

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 19 March 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 A 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 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 The progress report of Internal Audit Activity to the end of February 2025 reports four limited assurance audits:

- Occupational Health Services
- CIL and Section 106 (Governance arrangements for CIL receipts)
- Council Tax Arrears Recovery
- Sundry Debtors

8.3 Management have agreed action plans for each of the findings of the audits, please refer to Appendix A, B, C and D respectively.

8.4 Occupational Health Services Update

The audit was commissioned by the Strategic Director, People and Communities due to unexplained overspends indicating increased use of Occupational Health Services. The request was for an urgent audit in case the spend indicated any increased issues with staff health and wellbeing. The audit highlights significant issues in the contract monitoring and delivery; referral system and process and governance weaknesses. The Director has agreed a remedial action plan which has been incorporated into the HR Improvement plan and the newly appointed Head of Service for HR, Workforce and OD is accountable to the Director for delivering the action plan as set out in the report.

8.5 CIL and Section 106 Update

Following the SWAP Internal Audit, a Task and Finish Group has been established to develop a comprehensive governance framework for CIL and S106 receipts. The

group is working towards an August 2025 implementation deadline for the full framework.

In the interim, the following measures are proposed to be implemented to address governance weaknesses:

- Interim CIL Governance Panel – A cross-service officer panel (City Development, Finance, Legal) is reviewing and prioritising CIL allocations.
- Review of Existing CIL Commitments – An audit of historic allocations is underway to assess deliverability and alignment with strategic priorities.
- Enhanced Reporting – Quarterly reports on CIL receipts and expenditures are being introduced to improve oversight and transparency.
- Stakeholder Consultation – Early engagement with councillors and key partners has commenced to ensure a more transparent allocation process.

The next milestone is a report to SMB in April/May, which will refine governance principles before seeking Executive approval.

8.6 Council Tax Arrears Recovery Update

Significant progress has been made by the Council Tax Team addressing the findings raised in the Council Tax Arrears Recovery audit.

A new process has been implemented in relation to council tax debts ensuring approval is received before they are written off, whilst a review of the Council's write-off thresholds should be completed by September 25.

A draft Council Tax and Non-domestic Rates (Business Rates) recovery policy is due to be submitted to Senior Management in April for their approval.

8.7 Sundry Debtors Update

Members should be aware that the audit of this area was specifically requested by management and did not form part of the annual audit plan. Senior management decided early last year to move the function of income collection from the Revenues and Benefits service area across to the Accountancy Service area. An internal audit review was requested to assess the basepoint and to help inform priorities for the team.

A new Income Collection Team has been factored into the restructure of Accountancy Services, which has resulted in four posts to be recruited to; Income Collection Manager, two Income Collection Officers and an apprenticeship role. This team will be responsible for sundry debtor income collection and the recovery of overpaid housing benefits. Interviews are being held week commencing 10 March.

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

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