jaina.mistry@swapaudit.co.uk

- Contents:

Internal Audit Definitions

Audit Plan Progress

Finalised Audit Assignments

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- **No**
- **Limited**
- **Reasonable**
- **Substantial**



Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The “advice” offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.



Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Summary of Audit Findings

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
Operational	Appointment of Consultants	Final Report	Mid Reasonable	2	-	1	1	Reported in October
Operational	Accounts Payable – Qtly Review – 2023/24	Final Report	High Substantial	0	-	-	-	Reported in October
Operational	Emergency Planning	Final Report	Mid Substantial	1	-	-	1	Report Included
Governance	Data Protection / Breaches	Final Advisory Report	N/A	0	-	-	-	Report Included
Operational	Community Infrastructure Levy	Final Report	High Reasonable	2	-	1	1	Report Included
Operational	Members Allowances and Expenses	Final Report	Mid Limited	2	1	1	-	Report Included
Operational	Levelling Up Funding – UKSPF and RESF	Final Report	Mid Substantial	0	-	-	-	Report Included
Operational	Human Resources	Final Advisory Report	N/A	0	-	-	-	Report Included
Key Financial Control	Revenues and Benefits – Council Tax and NNDR	Final Report	High Reasonable	2	-	1	1	Report Included
Key Financial Control	Revenues and Benefits – Council Tax Benefit and Housing Benefits	Final Report	Mid Substantial	0	-	-	-	Report Included
Operational	Section 106s	Draft Report						
Follow-Up	Procurement Cards	In Progress						
Follow-Up	Taxi Licensing Safeguarding	In Progress						

Summary of Audit Findings

APPENDIX C

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Operational	Planning Fee Obligations	In Progress	
Core Financial	Payroll	In Progress					Transactional Testing in Progress, Controls to be reviewed Quarter 4	
Governance	Data Retention	In Progress					Change review to become a project facilitated by IA	
Operational	CFEU	In Progress						
Operational	Accounts Payable – Qtly Review – 2024/25	In Progress						
Operational	Digital Exclusion	In progress						
Operational	Leisure and Culture Facilities	In Progress						
ICT	3 rd Party ICT Outage	Ready to Start						
ICT	Disaster Recovery – Revenues and Benefits	Delayed						
Grant Certification	Carbon Data 2022/23	Complete						
Support / Advisory	Support to Publica Transition Programme. <ul style="list-style-type: none"> - Finance Workstream - HR Workstream - ICT Workstream - OnBoarding Meetings 	On-Going						

Summary of Audit Findings

APPENDIX C

Audit Type	Audit Area	Status	Opinion	No of Rec	Priority			Comments
					1	2	3	
					Support	Business Grant Funding – Aged Debt	On-Going	
Advisory	Procurement and Commissioning Group	On Going						
Advisory	Health and Safety Working Group	On Going						
Advisory	Risk Management Group	On Going						
Advisory	Project Management – Active Cotswold	On Going						
Advisory	Co-Ordination Team / Emergency Planning	On Going					Support to CDC’s Rest Centre and Co-Ordination Teams	
Follow-Up	Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement	Working with the Counter Fraud and Enforcement Unit	On Going						
Other Audit Involvement	Management of the IA Function and Client Support	On Going						
Other Audit Involvement	Contingency – Provision for New Work based on emerging risks							

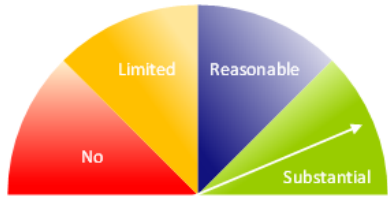
The following are the Internal Audit reports, of each audit review finalised,
since the last Committee update

Emergency Planning – Final Report – December 2024

Audit Objective

To provide assurance emergency planning processes are effective and support local communities in an emergency.

Executive Summary



Assurance Opinion

A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	1
Total	1

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Key Conclusions



Review of Emergency Planning documentation found most of the links do not work, the Emergency Planning Officer advised this was due to having to move the documents because of migrating to Microsoft 365. All documents will be reviewed to ensure all links work, and the correct file location can be accessed.



- A manual training log is maintained.
- Publica Emergency Planning virtual training sessions are recorded for tactical and operational officers who cannot attend sessions.
- Locality emergency planning meetings are held quarterly and are recorded for officers who cannot attend.
- The Publica Emergency Response Guide (ERG) is on Resilience Direct (RD).
- Emergency planning documentation is held on Teams. Officers are advised they should have the latest version of all relevant documents printed to access in an emergency.
- The Council's Flood Plan is on RD.



- The Council constitution states the emergency planning function shall be sub-delegated to Publica.
- All CDC Gold (Strategic) Officers completed Multi-Agency Gold Incident Command (MAGIC) lite training in 2024.
- Emergency Planning Officers regularly attend the Local Resilience Forum (LRF). Recent emergency response exercises have been undertaken and debriefing and lessons learnt processes are in place.
- The Emergency Planning Contacts directory was last reviewed in October 2024.
- Emergency Planning Officers delivered REST centre team, Co-ordination team, and Duty officer and Duty manager training in March 2024, and Member training in June 2023.
- Training exercises to test Publica's local emergency response arrangements were held at CDC on 23/10/2024.

Audit Scope

Discussions were held with the Publica Emergency Planning Officer and Publica Emergency Planning Specialist. Documentation and processes in place on behalf of the Council in the following areas were reviewed;

- Emergency plans and procedures - including roles and responsibilities and decision making.
- Training for emergency preparedness.
- Plan testing and training exercises.
- Information sharing with the Local Resilience Forum and communication with the public.
- Debriefing and lessons learnt.

Walkthrough testing of the web-based private network, Resilience Direct was also undertaken, and the Councils Flood Plan was checked to ensure it had been recently reviewed.

Other Relevant Information

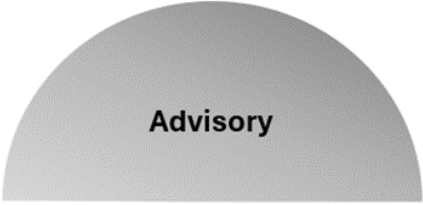
The Terms of Reference's (ToR) with the LRF do not mention Publica officers acting on CDC's behalf, but the Emergency Planning Specialist advised this is in their service specification. The service specification and the agreement between the Council and Publica will need to be reviewed to reflect any changes to Civil contingency roles and responsibilities following the transition of services back into the council.

Engagement from Town and Parish councils is still inconsistent. The Emergency Planning Officer confirmed an event was held by the Gloucestershire LRF in September to try to increase the number of Community Emergency Plans.

There is a risk emergency planning services provided by Publica to the Council may be affected by the Publica transition and impact the ability to fulfil the Council's civil contingency role due to the loss of critical staff. This risk is identified in the Council's strategic risk register. The delivery of emergency planning services must continue to be considered throughout the transition process ensuring the service is adequately resourced and complies with the Council's legal responsibilities.

Data Protection and Data Breaches – Final Report – December 2024

Audit Objective An advisory review in respect of Data Protection and the policies and process for Data Breaches.

	Advisory Report	Organisational Risk Assessment	High
	<p>The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations. Please see below for details of why an advisory report has been used.</p>	<p>Our audit work includes areas that we consider have a high organisational risk and potential significant impact.</p>	

Introduction

This audit was undertaken following a request from Corporate Governance Group and was initially intended to be an assurance piece of work. However, as the Publica transition has the potential for significant changes to the data protection provision and governance arrangements, it was agreed that an assurance report wouldn't be beneficial at this time. We have therefore prepared this advisory report with an overarching agreed action which incorporates all key findings and observations for the Council to consider. We will plan a follow-up audit in 2025/26.

CDC is classed as a 'Data Controller' under UK GDPR, and as such, they have greater responsibilities than 'Data Processors' (e.g. Publica). In addition to the suggestions which address the key findings of this report, we have suggested a brief process for CDC to enhance controls for their Data Controller obligations. Please see the Information Commissioners Office (ICO) website for more details and guidance.

1. Data Processing Impact Assessments (DPIAs) – Complete/review DPIAs for all services to establish and map why and how personal data is processed.
2. Governance arrangements – Establish the specific CDC Data Protection structure and reporting arrangements. The DPIAs should be used to support this.
3. Documentation – Review and update documentation to reflect specific CDC processes. Ensure consideration to shared roles and data sharing agreements, especially in relation to 3rd parties.

The Data Protection team is currently 2 part time employees who report to the ICT Audit and Compliance Manager (designated Data Protection Officer (DPO) registered with the ICO for Cotswold District Council, 2 partner Councils and Publica). It is recognised that a greater part of the Data Protection team's work has been focussed on Subject Access Requests (SARs) and Freedom of Information (FoI) requests which makes proactive work on the data breach process and business as usual challenging. Management wants to stress that there have been major improvements to the availability of Data Protection information (UK GDPR) and data breach policies etc. on the Council website.

We have subsequently been advised that Data Protection reporting mechanisms are in the process of being transferred to the Business Manager – Business Continuity, Governance and Risk.

Audit Scope

The audit included a review of:

- Policies and process for reporting/responding to a data breach
- Training provision for service areas
- The data breach register
- Data breach statistics
- Data breach communications

A data breach survey was issued to Assistant Directors, Business Managers and Heads of Service to provide additional insights.

Key Findings

Guidance for the Data Protection Team and Wider Organisation.

Whenever a data breach is reported, the Data Protection team must make assessments on risk, define remedial action and next steps. Decisions include:

- whether the breach should be reported to the ICO,
- which register the breach should be recorded on, and
- if they should be included in reporting statistics.

Our testing shows that there is an inconsistent process for dealing with reported breaches. For example, breaches on the register were not always supported with a completed form, risk assessments, and/or remedial actions noted. How breaches were communicated to stakeholders also varied. Data breach guidance is available to staff, but is in need of review and refresh, as errors and inconsistencies have been identified, these issues have been shared with the Data Protection Officer (DPO) and Chief Technology Officer (CTO).

Suggestion: Internal guidance/process notes detailing the steps to be taken when a data breach is reported should be developed for the Data Protection team. Developing this guidance will help to improve consistency and resilience and will support the development of any new team members.

A review and update of data breach guidance for the wider organisation should be undertaken to ensure the most up to date guidance is available to all staff.

Response: Data Protection will remain within Publica. An officer will be tasked with drafting guidelines and updating processes.

Data Breach Register

At the time of testing of the data breach register identified errors and inconsistencies. The register is compiled from data submitted on reporting forms but completed forms or further supporting information was not available for some of the test sample. Full details of the anomalies identified have been provided to the DPO and CTO

Administration of the Data Breach Register has recently transferred to the BM – Business Continuity, Governance and Risk. Planned training (see section below), will help to ensure that all data breaches and near misses are reported through the correct process. IA can confirm that improvements have been made to the data reported in the data breach register.

Suggestion: The data breach reporting form and register should be reviewed and updated to ensure alignment with each other and with the Data Breach Policy. Updates to the form should ensure the parts to be completed by the reporter (e.g. description, date of the incident, etc) and the parts to be completed by the Data Protection team (e.g. unique reference, risk assessment, etc) are clearly marked.

Data Breach Registers are in need of review and refresh to ensure all data in respect of breaches, and near misses, are accurate and to allow for improved reporting arrangements.

Response: This will be included in the work being undertaken as above.

Data Breach Communication Arrangements

There is no formal arrangement in place for reporting data breaches to Publica and/or Council Officers. Corporate Governance Group (CGG) had raised concerns about the number of data breaches, quality and lack of associated information provided.

Suggestion: To ensure that expectations for reporting data breaches are clear for the Data Protection team and the organisations they serve, the BM – Business Continuity, Governance and Risk should agree data breach communication requirements with the Monitoring Officer and other key stakeholders (e.g. AD's, Business Managers/Heads of Service). Agreed data breach communication arrangements, should be reflected within relevant documentation. A review and approval process should be established for data breach communication agreements.

Response: This will be included in the work being undertaken as above. Furthermore, a written report will be created, and presented, at Corporate Governance Group.

Senior Information Risk Owner (SIRO)

The Data Breach Policy and related documentation references the SIRO and DPO as separate positions. But the DPO provided evidence to suggest that they currently have SIRO responsibilities, current ICO guidance suggests that these roles should be separate positions. With the transition of Publica services back into the Council, it may be appropriate to appoint a member of Senior Management to the SIRO role.

Suggestion: The Administration of Data Protection has been transferred to the BM – Business Continuity and Risk. The CDC CEO is now the designated SIRO, all associated documentation and public facing information should be updated to reflect this change.

Data Breach Training

The Reporting of Personal Data Breaches Policy and Procedure states employees will be trained annually. Training is available on 2 separate platforms (Business Compliance Essentials and is included in some modules in Cyber Ninjas) and it is also included as part of induction training. But there is no requirement for annual completion for these courses. Survey results have highlighted that further data protection training would be beneficial. A respondent advised that when they feel it is a minor issue (for example when they need to redact a phone number or signature) they do not report it to the DPO. However, this approach breaches guidance that states a register of all breaches must be maintained. We have provided full details, to the DPO and CTO, of where improvements could be made to the Data Breach Training provision, to ensure a consistent approach/reporting is understood and followed by all. Cyber Ninjas refresher training has recently been rolled out to all staff for completion, elements of Data Protection are included in this training.

Suggestion: The Data Protection training provision should be reviewed and updated with consideration to the following:

1. Process for administering training.
2. Formal acknowledgement (e.g. electronic signature) of the Data Breach Policy.
3. Defining the action for follow-up of non-completion of training. The consequences for non-compliance should be clear.
4. Guidance for sharing information with 3rd parties including requirements for sharing with non-Publica/gov.uk email addresses.
5. Establishing a process for Identifying roles where additional data breach training is required.
6. Training provision communication process.
7. Any specific requirements for Councillors.
8. Alignment with relevant data protection policies.

Councillor's Training Completion

Councillors are Data Controllers and have specific data protection responsibilities. Failing to understand these responsibilities significantly increases the risk of data breaches.

Suggestion: Councillors should be contacted and reminded of their responsibilities as Data Controllers. The Local Government Association has created specific Data Protection guidance for Councillors which could be used to support explaining responsibilities.

Summary

Internal governance had not been sufficiently established for data breaches, therefore we provided suggestions which, if implemented, will support the creation of a solid foundation of accessible and accurate information, processes and procedures. This report has been updated to reflect the actions that have been implemented during the course of this audit. But if not all actions are implemented the Council risks financial penalties and reputational damage to both the Council (and Publica) from non-compliance with ICO reporting requirements.

Community Infrastructure Levy– Final Report – October 2024

Audit Objective

To provide assurance on the application of Community Infrastructure Levy legislation and the operational practices.

Executive Summary



Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	1
Priority 3	1
Total	2

Organisational Risk Assessment

Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

Key Conclusions



All staff are aware of their roles and responsibilities in respect of CIL, but these are not formalised in guidance. Documented roles and responsibilities would ensure the service continues to be provided during absence / staff changes.



The current method for requesting payment is through a Demand Notice which is legislated. However, a Demand Notice is not an adequate form of invoicing because it bypasses the financial system, preventing proper processing and oversight. The question still remains as to whether the Exacom IT System can formally track and monitor debt in the same manner as Accounts Receivable on Business World. Quarterly reconciliations mitigate some risk, but these should be formally approved by the Section 151 Officer.



The Planning Department has fully implemented processes to ensure the Community Infrastructure Levy is administered in compliance with legislation. Our audit review confirmed adequate procedures for liability identification, appeals, reconciliations, and reporting.

Audit Scope

We reviewed the following areas:

- Internal governance surrounding CIL agreements.
- The systems used to manage CIL agreements.
- The reconciliation process for CIL agreements.
- The monitoring and reporting of CIL agreements, including to Members.

Walkthroughs and discussions were held with Officers responsible for different parts of the process, with evidence sought to support statements made.

Additional Information

Extensive guidance is provided for staff and the public for CIL which is overseen by the Infrastructure Delivery Lead. Reporting occurs annually through the Infrastructure Funding Statement. To date, no CIL funds have been spent, though proposals have been submitted. Ongoing efforts ensure these proposals will meet CIL Funding criteria. Parish Councils are required to submit annual reports, detailing the CIL expenditures within their Parishes to the Council for publication on the website. While this process is generally being followed, the CIL Monitoring team is assisting some Parishes to ensure compliance with this requirement.

Transition Advice

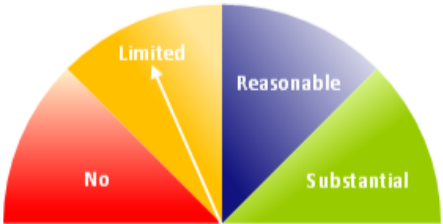
As the structure for Development Management and Forward Planning is confirmed in Phase One of the Transition, we would advise formally defining and documenting the Roles and Responsibilities concurrently to ensure the service is in accordance with the Council's requirements.

Members Allowances and Expenses – Final Report – October 2024




Audit Objective

To provide assurance that allowances and expenses claimed by Members are in accordance with Cotswold District Council's Constitution and HMRC guidelines.

Executive Summary

	Assurance Opinion The review identified significant gaps, weaknesses, or instances of non-compliance. The system of governance, risk management, and control requires improvement to effectively manage risks to the achievement of objectives in the area audited.	Management Actions	Organisational Risk Assessment	Medium
	Priority 1	1	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
	Priority 2	1		
	Priority 3	0		
	Total	2		

Key Conclusions

	Budget monitoring is insufficient. One Member was paid an additional Special Responsibility Allowance for the 2023/24 financial year. This discrepancy was identified at the end of the year, necessitating repayment of £3,926.08. Although handled correctly, implementing regular budget monitoring and exception reporting would prevent future overpayments and ensure compliance with Financial Rules.
	Our expenses testing identified a significant lack of recorded evidence and proper authorisation by Council staff. This lack of oversight raises the risk of members overclaiming mileage, submitting claims for non-permissible journeys, or claiming for alcohol and non-compliant meals. It also prevents the accurate coding and reclaiming of VAT as per HMRC Guidance (VIT55400). Members should be reminded to attach all receipts to support their mileage and expenses claims, claims should not be approved without supporting evidence.
	The Members Allowances Scheme is appropriately approved, reviewed by an Independent Remuneration Committee and is up to date. It is also appropriately published on the Public Facing Website and is in line with Government Guidance.

Audit Scope

Throughout this audit review, we covered the following key areas:

- Review of Members Allowances Scheme content.
- Approval of Members Allowances Scheme.
- Administration of Members Allowances and Expenses.
- Sample testing to confirm Allowances and Expenses are administered in line with Scheme.
- Budget Monitoring including Setting of Allowances, Authorisation of Changes and Main Accounting System monitoring.
- Governance surrounding Tithes.
- Coding and reclaiming of VAT on Members Expenses.

Additional Information

Cotswold District Council comprises 34 members, of whom 17 receive a Special Responsibility Allowance (SRA). The total expenditure on Members' Allowances amounts to £324,733.05 annually, with an additional £4,427.70 spent on Member Expenses in the 2023/24 fiscal year.

At the recommendation of the Independent Remuneration Committee, an uplift of 5.84% (rounded upward from 5.74%) was implemented for Cotswold District Council members. This rise was worked out to be in line with the Local Government Pay Award 2023/24.

Given the potential for reputational damage, especially when issues arise that attract media attention, it is vital to maintain robust controls in this area. Please note, we were unable to test Carers or Childcare allowances as none are claimed. However, the arrangements for this are outlined in the Scheme.

Government Grant Funding (UKSPF and REPF) – Final Report – December 2024

Audit Objective

To provide assurance that Publica has processes in place that ensure proper administration of financial affairs relating to the UKSPF and REPF allocation awarded to Cotswold District Council.

Executive Summary

	Assurance Opinion A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Management Actions	Organisational Risk Assessment	Medium
		Priority 1	-	Our audit work includes areas that we consider have a medium organisational risk and potential impact. The key audit conclusions and resulting outcomes warrant further discussion and attention at senior management level
		Priority 2	-	
		Priority 3	-	
		Total	0	

Key Conclusions

	CDC's allocation and subsequent governance processes are sound and well documented, with Delivery Group meetings minuted to evidence this.	Audit Scope We have reviewed the following processes: <ul style="list-style-type: none"> Allocating UKSPF and REPF funding, including approval of applications and decision-making processes at the Panel. Controls in place for making payments, including the checks made to ensure funds have been spent in accordance with the Investment Plan and UKSPF/REPF conditions. Processes in place to monitor expenditure. Management oversight of the administration of the fund. We have undertaken data analysis on the reports requested below and undertaken walkthrough and sample testing to form an opinion on the effectiveness of the controls in operation.
	Expenditure is well monitored with evidence of regular and effective management oversight. Examples were seen of projects being proactively managed and reallocations made where necessary (in accordance with UKSPF/REPF criteria) to ensure funds were utilised for maximum benefit to businesses and communities.	
	We note that in respect of the RAU Growth Hub project, there remains £71,430 unspent out of an original allocation of £190,650. Failure to fully utilise this allocation by the deadline of March 2025 may necessitate the repayment of unused funds back to the Government. However, management are aware of the situation and are closely monitoring both expenditure and outputs/outcomes for this project. Therefore, no formal recommendation has been made.	

Other Relevant Information

Outputs and outcomes agreed with projects at the outset have been achieved for those initiatives which have completed already, whilst those in progress are making satisfactory progress which is monitored and reported upon monthly.


It is clear that allocations made in respect of both the UKSPF and REPF schemes have been utilised to great benefit to the community by local businesses and organisations. We noted that some projects were referred to by different names and would suggest that clarity may be improved by allocating reference numbers to projects.

Human Resources – Final Report – December 2024

Audit Objective

To provide assurance that staff absence management is operated in accordance with agreed policy/procedure and statutory regulations.


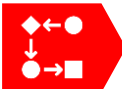


Executive Summary

	Assurance Opinion	Management Actions		Organisational Risk Assessment	Medium
	The advice provided in this report encompasses risk analysis and evaluation based on current activity/operations. Please see the conclusions box for details of why an advisory report has been used.	Priority 1	2	Our audit work includes areas that we consider have a medium organisational risk and potential impact.	
		Priority 2	1		
		Priority 3	1		
		Total	4		

NB: The Key Conclusions below are a reflection of the audit at the time of fieldwork: April-June 2024.

Since the audit, we have been advised that work has been undertaken to mitigate against the risks identified below. These areas have been addressed since the draft report was issued, and therefore have not been tested, but will be followed up as part of our standard follow up process.

Key Conclusions

	There was no clear corporate monitoring of sickness absence reporting undertaken by HR at the time of the audit. Reliance was placed on managers recording absence data in the BW system correctly. As an HR system BW is limited, and there are a number of workarounds required to make it work as needed. Internal reporting may be based on unreliable data and could lead to flawed decision making.
	There are different approaches across Publica for the management and reporting of sickness absence. We have made some suggestions / observations which the Council could adopt for their management of sickness reporting. As well as risking reporting unreliable data, there is a risk of inaccurate sick pay, employees being treated unfairly, and reputational damage. Also, managers risk failing in their duty of care towards their team members.
	The Sickness Absence Policy and Procedure (2023) states that a self-certification form should be completed for sickness of seven calendar days or less. At the time of the audit this form had not been created, but it has since been finalised and introduced. Also, the form could be used as a basis for the return to work meeting allowing opportunity to discuss wellbeing and any concerns which may arise. And if there is challenge by an employee for example, reasons for/length of absences, etc, the form could be used as evidence.
	The guidance on the 'Managers Support' webpage of the Publica Portal requires updating. This risks managers following out of date guidance which may / may not agree with the 2023 approved policies and procedures.

Audit Scope

The audit included a review of:

- Absence Management Roles and Responsibilities
- Absence Monitoring and Reporting
- Data Analytics to identify anomalies and/or confirm reporting is based on sound data.
- Sickness absence between September 2022 – February 2024 was analysed/tested.

A survey was issued to a sample of Assistant Directors, Business Managers and Heads of Service to provide additional insights on management, recording and monitoring of absences.



Training on administering both Sickness Absence policies was delivered to Managers in December 2023 following the wider review of all HR policies. All new managers will receive training on these policies and how to record absence in BW as part of their induction. All Managers we spoke to knew where to find relevant policies. Since the audit, a reminder has been issued to managers on the current process of sickness reporting.

Summary

This audit was requested by the HR Manager and was initially undertaken as an assurance piece of work. However, as the Publica transition has the potential for significant changes to HR arrangements, it was agreed that an assurance report would not add value at this time.

Instead, we have prepared this advisory report and have agreed actions with the HR Manager for employees remaining in Publica.

Going forward each Council will need to consider arrangements for their own staff and so the findings from this review should help inform future arrangements for each of the Council's staff.

We suggest that the following observations are explored with a view to making the absence reporting and monitoring process more effective:

- Consideration could be given to amalgamating the Publica Sickness Absence Policy and Procedure (2023) with the Publica Long Term Sickness Absence Policy and Procedure (2023), so all sickness absence guidance is contained in one place and limits unnecessary duplication. This will help to ensure that there is no confusion over how sickness absence is managed. We have been advised that this is in progress, and a new (combined) policy will be available shortly to Publica and Council Officers.
- We accept that the BW system is not an intuitive HR system and that work arounds have had to be introduced, but if managers were given additional training and HR support to ensure everyone operates a consistent process, then perhaps an alternative system (Resident Services absence line) may not be required.
- But, if, in the future, a new management system is implemented, then it is essential that BW data is robust so as not to transfer inaccurate data into a new system.

Additional observations regarding employee welfare were identified as follows:

- There is no guidance available on the expectations surrounding how Managers should keep track of their team's whereabouts whilst hybrid working (working from home). Not knowing their whereabouts could have a detrimental impact on more than just the accuracy of sickness reporting.
- There is no standard way of ensuring that the whereabouts of Officers out in the field is accounted for, e.g., clocking in and out and using a check in/check out system between site visits. There is a risk that lone workers could be in danger during work time, and Publica would not know or be able to help. We have made the H&S Business Partner aware of this.

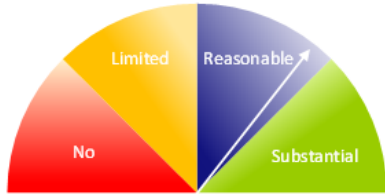
If the actions to address the key findings above are implemented, then this will help introduce a stronger control environment and improve the accuracy of data being reported. We will revisit this area to undertake a follow up review in due course.

Revenues and Benefits (Ctax and NNDR) – Final Report – January 2025

Audit Objective

To ensure key financial system controls are operating effectively for Council Tax and Business Rates and that opportunities for error, fraud or corruption are minimised.

Executive Summary



Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives.

Management Actions

Priority 1	0
Priority 2	1
Priority 3	1
Total	2

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Key Conclusions



There are values in the Suspense Account dating back to 2020. Revenues and Benefits Officers will liaise with the S151 Officer to decide what action should be taken with historical suspense account entries.



Review of the 2024 Suspense Account found 2 negative values where corresponding positive values could not be identified. The Assurance Manager will liaise with colleagues in Finance to ensure all suspense account entries have an audit trail to support they have been transferred to the correct account.



1 agreed action from last year's audit is still outstanding. The Revenues Manager advised basic procedure guidance is being drafted and officer training will be completed by the end of 2024.



- There is no separation of duties when adding or removing a property in Civica, but evidence was supplied to support Revenues Officers reconcile properties in Civica to Valuation Office Agency (VOA) records.
- We received satisfactory responses to our testing queries.
- Evidence was supplied to support Ctax discounts and exemptions are reviewed.
- Regular cash reconciliations are undertaken.

Audit Scope

Discussions were held with Publica Revenues and Benefits Officers and evidence sought to support statements made. We reviewed the following.

- Ctax/NNDR – Valuation process, and discounts and exemptions.
- Key control testing – financial reconciliations and variance reporting.
- Follow up of previously agreed actions.

Sample testing was undertaken on a random sample of Ctax and NNDR accounts to ensure they had been applied in accordance with procedure.

Other Relevant Information

The assurance we have given is specific to the areas we have reviewed this year.

There are a large number of closed accounts in credit at the Council, but evidence has been supplied to support work is being done to trace account holders and refund them. Analysis of closed Council Tax accounts in credit was undertaken in November 2022, and comparing this to the data provided for our 2024 audit we can report a 40% reduction of the number of closed accounts in credit. Consideration should be given to how long these credits remain on the system and how long officers spend trying to trace account holders before credits are written on, to ensure the benefits outweigh costs to the service area.

The Assurance Manager advised there are currently no quality assurance checks undertaken on valuations or discounts and exemptions due to how Civica is configured, but they plan to introduce these soon.

All NNDR discounts and exemptions are not reviewed at the Council; the Revenues Manager advised this is because they felt very few of them would change. Evidence was supplied to support Discretionary Rate Relief is approved by Members. And the Retail, Hospitality and Leisure Relief Scheme and Small Business Rate Relief are managed using Civica system parameters.

Sample testing found VOA wait times are impacting the time it takes for valuations to be confirmed in the Council systems.

Revenues and Benefits (Ctax Support and Housing Benefit) – Final Report – January 2025

Audit Objective

To ensure key financial system controls are operating effectively for Housing Benefits and Council Tax Support and that opportunities for error, fraud or corruption are minimised.

Executive Summary



Assurance Opinion

The review confirmed a sound system of governance, risk management and control, with internal controls operating effectively and being consistently applied to support the achievement of objectives.

Management Actions

Priority 1	0
Priority 2	0
Priority 3	0
Total	0

Organisational Risk Assessment

Low

A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Key Conclusions



- Members have approved the 2024/25 CTS scheme.
- Quality Assurance checks are undertaken on HB and CTS claims.
- We received satisfactory responses to our testing queries.
- Evidence has been supplied to support reconciliations are undertaken.
- Evidence has been supplied to support HB overpayments are monitored.

Audit Scope

Discussions were held with Publica Revenues and Benefits Officers and evidence sought to support statements made. We reviewed the following.

- HB & CTS – Application process, passported claims and evidence verification.
- Key control testing – financial reconciliations and variance reporting.
- Follow up of previously agreed actions.

Sample testing was undertaken on a random sample of HB and CTS claims to ensure they had been applied in accordance with procedure.

Other Relevant Information

The assurance we have given is specific to the areas we have reviewed this year.

At the time of audit work (October 2024) there was an unexplained difference of £308.81 on the CTS reconciliation, and the Assurance Manager confirmed this would be discussed with the Publica Business Partner Accountant to identify and explain the discrepancy. At the time of report writing (December 2024) the Assurance Manager advised the account has been identified and a call has been raised with OpenRevenues.

During testing of housing benefit overpayments, we identified a few small values which had not been written off as expected. We were advised by the Benefits Team Leader these had been included in the next write offs to go to the S151 officer for approval.

