Southern Internal Audit Partnership

Assurance through excellence and innovation

EPSOM AND EWELL BOROUGH COUNCIL

Annual Internal Audit Report & Opinion 2021-2022

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May 2022

Contents

| Section | | Page |
|---------|---|-------|
| 1. | Role of Internal Audit | 2 |
| 2. | Internal Audit Approach | 3 |
| 3. | Internal Audit Coverage | 4 |
| 4. | Internal Audit Opinion | 5 |
| 5. | Governance, Risk Management & Control – Overview & Key Observations | 6-15 |
| 6. | Quality Assurance and Improvement | 15 |
| 7. | Disclosure of Non-Conformance | 16 |
| 8. | Quality control | 16 |
| 9. | Internal Audit Performance | 17 |
| 10. | Acknowledgement | 17 |
| | Annex 1 – Summary of Audit Reviews Completed 2021-22 | 18-21 |

1. Role of Internal Audit

The Council is required by the Accounts and Audit (England) Regulations 2015, to

'undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

In fulfilling this requirement, the Council should have regard to the Public Sector Internal Audit Standards (PSIAS), as the internal audit standards set for local government. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out best practice and should be used to assess arrangements to drive up audit quality and governance arrangements.



The role of internal audit is best summarised through its definition within the Standards, as an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations' objectives.

2. Internal Audit Approach

To enable effective outcomes, internal audit provides a combination of assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working, with consulting activities available to help to improve those systems and processes where necessary. A full range of internal audit services is provided in forming the annual opinion.

As the Chief Internal Auditor, I review the approach to each audit, considering the following key points:

- Level of assurance required.
- Significance of the objectives under review to the organisations' success.
- Risks inherent in the achievement of objectives.
- Level of confidence required that controls are well designed and operating as intended.

All formal internal audit assignments will result in a published report. The primary purpose of the audit report is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.



The Southern Internal Audit Partnership (SIAP) maintain an agile approach to audit, seeking to maximise efficiencies and effectiveness in balancing the time and resource commitments of our clients, with the necessity to provide comprehensive, compliant and value adding assurance.

Working practices have been reviewed, modified and agreed with all partners following the impact and lessons learned from the COVID-19 pandemic and as a result we have sought to optimise the use of virtual technologies to communicate with key contacts and in completion of our fieldwork. However, the need for site visits to complete elements of testing continues to be assessed and agreed on a case-by-case basis.

3. Internal Audit Coverage

The annual internal audit plan was prepared to take account of the characteristics and relative risks of the Council activities and to support the preparation of the Annual Governance Statement. Work has been planned and performed to obtain sufficient evidence to provide reasonable assurance that the internal control system is operating effectively.

The 2021-22 internal audit plan was considered by the Audit, Crime & Disorder and Scrutiny Committee in April 2021. It was informed by internal audit's own assessment of risk and materiality in addition to consultation with management to ensure it aligned to key risks facing the organisation. The plan has remained fluid throughout the year to maintain an effective focus and ensure that it continues to provide assurance, as required, over new or emerging challenges and risks that management need to consider, manage, and mitigate. Changes made to the plan were agreed with the Strategic Management Team and reported in detail to the Audit, Crime & Disorder and Scrutiny Committee in the internal audit progress reports which were reviewed at each meeting.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:



4. Internal Audit Opinion

As Chief Internal Auditor, I am responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform their annual governance statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisations' framework of governance, risk management and control.

In giving this opinion, assurance can never be absolute and therefore, only reasonable assurance can be provided that there are no major weaknesses in the processes reviewed. In assessing the level of assurance to be given, I have based my opinion on:

- written reports on all internal audit work completed during the course of the year (assurance & consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies where appropriate;
- the extent of resources available to deliver the internal audit work;
- the quality and performance of the internal audit service and the extent of compliance with the Standards; and
- the proportion of the Council's audit need that has been covered within the period.

We enjoy an open and honest working relationship with the Council. Our planning discussions and risk-based approach to internal audit ensure that the internal audit plan includes areas of significance raised by management to ensure that ongoing organisational improvements can be achieved. I feel that the maturity of this relationship and the Council's effective use of internal audit has assisted in identifying and putting in place action to mitigate weaknesses impacting on organisational governance, risk and control over the 2021-22 financial year.

Annual Internal Audit Opinion 2021-22

I am satisfied that sufficient assurance work has been carried out to allow me to form a reasonable conclusion on the adequacy and effectiveness of the internal control environment.

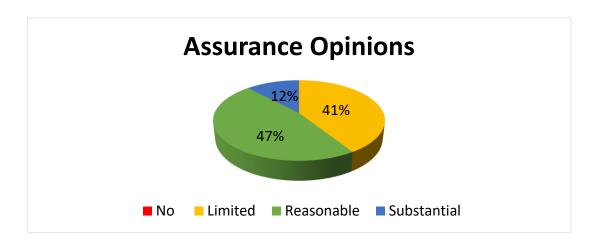
In my opinion frameworks of governance, risk management and management control are **reasonable** and audit testing has demonstrated controls to be working in practice.

Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

5. Governance, Risk Management & Control – Overview & Key Observations

Assurance opinions for 2021-22 reviews

The findings from our reviews have been reported to the Audit, Crime & Disorder and Scrutiny Committee in full throughout the year and a summary of the assurance opinions is outlined below.



The original internal audit plan agreed by the Audit, Crime & Disorder and Scrutiny Committee in April 2021 included two fundamental system reviews:

- o NNDR; and
- o Council Tax.

During the year, Officers within the Council requested that these reviews be deferred due to organisational capacity. With these being significant systems within the Council's control environment, it is imperative that an adequate level of assurance is attained over the framework of governance, risk, and control in which it operates.

Provision has been incorporated within the 2022/23 audit plan to ensure an adequate level of assurance is provided. The absence of such assurance for a second year may affect our ability to provide an overall opinion on the Council's framework of governance, risk and control for 2022/23.

Governance

Governance arrangements are considered during the planning and scoping of each review and in most cases, the scope of our work includes an overview of:

- the governance structure in place, including respective roles, responsibilities and reporting arrangements
- relevant policies and procedures to ensure that they are in line with requirements, regularly reviewed, approved and appropriately publicised and accessible to officers and staff.

In addition, during 2021-22 we undertook reviews of the Annual Governance Statement, which concluded with a reasonable assurance opinion and a review of Information Governance which concluded with a limited assurance opinion.

Based on the work completed during the year and observations through our attendance at a variety of management and governance meetings, in our opinion the governance frameworks in place across the Council are robust, fit for purpose and subject to regular review. There is also appropriate reporting to the Audit, Crime & Disorder and Scrutiny Committee to provide the opportunity for independent consideration and challenge including the Annual Governance Statement.

Risk management

We reviewed risk management arrangements in the Council during 2021/22 which resulted in a limited assurance opinion.

The audit focussed on the controls and processes that support the maintenance of the Council's Corporate and Service Risk Registers, together with the governance framework for monitoring and reporting on risk mitigation. The Covid Pandemic and a vacancy in the post of Business Assurance Manager has impacted the delivery of risk management process over the course of the last 18 months.

The Corporate Risk Register is formally reported annually to the Audit, Crime and Disorder and Scrutiny Committee. We confirmed the last report was presented in November 2021. This report also summarises key risk management activity in terms of Policy, in year improvements and the reporting cycle that has occurred to members and senior officers.

We were advised that the Corporate Risk Register is subject to regular review, challenge, and update by the Officer Leadership Team. However, there was limited evidence to support this within the Leadership Team meeting minutes.

Due to the challenges of the emergency response to the Covid pandemic, the service risk registers have not been updated or reviewed since 2020 but we have been advised that this will recommence in 2022.

Although service registers have not been formally documented, the Head of Corporate Assurance maintained oversight of service risks through the reporting made in the annual Divisional Assurance Statements which form part of the Annual Governance Statement.

We note that production and update of the service registers subsequently produced (from the annual statements) is normally undertaken centrally by the Business Assurance Manager. Whilst this ensures a level of centralised consistency across services on an annual basis, this approach does weaken local ownership and accountability for service level risk management, reduces in year routine update and is not in line with expectations set out in the Risk Management Strategy.

A review of the Risk Management Strategy is now overdue as the previous strategy covered 2017-2021. From our review of the current risk management process, we identified some gaps within the current strategy where further clarity is required, and improvement is merited for inclusion in the new strategy going forward.

Control

In general, internal audit work found there to be a sound control environment in place across the majority of review areas included in the 2021-22 plan that were working effectively to support the delivery of corporate objectives.

We generally found officers and staff to be well aware of the importance of effective control frameworks and compliance, and also open to our suggestion for improvements or enhancements where needed. Management actions agreed as a result of each review are monitored to completion to ensure that the identified risks and issues are addressed.

The key areas of challenge identified or confirmed through our work are outlined below:

IT Business Continuity & Disaster Recovery

Please see separate report.

HR – Performance Management

The Council has set expected standards of performance and behaviour through various policies within the People Framework including Performance Management, Capability, Employee Pay and Reward, an Induction and Settling In Procedure and the EEBC Behaviour Framework. They were found to be comprehensive and up to date and contain all the relevant information as per the CIDP (Chartered Institute of Personnel and Development) requirements and detail arrangements for managing performance.

Whilst responsibilities and expectations are clearly defined, audit testing identified that the frequency of performance management discussions and the recording of them are not always in line with policy. We also found that goals and objectives are not always promptly set for new starters.

When reviewing performance, it is important to consider if the outcomes against the set goals have or have not been achieved. Audit testing found that performance rating and reporting is often carried out at service level only and not for individual team members.

Performance management training, including "managing poor performance" has not been completed/refreshed for a number of years across departmental managers. However, we were advised that the Corporate Induction Sessions for new starters and refreshers for existing staff are being re-launched from 1st April 2022.

There is currently no central monitoring of performance management to ensure conversations are regularly taking place and outcomes being recorded.

Information Governance

The Data Protection policy has not been reviewed since its initial publication in November 2018 and does not include the roles and responsibilities of the DPO.

Data Protection training is available to both members and officers as part of the induction process, however, there is no requirement for temporary or voluntary staff to complete the training, regardless of their role. Refresher training was also not being provided. We were also advised that there is no central monitoring of the training to ensure all staff have completed it in a timely manner.

There are clear procedures in place to make sure that personal data incidents and breaches are detected and appropriately reported. However, our testing found that the current forms do not provide a field to enable the incident date or reported date to be recorded which would enable the council to assure itself that ICO reporting timescales have been adhered to. No evidence has been provided to confirm that lessons learned from data breaches have been cascaded to other departments who carry out similar data processing activities or to all staff within the council.

The Information Asset Registers do not record all the information expected by the ICO. Additionally, periodic reviews of the registers and of the risk assessments of the assets are not undertaken.

A review of two data sharing agreements confirmed that they contained sufficient information to meet ICO expectations, however, the Data Sharing Agreement register is incomplete and does not include the two agreements reviewed.

The Retention Policy is in draft form and examination of a Retention Schedule confirmed that there are gaps in the information recorded and there are no periodic reviews undertaken. A data disposal log was also not available on request as part of this review.

The ICO expect authorities to have an oversight group to provide direction and guidance across the authority on data protection and information governance activities. There currently is no forum undertaking such oversight within the Council.

Health and Safety

The Council were without a Business Assurance Manager and Health and Safety Officer for approximately six months during 2021; these are significant supporting roles for the operational performance of health and safety. It is important to acknowledge that since appointing to these positions there has been a strong focus and positive direction of travel in re-establishing a robust control and governance framework through the reinstatement of a Corporate Health & Safety Group with agreed Terms of Reference, work towards implementation of a new training schedule and development of a programme of spot checks. Whilst this significantly improving position is commended, the assurance opinion concluded from this audit review is primarily reflective of the embedded nature of the enhancements made and those still under development.

There is no statutory requirement to report to members on Health and Safety as responsibilities sit with employers, however the current Health, Safety and Welfare Policy implies this is so. At the time of our review, we could see no evidence that there had been any health and safety performance reporting to members, therefore the latter is inconsistent with the remit of member reporting.

There are clear accountabilities within the Health, Safety and Welfare Policy for managers to assume responsibility for instruction, training, completing risk assessments etc. In addition, there remains an emphasis on the Corporate Health and Safety Group to monitor the extent of compliance with the Council's Health and Safety policies and procedures. Whilst the relative membership of the Health & Safety Group provides a degree of first line reassurance in key areas Health & Safety compliance, there is less evidence of second line assurance to substantiate compliant behaviours across the organisation.

A Corporate Health and Safety Risk Register is in place and includes further actions or checks needed to control risk along with the Responsible Officer/Group and due date. However, whilst a clear responsibility of the Corporate Health & Safety Group, the Health and safety risk register does not feature in the set agenda for the group and there is no evidence in the minutes of the meeting in February 2022 that it was discussed.

Statutory checks are contracted out for asbestos, Fire Risk Assessments (FRAs) and Legionella with responsibility split across different services. The 2020/21 annual report stated that annual asbestos surveys would be undertaken in October 2021, however we were advised that due to an Officer leaving the Council this had not taken place.

Data Management

The IT team have responsibilities for the initial installation of SQL databases, access control for administrators at the database level, the provision of sufficient storage capacity, backup and the application of security releases for SQL databases. The IT team are not responsible for performance monitoring or Oracle databases beyond providing sufficient storage capacity and backup. There are some responsibilities for system support and supplier management which are with the services using the systems, however, responsibilities are not documented. We also found that there is no Database Administrator (DBA) role within the IT team nor do any members of the team have qualifications or training in managing databases. Third party arrangements and vendor support is relied upon to support databases.

There are no documented policies, procedures and responsibilities for access control, backup and updating of databases. Although changes are recorded in the service desk system there are no documented change control policy or procedures to minimise the risks of changes disrupting systems and services.

Full database backups are taken daily. Restores of a selection of systems from the backups are tested annually but there is no plan to do this more frequently and ensure that all key systems are tested in this way. Also, backup of the Entervo (Parking) system is to a USB drive inserted into the server, although this is periodically stored safely by the IT team whilst in the server the primary and backup data is vulnerable to physical loss or malware infection of the server.

We found two SQL database servers were not up to date with the latest available security releases from Microsoft. Microsoft SQL Server 2008 and 2008 R2 are no longer under standard support from Microsoft which means they do not routinely receive bug fixes and security releases. These versions are in use for four systems. We also found that the version of the Oracle databases in use for systems is not accessible by the IT team so we cannot give assurance that they are in support from Oracle.

Where the default administration account password for SQL databases is known it is held in a password vault and only accessible by the IT team. However, the password for the default administration account "sa" is not known for three databases. We also found that the stated policy is to disable the default administration account "sa" for SQL databases unless it is required to be enabled by software suppliers. We found the account to be enabled for three databases with no current need.

A review of administration user ids in SQL databases identified user ids for staff which had left the Council.

Licensing

The scope of this review was limited to licences issued in respect of Alcohol and Entertainment (personal, club premises, temporary event notices and premises licences) as well as taxi licences and private hire licences (driver's, vehicles and operators) as these represent the majority of licensing transactions by the Council.

The Council has a Taxi Licensing Policy which is currently in the process of being reviewed. The current Licensing Act (2003) Policy was last reviewed in December 2018 and is valid until December 2023. However, whilst there is a comprehensive suite of checklists which help officers in processing applications, these are not dated, or version controlled. Additionally, there are no operational procedures in place to support Licensing Policies and assist the Licensing Team to underpin the checklists in place.

Our testing of a sample of taxi licences and Licensing Act licences found that documentation was not always held to evidence the due diligence checks carried out prior to issuing the licence. Missing documentation included right to work in the UK checks, vehicle insurance and driver licence checks.

Although not a statutory requirement, taxi licence renewal letters to notify holders when their licence is due to expire are currently not being issued.

The system used to record information relating to individual Taxi Driver applications, which includes personal information, is accessed via a shared single user ID and password across the Licensing Team. The council is therefore unable to demonstrate that access to this data is restricted to relevant officers only.

For Licensing Act applications, a spreadsheet is maintained which logs the issue of these licences. It is a comprehensive record, which holds personal data, as well as detail to support the issue of the licence. There is no evidence of management spot checks on the spreadsheet to ensure it is accurate and complete. Cells are not protected, so information can be freely altered, and/or deleted deliberately or inadvertently, and any such changes would not be apparent to users.

Whilst we were able to confirm that charges have been correctly levied, for new licences and renewal licences issued. There is currently no process in place for the chasing and monitoring of Licensing Act aged debt. Only one team member, who works part time, is involved in chasing the debt. There is also no procedure documentation to support the recovery of bad debt. We were advised that currently debt

recovery is undertaken on an ad-hoc basis, and we noted that not all debt chasing letters are sent out every month. The outstanding debt for Licensing Act licences was £18,000 as at April 2022.

We obtained a copy of statutory returns that are made in line with regulatory guidance and confirmed that these were submitted within expected timescales. We were advised that data is used from the afore mentioned system and the spreadsheet to complete the returns, but that neither record holds all the data required by the statutory returns. Some data is completed based on officer historic knowledge, not from a specific data source. There is also limited management information available to enable effective performance monitoring, and no performance indicators have been set which would enable management to have effective oversight of the licensing service.

Financial Resilience

Uncertainty over future funding and the longer-term implications of COVID-19 remain a significant financial risk for local authorities and continues to present a major challenge. This is further compounded by the emerging implications of the Ukraine conflict and the ongoing cost of living crisis.

Epsom & Ewell BC have set and approved a balanced budget for 2022/23 which is supported by £1.476m from reserves. The Council acknowledges a continued reliance on reserves is not sustainable in the long term and future projections indicate that further savings will be required to reduce and ultimately remove the draw on reserves in future years. To help address this impact, there is an ongoing review and rebasing exercise of the Council 's budget to reflect the post-Covid underlying expenditure and income streams, with the aim of removing reliance on reserves to fund the day-to-day revenue budget.

Whilst savings have been identified for 2022/23 (£342k) and 2023/24 (£215k) these have yet to be fully realised and there remains a predicted funding shortfall through to 2025/26 of £2.17m, as reported to Full Council in February 2022.

As with all local authorities across the country, there remains significant risk and challenge to financial resilience in the medium term; it is therefore important that the Council continues to develop its budget strategy to mitigate these risks.

Management actions

Where our work identified risks that we considered fell outside the parameters acceptable to the Council, we agreed appropriate corrective actions and a timescale for improvement with the responsible managers. Progress is reported to the Audit, Crime & Disorder and Scrutiny Committee throughout the year through the quarterly internal audit progress reports.

6. Quality Assurance and Improvement

The Standards require the Head of the Southern Internal Audit Partnership to develop and maintain a Quality Assurance and Improvement Programme (QAIP) to enable the internal audit service to be assessed against the Standards and the Local Government Application Note (LGAN) for conformance.

The QAIP must include provision for both internal and external assessments: internal assessments are both on-going and periodical and external assessment must be undertaken at least once every five years. In addition to evaluating compliance with the Standards, the QAIP also assesses the efficiency and effectiveness of the internal audit activity, identifying areas for improvement.

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020.

In considering all sources of evidence the external assessment team concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

7. Disclosure of Non-Conformance

In accordance with Public Sector Internal Audit Standard 1312 [External Assessments], I can confirm through endorsement from the Institute of Internal Auditors that:

'the Southern Internal Audit Partnership conforms to the Definition of Internal Auditing; the Code of Ethics; and the Standards'.

There are no disclosures of Non-Conformance to report.

8. Quality Control

Our aim is to provide a service that remains responsive to the needs of the Council and maintains consistently high standards. In complementing the QAIP this was achieved in 2021-22 through the following internal processes:

- On-going liaison with management to ascertain the risk management, control and governance arrangements, key to corporate success.
- On-going development of a constructive working relationship with the External Auditors to maintain a cooperative assurance approach.
- A tailored audit approach using a defined methodology and assignment control documentation.
- Review and quality control of all internal audit work by professional qualified senior staff members.
- An independent external quality assessment against the IPPF, PSIAS & LGAN.

9. Internal Audit Performance

The following performance indicators are maintained to monitor effective service delivery:

| Performance Indicator | Target | Actual |
|---|-----------|-----------|
| Percentage of internal audit plan delivered (to draft report) | 95% | 91% |
| Positive customer survey response | | |
| Epsom & Ewell Borough Council | 90% | 99% |
| SIAP – all Partners | 90% | 99% |
| Public Sector Internal Audit Standards | Compliant | Compliant |

Customer satisfaction is an assessment of responses to questionnaires issued to a wide range of stakeholders including members, senior officers and key contacts involved in the audit process (survey date April 2022).

10. Acknowledgement

I would like to take this opportunity to thank all those staff throughout the Council with whom we have made contact in the year. Our relationship has been positive, and management were responsive to the comments we made both informally and through our formal reporting.

Neil Pitman Head of Southern Internal Audit Partnership

May 2022

Annex 1

Summary of Audit Reviews Completed 2021-22



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.

| Review area | Summary |
|------------------------|--|
| Treasury Management | The scope of this review focussed on the treasury management process to ensure it is robust and included testing a sample of transactions to ensure that they were made in line with statutory requirements and policy. A robust control framework was found to be operating and no issues were identified. |
| Fees and Charges | This audit reviewed the processes and controls in place relating to the calculation of fees and charges and incorporating realistic estimates and calculations to ensure that the receipt of fees and charges are achieved to support the medium-term financial plan's key aims. A robust control framework was found to be operating and no issues were identified. |

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.

| Review area | Summary |
|--------------------------------|---|
| Parking & Enforcement | The scope of this audit was to ensure that adequate controls and processes are in place related to parking and parking enforcement, and parking fees are collected and paid over to the Council in a timely manner. Good controls were identified although observations relating to the process in place for cancelling of PCN's and the need for regular review of procedures were reported. |
| Annual Governance Statement | This audit reviewed the controls in place to ensure that the Annual Governance Statement (AGS) meets the legal and democratic aims and Regulation 6 of the Accounts and Audit Regulations 2015. At the time of this review, the September 2021 deadline for sign off had not yet occurred, therefore for the purposes of the audit the sign off for the 2019/20 Annual Governance Statement was reviewed. In general, a sound framework of governance and control was found to be in place with observations highlighting |

| | the need for the Code of Corporate Governance to be reviewed annually and reported to the relevant Committee and areas of improvement to the current action tracking and the way in which the AGS is published on the Council's website. |
|----------------------------|--|
| Income Collection | The audit reviewed the controls in place to ensure that income due is received, banked and accounted for correctly and reconciled in a timely manner to the finance system (Civica). A sound framework of control was found to be in place. Areas for improvement were identified relating to the process for the removal of staff access to the financial system where employees have left or moved roles within the Council, the review and sign off of bank reconciliations and the need for regular review of policies and procedures. |
| Climate Change | The purpose of the audit was to review the progress and monitoring of the Climate Change action plan at both officer and member level. A sound framework of governance and control was found with no significant issues identified. A Climate Change Action Plan (CCAP) has been developed but has now been superseded by the wider Council Annual Plan. Comparison of the CCAP to the Council Annual Plan 2021/22 and the Service Delivery Plan 2021/22 identified that although four actions from the original CCAP have been included, there is a discrepancy in the target date for delivery for one. An observation was also raised in relation to the lack of evidence within SLT minutes to reflect that those reports relating to climate change are shared and discussed at senior officer level ahead of reporting to members. |
| Service Delivery Plans | This audit reviewed the processes and controls in place relating to the responsibility, production and monitoring of service delivery plans. Whilst a sound framework of governance and control was identified, the impact of COVID-19 through 2020/21 together with a senior management reorganisation in early 2021 delayed Service Planning for 2021/22. At the time of the audit, the sign off of the 2021/22 Service Delivery Plans was not due to take place until September 2021 and therefore there is a consequent risk that slippage will occur, and that scrutiny of plans will only be principally focussed on the second half of the 2021/22 year. |
| Environmental Health | This audit reviewed the processes and controls in place relating to the receiving and processing of service requests to ensure that they are handled efficiently. Good controls were identified although areas for improvement were reported relating to potential efficiencies with the initial logging and triaging of requests and the monitoring of the service through management information and KPI's. |
| Local Plan (DRAFT) | This audit focussed on the recent review completed by the Head of Place Development to revise and update the Local Plan Programme. Areas for improvement were identified regarding the need to update the Corporate Risk register in relation to the revision of the Local Plan Programme. An observation was also raised regarding the funding required in 2024-25 to support the 'Submission and Examination of the Local Plan Regulation 22' and 'Adoption' stages of the Local Plan. |
| IT Information Security | The audit reviewed the controls in place to ensure that information stored on network drives is secure and restricted to staff with an operational need for access, and that joiners, movers and leavers procedures ensure access to information is assigned, adjusted and removed to maintain security. However, the Revenues and Benefits shared folder is accessible to all staff, current IT procedures for processing leavers is not in line with good practice, and processes for handling movers could be improved to ensure that IT access is amended appropriately when staff change roles within the organisation. |



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.

| Review area | Summary |
|--|--|
| IT Business Continuity & Disaster Recovery | Please see separate report. |
| Risk Management | This audit focussed on the controls and processes that support the maintenance of the Council's Corporate and Service Risk Registers, together with the governance framework for monitoring and reporting on risk mitigation. The Covid Pandemic and a vacancy in the post of Business Assurance Manager has impacted the delivery of risk management process over the course of the last 18 months. Areas where the framework of governance, risk management and control could be improved were identified relating to the review of the Corporate Risk Register by Leadership Team, the need to review and update the Service Risk Registers, as they have not been updated since 2020 and the need to review and update the Risk Management Strategy. |
| HR – Performance Management | This audit review focused on arrangements in place to effectively manage staff performance within the Council, including compliance with procedures and monitoring. Although performance management responsibilities are clearly defined, audit testing found that the frequency of manager and staff discussions are not always in line with the policy and are not always recorded. Staff were also not always being assessed against set goals. There is currently no central monitoring of performance management to ensure conversations are regularly taking place and outcomes being recorded. |
| Information Governance | This audit focussed on a review of the Council's current processes in comparison with the Data Protection self-assessment tool on the Information Commissioner's Office (ICO) website. Observations were raised in relation to the monitoring and completion of data protection training for staff, the completeness of Information Asset Registers, data breach forms and the data sharing agreement register along with the need for regular policy review and the lack of an oversight group to provide direction and guidance across the Authority on data protection and information governance activities. |
| Health and Safety | This audit focussed on the Council's oversight and management of its health and safety obligations. Testing was undertaken to ensure health and safety practices comply with internal, regulatory and legislative requirements. The Council were without a Business Assurance Manager and Health and Safety Officer for approximately six months in 2021; these are significant supporting roles for the operational performance of health and safety. At the time of the review there was no clear evidence of second line assurance received by the Corporate Health & Safety Group to assess compliant behaviour across the |

| | organisation. Statutory checks are contracted out for asbestos, Fire Risk Assessments (FRAs) and Legionella with responsibility split across different services. The 2020/21 annual report stated that annual asbestos surveys would be undertaken in October 2021, however we were advised that due to an Officer leaving the Council this had not taken place. |
|-----------------|---|
| Data Management | This review focussed on the control framework in place for database management, data storage and backup arrangements. The IT team have limited responsibilities for the management of SQL databases and are not responsible for performance monitoring or the administration of Oracle databases beyond providing storage capacity. There is no Database Administrator role on the team and hence no one has qualifications or training in database management, third party arrangements are relied upon to support databases. Non-compliance with procedures were found with the updating of SQL databases with security releases and the management of administrator accounts. There are also out of support database versions in use. From a controls point of view there is a lack of policy and procedure documentation in this area and although changes are recorded there is no policy or procedure for change control. Restores of a selection of systems from the backups are tested annually but there is no plan to do this more frequently and ensure that all key systems are tested in this way. We were also informed that the Entervo parking system is backed up to a locally inserted USB drive which carries recovery risks in the event of a disaster impacting on the server. |
| Licensing | The scope of this review was limited to licences issued in respect of Alcohol and Entertainment licences and Taxi licences as these represent the majority of licensing transactions by the Council. Observations raised included the process and recording of due diligence checks carried out prior to awarding a licence, access to the systems used and lack of management information and reporting. We also found that there is currently no process in place for the recovery of debt relating to licensing act licences. |