

## Crawley Borough Council

### Audit Committee

Agenda for the **Audit Committee** which will be held in **Committee Room C - New Town Hall**, on **Wednesday, 21 June 2023 at 7.00 pm**

Nightline Telephone No. 07881 500 227



**Chief Executive**

Membership:  
Councillors

J Millar-Smith (Chair), J Charatan (Vice-Chair), I Ashraf, T G Belben,  
H Hellier, J Russell and S Sivarajah

Please contact Democratic Services if you have any queries regarding this agenda.  
[democratic.services@crawley.gov.uk](mailto:democratic.services@crawley.gov.uk)

Published 13 June 2023



01293 438000

[crawley.gov.uk](http://crawley.gov.uk)  
[democracy.crawley.gov.uk](http://democracy.crawley.gov.uk)

Town Hall  
The Boulevard  
Crawley  
West Sussex  
RH10 1UZ

The order of business may change at the Chair's discretion

## Part A Business (Open to the Public)

	<b>Pages</b>
<b>1. Apologies for Absence</b>	
<b>2. Disclosures of Interest</b>	
In accordance with the Council's Code of Conduct, councillors are reminded that it is a requirement to declare interests where appropriate.	
<b>3. Minutes</b>	5 - 12
To approve as a correct record the minutes of the Audit Committee held on 20 March 2023.	
<b>4. Public Question Time</b>	
To answer any questions asked by the public which relate to an item on this agenda and which are in line with the Council's Constitution.	
Public Question Time will be concluded by the Chair when all questions have been answered or on the expiry of a period of 15 minutes, whichever is the earlier.	
<b>5. Fraud and Investigation Team Report</b>	13 - 16
To consider report FIN/626 of the Operational Benefits and Corporate Fraud Manager.	
<b>6. Risk Management Update</b>	17 - 28
To consider report LDS/203 of the Head of Governance, People & Performance.	
<b>7. Internal Audit Annual Report 2022-23</b>	29 - 50
To consider report FIN/625 of the Head of Corporate Finance.	
<b>8. Supplemental Agenda</b>	
Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.	

**This information is available in different formats and languages. If you or someone you know would like help with understanding this document please contact the Democratic Services Team on 01293 438549 or email: [democratic.services@crawley.gov.uk](mailto:democratic.services@crawley.gov.uk)**

## Crawley Borough Council

### Minutes of Audit Committee

Monday, 20 March 2023 at 7.00 pm

#### **Councillors Present:**

J Millar-Smith (Chair)

T Rana (Vice-Chair)

M L Ayling, T G Belben and Y Khan

#### **Also in Attendance:**

Councillor R D Burrett

Hannah Lill

Senior Manager, Ernst & Young

#### **Officers Present:**

Siraj Choudhury

Head of Governance, People & Performance

Chris Corker

Operational Benefits and Corporate Fraud Manager

Mez Matthews

Democratic Services Officer

Carolin Martlew

Head of Corporate Finance

Anna Pedlow

Corporate Performance Manager

Paul Windust

Chief Accountant

#### **1. Disclosures of Interest**

No disclosures of interests were made.

#### **2. Minutes**

The minutes of the meeting of the Audit Committee held on 8 November 2022 were approved as a correct record and signed by the Chair.

#### **3. Public Question Time**

No questions were asked by members of the public.

## 4. Fraud and Investigation Team Report

The Committee considered report [FIN/614](#) of the Operational Benefits and Corporate Fraud Manager, which focused on activity for the period from 29 October 2022 to 5 March 2023. The report indicated that the Team had continued to perform successfully.

The Committee was provided with details of cases investigated and the Team's investigations, whilst a discussion took place on the Team's work generally. The Committee was pleased that the Council's use of enforcement had resulted in success, and it was hoped that the use of such enforcement would act as a deterrent to other potential offenders.

The Committee sought and received clarification on the method for collecting money owed to the Council through financial penalties.

The Chair requested that, for future reports, the table which detailed the number of cases being undertaken for each case type (Paragraph 4.1 of the report) also provide comparative figures from the previous activity period, to help identify any fluctuations in activity. Whilst the Operational Benefits and Corporate Fraud Manager agreed to include that additional detail in future, they cautioned that comparing those figures might not always give a true representation as the length of activity period for each report could differ and the amount of work undertaken for each case also varied.

The Committee thanked officers for an informative and uplifting report and the Team's continued good work.

### RESOLVED

That the Fraud and Investigation Team Report be noted.

## 5. Internal Audit Progress Report

The Committee considered report [FIN/615](#) of the Head of Corporate Finance which had been prepared by Southern Internal Audit Partnership (SIAP), the Council's Internal Auditors. The purpose of the report was to update the Committee on the status of 'live' internal audit reports, the progress against the Annual Audit Plan and provide a summary of internal audit as well as any significant issues which might impact the annual audit opinion.

The Committee discussed and noted all the Audit Plan Reviews in progress, along with other work as detailed in the report. The Head of Corporate Finance took the opportunity to brief the Committee on the work as detailed in the report and in doing so highlighted that no reports had been published which concluded a "Limited" or "No" assurance opinion to date for 2022/23. The Committee was also informed that SIAP were satisfied with the progress being made on the priority management actions identified in follow-up audits (Annex 1 and 2 of Appendix A to the report) and it was anticipated that the Council would get the assurance required for the Annual Governance Statement.

# Agenda Item 3

Audit Committee (14)  
20 March 2023

In response to matters raised by the Committee:

- It was noted that the delay in progressing high priority actions for the Car Parking (Staff Permits) Audit Review had been caused by staffing issues.
- Reassurance was given that significant progress was being made on priority areas identified in the Health and Safety Audit Review. The Health and Safety work program, which had been dominated by the Covid pandemic, was getting back to business as usual and the appointment of a Health and Safety Apprentice had increased the service area's capacity. Further information would be brought to a future meeting of the Committee.
- The Committee was assured that both "substantial" and "reasonable" assurance opinions signified a sound system of governance and SIAP was pleased with Council officer's cooperation with regard to Audits.

The Chair requested that, for future reports, any previous audit opinions be provided for "repeat" audit reviews, to help identify any trends for those areas or ascertain whether improvements had been made since the previous review was undertaken. Whilst the Committee acknowledged that it might not always be possible to provide a comparison, as some areas were not audited regularly, and where a previous audit had been conducted, any comparison would need to be treated with caution as the scope of the audit might have varied since its last review, the Committee agreed that, for future reports, previous audit opinions be provided where possible.

## RESOLVED

1. That the Committee receive the report and note progress to date, as at 28 February 2023.
2. That, for future reports, previous audit opinions be provided where possible.

## 6. Risk Management Update

The Committee considered report [LDS/198](#) of the Head of Governance, People & Performance which provided an update on the Council's Strategic Risks.

The Corporate Performance Manager took the opportunity to brief the Committee on the risks as detailed in the report and in doing so highlighted that, where a risk has a residual score of 15 or more, the high score was mainly due to external factors beyond the Council's control which made the risks more difficult to mitigate.

Following a query from the Committee, with regard to Risk ID G1-11 (on page 45 of the agenda pack), assurance was given that any defects had not stopped the Council from entering into an agreement with new clients.

When considering the Strategic Risk Register, a member of the Committee commented that, although the residual risk score was included in the risk score matrix key on the first page of the Register, the matrix for each individual risk did not. It was suggested that this made it more difficult to identify the residual risk score for each risk. The Committee therefore requested that consideration be given to the layout of the individual risk scores matrixes in the Strategic Risk Register for future Committee reports to make the document more user friendly and individual risk levels more easily identifiable.

## RESOLVED

1. That the Committee confirm it is satisfied with risk management arrangements.
2. That consideration be given to the layout of the individual risk scores matrixes in the Strategic Risk Register for future Committee reports to make the document more user friendly and individual risk levels more easily identifiable.

## 7. Internal Audit Annual Plan 2023-2024

The Committee considered report [FIN/616](#) of the Head of Corporate Finance which had been prepared by Southern Internal Audit Partnership (SIAP), the Council's Internal Auditors. The Plan, which was attached as Appendix A to the report, included an indicative scope of work planned for each proposed audit review. The Plan had been drawn up following a full Audit Needs Assessment, including consideration of the Council's Corporate Risk Register, findings from the previous year's internal audit coverage, and took into account any audits postponed from 2022/23.

In drawing up the Plan, SIAP had discussed the Audit Needs Assessment with all Heads of Services and Senior Management Team.

The Plan would continue to remain fluid during the year and any changes would be brought to the Committee via the Internal Progress Report. The Chair thanked SIAP for the Audit Plan.

## RESOLVED

That the Internal Audit Annual Plan 2023/2024 (attached as Appendix A to report [FIN/616](#)) be approved.

## 8. Internal Audit Charter 2023-2024

The Committee considered report [FIN/620](#) of the Head of Corporate Finance which had been produced by Southern Internal Audit Partnership (SIAP), the Council's Internal Auditors. The Charter was attached as Appendix A to the report. The Chair felt that the Charter should be made publicly available and requested that, if were not already published on the Council's website, it that be published accordingly.

The Head of Governance, People & Performance informed the Committee that, at its meeting on [13 March 2023](#), the Governance Committee had considered a proposal to appoint an independent member to the Audit Committee (report [LDS/197](#) refers). The views of the Audit Committee had been informally sought on the matter and it had shown support for such an appointment. At its meeting, the Governance Committee agreed that the Full Council be recommended that an independent member be co-opted as a non-voting member to the Audit Committee as of the 2023/24 municipal year, with the independent member being unable to hold the position of either the Chair or Vice Chair of the Committee. That recommendation would be considered at the next meeting of the Full Council.

## RESOLVED

That the Internal Audit Charter 2023-2024 (attached as Appendix A to report FIN/620) be approved.

### 9. Internal Audit Quality Survey

The Committee's attention was drawn to the information item which advised that, as part of its internal quality assessment, Southern Internal Audit Partnership would be issuing an annual survey. Committee members were encouraged to complete and return the survey. At the request of the Chair, the Democratic Services Officer agreed to send out an email reminder to Committee Members closer to the closure date of the survey.

### 10. IFRS 16: Explanation and Impact

The Committee considered report [FIN/617](#) of the Head of Corporate Finance which explained the impact of IFRS 16 Leases on the Council. Following a query from the Committee, the Chief Accountant clarified that, for the purposes of IFRS 16 the value of leases would not be grouped together, and leases would only be identified if they had an individual value above £10,000. The Committee was invited to contact the Chief Accountant directly with any further questions relating to IFRS 16.

## RESOLVED

That the report explaining IFRS 16 and its impact be noted.

### 11. Audit Planning Report: Year Ended 31 March 2022

The Committee considered [FIN/621](#) which had been submitted by Ernst & Young (EY).

The Planning Report detailed how EY intended to carry out its responsibilities as External Auditor. The Planning Report also provided the Committee with a basis to review EY's audit approach and scope for the 2021-2022 audit in accordance with the requirements of the relevant auditing standards and professional requirements. In addition, the Planning Report intended to ensure that the audit aligned with the Committee's service expectations.

The Committee received clarification on issues arising, including the Council's highways infrastructure, the areas of focus which were required by audit regulations and standards to be identified and assessed, the guidelines which identified how the various Council funds must be accounted for as well as the stages undertaken in producing the Planning Report.

## RESOLVED

That the Audit Planning Report for the year ended 31 March 2022 be noted.

## 12. **Audit Results Report: Year Ended 31 March 2022**

The Committee considered [FIN/618](#) which had been submitted by Ernst & Young (EY). The report set out the current status of the audit, indicating that given that audit work in respect of the Council's audit opinion was ongoing, EY would continue to review the remaining evidence provided and the final disclosures in the Narrative Report and Accounts which could influence the final audit opinion.

The Committee sought and received clarification on several issues including how the Covid Grants received and distributed by the Council had been accounted for and the progress being made on outstanding reports.

The Committee was assured that the way in which some funds were accounted for did not impact Council Tax payers. It was also noted that the audit fee for 2020/21 had been referred to Public Sector Audit Appointments (PSAA) and would be brought back to the Audit Committee following discussion with management.

### **RESOLVED**

That the Audit Results Report for the year ended 31 March 2022 be received and noted.

## 13. **Approval of the 2021/22 Statement of Accounts**

The Committee considered report [FIN/619](#) of the Head of Corporate Finance which sought the Committee's approval of the 2021/22 Statement of Accounts, to comply with the statutory deadline of 30 September 2023, or as soon as reasonably practicable after the audit, if the audit has not been concluded by that date.

The 2021/2022 Statement of Accounts was attached as Appendix C to the report.

The Committee received clarification on a number of issues referred to in the Statement of Accounts including the income and expenditure depicted by the pie charts within the Narrative Statement, the type of instruments entered into prior to 1 April 2006, the total financial impact of the Crawley Homes rent issue, the nature of the revaluation losses identified in the financial outturn, the process for reviewing/retaining/removing reserve funds, the Council's investment properties and Council dwellings.

A number of clerical corrections to the Statement of Accounts were raised, and the Committee supported those revisions and requested that they be changed by officers accordingly.

The Chair requested whether a shorter, more accessible version of the Statement of Accounts could also be produced to accompany the Accounts in future which provided the key areas of note. In response, the Chief Accountant informed that Committee that whilst such a document had been produced in the past, due to increased workload in recent years, it had not been possible to provide it more recently. The Chief Accountant advised they would consider producing the document again for future years.

The Chair thanked the Chief Accountant for the significant work they had undertaken in producing the Statement of Accounts.



# Agenda Item 3

Audit Committee (18)  
20 March 2023

## **RESOLVED**

1. Approve the 2021/22 Statement of Accounts.
2. Authorise the Chair of the Committee to sign the 2021/22 Letter of Representation.
3. Authorise the Chair of the Committee to sign the 2021/22 Statement of Accounts on behalf of the Council should there be no material changes.

## **Closure of Meeting**

With the business of the Audit Committee concluded, the Chair declared the meeting closed at 9.20 pm

**J Millar-Smith (Chair)**

This page is intentionally left blank

# Agenda Item 5

## Crawley Borough Council

### Report to Audit Committee

21 June 2023

### Fraud and Investigation Team Report

Report of the Operational Benefits & Corporate Fraud Manager - Report no. **FIN/626**

---

#### 1. Purpose

- 1.1. This report describes the activity of the Corporate Fraud & Investigation Team for the period 6 March to 7 June 2023. All outcome figures are taken from closed cases.

#### 2. Recommendation

- 2.1. That the Committee note the report.

#### 3. Reasons for the Recommendation

- 3.1. The Committee has a responsibility to oversee the Council's anti fraud and corruption arrangements. A major part of those arrangements is the activity of the Corporate Fraud & Inspection Team in identifying, investigating and taking action against cases of fraud.

#### 4. Information & Analysis

- 4.1. The Fraud Team are currently investigating the following case types:

<u>Case Type</u>	<u>Number of current open cases</u>	<u>Previous reporting period</u>
Council Tax Support	18	17
Housing Cases	13	14
Non Domestic Rates	1	2
Single Person Discount	4	1
Council Tax Liability	2	1
Right to buy	13	5
Fly Tipping	2	2
Enforcement	-	2
<b>Total</b>	<b>53</b>	<b>44</b>

The above cases are all at various stages in the investigation lifecycle and will be reported on when the cases are closed.

# Agenda Item 5

## 4.2. Housing Fraud

During the reporting period the team have achieved the following:

	<u>In period</u>	<u>2023/24 (YTD)</u>
Properties recovered	5	5
Right to buy prevented	2 (£174,200)	1 (£87,200)
Notional value of savings	£310,700	£223,700

The previous Audit Commission through their 'Protecting the public purse' studies conservatively estimated, that for each property being misused and not available to the Local Authority it cost the Authority £18,000 per year per property.

We have revaluated the cost to Crawley using the average cost of Temporary Accommodation which currently stands at £75 per night. Annually this equates to £27,300.

The Crawley figure will therefore be used for recovering properties and preventing false applications from 1 April 2023.

## 4.3. Single Person Discount

The Council Tax Inspectors have started their annual review exercise of Single Person Discounts.

A Single Person Discount is where the Council Tax liability is reduced by 25% due to single occupation. However, we are not always informed when a 2<sup>nd</sup> adult joins the property. Using data matching we are able to identify possible cases of concern and correct the liability accordingly.

We will be in a position to share the results at the Committee.

## 4.4. Council Tax and Business Rates

The team continue to investigate and inspect Council Tax and Business rates.

**New billable CT or Rates** – Inspectors are constantly looking for properties or businesses that are not on the valuation list and therefore not being billed. Legislation does not require occupiers to report new properties.

	Council Tax		Non Domestic Rates	
	In period	2023/24	In period	2023/24
New billable CT or Rates	£90,264	£45,684	£521,100	£521,100

# Agenda Item 5

## **5. Significant Cases**

- 5.1 A referral was received from the public highlighting concerns that Mr G was not living at our Council Property and was renting it out for profit.

An Investigator liaised with all interested parties in this case to form a picture of current residency.

A notice to quit was issued and the keys were returned bringing the property back to CBC stock.

- 5.2 Another anonymous referral from the public, stating our tenant Mr S had vacated our property. Evidence gained by the investigator supported this allegation showing Mr S actually lived in the Stafford area.

A cold call visit to our property found an unknown adult living at the property originally insisting Mr S was still in occupation.

Further financial records were obtained allowing us to prove Mr S was not resident and issue a Notice to quit. The property keys were returned.

## **6. Implications**

- 6.1. There are no implications from the report.

## **7. Background Papers**

- 7.1. None

Report author and contact officer:

Chris Corker, Operational Benefits & Corporate Fraud Manager (telephone 01293 438598).

This page is intentionally left blank

# Agenda Item 6

## Crawley Borough Council

### Report to the Audit Committee

21 June 2023

### Risk Management Update

Report of the Head of Governance, People & Performance – LDS/203

---

#### 1. Purpose

- 1.1. The Committee is asked to review the action taken by the Corporate Management Team and staff to mitigate Strategic Risks.

#### 2. Recommendations

- a) The Committee is requested to consider the contents of this report and confirm it is satisfied with risk management arrangements.
- b) Review the Strategic Risk register (Appendix A) and determine whether there are any matters that it wishes to draw to the attention of the Chief Executive or to Cabinet.

#### 3. Reasons for the Recommendations

- 3.1. The Committee has a responsibility to ensure that action has been taken by relevant Managers on risk-based issues identified by Internal Audit.

#### 4. Background

- 4.1. The Corporate Management team regularly review the Strategic Risks of the Council and look at the mitigations of those risks. The updated risks are presented to the Audit Committee at its meetings. The internal audit service (SIAP) will give an annual report and opinion on the organisation's framework of governance, risk management and contra based on the audit work conducted in the year. The Audit Plan looks at these Strategic risks.
- 4.2. The focus of effective risk management is the identification and management of risks and opportunities. It increases the probability of success, reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process which runs throughout the Council's strategies and service delivery.
- 4.3. This enables the Audit Committee to meet its responsibilities to provide the Council with independent assurance of the adequacy of the risk management framework and associated control environment.

# Agenda Item 6

## 5. Risk Management Arrangements

- 5.1. The Council's approach to risk management is set out in its [Risk Management Strategy](#). The objectives of a risk management strategy are to:
- Integrate risk management into the culture of the Council by engendering a positive attitude and understanding to risk throughout service areas
  - Manage risk in accordance with best practice
  - Prevent injury, damage and financial loss to those connected with the Council's delivery of services.
- 5.2. Heads of Service are currently preparing and reviewing operational risks by Division. These will be regularly shared with Portfolio Holders at briefings from the start of the new municipal year.

## 6. Strategic Risk Register

- 6.1. A strategic risk is defined as an event or action that will affect an organisation's overall ability to achieve its corporate objectives and execute strategies successfully. By their nature, strategic risks are generally not service or objective specific; they are areas of risk that cut across service and objective boundaries.
- 6.2. The Strategic Risk Register (Appendix A) is reviewed by the Corporate Management Team, and it includes a summary of the current analysis of residual risk as well as detail on each Strategic Risk. One of the key risks is the New Town Hall.
- 6.3. Now that the project is in its final stages, the risk register for the New Town Hall has been thoroughly reviewed and refreshed by the project board, this was presented at the March Audit Committee. Risks are beginning to be closed out and this will continue over the coming months as this stage of the project comes to an end. Another update on the risk register will be presented at the September Audit Committee.
- 6.4. Appendix A shows the remaining Strategic Risks. A new risk regarding Digital Accessibility has been added as we are required to reach minimum level AA of the Web Content Accessibility Guidelines. This is about ensuring all our digital channels are accessible to everyone. Testing was undertaken in March 2022 by the Cabinet Office's Central Digital and Data Office and we were subject to improvement notices. They are likely to reinspect in the future. This has been escalated from an operational level due to both legal requirements and reputational risk if we are found to exclude people by providing inaccessible content.
- 6.5. The risk tolerance of the Council is the threshold above which the level of risk is not acceptable and requires further action to reduce the risk. The level has been agreed by the Corporate Management Team to be any risk with a residual score of 15 or above (red risks). This is set out in the Risk Management Strategy. Risks around the provision of affordable housing, cost of living, homelessness, migration, water neutrality and climate change emergency are exceeding this score. In these cases, there are external factors that are affecting the score, these scores are being constantly reviewed and updates will be provided to future Audit Committees.
- 6.6. A recommendation from the last Audit Committee was to make the layout of the risk register more user friendly. Changes have been made for this update. Each risk has an identification number and the residual scores have been included to make them more identifiable.

Report author and contact officer: Anna Pedlow, Corporate Performance Manager



## Strategic Risk Register

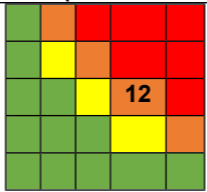
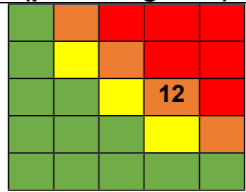
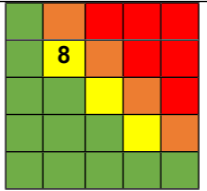
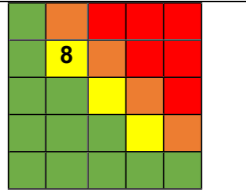
This register details the strategic risks faced by Crawley Borough Council in relation to achieving its priorities and includes the mitigation action being taken to control these risks. The register is owned by the Chief Executive and Corporate Management Team and is updated regularly.

Below is the matrix we use when scoring risk for any project or activity. We have also considered the risk appetite, based on guidance included in the Orange Book – Management of Risk, Principles and Concepts (2020)

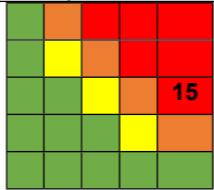
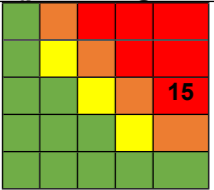
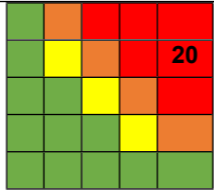
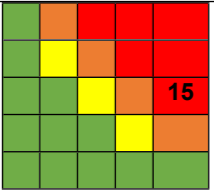
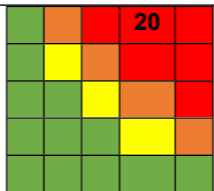
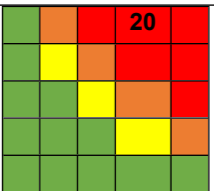
Impact/ Consequence	Likelihood				
	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

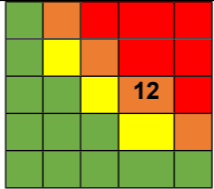
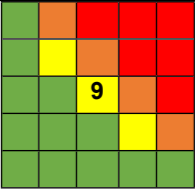
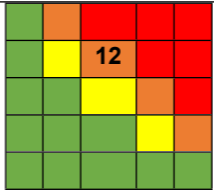
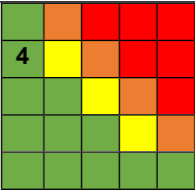
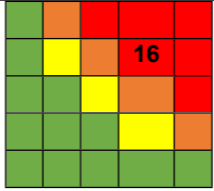
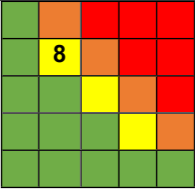
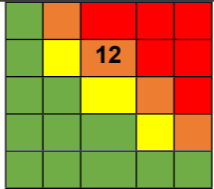
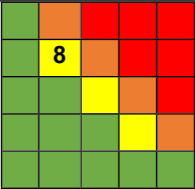
Risk Appetite	Description
Opposed	Avoidance of risk and uncertainty is key objective
Minimalist	Preference for safe options that have a low degree of inherent risk
Cautious	Preference for safe options that have a low degree of residual risk
Mindful	Willing to consider all options and choose one that is most likely to result in successful delivery
Enterprise	Eager to be innovative and to choose options that suspend previous held assumptions and accept greater uncertainty

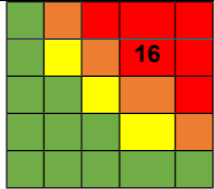
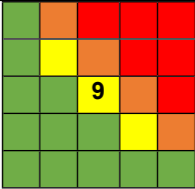
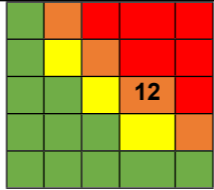
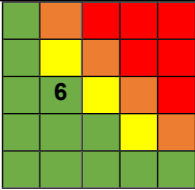
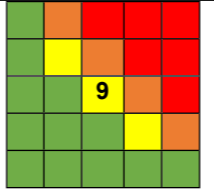
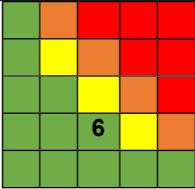
Risk score = Impact x likelihood

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
1.	New Town Hall	PC was achieved on 25 October and mobilisation to the new building completed in March. Focus is now on settling the final account, defects and commercial floor lettings.	Deputy Chief Executive		Mechanisms within the contract are being used to address delay and cost concerns. Significant effort was taken to ensure these were robust before entering the contract. Professional advice being taken throughout, and communication with key stakeholders being maintained. Defects have been high in number but significant focus to address these are being closed out. The Council is close to announcing its first commercial tenant, and interest whilst low in numbers has proven strong. A London-based commercial agent has also been appointed to capture companies wishing to move out of the capital. With the project in its final stages and with these mitigations in place for some time and with no further mitigations possible, the post risk score remains the same.		Mindful
2.	District Heat Network	The District Heat Network Phase 1 has reached practical completion and has been handed over. The key risks moving forward therefore relate to the ongoing operation, maintenance, and billing. The inflationary context in particular creates a pricing risk, attempting to ensure value for residents whilst achieving the required return. There is significant reputational risk in ensuring this balance is correct.	Head of Major Projects & Commercial Services		The operation, maintenance and billing has already been contracted out to a specialist, and the onboarding went very well. Two rounds of price setting have been undertaken, which seems to demonstrate that the DHN is able to balance value with return. However, the risk score remains consistent post mitigation given that volatility in energy prices.  Internal Audit completed a review of the DHN in Q4 2022/23 and assessed it as 'substantial assurance'		Mindful

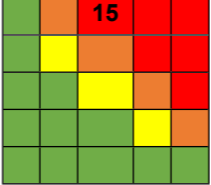
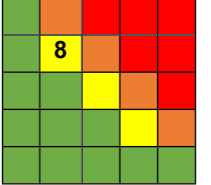
Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
3.	LEP Infrastructure – Crawley Growth Programme	<p>Risk of failure to deliver the Crawley Growth Programme due to:</p> <ul style="list-style-type: none"> <li>Budget overspend for the future project delivery within the Programme and scheme delivery time overruns.</li> <li>Discontinuation or withdrawal of support from key partners.</li> <li>A sustained period of economic downturn which slows up private sector investment on key regeneration sites in the town centre.</li> <li>Ineffective co-ordination of delivery across projects, leading to multiple disruption in the town centre and Manor Royal when this was avoidable.</li> </ul>	Head of Economy & Planning		<p>Regular financial monitoring and audit work carried out, including quarterly updates to CPAG. The Head of Corporate Finance attends six weekly Programme Delivery Team meetings with West Sussex County Council.</p> <p>A mid-term programme review was undertaken in Q3 2022 to agree a way forward and delivery programme for the remaining projects. The agreed funding protocol between CBC and WSCC is being updated to reflect that outcome of the review.'</p> <p>Regular project monitoring undertaken by individual Project Boards, the Programme Delivery team with West Sussex County Council and reported to the Crawley Growth Board, chaired by the CBC Chief Executive.</p> <p>Regular interaction to identify and resolve issues promptly at project Board level with the Manor Royal Business District, Network Rail, GTR, Metrobus etc.</p> <p>The target date for delivery of regeneration site outcomes is 2030 to take account of the economic cycle and potential for a sustained downturn, which has been exacerbated by the impact of the COVID-19 crisis nationally and internationally.</p> <p>Careful planning and close cooperation between CBC, WSCC officers and third-party partners / contractors. All partners within the Crawley Growth Programme follow a Communications protocol to ensure effective coordination and communications around project delivery.</p>		Mindful
4.	Delivering the Affordable Housing Programme	The recent water neutrality position statement issued by Natural England has both immediate and future impacts on the delivery programme. A delay of at least 6 months to schemes due to be starting on site now is expected impacting the delivery of 230 new affordable homes. Additional costs arising from the requirement for schemes to evidence water neutrality through on-site and off-setting measures may impact the viability of schemes and the level of affordable housing that can be delivered.	Head of Strategic Housing Services		<p>Officers are engaged in discussions with Natural England and Southern Water as well as with neighbouring local authorities in seeking to minimise impacts on the delivery programme. Work is underway to quantify and maximise headroom to take forward new development through offsetting measures within existing stock. Supported by external consultancy advice officers are working up proposals to evidence water neutrality for key developments caught by the new requirements.</p> <p>Pilot project in Council's housing stock has generated sufficient water savings to enable development of two key affordable housing sites to be progressed. Roll out of this project has enabled further water savings to be made and these have been allocated to support the development of additional key sites. This work will continue to generate further water savings to support more housing development</p>		Mindful

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
5.	Delivering the Affordable Housing Programme	Beyond the medium term, the majority of larger sites within the Council boundary that can easily be built upon will have been developed. This will leave smaller sites that are more challenging and contentious in nature and therefore more resource intensive to bring forward or finding other opportunities such as regeneration.	Head of Strategic Housing Services		Work has been undertaken to identify these future sites and opportunities, feeding into the Local Plan, and developing programmes of work. Planning and Housing teams continue to work proactively to maximise opportunities afforded by development within neighbouring Districts and Boroughs adjoining the Council's boundaries. Should the proposal to remove the Duty to Co-operate come into effect this work may be compromised.		Minimalist
6.	Homelessness	Following increased demand for temporary accommodation during the pandemic, levels of homelessness continue to rise. The on-going economic impacts from the pandemic, cost of living rises and increased additional demand arising from asylum and refugee resettlement programmes are placing an unprecedented burden on the Council in meeting temporary accommodation duties. Demand for TA significantly outstrips supply necessitating heavy reliance on expensive nightly paid accommodation with significant budgetary implications. The full TA budget allocation for 2022/23 has been fully spent during Q1.	Head of Strategic Housing Services		Efforts to relieve and prevent homelessness using all available options continue. 5 additional units of TA have been secured and negotiations are in progress in relation to a potential further 45 units including acquisition of a 27-unit HMO. All potential acquisition opportunities continue to be explored. Three potential sites have been identified for modular housing and consultation in relation to 2 of these sites is being taken forward. The 3 <sup>rd</sup> presents issues that mean securing planning consent will be more challenging.  Homelessness grant reserves will offset impacts for the current financial year. Under the new Government formula there has been a significant reduction in Homelessness Prevention Grant allocation for the next 2 years which, although offset by transitional protection arrangements to bring it to existing funding levels still represents a reduction in real terms. Representation continues to be made to Government departments and options for collaborative lobbying with other LAs also facing significant challenges are being explored by officers		Mindful
7.	Migration/Asylum pressures	Currently Crawley is host to a number of individuals either seeking asylum or providing Afghan Bridging accommodation. These are arrangements made directly by the Home Office.  In addition, new legislation has recently been passed to provide those with Chagossian decent UK Citizenship entitlement from British Overseas Territories. The application process went live on 23 November 2022. Revised estimates by the Foreign, Commonwealth & Development Office are that 5000-6000 people will take up this entitlement with a view to moving to the UK, and that the majority will first head to Crawley due to an already established community in the town. Decisions are now taking place with Citizenship ceremonies being arranged. No impact analysis or implementation planning has been put in place by the Government. Potential impacts are wide but none more serious than potential impact on housing and homelessness, in addition to the risks set out in the above entry.	Chief Executive		Ongoing representations to Government officials and relevant Government Ministers from FCDO, Home Office and DLUHC are regularly made, along with a case for CBC to secure additional new burdens funding to assist with costs of housing and resettlement. Temporary housing officer support is also being secured to assist with demand.		Cautious

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
8.	Three Bridges Station	A way forward for the scheme is unable to be agreed.	Head of Economy & Planning		A planning application for the scheme was submitted autumn 2022 and Planning Committee resolved to permit the application in Q4 2022/23. Work is being progressed with Network Rail and GTR on the processing of the Station Change procedure, the completion of which is required prior to the works starting on site. The scheme features as part of the overall Crawley Growth Programme review jointly with West Sussex County Council which took place in Q3 2022. A comprehensive risk register is overseen by the Project Board of the Crawley Growth programme.		Cautious
9.	Disaster Recovery and Business Continuity – Data Breaches (Technical issue)	Inadequate data sharing and data security arrangements, including failure to maintain public services network accreditation (PSN).  Failure to maintain technical security safeguards – e.g. that firewalls are up to date or that the latest advice from NCSC has not been assessed and followed where appropriate.	Head of Digital & Transformation		The Council has made some considerable strides in this area. Most significantly it has re-secured its PSN certification providing assurance that its infrastructure is robust and secure. This will continue to be tested on an annual basis, with the most recent compliance certification being achieved in May 2023.  The migration to the Azure Cloud provides an extremely high level of confidence as it has the weight of Microsoft's technology and finance to support it and is used globally.  MFA (multi-factor authentication) has been rolled out to all staff with network accounts – this was done face to face for complete assurance.		Minimalist
10.	Disaster Recovery and Business Continuity – Data Breaches (Human error)	Improper disclosure of confidential information (in any format i.e. digital, paper etc.) could bring both financial loss (ICO fines, or worse, a ransomware attack) as well as reputational damage to the organisation.  Failure to comply with GDPR legislation could lead to major reputational damage, loss of public confidence and the inability to operate key business processes	Head of Digital & Transformation and Head of Governance, People & Performance (Data Protection Officer)		Training and awareness are key, as well as clear procedures for staff on what to do in the event of suspicious activity or possible breach. Additional training and testing of staff responses (with further training for those that fail) has been commissioned and began rollout in October 22 with a phishing test exercise and training programme that includes regular random testing of all users.  A comprehensive Information Management programme is being delivered, which includes new systems (Sharepoint), revised policies and procedures and is delivering training on both systems and GDPR & information management for all staff. The Information Governance Board has been refreshed both in terms of membership and its terms of reference.		Minimalist
11.	Disaster Recovery and Business Continuity – Health & Safety Breaches	Failure to comply with the requirements set out by Health & Safety legislation which covers the functions of the Council.  Lack of clarity and / or understanding regarding the legal duties of Managers to ensure that risk assessments in respect of places, activities and people are regularly undertaken.	Head of Governance, People & Performance		Review the council's Health & Safety Handbook for Employees and Health & Safety Policy. Provide training where appropriate.  Evaluate the Council's Health & Safety compliance status.  Implement a Health & Safety Action Plan for compliance.		Minimalist

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
12.	Maintaining a balanced budget	A balanced budget is not achieved in the Medium Term, resulting in an increased use of reserves, which is not sustainable.	Head of Corporate Finance	 16	<p>Quarterly budget monitoring reports are submitted to Cabinet and Overview &amp; Scrutiny Commission. It is too early in the financial year to consider the Q1 monitoring report. However, the cost-of-living crisis, increased employers pay offer for 2023/24 (which has not been accepted), and the continuing high number of homeless placements is placing increased pressure on the budget for 2023/24. Any overspend on budget impacts on future years. A challenge of budgets exercise will take place in June 2023 to identify savings, efficiencies, and increased income in order to mitigate future budget gaps.</p> <p>Budget projections will be constantly monitored, an all-Member seminar took place on 5<sup>th</sup> January 2023 updating Members on the moving position of budgets and future gaps. The budget report FIN/606 to Cabinet on 1 February identifies a savings target of £701,000 for future years. This target has increased to £1,000,000 due to the adverse budget pressure identified above and the uncertainty over Town Hall letting. This target is considerable and public consultation of options for savings may have to be considered.</p>	 9	Mindful
13.	Organisational Capacity, Recruitment & Succession Planning	<p>Failure to recruit and retain a range of employees including:-</p> <ol style="list-style-type: none"> <li>1) professional roles e.g. lawyers, accountants, planners, EHOs</li> <li>2) manual / front facing roles e.g. Civil Enforcement Office's, Community Wardens, Neighbourhood Services</li> </ol>	Head of Governance, People & Performance	 12	<p>HR is undertaking benchmarking exercise to ensure that the Council is 1) aware of market salaries and trends and 2) may consider measures which might make it more competitive with the view to attracting quality candidates.</p> <p>People Board and HR Team working on developing the Council's "Employer Value Proposition". This will shape future recruitment campaigns and communications with existing staff.</p> <p>HR are working closely with managers to ensure that they properly plan and execute a professional recruitment campaign including quality, modern adverts and better communication and feedback with candidates before, during and after the process.</p> <p>Address the skills gap (and therefore lack of candidates) in the market by potentially "growing our own" experienced staff</p>	 6	Mindful
14.	Organisational Capacity, Recruitment & Succession Planning  Key staff retirement	Impact of ageing workforce and an increase of key staff retiring.	Head of Governance, People & Performance	 9	Managers need to undertake PDRs and have open and honest discussions with reports. They should be aware, in advance, of upcoming events e.g., retirements and be planning for recruitment / stepping up / reassigning duties with an appropriate knowledge handover, exit interview etc	 6	Mindful

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
15.	Climate Emergency	<p>Failure to reduce carbon emissions by at least 50% and as close to net zero as possible by 2030.</p> <p>Failure to achieve carbon zero by 2040 at the latest.</p>	Head of Economy & Planning		<p>The Council's Climate Change Emergency Action Plan is in place.</p> <p>Officers will be drawing on funds from within the agreed Council budget for 2023-2024 to progress the delivery of Climate Change Action Plan tasks and the Council's carbon emissions reductions targets.</p> <p>Indications are that HMG will reduce intervention to support this work moving forward, reducing the availability of external funding, and increasing the risk of not being able to deliver on key aspects of the plan.</p>		Mindful
16.	National Waste Strategy (including Food Waste)	<p>The National Waste &amp; Resources Strategy is delayed which may impact on the Waste Contract.</p> <p>Letter received from DEFRA in December 2022 indicating the Government response will be released in the 'near future' If released in early 2023, it will provide a basis to plan any mandated changes to the collection regime.</p>	Head of Major Projects & Commercial Services		<p>To be closely monitored. It seems likely that the Strategy will mandate changes to refuse and recycling collections including the introduction of a mandatory weekly food waste collection. However, the delay in the publication of the National Waste Strategy constrains the ability to amend the specification in advance of the contract re-procurement. To manage this change, the existing contract with Biffa Municipal has been extended until March 2026.</p>		Mindful

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
17.	Local Plan	Failure to adopt the Local Plan within the timeframe set by the government	Head of Economy & Planning		<p>The Crawley Local Plan review was delayed due to the need to demonstrate Water Neutrality for all planned development within the Sussex North Water Resource Zone, cumulatively across all the Plans in the area. A Water Neutrality Strategy to support the emerging Local Plans has been finalised and agreed by all authorities within the Sussex North area, and this has been endorsed by Natural England. An Offsetting Implementation Scheme across Sussex North now needs to be established to deliver the agreed policy approach, which must be in place to support the Local Plan at Examination. A Project Manager has been appointed working across all the councils to progress this work. The Viability Assessment for the Crawley Local Plan 2024-2040 submission draft has been updated, taking account of the Water Neutrality requirements. Other supporting evidence has been updated and, having been approved by Full Council in February 2023, the submission draft Local Plan has commenced its Regulation 19 Consultation, the deadline for which is 20<sup>th</sup> June. The intention is to submit in July the draft Local Plan for Examination by the Planning Inspectorate. Representations made to the Plan will then be considered through independent Examination (earliest start: autumn 2023), with interested parties (including those supporting and objecting) and the council questioned by the Inspector who can also query any part of the Plan they wish. The Inspector may find the Local Plan unsound or propose modifications to make it sound. At that point, modifications would then have to be subject to further public consultation and the Plan with any modifications would then have to be approved by Full Council.</p>		Cautious

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
18.	Water Neutrality	Failure to agree a Water Neutrality Strategy	Head of Economy & Planning		<p>A Water Neutrality Strategy to support the emerging Local Plans has been finalised and agreed with the other authorities within the area, and this has been endorsed by Natural England following work between the affected council officers and Chief Executives, Natural England, Southern Water, the Environment Agency and government representatives. These parties continue to meet regularly to secure the Offsetting Implementation Scheme. This now needs to be established to deliver the agreed policy approach and enable all the planned development to come forward, following the success of pilot schemes progressed in Crawley with off-site offsetting secured through retro-fitting that has reduced water use in Crawley Homes stock. A Project Manager has been appointed working across all the councils to progress this work. The Council's screening proforma with Natural England enables most householder and minor planning applications to proceed to decision without hindrance. Some developers are securing their own private offsite offsetting measures which is also enabling some limited development to take place where these satisfy the Natural England's water neutrality requirements.</p>		Cautious



Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
19.	Cost of Living	Impact of more residents presenting themselves as homeless and being unable to pay their debts.	CMT		<p>A webpage has been created <a href="https://crawley.gov.uk/council-information/help-money-worries">https://crawley.gov.uk/council-information/help-money-worries</a> designed to direct people to help.</p> <p>Winter warmers programme developed over the summer and morphing into local drop-in advice sessions. Engagement undertaken looking into specific neighbourhood support within our most disadvantaged neighbourhoods with funding available through UKSPF.</p> <p>Lateral implemented to provide a One Council overview of debt, including implementation of 'Breathing Space' within the Corporate Debt Group, Access Crawley working with vulnerable residents with long term debt creating bespoke pathways, and now seeking to extend that model. Work commencing to proactively target households likely not to be claiming all benefits they are entitled.</p> <p>Home visits are taking place where the council is aware that someone is claiming Universal Credit but has not responded to requests for them to claim Council tax reduction.</p> <p>Reserves review taking place to identify reserves to support people being impacted by the cost of living. A project will take place to look at ways of helping to support people, this will include the Wellbeing bus. Will lever in community and voluntary sector support.</p> <p>Whilst lots of mitigations are being implemented, the post-mitigation risk score remains the same given there is no direct control.</p>		Mindful
20.	Towns Fund and related programmes	Risks associated with the delivery of this programme are mainly centered around budget overspend and timescales exceed beyond the Towns Fund end date. A detailed risk register has been produced for each project within the programme.	Head of Economy & Planning		<p>Regular financial monitoring and project monitoring undertaken by the Towns Deal Board and relevant project boards. The Head of Corporate Finance attends the s151 officer meetings involving other local authorities with Towns Fund programmes. Internal assurance is via the Corporate Projects Assurance Group (CPAG), through quarterly reporting on programme / risk updates.</p>		Mindful

Risk ID	Risk Title	Risk Description	CMT Owner	Risk score (no controls)	Mitigations	Risk score (post mitigation)	Risk Appetite
21.	Damp and Mould	<p>Unprecedented demand for residents in Crawley Homes and in the private sector for advice, support, inspections and repairs relating to damp and mould following the death of Awaab Ishak in Rochdale.</p> <p>Demand for services is impacting on business-as-usual service delivery and is impacting responsive repairs budgets for Crawley Homes.</p> <p>Resourcing issues to inspect structural concerns and capacity to build potential demand into the planned maintenance programme.</p> <p>Some structural issues are being assessed and managed in the day-to-day service which is impacting service delivery.</p> <p>Loss of staff due to resignations, impact on resource availability</p> <p>Risk of regulatory involvement.</p>	Head of Crawley Homes		<p>Workflows have been amended for call triage and inspections. Additional sub-contractors have been taken on to reduce the wait time for damp and mould treatment.</p> <p>Inspections are prioritised with building surveyors where structural issues are diagnosed.</p> <p>Pro-active work underway to contact all tenants who have reported damp and mould in the last five years to make sure it has not re-emerged.</p> <p>Damp and mould working group, including officers and contractors</p> <p>Recruitment underway.</p> <p>Community event(s) being planned ahead of autumn 2023 to raise awareness and educate residents on self-help.</p>		Mindful
22.	Digital Accessibility	<p>We are required to reach minimum level AA of the W3C Web Content Accessibility Guidelines (WCAG 2). This applies to all digital channels, either owned by us or commissioned by us. So, it includes the intranet, ModernGov, myCrawley, DEF planning Register, Abritas, payment portals, etc.</p> <p>The guidelines also apply to any digital content that we disseminate, so documents attached to emails, posts on social media are all included. Any members of staff who creates web content or digital documents should make sure they are accessible.</p> <p>We were assessed in March 22 by the Cabinet Office's, Central Digital &amp; Data Office and were subject to a number of improvement notices. We were informed that they would likely return to reinspect.</p> <p>Aside from the legal requirements there is also the reputational risk if we are found to exclude people by providing inaccessible content.</p> <p>It seems very likely that there will be some test prosecutions arising at some point – CBC needs to mitigate against the risk of being one of those used to inform legislation.</p>	Head of Digital & Transformation		<ul style="list-style-type: none"> <li>• Include accessibility requirements in all procurements involving digital channels or apps</li> <li>• Carry out our own testing of all digital channels</li> <li>• Publish accessibility statement on all sites</li> <li>• Commission external testing of sites as needed (usually during development)</li> <li>• Promote the importance of accessibility to all content owners to raise awareness and understanding</li> <li>• Provide guidance (including signposting to training as needed) to content creators on how to meet the standards for web content and documents</li> <li>• Provide information to content owners on tools to help create, test, and maintain accessible content</li> <li>• Make accessible templates available reduce the risk of creating non-accessible documents</li> <li>• Create workflows to prevent non-accessible content being published</li> </ul>		Mindful

# Agenda Item 7

## Crawley Borough Council

### Report to the Audit Committee

21 June 2023

### Internal Audit Annual Report 2022-23

Report of the Head of Corporate Finance – FIN/625

---

#### 1. Purpose

- 1.1. The purpose of this report is to present the Internal Audit Annual Report and Opinion for 2022/23 to the Audit Committee in accordance with the requirements of the Public Sector Internal Audit Standards. The report:
- Summarises the work undertaken by Internal Audit during 2022/2023 and provides an overall opinion on the adequacy of the Council's governance arrangements, risk management systems and internal control environment.
  - Summarises the effectiveness of audit work.
  - Provides a statement on conformance with the Public Sector Internal Audit Standards.

#### 2. Recommendations

- 2.1. The Committee is requested to note this report.

#### 3. Reasons for the Recommendations

- 3.1. To comply with the requirements set out in the Public Sector Internal Auditing Standards 2013 (updated 2017).
- 3.2. The Audit Committee is responsible for reviewing the effectiveness of the Council's system of internal control.

#### 4. Background

- 4.1. On 15 March 2022 the Committee endorsed the Internal Audit Plan 2022- 2023. Work against this plan has continued throughout the year, with periodic progress updates being brought to this Committee.
- 4.2. The Annual Internal Audit Report and Opinion 2021-2022 attached at Appendix A sets out the Head of Internal Audit's Opinion of the Council's framework of risk management, governance and internal control. It is based on the findings of the internal audit reviews undertaken over the course of the year.

# Agenda Item 7

## **5. Implications**

5.1. There are no implications of this report.

## **6. Background Papers**

6.1. Internal Audit Plan 2022/23.

Report author and contact officer: Carolin Martlew, Head of Corporate Finance



---

**Southern Internal  
Audit Partnership**

Assurance through excellence  
and innovation

---

**CRAWLEY BOROUGH COUNCIL**  
**INTERNAL AUDIT ANNUAL REPORT & OPINION 2022 /23**

**Prepared by: Neil Pitman, Head of Partnership**  
**May 2023**

## 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	6-10
6. Quality Assurance and Improvement	10
7. Disclosure of Non-Conformance	11
8. Quality control	11
9. Internal Audit Performance	12
10. Acknowledgement	12
Annex 1 – Summary of Audit Reviews Completed 2021-22	13-21

## 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.’*

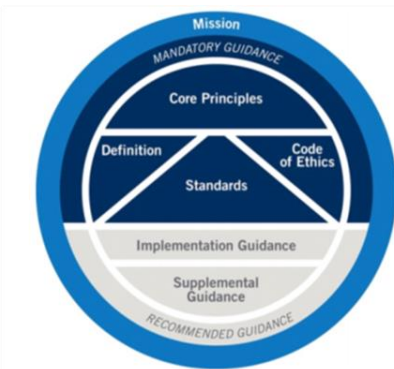
In fulfilling this requirement, the Council should have regard to the Public Sector Internal Audit Standards (PSIAS), as the internal audit standards set for local government. In addition, the Statement on the Role of the Head of Internal Audit in Public Service Organisations issued by CIPFA sets out 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.

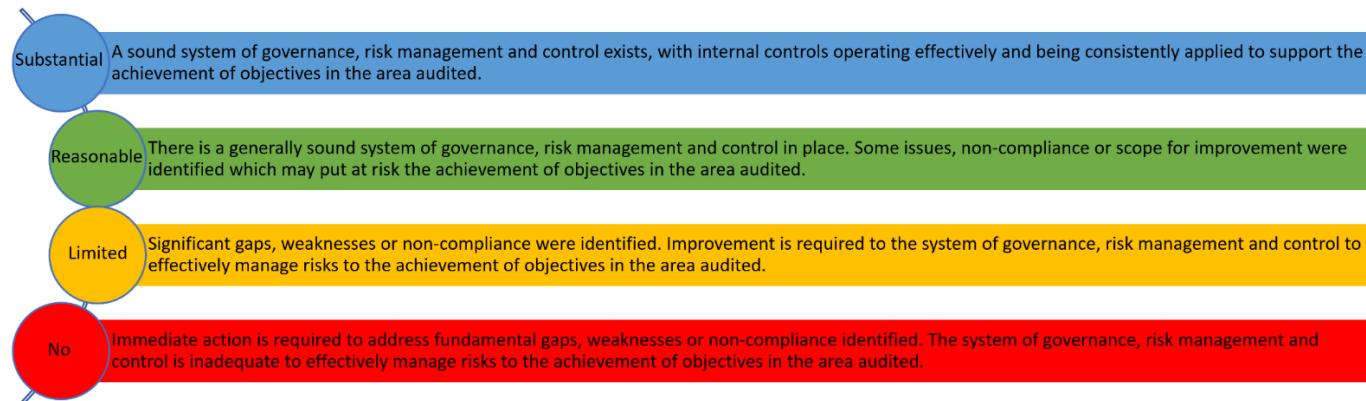


### 3. Internal Audit Coverage

The annual internal audit plan was prepared to take account of the characteristics and relative risks of the Council's 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 2022-23 internal audit plan was considered by the Audit Committee in March 2022. 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 Senior Management Team and reported in detail to the Audit 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 2022-23 financial year.

#### Annual Internal Audit Opinion 2022-23

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.

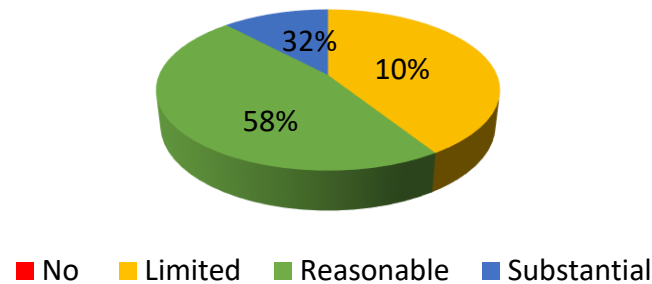
Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement.

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

### Assurance opinions for 2022-23 reviews

The outcomes from our reviews have been reported to the Audit Committee throughout the year and a summary of the assurance opinions is outlined below.

### Assurance Opinions



As at the time of reporting, one audit review (contract management) remains in progress whilst we are awaiting requested documentation required to complete testing. The outcome of this review will be reported in our next progress report to the Audit Committee and incorporated in the annual opinion for 2023/24.

## 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.

During 2022-23 a review of Decision Making & Accountability was undertaken concluding in a substantial assurance opinion. Previously (2021-22) we undertook a review of the framework and process in place to support the compilation of the Annual Governance Statement, which concluded with a reasonable 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 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 reasonable assurance opinion. The audit focussed on the controls and processes that support the maintenance of the Council's Corporate Risk Register, together with the governance framework for monitoring and reporting on risk mitigation. Risk Management responsibilities during the course of the year were transferred to the Head of Corporate Finance following the retirement of the Internal Audit Manager who previously had responsibility for risk management.

Following this transfer the Head of Corporate Finance undertook, with input from the wider Senior Management Team, a root and branch review of the risk management strategy and the format of the risk registers to align these with the recommended CIPFA best practice guidance. Following this review operational risk registers were to be re-introduced which we will review as part of our next scheduled review of risk management, currently due for 2023-24.

The Strategic Risk Register is formally reported to each meeting of the Audit Committee which we have evidenced through attendance at and review of Committee minutes.

## 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 2022-23 audit plan that were working effectively to support the delivery of corporate objectives.

We generally found officers and staff to be 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:

### Driver Safety Checks

A review of this area was specifically included within the 2022/23 audit plan by management as there were general concerns regarding the level of compliance with established process.

The Council's Vehicle Policy requires a manager or Supervisor to complete a form for drivers using their own vehicle/s during any Council business to ensure the vehicles are 'fit for purpose', taxed and roadworthy. For all 11 drivers sampled that used their own vehicle, no form had not been completed and discussions with Service Managers indicated they were not aware of the requirement to complete this form. Additionally, the Policy refers to vehicle tax discs which were abolished in 2014.

All employees driving on Council business, whether they are operating personal, or fleet vehicles are subject to driver risk assessments completed by line management. Our testing identified one instance where a risk assessment had not been undertaken and a number of occasions where the risk score had been incorrectly calculated resulting in the wrong risk rating attached to the driver.

From April 2011, employees driving Council owned vehicles are required to complete a driving assessment with a competent driver within the Service. Evidence to demonstrate that an assessment has been undertaken is not routinely recorded or readily available for inspection.

In reviewing the Council's Vehicle Policy it was found that it did not reflect the findings from the 2020-21 audit. Furthermore, multiple references through the document to appendices were incorrect.

Documents required to be evidenced as part of the checking process had not always been obtained and/or retained in accordance with the Council's 'Vehicle Policy'.

### Taxi and Private Hire Licensing – New Driver Applications

The Terms of Reference for the Licensing Committee include that they should annually approve private hire and hackney carriage license fees (whether there is a change or not). No such approval was evident for 2022/23 and 2023/24.

There was inconsistency across the Council's website and supporting documentation for new drivers regarding fees payable. In particular the 'Guidance Notes for New Drivers' states the fees that were set for 2021/22, which could lead to the Council having to honour this lower rate.

In comparing the Council's Private Hire and Hackney Carriage Policy to the Guidance Notes for New Drivers conflicting requirements on documentation required for identity checks, the type of driving licence required and information on licence penalty points was identified. Additionally, the Policy did not include reference to the HMRC tax check requirement that came into effect April 2022, testing also found that passports were not being checked using the Keesing machine which is part of the Council's own procedure.

Licence applications are administered and processed on the Uniform System with licences issued once every item on the checklist is marked as 'satisfactory'. The team also use 'Temporary' within the checklist to denote where information is still required, however, this does not prevent the ability to generate a licence and could potentially result in a licence being issued without all checks being completed. Furthermore, the authorisation to issue a licence is done manually and not part of a built in system control. There is no process in place to reconcile manually authorised applications to actual licences issued to ensure no errors have occurred.

### **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 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 2022-23 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.
- A self assessment against the Public Sector Internal Audit Standards.

## 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%	95%
Positive customer survey response		
<ul style="list-style-type: none"> <li>• Crawley Borough Council</li> </ul>	90%	99%
<ul style="list-style-type: none"> <li>• SIAP – all Partners</li> </ul>	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 2023).*

## 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 2023



## Annex 1

## Summary of Audit Reviews Completed 2022-23

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
<b>Decision Making and Accountability</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities for decision making for Members and officers are clearly laid out in the Council's Constitution.</li> <li>• Decisions made at a Member / committee level are transparent with clear accountability and in accordance with the Constitution.</li> <li>• Decisions made at a senior officer level are transparent with clear accountability and in accordance with the Constitution or sub delegation scheme held within the service area.</li> </ul> <p>A robust control framework was found to be operating and no issues were identified.</p>
<b>Transformation – Governance</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities for the Transformation Programme are clearly defined and, where appropriate, supported by a documented strategy and procedures.</li> <li>• Objectives and timescales for each transformation theme are clear and the transformation programme is managed to ensure these are delivered.</li> <li>• Reporting arrangements are in place to ensure effective monitoring, management and progression of the Transformation Programme.</li> </ul> <p>A robust control framework was found to be operating and no issues were identified.</p>

<b>Housing Allocations</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities are clearly defined and where appropriate supported by policies and procedures.</li> <li>• The decision making process for applications and allocation of social housing is in line with the Housing Allocation Scheme (which covers application, assessment and priority for the housing register, the appeal process and allocation of properties).</li> <li>• Applications and supporting information is held securely in line with GDPR requirements with access restricted to relevant personnel only.</li> </ul> <p>A robust control framework was found to be operating and no issues were identified.</p>
<b>Leisure Contracts – The Hawth</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Effective governance arrangements are in place to ensure effective delivery of the contract and contract risks.</li> <li>• There is sound financial management of the contract.</li> <li>• There is effective performance management to ensure that the contracted service is fully delivered as expected.</li> </ul> <p>A robust control framework was found to be operating and no issues were identified.</p>
<b>Leisure Contracts – K2</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Effective governance arrangements are in place to ensure effective delivery of the contract and management of contract risks.</li> <li>• There is sound financial management of the contract.</li> <li>• There is effective performance management to ensure that the contract is fully delivered as expected.</li> </ul> <p>A robust control framework was found to be operating and no issues were identified.</p>
<b>District Heat Network</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Appropriate governance arrangements are in place to ensure the effective delivery of the DHN contract(s) and management of contract risks.</li> <li>• The relationship with the contractor is appropriately managed to allow for effective contract management.</li> <li>• There is sound financial management of the network to ensure robust price setting and accurate metering and billing.</li> <li>• There are effective performance management arrangements to ensure the contracted service is delivered as expected</li> </ul> <p>A robust control framework was found to be operating with one observation made regarding the consideration of whether a risk register would be beneficial to monitor risks to the ongoing delivery of the contract in place.</p>

**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
<b>Fraud Framework</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• The Council has a robust framework in place to prevent, detect and investigate fraud and irregularities including clear accountabilities, policies, and procedures.</li> <li>• There are effective reporting arrangements in place, both internally and externally, for anti-fraud and fraud activity.</li> <li>• Policies and procedures are readily available to staff and, where relevant, members of the public.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to updating, review and sign off of key anti fraud policies. It was also identified that the Council did not have an Anti Bribery Policy.</p>
<b>Housing Benefits</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities are defined and supported by documented policies and procedures.</li> <li>• Housing Benefit claims and change of circumstances are accurately assessed and in a timely manner and supported by appropriate information and documentation.</li> <li>• Housing Benefit payments are accurately calculated, paid correctly, and in a timely manner.</li> <li>• Housing Benefit overpayments are identified, calculated, and processed by the Benefits Team in a timely manner.</li> <li>• Effective monitoring and reporting arrangements are in place to assess performance.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to putting in place a requirement for staff to annually make a formal declaration on any conflict of interests, ensuring all application/entitlement forms where relevant include a statement on GDR and to review the procedures on staff work checks (accuracy of processing).</p>

<p><b>Payroll</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities have been clearly defined and where appropriate are supported by documented procedures.</li> <li>• Payments are only made to bona fide staff and starters, leavers and adjustments to payroll are valid, authorised and supported by documentation.</li> <li>• Payrolls are run accurately, completely and at the correct time and with effective authorisation controls.</li> <li>• System access is restricted, parameters for salary rates and deductions are updated as required and signed off appropriately.</li> <li>• Effective management reporting arrangements are in place.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to housekeeping of systems access to remove leavers, updating information on the staff intranet regarding staff expenses and ensuring cover arrangements/procedure notes provide resilience for payroll processing.</p>
<p><b>Financial Resilience</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• The Medium Term Financial Plan is aligned to the Administration’s Manifesto and Council’s Transformation Plan.</li> <li>• Budget setting processes and assumptions made when setting the Medium Term Financial Plan are robust.</li> <li>• The impact of significant over / underspends on the Medium Term Financial Plan and associated budgets are managed and reported.</li> <li>• Risks impacting on the delivery of the Medium Term Financial Plan, and the financial resilience of the Council are monitored, managed and reported.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to measuring the performance of the Plan and budget against key financial indicators, applied sensitivity analysis and scenario planning reviewing the approach to consultation on budget proposals with Members, and introducing a Reserves Policy.</p>

<p><b>HMO's /Enforcement</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities are clearly assigned to appropriate staff and supported by policies and procedures.</li> <li>• Applications are processed and licences are issued in line with legislative requirements.</li> <li>• Management information is complete, accurate and reported at an appropriate level.</li> </ul> <p>Overall a sound framework of control was found to be in place with some observations for improvement made relating to ensuring that draft licenses issued allow for the required 14 day consultation period and updating of procedures notes.</p>
<p><b>Environmental Health – Pollution (Air Quality Monitoring)</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities for continuous and non-continuous air quality monitoring are appropriately assigned and supported where necessary by documented policies and procedures.</li> <li>• Air quality data is accurately collected, validated, and retained in accordance with DEFRA guidelines.</li> <li>• Continuous monitoring machines are appropriately monitored and maintained to ensure the data captured is accurate and to prevent down time.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring that roles and responsibilities are clearly defined within operational procedures and for all diffusion tube locations recorded making sure that supporting photographic evidence is complete in order that the tube can be readily located.</p>
<p><b>The Play Service</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities are clearly defined and documented and supported by appropriate policies and procedures.</li> <li>• Staff are appropriately trained and are suitably vetted to undertake the Mobile Outreach programme.</li> <li>• Sites are appropriately risk assessed for safety and security before facilitating events.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring that daily reports kept for each activity have been fully completed and consideration to be given to documenting operational procedures to ensure consistency of operation across all team members/activities.</p>

<p><b>Recruitment and Selection, Leavers and Retention</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities for recruitment, selection and leavers processing are clearly defined and, where appropriate, supported by policies and procedures that are readily available to staff.</li> <li>• Recruitment, selection and leavers procedures are effective and consistently applied.</li> <li>• Staff retention data is compiled and regularly reported to management to inform ongoing recruitment and strategies.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to introducing an overall Recruitment Policy, updating recruitment guidance available to managers, ensuring consistency of job adverts in line with the corporate template, introducing a risk assessment process for new starters where all pre-employment checks may not have been completed prior to the agreed start date and review of document retention requirements.</p>
<p><b>Towns Fund</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Governance arrangements for the management of the Towns Fund ensure compliance with the requirements detailed in government guidance.</li> <li>• Approved projects are appropriately managed in line with governance arrangements.</li> <li>• Financial arrangements for the management and monitoring of Towns Fund awards in place to ensure funds used correctly.</li> <li>• Performance management monitoring and reporting arrangements for the programme and projects are in place to ensure progression is as expected and compliance with Towns Fund reporting requirements.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to applying a consistent approach to the use, content and frequency of update of project risk registers.</p>
<p><b>Crawley Growth Programme</b></p>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Governance arrangements provide a clear framework for the process of decision making and accountabilities to ensure delivery of the Growth Programme.</li> <li>• Individual projects are appropriately managed in line with governance and programme arrangements.</li> <li>• Financial arrangements for the management and monitoring of the projects are in place to ensure funds have been approved and accounted for correctly.</li> <li>• Performance monitoring and reporting arrangements for the projects are in place to ensure progression is as expected and compliance with programme reporting requirements.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to inclusion of current progress and action logs within project plans and having a documented Terms of Reference for the CBDT.</p>

<b>Gas Safety</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities for the administration of statutory checks are clearly defined and, where appropriate, supported by documented policies and procedures.</li> <li>• There is an up to date and accurate record of properties that require gas safety checks.</li> <li>• There are effective processes in place to ensure statutory gas safety checks are carried out in accordance with the prescribed timescales. Gas safety inspections are scheduled, the contractor is notified and compliance is monitored</li> <li>• Invoices submitted by contractors are promptly verified and approved in accordance with the contract.</li> <li>• Gas safety records are shared with the contractor in line with data protection regulations.</li> </ul> <p>Overall, a sound framework of control was found to be in place with some observations for improvement made relating to ensuring the property database is complete and accurate, inspections are completed timely, access to properties is chased and that the data sharing agreement between the Council and the contractor is located or redrawn up.</p>
-------------------	--

**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.

Review area	Summary
<b>Driver Safety Checks</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• The responsibilities of drivers &amp; Service Managers are clearly defined and documented and supported by appropriate policies and procedures.</li> <li>• Employees driving in the course of Council business are risk assessed to ensure they are suitability qualified and that where personal vehicles are used, they are road worthy and insured.</li> <li>• Safety checks are routinely reviewed to determine the ongoing suitability of drivers.</li> </ul> <p>Areas where the framework of governance, risk management and control could be improved were identified relating to completion, evidencing and retention of documents required to be checked as defined within the Vehicle Policy, completion of driver risk assessments and training and the need to further check the Vehicle Policy to ensure it is up to date and continues to reflect the Council’s requirements.</p>

<b>Taxi and Private Hire Licensing – New Driver Applications</b>	<p>The scope of this review focussed on those controls in place designed to mitigate risk in achieving the following key objectives:</p> <ul style="list-style-type: none"> <li>• Management and operational responsibilities for Taxi and Private Hire Licensing are clearly defined and, where appropriate, supported by documented policies and procedures.</li> <li>• Applications received from new drivers are processed, assessed and awarded in accordance with statutory guidance and the Council's policy.</li> </ul> <p>Areas where the framework of governance, risk management and control could be improved were identified relating to ensuring that fees and charges are approved in accordance with the Terms of Reference for the Licensing Committee and that approved fees are accurately reflected in all related public documentation and guidance, right to work checks, identity checks and disability awareness training are carried out in line with Council Policy and that management and system controls ensure that licences cannot be issued without all checks and authorisation having been completed.</p>
--	---

The original internal audit plan agreed by the Audit Committee in March 2022 included the following system reviews:

- HR (flexi time)
- Water Neutrality Strategy
- Sustainability
- IT Asset Management
- Community Facilities – Regulatory Compliance
- Compliance – Asbestos (Housing Stock)
- Compliance – Fire Safety Checks (Housing Stock)
- Compliance – Electrical Safety Checks (Housing Stock)
- Health and Safety (New Town Hall)
- Tilgate Park

During the year, with one exception, Officers within the Council requested that these reviews be deferred due to organisational capacity and/or maturity of the changes in business processes within the individual area. The fire safety checks audit was deferred by SIAP. All of the above systems reviews have been included within the 2023-24 audit plan.