

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 24 July 2025

Report of: Strategic Director Corporate Resources

Title: Limited Assurance Audit Reports

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

- 1.1 This report presents the recommendations and actions plans in relation to recent limited assurance audits and progress being made.

2. Recommendations:

- 2.1 That the Audit and Governance Committee note the content of the audit reports contained at Appendix 1-5 and the actions that will be taken in response to the recommendations.

3. Reasons for the recommendation:

- 3.1 To provide assurance to the Audit and Governance Committee that the council has plans to address audits with limited assurance and that progress is being made.

4. What are the resource implications including non-financial resources?

- 4.1 The Strategic Management Board has taken ownership of the recommendations contained in audits with limited assurances. Delivery of the agreed actions will result in resources implications, but this will be managed through Directorate work plans.

5. Section 151 Officer Comments:

- 5.1 Members should note the progress that has been made or actions agreed in relation to limited assurance audits. Progress will continue to be reported as the Council seeks to strengthen its Corporate Governance processes.

6. What are the legal aspects?

- 6.1 The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. This is known as the Best Value duty. The duty requires the Council to make arrangements that ensure services are delivered in a cost-effective manner while

meeting the needs of the community. In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk. The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of Delivering Good Governance in Local Government (CIPFA/Solace 2016).

7. Monitoring Officer's Comments:

This report sets out the actions that will be taken in response to the recommendations of recent limited assurance audits. It is important that implementation of agreed action plans are closely monitored and reported back to Members to provide reassurance that improvements are being made.

8. Report Details:

8.1 Limited Assurance Definition

SWAP's definition of limited audit assurance is where the review identified significant gaps, weaknesses or instances of non-compliance. The system of governance, risk management and control require improvement to effectively manage risks to the achievement of objectives in the area audited.

8.2 Since the last progress report was presented to this Committee in March 2025, SWAP have finalised a further five audits with limited assurance, as follows:

- Housing Repairs
- Communication Strategy
- CIL and Section 106 Governance Arrangements
- Procurement – Compliance with Procurement and Contract Procedures
- Temporary Accommodation

8.3 Management have agreed action plans for each of the findings of the audits, please refer to Appendix 1, 2, 3, 4 and 5 respectively.

8.4 With regards to progress in relation to limited assurance audits reported to this committee previously, the agreed action plans will be monitored by SWAP and progress reported to management and to this committee as part of their regular update reports.

8.5 Housing Repairs Update

Significant progress has been made by the Housing Repairs team in addressing the findings raised in the Housing Repairs audit.

A new variation authorisation form and associated documented process has been drafted and has now been fully implemented.

Reports monitoring exclusions has been created and is reviewed regularly by the housing repairs management team and surveyors, a report on monthly spend is also shared with the surveyors to monitor exclusions further.

A full review of the Price Per Property, Price Per Void and associated Schedule of Rates is underway and we are working with Echelon regarding the outcome of this. A designated action plan has been devised to ensure that training is provided once the review has been completed – this is on track to complete in September 2025.

8.6 Communication Strategy Update

In November 2023, the council produced a Communications Strategy. The purpose of the Strategy is to support delivery of the council's strategic priorities and to ensure effective communication between the council, its customers and other stakeholders. An audit was undertaken to assess the steps the council is taking to deliver four Strategy themes.

In response to the audit the following actions have been taken:

- An update of Communications Privacy Notice
- The Social Media Policy and guidance has been reviewed and updated

Over the next quarter the following actions will be progressed:

- The development of a new Communications Strategy which will have a clear vision, objectives, roles and responsibilities for how communications activities will be delivered going forward. Measures of success will also be included.
- The approval of the updated Social Media Policy and Guidance
- Media training for Strategic Management and Members where this is required.

8.7 CIL and Section 106 Governance Arrangements

Following the Limited Assurance audits into the governance of CIL and Section 106 receipts, the required improvement actions have been combined into a single governance project with an implementation deadline of 31 December 2025. A Task and Finish Group has been established to develop a comprehensive governance framework covering both funding streams.

Although the formal implementation is still in development, several interim actions are already underway:

- A S106 Spend Working Group is monitoring at-risk contributions and assisting with the alignment of funds to deliverable projects.
- A review of historic commitments is ongoing, alongside improvements in data integrity within the Exacom system.
- Work is ongoing on enhancing quarterly reporting and improving stakeholder engagement, including Member input.

These interim measures are helping to strengthen transparency and accountability while the full governance framework is developed.

8.8 Procurement – Compliance with Procurement and Contract Procedures

The June 2025 Internal Audit specifically focused on corporate compliance with the Procurement and Contract Procedures at the request of the new Procurement Manager. The audit confirmed several areas of weakness. The following actions

have been taken to address the findings:

- Training has been provided to all heads of service covering the basic requirements of the Contract and Procedure rules. Training has also been provided to the leisure management and Asset Maintenance teams and further training will be offered to around 100 key members of staff. It is suspected that non-compliance with procurement rules is largely due to a lack of understanding of the procedures.
- Thirty-five potential breaches of the rules and/or legislation are being investigated by the procurement team and raised with relevant stakeholders where action is required to either ensure compliance or record the contract on the Council's Contracts Register.
- A draft Breach Procedure Note has been presented to SMB outlining how the team will introduce and record monthly random sampling of spend and escalate instances where non-compliance is suspected.
- Terms of Reference are being drafted for creation of a new Procurement and Contract Board. These will be presented to SMB for consideration in due course. The Board will support the monitoring of spend across the council to help ensure value for money and procurement compliance.
- Monthly spend reports are now being used to create a spend monitoring dashboard that will be used to help track spend on key contracts and identify off contract spend and opportunities to aggregate spend and achieve value for money.

Further consideration is being given to:

- Whether the new finance system can be configured to link contract spend to purchase order to enable officers to more effectively monitor contract spend.
- Whether the waivers sign off process requires modification for spend under £100k.

8.9 Temporary Accommodation

The audit was commissioned by the Strategic Director, People and Communities due to projected overspends indicating increased use of Temporary Accommodation, whilst this is a national issue the Director was keen to understand if there were any efficiencies that could be identified through improved contract management. The audit highlights significant issues in relation to contract management and policy and practise with regards to wider aspects of temporary accommodation. The Director has agreed a remedial action plan which is incorporated into the departments business plan and the newly appointed Interim Head of Service for Housing is accountable to the Director for delivering the action plan as set out in the report.

9. How does the decision contribute to the Council's Corporate Plan?

- 9.1 Remediation of audits with limited assurance contributes to the Council's purposes of a 'Well Run Council'.

10. What risks are there and how can they be reduced?

- 10.1 Audits with limited assurance indicate areas considered to present an organisation risk and potential significant impact. Management agrees action plans with the auditors to mitigate and reduce risks.

11. Equality Act 2010 (The Act)

- 11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:
- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
 - advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
 - foster good relations between people by tackling prejudice and promoting understanding.
- 11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.
- 11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.
- 11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because: because

11.4.1 The report is for information only.

12. Carbon Footprint (Environmental) Implications:

- 12.1 No direct carbon/environmental impacts arising from the recommendations.

13. Are there any other options?

Not applicable

Strategic Director Corporate Resources

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:

None

Contact for enquiries:

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