



Committee Name: Audit

Committee Date: 12/07/2022

Report Title: Progress Report on Internal Audit Activity 2021/22

Portfolio:	Cllr Paul Kendrick, cabinet member for resources
Report from:	Internal Audit Manager – Norwich City Council
Wards:	All Wards
OPEN PUBLIC ITEM	

Purpose

This report reviews the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2021/22.

Recommendation:

It is recommended that members note the progress in delivering the remainder of the 2021/22 internal audit plan of work.

Policy Framework

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the corporate priority to ensure Norwich City Council is in good shape to serve the city.

Report Details

1. The Audit Committee receives updates on progress made against the annual internal audit plan. This report forms part of the overall reporting requirements to assist the Council in discharging its responsibilities in relation to the internal audit activity.
2. The Public Sector Internal Audit Standards require the Chief Audit Executive to report to the Audit Committee the performance of internal audit relative to its agreed plan, including any significant risk exposures and control issues. To comply with the above the report identifies:
 - Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - And where applicable will provide any significant outcomes arising from completed audits.

Consultation

3. Not applicable for this report.

Implications

Financial and Resources

4. There are no specific financial implications from this report; the internal audit plan will be delivered from within the resources available.

Legal

5. There are no specific legal implications arising from this report.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	Not applicable for this report.
Health, Social and Economic Impact	Not applicable for this report.
Crime and Disorder	Not applicable for this report.
Children and Adults Safeguarding	Not applicable for this report.
Environmental Impact	Not applicable for this report.

6. Risk Management

Risk	Consequence	Controls Required
Failure to undertake the Annual Internal Audit Plan could result in the Head of Internal Audit not being able to provide an annual opinion.	Reductions in Internal Audit coverage could permit on-going weaknesses in the internal control environment at the Council not being detected and reported upon.	Progress against completing the annual internal audit plan is reported to the Audit Committee in accordance with the Public Sector Internal Audit Standards. Additional resources are deployed where required to ensure adequate levels of coverage are provided for the annual opinion.

Other Options Considered

7. Not applicable for this report.

Reasons for the decision/recommendation

8. The committee is receiving this report in conformance with the Public Sector Internal Audit Standards and to assure itself on the progress being made against planned audit activity.

Background papers:

None

Appendices:

Appendix A Internal Audit Update.

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Eastern Internal Audit Services



Norwich City Council

Progress Report on Internal Audit Activity

Period Covered: 25 February 2022 to 30 June 2022

Responsible Officer: Faye Haywood – Internal Audit Manager Norwich City Council

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1. INTRODUCTION

- 1.1 This report is issued to assist Norwich City Council in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues. The frequency of reporting and the specific content are for the Council to determine.
- 1.3 To comply with the above this report includes:
- Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from those audits where applicable.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 At the meeting on 9 March 2021, the Annual Internal Audit Plan for the year was presented to the Audit Committee. Since that meeting, the plan has been reduced by 65 days, in response to the resourcing challenges faced by the internal team.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary 204 days of programmed work has been completed, equating to 97% of the Internal Audit Plan for 2021/22.
- 3.3 The Internal Audit team has now concluded all the work for 2021/22, with four audits currently being prepared for finalisation. The executive summary for one of the draft reports is at the stage that it can be provided to Audit Committee within this paper. The remaining three will be provided at the September 2022 meeting.

4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

Opinion		Definition
Substantial Assurance		Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance		Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Limited Assurance		There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance		Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

Risk Priority	Definition
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.

4.3 During the period covered by the report six reports have been issued in final and one is currently in draft awaiting management responses.

Audit	Assurance	High	Medium	Low
IR35 Compliance	Reasonable	0	1	3
Housing Rents/Arrears	Substantial	0	0	3
Accounts Payable	Reasonable	1	2	4
Treasury Management	Reasonable	0	1	2
NNDR	Reasonable	0	2	2
Council Tax	Reasonable	0	6	1
Health and Safety (Draft)	Limited	0	7	2
Total		1	19	17

The Executive Summaries of the reports are attached at **Appendix 2**; full copies of the reports can be requested by members of the Committee.

4.4 As can be seen in the table above as a result of the audits, a total of 37 recommendations have been raised.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations			Date to Committee
							High	Medium	Low	
Quarter 1		0	0	0						
Quarter 2										
Risk Management	NC2206	15	15	15	Final report issued 23 November 2021	Reasonable	0	5	1	Nov-21
Corporate Health & Safety	NC2204	15	15	15	Draft report issued on 26 April 2022.	Limited (DRAFT)	0	7	2	Jul-22
IR35 Compliance	NC2205	10	10	10	Final report issued	Reasonable	0	1	3	Jul-22
Grants assurance DFG	NC2201	5	5	5	Completed signed certification issued					
Business Support Grants	NC2203	20	20	20	Final report issued 25 January 2022	Reasonable	0	4	4	Mar-22
TOTAL		65	65	65						
Quarter 3										
Housing Rent/Arrears	NC2208	15	15	15	Final report issued	Substantial	0	0	3	July 22
Housing Benefits		15			Deferred to 2022-23.					
Council Tax	NC2210	10	10	10	Final report issued 4 July 2022	Reasonable	0	1	6	July 22
NNDR	NC2211	10	10	10	Final report issued 4 July 2022	Reasonable	0	2	2	July 22
Accounts Payable	NC2215	10	10	10	Final report issued on 31 May 2022.	Reasonable	1	2	4	July 22
Debt Recovery		10		0	Incorporated into other audits					
Treasury Management	NC2212	10	10	10	Final report issued 21 June 2022	Reasonable	0	1	2	July 22
Environmental Services	NC2213	20	20	19	Draft report in quality assurance process					
New Financial Management Code		10		0	Resources reprioritised.					
Grants assurance Green Homes		15		0	Deferred to 2022-23.					
TOTAL		125	75	74						
Quarter 4										
Payroll		10		0	Deferred to 2022-23.					
Capital Accounting and Programme Management	NC2214	30	30	29	Draft report in quality assurance process					
Social Housing Delivery Programme		20		0	Deferred to 2022-23.					
Towns Fund Deal		20		0	Deferred to 2022-23.					
TOTAL		80	30	29						
IT Audits										
IT Governance	NC2220	10	10	6	Audit underway.					
Housing & Tenancy Application	NN2219	10	10	10	Position statement issued					
To be determined		10		0	10 days carried into the 2022/23					
TOTAL		30	20	16						
Follow Up										
Follow Up		20	20	20						
TOTAL		20	20	20						
TOTAL		320	210	204			1	23	27	
Percentage of plan completed				97%						

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES

IR35 Compliance Executive Summary

1.1 We have been able to provide an opinion of **reasonable assurance** over the controls operating within the area under review. A summary of the key findings to support this opinion is shown below.

1.2 The audit review has given assurance over:

- There is guidance, relating to the IR35 regulations, checking the employment status via HMRC and the dispute process, for recruiting managers on AskHR via the intranet.
- There is a good understanding by senior HR officers of the requirements of IR35 rules, and a process is in place for an independent review of any disagreements of decisions, although there are not many of these.
- In line with the pay policy statement, approved annually by Council, HR confirmed that the council engages workers inside of IR35 if possible, such as for established positions, in these cases no HMRC checks are required. They will only carry out HMRC checks if the circumstances suggest IR35 doesn't apply because of the nature of the role or if there was a challenge from the agency supplying the worker.
- It is the recruiting managers responsibility to ensure the appropriate checks are carried out with support of HR if needed, but HR officers will challenge and recheck if considered appropriate.

1.3 However, one medium priority recommendation has been raised (see 4.1):

- There is no specific control to ensure that the HMRC check has been completed when required, so currently reliant on this being queried by HR or possibly procurement / contracts team. The senior contracts officer is currently updating the checklist used when discussing new contracts with managers. The checklist will include a reminder to complete the IR35 check where applicable.

As most appointments requiring an HMRC check will be by way of contract, this will help to mitigate the financial risks of non-compliance. Risks relate to paying gross, when any payment should have paid net of National Insurance (NI) and tax deductions, with employer NI also paid.

1.4 Three low priority recommendations have been raised and are as follows:

- Relating to the issue detailed in 3.3, consider requiring managers, when appointing agency workers, consultants and interims, to confirm to HR that the HMRC check has been completed when required and the outcome of the check. (See 4.1)
- Update AskHR to ensure that it clearly assigns responsibility to managers for the IR35 checks. (See 4.2)

- The Procurement Guide was last updated in January 2017. Appendix B relates to the use of consultants and advisors. This includes details of HMRC requirements and the HMRC online check required for those employed on a self-employed basis, including consultants, who submit invoices. There is no specific reference to IR35 nor a cross reference to the IR35 guidance on AskHR. It is recommended that this is considered at the next review and update of the Procurement Guide. (See 4.2).

1.5 Also noted but no recommendation raised:

- For one of the sample appointments in the audit testing no evidence was provided that an HMRC check had been completed for the initial contract covering the period 1 April 2021 to 31 August 2021. This was for an asset consultant, coded to professional advice and fees, and detailed in the contract records as being outside of IR35, so an HMRC check was required prior to the end of the contract.

When a contract is extended or changed, a further HMRC check is required, in this case there was an extension until 30 November 2021. An HMRC check was completed on 16 November 2021, with the report detailing that off payroll rules do not apply.

This case represented one of three in the audit testing that required an HMRC check. For the other two, the checks had been completed and evidence seen that IR35 did not apply.

1.6 Action Summary

Risk priority	Definition	No.	Ref(s)
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.	0	N/A
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	1	4.1 (NB - now completed)
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	3	4.1, 4.2 x 2

Housing Rents/Arrears Executive summary

- 1.1 We have been able to provide an opinion of **substantial assurance** over the controls operating within the area under review. A summary of the key findings to support this opinion is shown below.
- 1.2 The audit review has given assurance over:
- There is close monitoring of rent arrears, by managers and team leaders. Key data has been reported monthly to senior management and the portfolio holder. These included collection rates and underlying arrears of current tenants, impact of Covid 19 changes and Universal Credit, and other contributing factors such as staff shortages.
 - The audit testing included some cases where there are high arrears, which are likely to be difficult to recover over a long period of time. However appropriate recovery action was being taken for the cases tested, in line with the current arrears policy for non-commercial debt.
 - We did not review the new housing system, which, since the audit work, is now live from 31 January 2022. However, the audit did confirm that there have been regular fortnightly verbal updates of progress with the project by the project manager to the housing leadership team. The project records include key decisions, risk register and issues log.

The new system will be reviewed in more detail by internal audit as one of the IT audits in the plan for 2021-22 - audit of the NEC housing & tenancy application.
- 1.3 However three low priority recommendations have been raised and are as follows:
- Review the outstanding cases of debts awaiting write-off and obtain appropriate authorisation to write off before the financial year-end. (This recommendation remains outstanding from the 2020/21 audit).
At the last audit for 2020-21 there was a backlog of debts over £2,000 that required authorisation by the chief finance officer (CFO) to write-offs these debts, as recovery action had been exhausted. Many of these have been actioned, but a few from 2018-19 and 2019-20 remain outstanding. The previous backlogs of those requiring authorisation for write-off by the former income and rents manager had been cleared prior to his retirement. (See 4.1)
 - To minimise the risks of bank mandate fraud, prior to authorisation of rent refunds, carry out a check to confirm the bank account detailed is for the correct recipient. (See 4.2)
 - Add the check of the bank account details prior to issuing rent refunds, as noted in 3.3 above, to the Civica process. (See 4.2)
- 1.4 Also noted but no recommendation raised as management are aware:
- Audit was advised that due to lack of resources, there has been little recovery work for former tenancy arrears, and therefore no monitoring data has been collated since March 2020.

Resources have concentrated on arrears of current tenancies, and the team have also been providing support to the project for the new housing system, the first phase of which went live on 31 January 2022.

See Appendix 1, former tenancy arrears total £1.59m (0.03% of the gross rental income budget for 2021-22), with an increasing trend over the last three years.

- When the audit was carried out, the reconciliation of the housing rents system to the general ledger had not been counter-signed by a senior finance officer to demonstrate that it is correct, and no errors have been made. This has now been completed. There is a small variation that will need clearing before the year-end. Revised procedures will now need to be put in place for a similar reconciliation with the new NEC housing system.

1.5 Action summary

Risk priority	Definition	No.	Ref(s)
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.		
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.		
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	3	4.1, 4.2 x 2

Accounts Payable Executive Summary

- 1.1 We have been able to provide an opinion of **Reasonable assurance** over the controls operating within the area under review. A summary of the key findings to support this opinion is shown below.
- 1.2 It is acknowledged the below areas have sound controls in place and are operating consistently:
- Access to the finance system is set up so that permissions are based on the needs of a user's role, with key tasks such as creating new suppliers and making payments restricted to staff in the AP team, to reduce the risk of fraudulent payments being made.
 - Controls are built into the system to identify and prevent duplicate payments at the point of input of the invoice, which prompts review and action by AP officers.
 - Orders are independently authorised and receipted, to ensure segregation of duties within the process.
 - A sample of 11 purchase card holders verified that they have all signed the application form and these have been approved by line managers. This enables understanding of the terms and conditions connected to the Council purchase card which should help prevent incorrect use.
- 1.3 The audit has also highlighted the following areas where seven recommendations have been made: One high priority, two medium priority and four low priority. The recommendations are as follows:

High priority:

- To ensure independent checks are carried out each time an amendment is made to a supplier's details. For this check to take place via phone, using the phone number from the supplier's website or the number that is stored on the system. For these checks to be noted on the e5 system, so there is evidence and a clear audit trail.

Medium priority:

- The 'No PO, no Pay' policy to be formally documented and re-launched with staff and suppliers.
- In addition to the recommendation raised to formally document and re-launch the 'No PO, no Pay' policy, an 'Exceptions' List be created, listing the reasons in which a PO may not need to be raised prior to purchasing so compliance against this policy can be monitored.

Low priority:

- Ensure regular training and reminders are provided to staff to remind them of entering VAT into the NatWest portal correctly, and ensuring that VAT invoices/receipts are always retained for purchase card transactions.
- To corporately establish the new process for booking hotel accommodation. For the Purchase Card policy FAQ section on booking hotel accommodation, and Citynet, to then be updated, to reflect the up-to-date current procedures.
- To ensure the number of open POs is reduced. For this to be done by ensuring regular communications to staff, and also involvement from heads of departments by reminding their staff to either receive the goods or close POs that are no longer necessary to provide a safeguard against fraud and support the year end close down process.
- Final checks and sign off's to be completed on all new suppliers forms where this hasn't yet been done, and for the forms to be uploaded to e5 finance system.

1.4 In addition to the above recommendations, three operational effectiveness matters have been raised for management to consider:

- For management to consider whether there is a need for a form to be filled out when requesting an increase in transaction or credit limits for purchase cards; or if a business case submitted via email and signed off by the manager is sufficient.
- Management should consider whether it is an efficient use of procurement's time to convert a requisition into a PO.
- To amend and improve the generic messages sent from the e5 finance system which reminds staff to approve POs and ensure goods are received.

Other points to note:

- It was noted during the course of the audit that the e5 finance system is currently not capable of generating monitoring reports, such as PO and goods received, systems access, and reports that show amendments to suppliers. This has meant that reliance has had to be placed on management information during the course of this audit where ordinarily full data sets would be interrogated to indicate the reliance of key controls. It is suggested that management consider the functionality of the e5 finance system and feed any monitoring requirements into planned systems upgrade work.
- Internal audit reviewed a total of four creditor control account reconciliations of which one had not been reviewed at time of testing over a month later than its preparation date, whereas the remaining three were reviewed no later than 4 days following the end of the month, in line with best practice. We understand this to be an isolated incident and as such no recommendation has been raised.

1.5 Action Summary

Risk Priority	Definition	No.	Ref
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.	1	4.1
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	2	4.2; 4.3
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	4	4.4; 4.5; 4.6; 4.7
Operational Effectiveness Matters	Operational Effectiveness Matters need to be considered as part of management review of procedures, rather than on a one-by-one basis.	3	OEM1 OEM2 OEM3

Treasury Management Executive Summary

1.1 We have been able to provide an opinion of **reasonable assurance** over the controls operating within the area under review. A summary of the key findings to support this opinion is shown below:

- Cash-flow records are maintained on a daily basis and include known payments/receipts due in the future
- Liquidity requirements of the TMS are maintained throughout the year to cover unexpected immediate payments.
- Borrowing records are maintained appropriately
- Reporting requirements of the TMS are followed.
- TMS requirements for investments are followed, including the investment ratings criteria to be met for each counterparty and their monetary / term limits.
- All new borrowings and investments are approved at appropriate level
- Monies due for capital and interest, for return of investments and for any borrowings, are received on the due dates direct to the bank account.
- Controls and separation of duties for checking details of investments / repayments of borrowings prior to releasing monies from the bank, to ensure the correct destination for these monies.
- Bank accounts and internal records of treasury management activity to the general ledger are being reconciled regularly to confirm that the transactions are recorded accurately.
- Appropriate fidelity insurance cover is in place.
- KPIs and monthly management information is produced and reviewed.

1.2 One medium recommendation has been raised relating to the following:

- To ensure that an independent senior officer reviews and signs off completed reconciliations. This recommendation has since been confirmed as implemented.

1.3 Two low priority recommendations have been raised.

- Ensure that snips taken for evidence to demonstrate approval for daily treasury activity, include all relevant information, including details of what approval is requested for and details of when it was taken.
- The fidelity insurance document to be obtained from the external insurance team at the beginning of the financial year and ensure the cover is appropriate and correct.

There is also currently no process in place for services to advise of payments / income due and for referring any large, unexpected transactions. However, the service is currently developing a new process where they link each departments budget into the cash flow. Based on this planned improvement, no further recommendation is necessary.

1.4 Action summary

Risk priority	Definition	No.	Ref(s)
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.	0	N/A
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	1	4.1
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	2	4.2, 4.3

NNDR Executive summary

1.1 We are providing an opinion of **reasonable assurance** over the controls operating within the area under review.

1.2 The audit review has given assurance over:

- Annual systems parameters have been accurately updated and signed off.
- NNDR records are updated with VO change lists on ongoing basis.
- Full VO list and the NNDR database are regularly reconciled
- Reliefs and exemptions are awarded in line with statutory criteria and that appropriate evidence is held for support.
- Accounts with arrears have followed the correct debt recovery process to recover unpaid NNDR bills.
- Refunds are correctly awarded only after receipt of proof of entitlement.
- Debts are written off only when all avenues of collection have been pursued and the debt is considered unrecoverable.
- Regular reconciliation of refunds are completed by an independent officer; and periodically reviewed and signed off by a senior officer.
- Regular reconciliations of the NNDR records to the ICON cash receipting system are completed by an independent officer; and periodically reviewed and signed off by a senior officer.

The process was confirmed to show that at year end, the Northgate system is reconciled to the E5 general ledger and reviewed by external audit. As external audit reviews this in detail, no detailed review was conducted during this internal audit.

1.3.1 However, one medium priority recommendation has been raised relating to the following:

- Review and agree a process of awarding discretionary charity top up reliefs.
- One medium recommendation is also outstanding from the 2020/21 audit review relating to a review of all businesses in receipt of SBRE to confirm whether there are any other similar cases. Progress has been made on implementation and a new deadline of September 2022 given for implementation of the remainder of the work.

1.4 Two low priority recommendations have been raised relating to:

- Regular reviews of all types of reliefs and exemptions and retention of appropriate evidence.

- Ensure for recovery action, system notes are accurate and comprehensive. Training to be provided to staff as required to assist with the recovery process.

1.5 Action summary

Risk priority	Definition	No.	Ref(s)
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.	0	N/A
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	1 historical 1 new	4.1 4.2a
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	2 new	4.2b; 4.3;

Council Tax Executive summary

1.1 We are providing an opinion of **reasonable assurance** over the controls operating within the area under review.

1.2 The audit review has given assurance over:

- Annual systems parameters have been accurately tested.
- Council tax records are updated with the VO change lists on an ongoing basis.
- Full VO list and the council tax database are regularly reconciled.
- Debt collection policies and procedures are in place, to recover unpaid council tax bills.
- Refunds are correctly awarded only after receipt of proof of entitlement.
- Debts are written off only when all avenues of collection have been pursued and the debt is considered unrecoverable.
- Regular reconciliation of refunds are completed by an independent officer; and periodically reviewed and signed off by a senior officer.
- Regular reconciliations of the council tax records to the ICON cash receipting system are completed by an independent officer; and periodically reviewed and signed off by a senior officer.

Audit did confirm the process that at year end the Northgate system is reconciled to the E5 general ledger and reviewed by external audit. As external audit reviews this in detail, no detailed review was conducted during this internal audit.

1.3 However, one medium priority recommendation was raised relating to the following:

- Signed financial delegation record forms which should be in place for all relevant officers. This recommendation has been implemented.

1.4 A further six low priority recommendation have been raised relating to:

- Audit trail for the sign off of the annual system parameter setting.
- Review of apprenticeship disregard discounts with no end dates.
- Regular reviews of all types of discounts and exemptions and retention of appropriate evidence.
- A reminder to be issued to staff involved in processing exemptions to remind them of the requirement to request a start date from GPs on the form for severely mentally impaired claimants.

- A procedural guide for New Property and Valuation for CTAX to be developed.
- To regularly monitor and action accounts with broken, inactive recovery arrangements.

1.5 Action summary

Risk priority	Definition	No.	Ref(s)
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.		
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	1	4.1;
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	6	4.2; 4.3a, 4.3b, 4.3c, 4.4, 4.5

Health and Safety Draft Executive Summary

1.1 We have been able to provide an opinion of **Limited assurance** over the controls operating within the area under review.

Positive Findings:

1.2 The audit has given assurance over the controls for:

- During the pandemic, the Covid-19 Group discussed general issues around the business and impact on services. Guidance given to staff was regularly updated and communicated via bulletins. These were driven by the government guidelines and rules in relation to social distancing, wearing facemasks, having windows open, one-way systems and isolation where necessary.
- A separate Covid-19 related risk assessment has been developed and been completed by managers in relation to office layouts and occupancy to ensure staff members are able to work at a safe distance.
- The Health and Safety Officer attends a regional wide H&S meeting (HSE).
- Internal Audit received a variety of information to evidence inspection programmes at City Hall the Norman Centre and the Halls.

1.3 As a preface to the recommendation of this report it is important to note that the Council has identified that Corporate Health and Safety improvements are required. We have been informed that external consultants are being commissioned to carry out an independent external compliance check of the Corporate Health & Safety policy, procedures and practices, and to implement any arising actions from this deeper dive work. This is scheduled to take place in the second half of 2022/23 with a view that all identified actions will be implemented in full within the subsequent 12 months. The review intends to evaluate the effectiveness of the Health and Safety policy which has recently been adopted as an interim policy (Pending the wider review) following updates to relevant officer details and references to the Corporate Manslaughter Act. Further, a restructure of the service is planned to enable additional resources to be brought into this important statutory function of the Council and ensure that the recommendations outlined in this report and from the wider compliance check are maintained moving forwards.

1.4 **A total of seven medium priority recommendations have been raised:**

- The approach to general risk assessments and office inspections as well as the completion of the office inspection checklists should be documented within the Health and Safety policy and communicated to staff. The expectation is on managers to complete these on an annual basis.
- Develop a system to ensure that risk assessments are routinely carried out are adhered to, and outcomes reported to the H&S Officer.

- Develop a system to ensure that the office inspections are regularly undertaken and supported by a H&S trained individual. A log should be kept of outcomes and identified actions should be followed up. Consideration given to re-instating annual walkarounds with a member of Unison at City Hall.
- Consider resource requirements for corporate Health and Safety compliance at the council to ensure there is a designated responsible resource who covers corporate, proactive health and safety management.
- Measurable objectives to be developed for Health and Safety to ensure continuous improvement of H&S at the council.
- All reportable Health and Safety incidents/accidents and near misses to be provided to the H&S Officer so that these can be included within the Councils overall statistics to be reported and monitored by the Council's Joint Consultation Negotiation Committee (JCNC).
- The Health and Safety officer to periodically request data from the L&D team for the mandatory introductory e-learning H&S module. This data to be sorted by directorate and presented to CLT quarterly for awareness and to prompt an improvement in uptake. Overall uptake figures to be included within H&S performance statistics provided to the JCNC for monitoring.

1.5 In addition two low priority recommendation were raised:

- Review job descriptions for the Corporate Health & Safety Advice Team and Site Managers outside City Hall to include details about their relevant H&S responsibilities.
- As and when job descriptions are updated, consider the inclusion of health and safety related responsibilities.

1.6 Action Summary

Risk Priority	Definition	No.	Ref(s)
High	Recommendations represent fundamental control weaknesses, which expose the organisation to a high degree of unnecessary risk.	N/A	N/A
Medium	Recommendations represent significant control weaknesses which expose the organisation to a moderate degree of unnecessary risk.	7	4.1a, 4.1b, 4.2, 4.3a, 4.4a, 4.4b 4.5
Low	Recommendations show areas where we have highlighted opportunities to implement a good or better practice, to improve efficiency or further reduce exposure to risk.	2	4.3b 4.3c

1.7 Other points to note

The following points are considered to be actively in progress and as such, no recommendation has been raised.

- Various written procedures on health and safety risks such as lone working, manual handling and first aid exist and are available to staff on the Council's intranet. In October 2021, the Health and Safety Board identified which of the Council's procedures are currently overdue for an update. A timeframe and action plan for refresh and reapproval will be devised for each procedure following the planned peer review.
- A Corporate Health and Safety Board has been established since October 2021. Attendees include relevant Heads of Service and operational leads, and the board has met twice with further meetings scheduled throughout following months. This is a relatively new board and consideration will be given as to whether resourcing is appropriate and whether its objectives are being delivered.
- The last Fire Risk Assessment (FRA) at City Hall was undertaken in 2015/16 by NPS Group. A new FRA has been commissioned and is being undertaken presently by a newly appointed and suitably competent external organisation holding third party accreditations. We understand that the Council has identified that a number of the documents related to health and safety in operational assets are in need of updating and that there is no documentary evidence trail to give assurance that the priority actions identified in previous assessments were indeed carried out. Working in parallel with the work being done on the Council's Housing stock various new assessments have been commissioned and a tracker has been established. This is overseen by the new Head of Building Safety and a dedicated resource has been brought in to ensure that the operational assets are addressed.
- The Head of Building Safety and Compliance has confirmed that once the City Hall FRA has been received and reviewed internally, the actions will be allocated to the relevant staff and managed through to completion.
- Facilities management have identified the need to recruit and re-evaluate the approach to fire wardens at City Hall in response to remote working practices. This is scheduled to be discussed with the Corporate Health and Safety Board.