

**READING BOROUGH COUNCIL
EXECUTIVE DIRECTOR OF RESOURCES**

TO:	AUDIT & GOVERNANCE COMMITTEE		
DATE:	14 July 2020		
TITLE:	INTERNAL AUDIT PROGRESS REPORT (Jan 2020-June 2020)		
LEAD COUNCILLOR:	COUNCILLOR EMBERSON	PORTFOLIO:	CORPORATE AND CONSUMER SERVICES
SERVICE:	AUDIT & INVESTIGATIONS	WARDS:	N/A
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1. PURPOSE OF THE REPORT

- 1.1 This report provides details of audits finalised, the assurance opinions given, and the number and type of recommendations made. Due to the COVID-19 pandemic and the subsequent cancellation of the Audit & Governance Meeting in April 2020, this report provides the committee with an update on those audits completed and finalised in quarter 4 of the 2019/2020 financial year in addition to those completed in quarter 1 of 2020/2021.
- 1.2 A review of what needs to be achieved in 2020/2021 with regards to Internal Audit work during these unprecedented times, will take place in the summer months and any amendments to the plan will be reported back to the Audit & Governance Committee at its next meeting. We are mindful that a proportionate approach to Internal Audit must be taken to allow Reading Borough Council staff and members to focus on the priorities. Our aim, however will be to achieve the following:
- Opinions on all Assurance Frameworks
 - Explore the need (risk) for individual conclusions on the following key controls: Democratic Decisions; statutory responsibilities; making payments; key financial systems; COVID-19 Expenditure; Budgetary Control; year-end procedures; data security & sharing; contract management; commissioning & procurement; schemes of delegation; cyber-security; IT access controls; health & wellbeing / sickness; staff health & safety; building security; insurance; business continuity; safeguarding
 - Grants
 - Reactive & Proactive Fraud
 - Follow-up work, as appropriate
 - Other risk-based audits / oversight, as resources allow.
- 1.3 Regarding the key controls listed above, some will be higher risk than others and some were already included as part of the original audit plan. These were

identified as part of an early exercise carried out when the Authority went into 'lock-down'. Although some will link in with the assurance frameworks, they're (some) more likely to require an element of detailed testing. We will need to ascertain when best to look at these. We will also seek to take more assurance from the work of others in some areas.

2. RECOMMENDATION

2.1 The Audit & Governance Committee is requested to consider the report.

3. ASSURANCE FRAMEWORK

3.1 Each Internal Audit report provides a clear audit assurance opinion. The opinion provides an objective assessment of the current and expected level of control over the subject audited. It is a statement of the audit view based on the work undertaken in relation to the terms of reference agreed at the start of the audit; it is not a statement of fact. The audit assurance opinion framework is as follows:

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

3.2 The assurance opinion is based upon the initial risk factor allocated to the subject under review and the number and type of recommendations we make.

3.3 It is management’s responsibility to ensure that effective controls operate within their service areas. Follow up work is undertaken on audits providing limited or ‘no’ assurance to ensure that agreed recommendations have been implemented in a timely manner.

4.0 HIGH LEVEL SUMMARY OF AUDIT FINDINGS

		Recs			Assurance
4.1	Sundry Debtors	3	0	0	No assurance
4.1.1	The debtor's team within Finance is responsible for the higher-level management and control of the Accounts Receivable system ¹ , with service areas being responsible themselves for identifying and raising debtor accounts and then monitoring and wherever necessary following up unpaid invoices.				
4.1.2	Staff in the team are working diligently to follow up unpaid invoices and recover payment from debtors, however as with previous years, there is no apparent consistency, priority or direction as to their work, and in particular the order that accounts are worked on.				
4.1.3	To address audit concerns a project was established two years ago to centralise the raising of invoices, however this had not progressed substantially, and therefore transactions tested during the 2019/20 audit were subject to the same shortcomings identified in previous audits. Although there has been a lack of progress in addressing historic audit concerns, the centralisation of invoices, should offer several potential advantages for the Council, which could improve the efficiency and effectiveness of income collection and recovery.				
4.1.4	The total outstanding sundry debt, excluding social care for year ending the 31 March 2020 was £8.55m, with 35.23% being over 151 days old. This represents a significant increase on previous years. The total Social Care (Adults & Children) debt as at the 31 March 2020 was £6.4m.				
4.1.5	There are still failings in the debt collection process, with no standard procedures for the monitoring, reporting and chasing of debt, with a lack of consistent arrangements for tackling long term debt (60+ days). Given that there is now a greater focus on commercial trading and income generation, there needs to be better central overview of the chasing and monitoring of debt. In addition, the aged debtors report needs to be more targeted/service relevant and low value invoices should not be being raised by services, rather the focus should be to ensure or require immediate payment for smaller value items.				
4.1.6	We strongly recommend that the corporate debt policy, recovery strategy and control framework for managing and monitoring debt is fully reviewed alongside the project for changing the debt management system as performance and collection levels and control have deteriorated.				

¹ This audit focused on the debtor's function within Academy system and did not review other income collection systems in operation across the Council.

4.1.7 We are satisfied from our tests that the sales invoice totals are being correctly recorded on the control account for each debtor on Academy and that an electronic copy of the invoice is held on the system. However, a copy of the actual invoice is not held unless requested by the service. Systems for the matching and clearing of receipts held in the suspense action are manual and require action so that this can be automated as planned.

4.1.8 We can confirm the daily reconciliations and monthly reconciliations between Fusion, Civica and Academy were up to date, however although we are satisfied the balances on the reconciliation are correct, the audit trails and supporting documentation remain poor. Although Finance have confirmed they receive a copy of the monthly reconciliation for information, the Chief Accountant has reaffirmed the need to improve both accountability and oversight of this issue.

		Recs			Assurance
4.2	Bank and Control Account Reconciliations	3	3	1	Limited

4.2.1 Recommendations have been made in the past by both Internal and External Audit to ensure the bank account reconciliation is brought up to date and completed on a monthly basis and that the corporate finance team monitor the completion of individual control account² reconciliations to ensure they are timely, completed satisfactorily and reviewed.

4.2.2 Previous Internal Audit reviews highlighted the need to establish a format for reconciliation templates that record key information on the position of individual control account reconciliations, as well as a framework for monitoring their status, any technical issues and their resolution. However, we found no uniform approach in the production of reconciliations, where consistent standards for the recording of information and the retention of audit trails can then be evidenced. There was also an absence of a process to establish the segregation of duties involved in the preparation, review and approval of reconciliations, except for the Council’s main bank account reconciliation.

4.2.3 Whilst we were advised that a process had been set up to centrally monitor the completion of reconciliations, this had not been applied during the financial year ending the 31 March 2020. The expectation is that individual services will complete their own regular reconciliations, and these will then be collated annually. This approach does not conform to recommendations made by both internal and external audit to ensure that there is regular corporate oversight of control account reconciliations.

4.2.4 It has been established that not all key systems reconciliations have been completed on a monthly basis, although where requested Officers were able to

² A control account used to record the balances on a number of subsidiary accounts and to provide a cross-check on them

demonstrate when asked, that reconciliation totals are supported by evidence. In particular it was noted that:

- there was an issue with the timely completion and review / approval of the Full Bank - Main Account reconciliation.
- the monthly Council Tax to General Ledger reconciliation was found to have last been completed in June 2019; and
- the Housing Benefit cheque payment to General Ledger reconciliation was found to have been last completed in October 2019.

4.2.5 The bank reconciliation was being kept up to date for the first six months of the financial year, but there were delays to the monthly reconciliation in the second half of the financial year. For example, the October 2019 bank reconciliation was prepared in Dec 2019 and signed off in February, whilst the November and December reconciliations were each prepared in January and signed off in Feb 2020.

		Recs			Assurance
4.3	Accounts Payable	5	11	2	Limited

4.3.1 RBC has a centralised Accounts Payable (AP) function as part of the Oracle Fusion financial system. The AP function is classified as a 'key' financial system and therefore is subject to an annual internal audit review.

4.3.2 A lot of hard work has gone into the cleaning up the number of suppliers on the AP system, as well as coping with the introduction of Brighter Futures for Children (BFfC) as a separate entity with its own AP system. In addition, the number of open purchase orders was dramatically reduced to prepare for the supplier portal. However, the audit identified considerable control deficiencies, which are highlighted below and a failure to implement many of the recommendations made in the previous 2018-19 AP audit report.

4.3.3 The failure of business process has been realised with the creation of a duplicate BACS run of £5.6m that was not detected by any RBC controls and resulted in a resource intensive effort to recover duplicate payments that had been sent to suppliers.

4.3.4 The use of the supplier portal has not been a success with low take up and issues with scanning negating any expected productivity gains and in turn has subsequently put more pressure on existing staff to process invoices. There are

issues with the current use of the supplier portal that are hampering productivity by creating unnecessary delays. In particular:

- Email of invoices to an RBC central mailbox to check and then send to Oracle for input. Staff then send these emails on to Oracle for scanning. This is a time-consuming process that takes around one day a week for each member of staff. Every three months or so the RBC mailbox is cleared down so there is no record of the original submission of the invoice to RBC retained. This raises the question as to whether it would be more efficient to send the invoices directly to Oracle for processing.
- Scanning input issues which result in significant numbers of invoices requiring further validation in part due to Oracle not always recognising invoice information in the matching process. The holds themselves cause delay because resubmission is required after they have been checked. This validation process was being ignored, resulting in an unknown number of invoices going on to the Oracle database with the wrong invoice date. Furthermore invoices being placed on hold waiting further validation were not being dealt with promptly, thus suppliers were not being paid on time, and in addition the initiating service were not being informed of the delay.
- The existence of invoices with the wrong invoice date on the Fusion system may impair management information and cause invoices to be archived before their actual due date. Whilst there is no problem with the amounts recorded for VAT (as the invoices are correct) there is an impairment to the audit trail that may concern HMRC were they to test sample invoice data.
- Lack of supplier engagement, and RBC confidence, with the Oracle portal has meant that most suppliers are still set up manually and suppliers are not managing their own invoices as was originally envisaged, resulting in a reduced productivity gain from this process.

4.3.5 Although we note that a project has commenced to map business processes and provide documented business practices with measurable performance indicators, this is the fourth year in a row that limited assurance has been provided over the Council's Accounts Payable system.

		Recs			Assurance
4.4	Journal Testing	0	1	3	Reasonable

4.4.1 As part of our ongoing review of Journals, we've undertaken some sample testing of both manual and spreadsheet journals processed in Q3 of the 2019/2020 financial year. Manual journals should occur once or infrequently, such as journals to correct errors, to reclassify account balances and/or to accrue balances for unusual transactions. This method requires the most time and is open to errors from human intervention. Spreadsheets are used for entering batch and/or multiple journals. The sample sizes of both manual and spreadsheet journals are shown in the following tables, but it should be noted that journals can consist of a considerable number of lines.

Manual Journals in Q3	Total No.	No tested	% Tested
No. Journals	13	5	38.5%
Journal Lines	128	33	25.8%
Sum of Journals	£777,714.35	£523,728.50	67.3%

Spreadsheet Journals in Q3	Total No.	No tested	% Tested
No. Journals	233	10	4.3%
Journal Lines	18,748	1,051	5.6%
Sum of Journals	£61,714,127.26	£31,649,970.48	51.3%

4.4.2 All journals examined were appropriately authorised, with an appropriate separation of duties between creation and authorisation. There were a few instances where documentation to support a manual journal could not be found easily and where a journal involves multiple lines, we recommended that cross-referencing should be standardised.

		Recs			Assurance
4.5	NNDR	0	1	2	Substantial

4.5.1 There is generally a sound control environment in the administration of non-domestic rates. An accurate property database is maintained and is reconciled weekly against the Valuation Office Agency (VOA) records. Individual accounts were found to be appropriately calculated with system parameters updated and checked to ensure the billing arrangements are in accordance with government notifications.

4.5.2 System reports are currently insecurely held, so need to be stored in a secured format and hyperlinks and/or cross references should be used to provide clear audit trails between the system reports and reconciliation balances.

		Recs			Assurance
4.6	DBS Checks	0	3	3	Reasonable

- 4.6.1 The Disclosure and Barring Service (DBS) was formed in 2012 by merging the functions of the Criminal Records Bureau (CRB) and the Independent Safeguarding Authority (ISA) under the Protection of Freedoms Act 2012. It is a non-departmental public body of the Home Office. The DBS enables organisations in the public, private and voluntary sectors to make safer appointment decisions by identifying candidates who may be unsuitable for certain work, especially those involving children or vulnerable adults. There are 3 levels of DBS checks including: Basic, Standard, Enhanced and Enhanced with barred list checks.
- 4.6.2 The Council has policies and procedures that are generally up to date and address the key requirements, although in cases these could benefit from more frequent review. In addition, we advised that HR liaises with other services who carry out DBS checks, namely Regulatory Services and the Personal Budget Support Team, to ensure these services also adhere to policies and procedures.
- 4.6.3 HR facilitates DBS checks for most Council service areas and for schools via a third-party provider, however it is unclear whether there is an agreement, such as an SLA (between RBC and schools) that specifies the respective responsibilities of each party.
- 4.6.4 DBS records show that at the time of testing, most staff were recorded as either having a current and valid DBS clearance or having been assessed as not requiring one. In the case of the remaining cases, these appeared as being processed or outstanding. A number of different category descriptions are currently used to summarise these cases and could benefit from review and tighter definition(s).
- 4.6.5 From a sample of DBS application checks tested some were found to have been completed after the employment had started. There were multiple reasons for these (and in cases, risk assessments had been undertaken to mitigate risks) but further effort needs to be made to ensure performance around this improves and prior checks are undertaken before employment starts.
- 4.6.6 In the event of a positive disclosure being highlighted following a DBS check, a risk assessment process is undertaken to evaluate the risk(s). This process is documented but the form currently used to do this could also benefit from review.
- 4.6.7 Importantly HR do not keep copies of DBS certificates, in line with data protection requirements.

		Recs			Assurance
4.7	Web Payments	0	4	0	Reasonable

- 4.7.1 Reading Borough Council takes a large number of payments for services over the web via a number of portals. The increasing growth of electronic transactions means that it is crucial to the council that the people making those transactions feel that they are secure and easy to facilitate. In the main the Council uses Civica to process web payments, but also uses Ledger and Spectrix³ for leisure payments and Secure Park for parking fines.
- 4.7.2 Our audit found that currently there had been no reconciliation and clearing down of the Civica suspense account. Therefore, there is a residual risk that fraud or abuse may take place and not be detected. The risk is mediated by the fact that there is a general reconciliation between what is in the bank account and what monies are in Civica.
- 4.7.3 Local feeder systems are being reconciled either at a base level (rents) or in detail (parking services). There are concerns as to whether there is a full audit trail for some transactions as there may not be formal procedures in place that record suspense items being deleted or adjusted reconciliation taking place and remedial action for issues where required.
- 4.7.4 There is a specific issue with parking and bus lane fine interface where reconciliation reports are run at different times on both systems leading to resourcing issues and reconciliation only happening weekly rather than daily. There are two areas of risk with regards to Payment Card Industry Data Security Standard (PCIDSS) compliance. There is a need to be on Windows 10 operating system and have secured network to meet the new PCIDSS requirements and some adjustments to telephony for receiving payment calls. Failure to get the first area secure could lead to loss of accreditation for credit card use although at the time of audit the project was ongoing, and the risks were known.
- 4.7.5 There is also a concern that corporate governance in respect of monitoring and compliance with the requirements of PCIDSS is lacking with no engagement with these issues by the person nominated by RBC to supervise this area. This has left compliance in the hands of Civica to ensure that as far as the main means of taking web payments are concerned compliance is achieved but across the authority there is no coordinated effort.

³ Leisure booking software program

		Recs			Assurance
4.8	Housing Rent Accounting	0	2	1	Reasonable

- 4.8.1 All properties are identified and accurately recorded in the rent accounting system and there are effective processes in place to ensure that the gross rent and other charges have been correctly calculated in respect of each dwelling and correctly credited to tenants rent accounts
- 4.8.2 Refunds and write offs are appropriately managed and there are effective procedures in place to pursue and recover current and former tenant arrears. However, the "Former Tenant Arrears and Former Recharges Recovery Procedure" is more than 6 years old and although it was advised that it remains current, we recommended that it should be formally reviewed and approved.
- 4.8.3 It was not possible to evidence the most recent reconciliation between OHMS⁴ and the Accountancy Stock database to ensure that all properties are identified and accurately recorded in the rent accounting system. This regular control discipline had apparently lapsed since 2016 when the then responsible officer left the council. It was recommended that the necessity for this control is reviewed, responsibility for it agreed and then monitored in the future.
- 4.8.4 The last completed reconciliation between OHMS and Oracle Fusion occurred for the financial year 2017/18. However, it is positive to note that the 2019-20 reconciliation was being prepared at the time of our audit and that the 2018-19 reconciliation had been completed, but there remain outstanding issues/discrepancies with this that required further investigation.
- 4.8.5 It is also important that in future supporting documentation for the reconciliation is retained on file and that these reconciliations can demonstrate the segregation of tasks between the officer that has prepared the reconciliation and the approver. The evidencing of these important controls has not been adhered to in the past.

⁴ Housing rents management system

		Recs			Assurance
4.9	Freedom of Information - Follow up	0	0	0	Limited

4.9.1 There has been some good progress in implementing the audit recommendations and indeed, the quick wins, those not requiring significant investment and resource input, have been implemented and are working well.

4.9.2 Regular monitoring of FoI requests is occurring, and guidance has been revised, although there continues to be no requirement of new starters to undergo awareness training, as part of their induction process, or for existing staff to have refresher training.

4.9.3 There has however been limited progress where there is a requirement for financial and/or resource investment, namely with procuring a case management system to manage and monitor the requests more securely and to be able to use as a reporting function. We have been advised there is agreement that a module within Firmstep⁵ will be purchased to do this and that the purchase order for this has recently been raised. Other resources such as project management and web support have also been agreed. A revised target date for implementation has now been set, but once complete it will address most of the outstanding audit recommendations.

4.9.4 There has been no change in the findings regarding the Council’s Publications Scheme, in that it remains difficult to negotiate through the website to find what is available, although we are told that this is related to the implementation of the Firmstep module and associated project. Performance with respect to turnaround time has shown an improvement throughout the year, as follows:

	Q1	Q2	Q3	Q4	Total
number of FOI	324	365	319	323	1331
Met	224	299	269	199	991
Not Met	100	66	50	124	340
% met	69.1%	81.9%	84.3%	61.6%	74.46%
% not met	30.9%	18.1%	15.7%	38.4%	25.54%

4.9.5 The follow up audit opinion remains ‘Limited’. This is due to less than half of priority 1 and 2 recommendations having been fully implemented. In addition, whilst required resources have been agreed for the implementation of the management system, this is still yet to be received, installed, tested and implemented. This is not to say that there have not been areas of progress, but it is Audit’s opinion that assurance has not yet reached ‘Reasonable’.

⁵ Online, automatic software solution

		Recs			Assurance
4.10	Blue Badge Scheme (Grant Certification)	0	0	0	Substantial

4.10.1 Having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation) Specific Grant Determination 2019/20 No 31/3936 have been complied with.

		Recs			Assurance
4.11	Residents Parking - Follow up	0	0	0	Substantial

4.11.1 This time last year we undertook a review of residents parking and assigned a limited assurance opinion as it was not possible to establish any overarching governance documents, setting out the management and administrative arrangements for maintaining the applications. Neither could we identify that any consistent or formal process was applied to the monitoring of user activity on IT applications reviewed. Subsequently, we made nine recommendations (three of which were rated as Priority 1).

4.11.2 On following up progress we can report that all recommendations have been implemented, summarised as follows:

- The service has developed a formal policy setting out governance, management and administrative arrangements with respect to PermitSmarti and 3Sixty applications.
- The creation and maintenance of training logs to evidence that applications users have been informed as to the use of systems and their responsibilities with respect to access.
- Bi-annual identity management reviews of PermitSmarti and 3Sixty applications.
- A review of the separation of duties within the applications and a record will be maintained to demonstrate user access levels.
- Parking Services have established that training has been undertaken by non-RBC staff and that this meets the requirements of the RBC “ICT Standards Expected of Third Parties Policy.”
- There are documented processes to for supervisors to review user activity.
- PermitSmarti and 3Sixty applications meet the RBC password requirements.
- Periodic review of permit inventory has been performed and documented.

5.0 AUDIT REVIEWS 2020/2021

5.1 The table below details those audit reviews in progress and the reviews planned for the next quarter. Any amendments to the plan to reflect new and emerging issues or changes in timing have been highlighted.

Audit reviews carried over from 2019/2020

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Car Parks (off street)	X				May-20						
Contract Management	X				Jan-20	Feb-20		0	4	0	Limited
Deferred Income			X								
Additional Payments (Follow up)	X				Jun-20						
Commercialisation				X							
Investment Properties	X				Jul-20						
Continuing Health Care - Follow up	X				May-20						

Audit reviews scheduled for 2020/2021

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Intercompany accounting	X				Mar-20	Jun-20					Limited
LTF - Blue Badge Scheme - (Grant Certification)	X				Mar-20	May-20	May-20	0	0	0	Substantial
Rent Guarantee Scheme	X				May-20	Jun-20					
Staff Vehicle Documentation (Grey Fleet)	X				May-20	Jul-20					
New Directions (ESFA funded adult education budget)	X				May-20						
Records Management & Document Retention Policy	X										
Transparency Code Compliance	X				Jun-20						
ADEPT's Live Lab trials Capital Funding		X									
Local Transport Plan Capital Settlement (Grant Certification)		X									
Bus Subsidy Grant		X									
Licensing		X			May-20						
Stores Contract		X			May-20						
Feeder system interface and reconciliation		X									
Budgetary Control		X									
MOSAIC payment controls (Finance Module)		X									
Housing Revenue Account			X								
Accounts Payable			X								
Purchasing cards			X								
Collection Fund			X								
Payroll (inc HR/Itrent processes)			X								
Adults Short Stay Placements & Respite Care			X								
Out of area contracts (placements)			X								
Contract Management (Adults)				X							
Sundry Debtors				X							
General Ledger				X							

6.1 Small Business Grant Fund - Spotlight Checks

6.1.1 In a response to the COVID-19 pandemic, under the Small Business Grant Fund (SBGF), all businesses in England in receipt of either Small Business Rates Relief (SBRR) or Rural Rates Relief (RRR) in the business rates system were eligible for a payment of £10,000 in line with the eligibility criteria. Where the Council has reason to believe that the information that they hold about the ratepayer is inaccurate they may withhold or recover the grant and take reasonable steps to identify the correct ratepayer.

6.1.2 The investigations team are using government fraud prevention tools, which interface with other departments and agencies so that data can be validated to substantiate claims or facts.

6.1.3 One case is currently being investigated as a potential fraud and will be scheduled for a PACE⁶ interview, once social distancing can be accommodated.

6.2 Grant Funding Schemes Fraud Risk Assessment

6.2.1 The Department for Business, Energy and Industrial Strategy has produced a fraud risk assessment, setting out the inherent risks for each of the business grants currently being delivered, the Small Business Grant Fund (SBGF), the Retail, Hospitality and Leisure Grant Fund (RHLGF) and the Local Authority Discretionary Grants Fund (LADGF).

6.2.2 The Audit & Investigations team will be conducting sample checks to provide post-payment assurance on risk of error and/or fraud and over payment.

6.3 Council Tax Support Investigations

6.3.1 The investigations team have a record total of £3,846.00 from Council tax investigations completed where a discount was removed from the current account.

⁶ The [Police and Criminal Evidence Act 1984](#) referred to as PACE is the legislation which governs the way investigations and questioning of suspects must adhere to. The legislation covers the aspects of investigations relating to criminal offences only, and outlines the standard requirements we, as an investigative and prosecution body, must follow.

6.4 Single Person Discount

6.4.1 Work on SPD data matching has been delayed until the autumn.

6.5 Housing Tenancy Investigations

6.5.1 Since 1st April 2020 officers have commenced investigation into eight referrals of tenancy fraud. There are ten cases are still ongoing. Four properties have been returned to stock to date. Three of these cases were tenancy investigations and one was under the Right to Buy (RTB) scheme. In addition to the notional savings the RTB case secured a 12-month rental income = to £6,103.00 plus a RTB discount of £ 84,200.

6.5.2 The notional saving is £372,000.00, adopting the notional savings multiplier used by the Cabinet Office in their National Fraud Initiative report.

6.6 Social Care Fraud & Investigations

4.5.1 The team have been working with Brighter Future for Children on two complex investigations. Both are now with BFfC and await legal updates.

6.7 Disabled Persons Parking Badges (Blue Badges)

6.7.1 Since April 2020 work on civil enforcement was suspended. We currently have a total of 14 cases with legal awaiting charging decisions, and a further 4 cases waiting formal PACE interviews

7. CONTRIBUTION TO STRATEGIC AIMS

7.1 Audit Services aims to assist in the achievement of the strategic aims of the Council set out in the Corporate Plan by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. In particular audit work is likely to contribute to the priority of remaining financially sustainable to deliver our service priorities.

8. COMMUNITY ENGAGEMENT AND INFORMATION

8.1 N/A

9. LEGAL IMPLICATIONS

- 9.1.1 Legislation dictates the objectives and purpose of the internal audit service the requirement for an internal audit function is either explicit or implied in the relevant local government legislation.
- 9.1.2 Section 151 of the Local Government act 1972 requires every local authority to “make arrangements for the proper administration of its financial affairs” and to ensure that one of the officers has responsibility for the administration of those affairs.
- 9.1.3 In England, more specific requirements are detailed in the Accounts and Audit Regulations in that authorities must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices”.

10. FINANCIAL IMPLICATIONS

- 10.1 N/A

11. BACKGROUND PAPERS

- 11.1 N/A