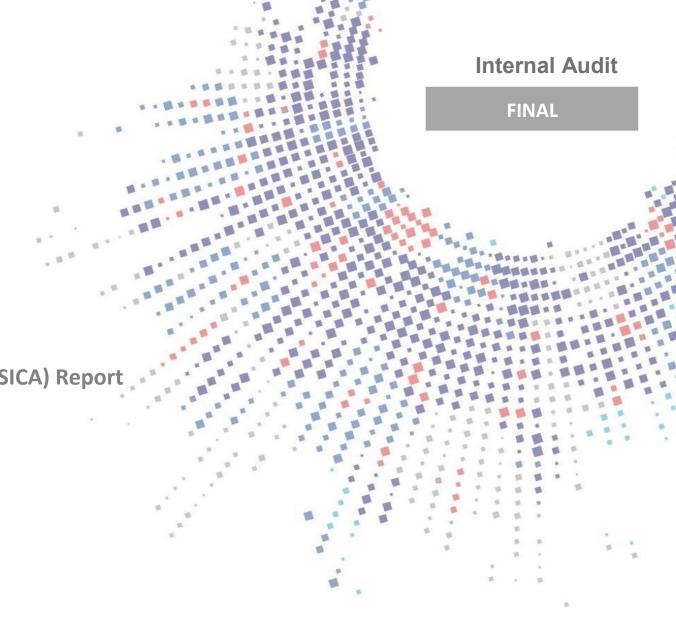


# **Colchester Borough Council**

Summary Internal Controls Assurance (SICA) Report

2021/22

December 2021



## **Summary Internal Controls Assurance**

#### Introduction

1. This summary controls assurance midyear report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Colchester Borough Council as at 30<sup>th</sup> November 2021. Whilst the midyear report would normally cover up to the end of September 2021, the report includes progress made to up end of November 2021.

#### Internal Audit Planned Coverage, Output and Key Messages

- 2. The 2021/22 Annual Audit Plan approved by the committee was for 300 days of internal audit coverage in the year. Good progress has been made, with a total of 148 days having been delivered as at 30 November 2021. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.
- 3. The plan consists of a mix of assurance and appraisal reviews, with reports being generated for all audits carried out. This report outlines a summary of the audits, with more detailed information regarding the assurance reports, as set out in Appendix A.
- 4. Progress is being made to implement and verify outstanding recommendations, as the year progresses this will require further management input.

#### Audits completed between 1 April and 30 November 2021

5. TIAA completed 10 audits in the period to 30 November 2021 with three audits in progress. The audits were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Colchester Borough Council's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key risks was provided.

#### Summary of audits completed in the period

Assurance Assessments	Number of Reviews
Substantial Assurance	8
Reasonable Assurance	1
Limited Assurance	0
No Assurance	0

#### Summary of recommendations raised in the period

Urgent	Important	Routine	OEM
0	2	4	2

\*The Culture recovery fund audit does not require an assurance therefore not included in the table

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

### Audits completed since the last SICA report to the Audit Committee

#### 6. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

#### Audits completed since previous SICA report

		Key Dates			Numb	er of Re	commer	ndations
Review	Evaluation	Draft issued	Responses Received	Final issued	1	2	3	OEM
Working with Volunteers and Police (Partnership services and Community safety)	Substantial	25/06/2021	29/06/2021	07/07/2021	0	0	0	0
Land Charges	Substantial	02/08/2021	02/08/2021	04/08/2021	0	0	0	0
Performance Management (including staff training)	Reasonable	19/07/2021	28/07/2021	03/08/2021	0	2	0	0
Tendring Colchester Borders Project	Substantial	15/10/2021	-	-	0	0	0	0
Homelessness – Impact of COVID	Substantial	06/10/2021	26/10/2021	28/10/2021	0	0	1	0
COVID Discretionary Grant	Substantial	02/08/2021	-	-	0	0	0	0
COVID Management review	Substantial	29/10/2021	-	-	0	0	0	0
Council Tax and NNDR	Substantial	16/11/2021	-	-	0	0	3	0
Budgetary Control - Income stream not realised	Substantial	12/11/2021	19/11/2021	22/11/2021	0	0	0	2
The Culture Recovery Grant: Saving and Sustaining	n/a	12/10/2021	14/10/2021	18/10/2021	n/a			

7. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified. It should be noted that two audits have been rescheduled by the Council leads; Procurement from Quarter 1 to Quarter 3/4 and Key Financial systems audit from Quarter 3 to Quarter 4.

Progress against the 2021/22 Annual Plan

8. Our progress against the Annual Plan for 2021/22 is set out in Appendix B.

### Changes to the Annual Plan 2021/22

9. There a number of areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2021/22. These are summarised below.

COVID assurance review work

Review	Rationale
The Culture Recovery Grant: Saving and Sustaining	To determine if the grant monies were used for the intended purposes of the Saving and Sustaining project with adequate records maintained in support of this.

### Frauds/Irregularities

10. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

#### **Performance and Quality Measures**

11. The following performance targets were used to measure the performance of internal audit in delivering the audit.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

#### **Other Matters**

12. We have issued a number of briefing notes, shown in Appendix C, since the previous SICA report.

#### **Responsibility/Disclaimer**

13. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

#### **Release of Report**

14. The table below sets out the date of this Mid-Year Report.

Date Report issued:

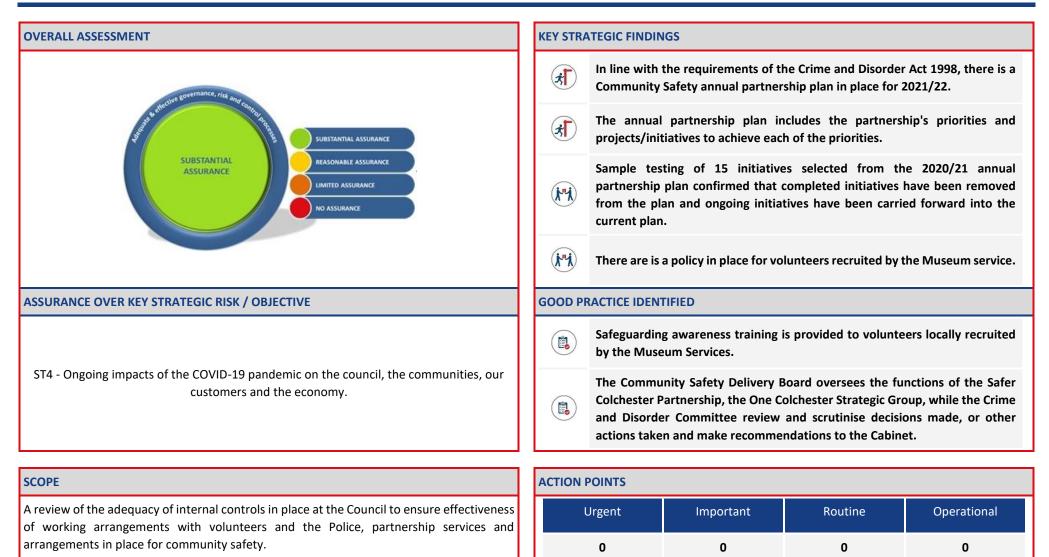
2<sup>nd</sup> December 2021



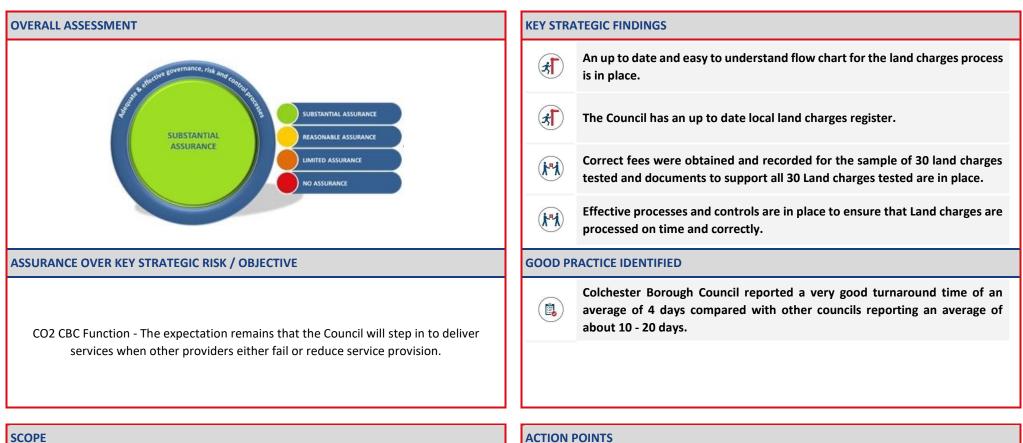
## **Executive Summaries and Management Action Plans**

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

## **Executive Summary – Working with Volunteers and Police**



## **Executive Summary – Land Charges**

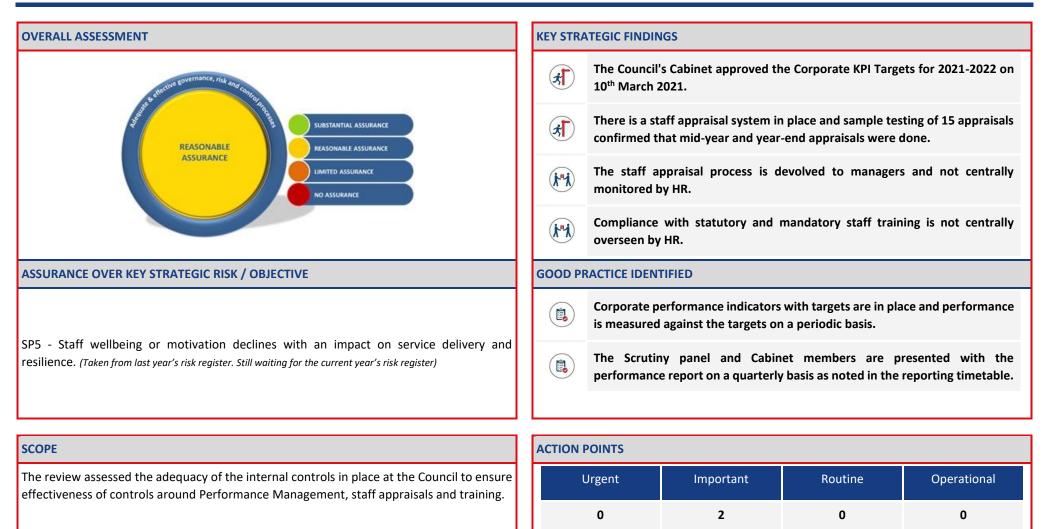


The review assessed the adequacy of the internal controls in place at the Council to ensure effectiveness of controls around Land Charges and searches.

ACTION POINTS						
Urgent	Important	Routine	Operational			
0	0	0	0			

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## **Executive Summary – Performance Management and Staff Training**

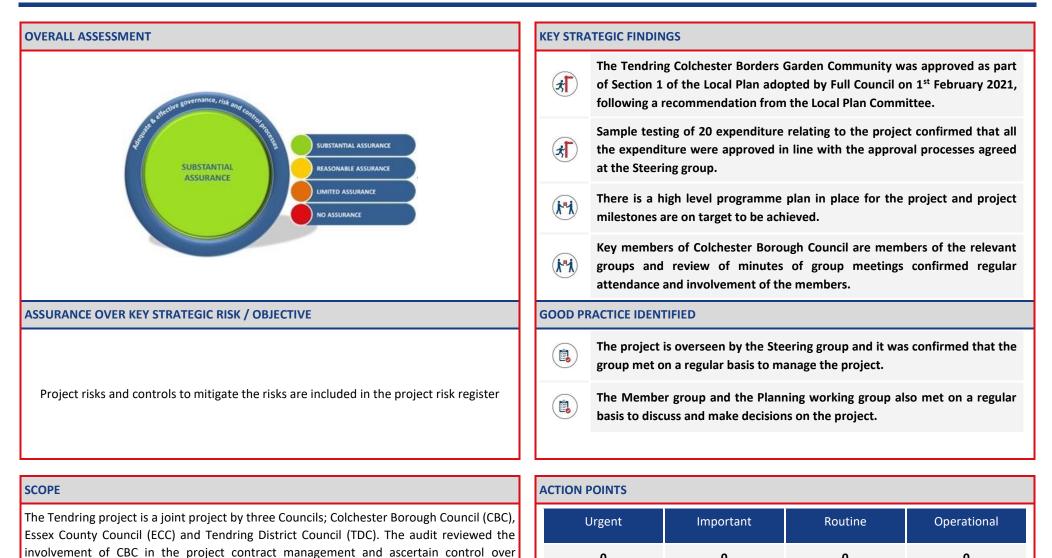


## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Completed mid-year and year end appraisals are held by the line managers and appraisal records/copies of appraisals are not held by the HR team.	the services in the Council be held by	2	Agreed – we are in the process of reviewing our appraisal system and ideally moving the forms onto a Microsoft Power App. If this can be done, then the appraisal forms can be collated by the HR Team and followed up with managers if not completed. If we do not move the appraisals onto a Power App then we will need to put an alternative process in place to monitor completions.	Dec 2021	Strategic People and Performance Manager
2	Directed	GDPR eLearning training was completed by staff members in 2018 and 2020. 507 staff members completed the GDPR training in 2018 while 704 staff completed the training in 2020. 226 staff members did not complete the training in 2018 and while 291 staff did not complete the training in 2020. However, majority of the staff completed the eLearning in 2018 and 2020. From a review of the new system, it was confirmed that 174 staff members have undergone the Safeguarding eLearning training. The Council has a total of 1383 staff members (excluding CBH and the Holding companies).	that all staff members within their teams have completed the relevant statutory and mandatory training	2	Agreed – We are planning to create and roll out to staff a Power App which will allow Managers to lookup which MyLearning courses their staff have completed. In addition, all our e-learning courses have a questionnaire/quiz at the end, which in turn will enable the HR Team to monitor and report on staff who have not completed the course.	October 2021	Strategic People and Performance Manager

## **Executive Summary – Tendring Colchester Borders Garden Project**

expenditure on the project by CBC.



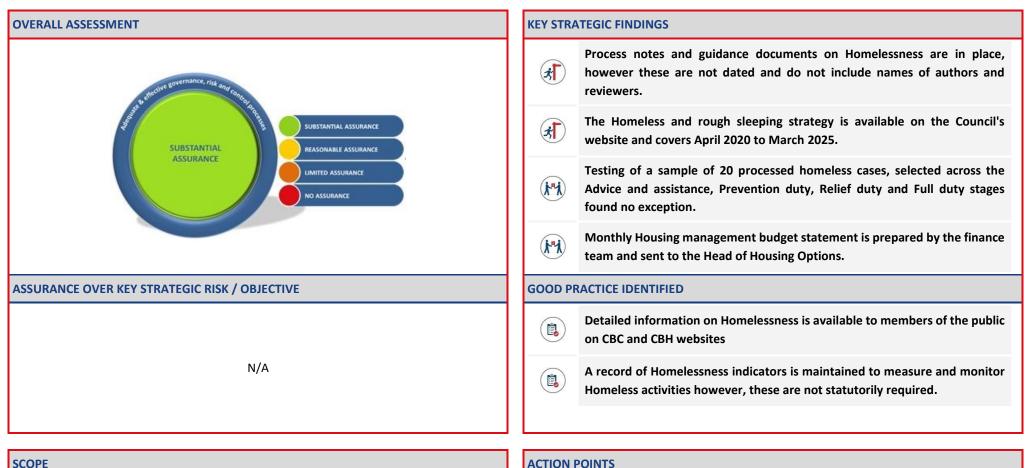
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## **Executive Summary – Homelessness (Impact of COVID)**



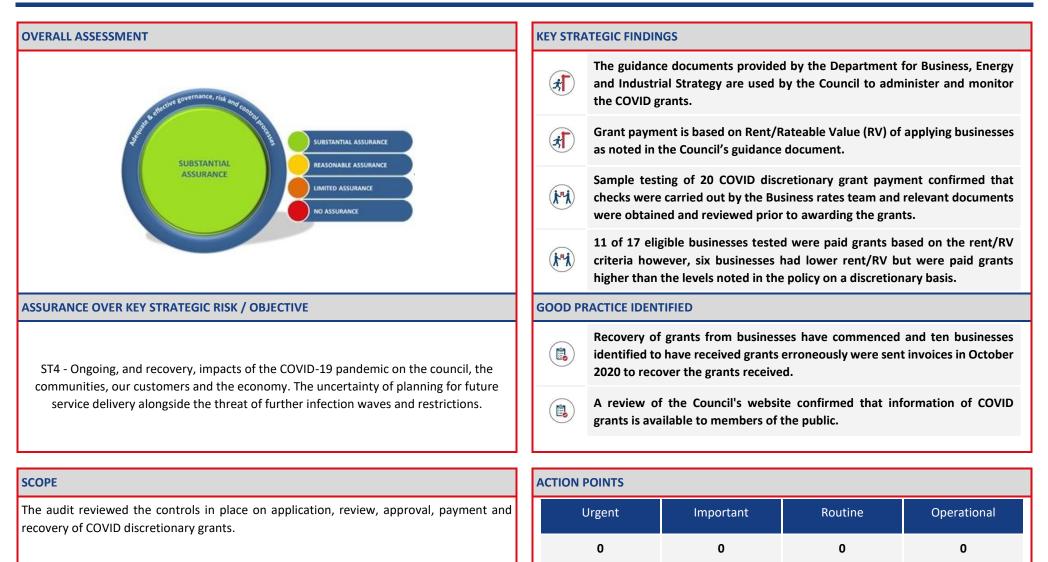
The audit reviewed the processes and controls in place with respect to Homelessness and
assessed the impact of COVID on Homelessness.

CTION POINTS							
Urgent	Important	Routine	Operational				
0	0	1	0				

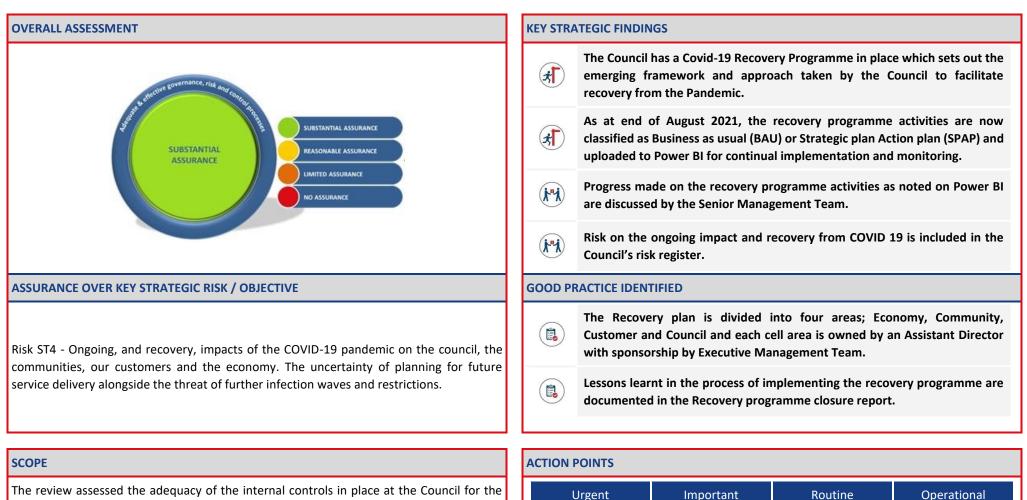
## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	There is no legal requirement for Homelessness policies. However, there are process notes and guidance documents in place. Example include the process notes for Homelessness assessment (Second stage assessment by the Housing Solution officer), Duty to refer procedure, Process for completion of Emergencies Crib sheet, Initial assessment Crib sheet, Homeless flowchart based on Housing Act 1996 and the Local connection criteria document. These documents are not dated and the names of the authors and reviewers are not written in the documents.	reviewed the procedure documents, date of next review and evidence of approval/review be included in the documents.		All processes will be reviewed, updated with review officer details, date and next review date by the end of the Financial year by the Team Leaders. To be signed off by the relevant manager. This will be carried out alongside the Annual website review to continue to ensure that process match the information available to the public.	31/03/22	T.Brushett

## **Executive Summary – COVID Discretionary Grant**



## **Executive Summary – COVID Management Review**



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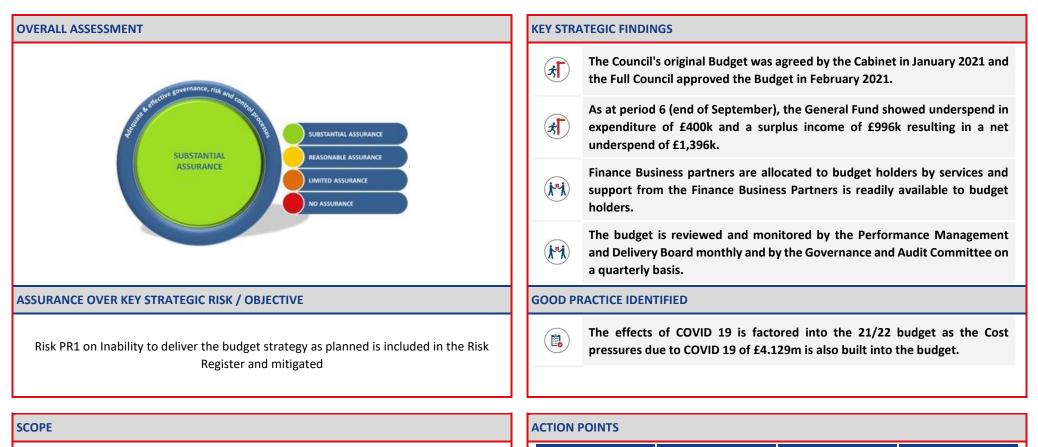
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management COVID 19. The audit focussed on plans to manage the pandemic and recovery plans to address the ongoing impact to services, including impact on residents, impact on the local economy and progress in delivery of recovery plans and projects.

0

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## **Executive Summary**



Urgent

0

Important

0

The review aimed to provide assurance over the effectiveness of the budgetary monitoring processes within the Council.

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	Mid-vear report

Routine

0

Operational

2

## **Operational - Effectiveness Matter (OEM) Action Plan**

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	and Standing Orders however there is no	control and budget monitoring processes in a guidance document and make the document available to budget holder via the intranet.	
2	Directed		monitoring timetable and sharing it with the budget holders.	The timing and resourcing of this will be considered as part of the ongoing financial management of the Councils finances.

## Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Working with Volunteers and Police	1	Final report	
Land Charges	1	Final report	
Performance Management and Staff Training	1	Final report	
Homelessness (Impact of COVID)	2	Final report	
Budgetary Control - Income stream not realised	3	Final report	
The Culture Recovery Grant: Saving and Sustaining	n/a	Final report	Not in plan. Contingency days used for the audit.
Tendring Colchester Borders Project	2	Draft report	
COVID Discretionary Grant	2	Draft report	
COVID Management review	2	Draft report	
Council Tax and NNDR	3	Draft report	
Staff Wellbeing and Sickness Absence	3	Ongoing	
Housing Benefit and Council Tax Support	3	Ongoing	
IT Virtual environment (New way of working)	1	Ongoing	Delays from Council in providing documents
Procurement	2	To be Scheduled	Rescheduled to Quarter 3/4
Mobile Device Management	2	To be Scheduled	Delays from the Council
Key Financial Systems	3	Scheduled	Rescheduled to Quarter 4
Corporate Governance and Democratic (including Policies)	4	To be Scheduled	

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System	Planned Quarter	Current Status	Comments
Waste Management	4	To be Scheduled	
Climate Emergency	4	To be Scheduled	
Leisure World	4	To be Scheduled	
Contract Management	4	To be Scheduled	
Allocation for CCHL	4	To be Scheduled	
Contingency	1-4	To be Scheduled	
Allocation for CCHL	4	To be Scheduled	
Follow-up	1-4	Ongoing	
Annual Planning	1	Completed	
Annual Report	4	End of year	
Audit Management	1-4	Ongoing	

## KEY:

To be commenced

Site work commenced

Draft report issued

Final report issued



## Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, and Control which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs issued in the last three months which may be of relevance to Colchester Borough Council is given below. Copies of any CBNs are available on request from your local TIAA team.

### Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN21022	NCSC Device Security Guidance		Action Required All organisations are recommended to complete a health check to demonstrate that the holistic management of connected IT devices meet with current best practice. Audit committees and boards are recommended to seek assurance by either internal checks, or independent audit and review.
CBN21023	Public Procurement Update July 2021		No Action Required To note.
CBN21030	VMWare Vulnerabilities		Action Required All organisations running the VMWare virtualisation software need to install the latest version as soon as practicable to address the vulnerability.
CBN21044	Guidance to Prevent use of Vehicles as Weapons in Terror Attacks		Action required where applicable Audit Committees and Boards/Governing Bodies are advised to assess their arrangements in light of the risks if applicable and take appropriate remedial action.