



Internal Audit

FINAL

Colchester City Council

Summary Internal Controls Assurance (SICA) Report
(Half year report)

2023/24

December 2023

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Finance and Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Colchester City Council as at December 2023.

Whistleblowing - driving the conversation.

2. **The importance of a healthy culture.**

We have seen, over the last few months, the publication of several high-profile reports such as the Metropolitan Police (Casey Review March 2023), University Hospitals Birmingham (Bewick Report March 2023) and Plaid Cymru's review (conducted by Nerys Evans May 2023) where a common theme for each organisation was reported around the treatment of whistleblowers as well as 'poor' organisational culture, failures in leadership and poor whistleblowing reporting mechanisms.

There are so many high-profile incidents that have arisen over the last few years across many sectors and industries, perhaps most notably the #METOO campaign which highlighted sexual abuse in the entertainment industry spanning decades, where, despite there being many reported incidents, the individuals were ignored, ostracised, or simply closed down and the matter covered up.

There is a real drive within government to look at the Whistleblowing Laws in the UK to drive through change. It is anticipated that there will be greater onus on organisations to improve their culture and to provide greater support and protection for whistleblowers. The outcome of the government's research is due for completion by the Autumn 2023.

In anticipation of the key messages coming out from the government, we in TIAA are using our expertise and knowledge to support organisations by:

1. Working with organisations to 'health check' organisational culture in respect of whistleblowing.
2. Providing a platform for those responsible for governance, raising concerns, whistleblowing, and freedom to speak up guardians to share knowledge expertise, good practice in a forum event.
3. Examining poor practice and looking at the lessons to be learnt from recent incidents in webinar events and through consultation exercises such as online surveys.
4. Sharing the information through benchmarking reports and roundtable events.

Please use this link to keep up to date with our campaign and/or to be part of the conversation and drive through real change and improvement in this important area.

<https://www.ttaa.co.uk/publications/ttaa-organisational-culture-and-whistleblowing-webinar/>

Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report.

Review	Evaluation	Draft issued	Final issued	1	2	3	OEM
Budgetary Control	Reasonable	08/06/2023	21/06/2023	0	1	0	0
Human Resources and Payroll	Substantial	11/07/2023	13/07/2023	0	1	0	0
Procurement	Limited	19/07/2023	-	1	1	0	0
Council Tax and NNDR	Substantial	16/08/2023	-	0	0	1	0
Business Continuity	Reasonable	07/09/2023	-	0	1	1	0
Health Alliance Arrangements and Benefits to residents	Reasonable	14/08/2023	26/09/2023	0	2	0	0
CCHL Procurement	Limited	22/09/2023	22/11/2023	1	3	0	1
Safeguarding	Reasonable	29/09/2023	25/10/2023	0	2	0	0
LAD Grant Review	Substantial	05/10/2023	25/10/2023	0	0	1	0
Delivery of Housing Strategy and Outcomes	Substantial	10/10/2023	23/10/2023	0	0	1	0
Complaints Management (Waste Mgt)	Substantial	11/10/2023	-	0	0	1	0
Staff wellbeing and Sickness absence	Reasonable	10/10/2023	26/10/2023	0	2	0	0
Data protection (Supplier GDPR Compliance)	Reasonable	10/11/2023	18/12/2023	0	2	1	0
CCHL Colchester Fibre	Substantial	10/11/2023	-	0	0	1	0
Housing Rent (Joint with CBH)	Substantial	13/12/2023	02/01/2024	0	0	2	0
Fleet Management and Fuel Usage	Reasonable	30/11/2023	-	0	1	1	0

4. 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.

Progress against the 2023/24 Annual Plan

5. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

Changes to the Annual Plan 2023/24

- A reconciliation of audit days carried forward was carried out by Internal Audit and the Corporate Governance Manager and 54 additional days were identified. 34 days audit were added to annual plan (three additional audits were added as follows: LAD Grant review, Supplier GDPR Compliance (Data protection) and S106 Developer Contribution) and remaining 20 days were added to the CCHL allocation to make 38 days for three audits.

Audits completed between 1 April and 30 November 2023

- TIAA completed 16 audits in the period to 30 November 2023 with one audit in progress and audit scope issued for the remaining eight Audits in the 2023/24 annual plan. 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	7
Reasonable Assurance	7
Limited Assurance	2
No Assurance	0

Summary of recommendations raised in the period.

Urgent	Important	Routine	OEM
2	16	10	0

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.

Progress in actioning priority 1 & 2 recommendations

- We have made two Priority 1 recommendations (i.e., fundamental control issue on which action should be taken immediately) since the previous SICA.

Frauds/Irregularities

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

Other Matters

- We have issued the briefing note shown in Appendix C, since the previous SICA report:

[Briefing Note](#)

Responsibility/Disclaimer

11. 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







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

Date Report issued:	January 2024

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.

Executive Summary – Budgetary Control

<p>OVERALL ASSESSMENT</p>	<p>KEY STRATEGIC FINDINGS</p>
 <p>The diagram shows a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four colored bars: green for 'SUBSTANTIAL ASSURANCE', yellow for 'REASONABLE ASSURANCE', orange for 'LIMITED ASSURANCE', and red for 'NO ASSURANCE'.</p>	<ul style="list-style-type: none"> <li data-bbox="1144 592 2119 703">  <p>The Council's original Budget was agreed by the Cabinet in January 2023 and the Full Council approved the Budget in February 2023.</p> <li data-bbox="1144 711 2119 863">  <p>As at period 9, the General Fund showed actual net overspend position of £17,058k compared with budgeted overspend position of £16,369k resulting in a net overspend variance of £689k. There are reserves in place to fund the shortfall.</p> <li data-bbox="1144 871 2119 983">  <p>The Council has the Budget and Policy Framework Procedure Rules document in place. It was issued in November 2022 and accessible via the Council's website.</p> <li data-bbox="1144 991 2119 1110">  <p>Finance Business partners are allocated to budget holders by services and support from the Finance Business Partners is readily available to budget holders.</p>
<p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p>	<p>GOOD PRACTICE IDENTIFIED</p>
<p>Risk PR1 - Inability to deliver the budget strategy as planned.</p>	<ul style="list-style-type: none"> <li data-bbox="1144 1190 2119 1302">  <p>The budget is reviewed and monitored by the Performance Management and Delivery Board/Senior Board on a quarterly basis and by the Governance and Audit Committee.</p>
<p>SCOPE</p>	<p>ACTION POINTS</p>

The audit focussed on the Budgetary control processes in place as well as reporting/monitoring of the budget position reports by the relevant groups/committees in the Council.


Urgent	Important	Routine	Operational
0	1	0	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	At the time of the audit, the budget monitoring position report for the end of year 2022/23 (as at March 2023) was yet to be prepared.	Processes be put in place to bring up to date the monthly budget monitoring reports so that costs versus income can be reported on a timely basis and actions taken to address variances and any potential issues.	2	<i>When all the entries for the 22/23 accounts have been posted to the general ledger, a draft outturn report will be produced and reported to Senior Management and Members accordingly.</i>	September 2023	Deputy S151 Officer / Finance Manager (Business Partners)

Executive Summary – Human Resources and Payroll

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SP5 - The sustained response to the pandemic to ensure continued (and additional) service delivery, results in staff reaching their personal resilience levels, leading to physical impacts on individual officers and organisational fatigue.


SCOPE

The audit reviewed a sample of starters, leavers, changes to the payroll and accuracy of monthly payroll. *(The staff appraisals will be reviewed in January 2024 when the new appraisal process has been fully implemented.)*

KEY STRATEGIC FINDINGS

-  The Council have 63 policies and procedures on Human Resources and Payroll on their SharePoint, many of which are due for review.
-  Sample testing of 20 starter, 20 leaver and 15 payroll changes found appropriate authorisation of the leaver, starters and changes.
-  Written contracts are in place for all 20 starters tested and the contracts were signed by the HR Manager and the Staff members.
-  Appropriate checks are carried out on the monthly payroll via the Error and warning reports which are generated on a monthly basis as part of the payroll process.

GOOD PRACTICE IDENTIFIED

-  The HR metrics dashboard on PowerBI include all key data on relevant HR metrics such as staff absence, staff wellbeing, starters, leavers, turnover and other HR metrics. This report is run on a monthly basis and made available to senior staff members from Heads of services upwards.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	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	The Council have 63 policies and procedures on Human Resources and Payroll. The policies are available on the Council's SharePoint. Majority (51 of the 63) of the policies and procedures on the SharePoint are dated from 2017 to 2020.	In order to ensure timely updates of all HR policies due for review, a dashboard or log of all the HR policies, including dates each policy is due for review, be maintained. This will ensure that all policies are reviewed and updated on time.	2	<i>A spreadsheet is already in place which lists our policies, this can be adapted to meet the needs of this recommendation. There are a number of policies which we have already planned to review this year but will ensure all policies are looked at.</i>	To be completed by 31 December 2023	HR Service Centre Manager

Executive Summary – Health Alliance Arrangements and Benefits to Residents

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

There are no specific risks relating to the Alliance in the Strategic risk register.


SCOPE

The review focused on the arrangement in place within the Council to implement the Health Alliance arrangements.

KEY STRATEGIC FINDINGS

-  The North East Essex Alliance Delivery plan 2023 – 2026 is in place and the process is at early stages.
-  The Council’s Strategic Director in partnership with a staff of NHS Suffolk and North East Essex ICB, carried out an Alliance Review Update in June 2023.
-  The Alliance review update report includes the approach to be taken by Colchester City Council however smart action plans to implement the plan have not been agreed and documented by the Council.
-  Issues affecting the Alliance includes a lack of understanding of the Alliance, shared challenges and addressing the drivers of health outcomes and health inequalities.

GOOD PRACTICE IDENTIFIED

-  An advert for the joint post with the Council and the Alliance has been put out to recruit a staff member to implement the process in the Council

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	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	<p>The North East Essex Alliance Delivery plan 2023 - 2026 include high level priorities that will be focused on during the life of the plan, to deliver the six Live Well domain.</p> <p>The Council's Alliance review update report includes the approach to be taken by Colchester City Council. However, it is noted that the only specific smart action listed in the Alliance review report is to prepare the Place plan for Colchester from April 2024. Remaining listed actions are not SMART actions and are vague.</p>	<p>The Council to put in place a plan to adopt the priorities allocated to the Council as detailed in the NEE Alliance Delivery Plan 2023 - 2026. The plan to include how the council will achieve the goals with SMART objectives defined and responsibility be allocated to specific staff or services in the Council.</p>	2	<p><i>The Alliance Delivery Plan priorities are shared priorities, rather than priorities allocated to the Council. The Council is the Alliance alongside our partners. The work underway to develop place plans will provide more detail and will identify the Council as the lead where they are accountable for delivery of specific objectives and will clearly identify outcomes and how success will be measured.</i></p> <p><i>Alongside a refreshed governance structure within the Alliance the Council will have a new Memorandum of Understanding confirming joint priorities and the Council's role and contribution as an Alliance partner.</i></p>	31/3/24	Michelle Tarbun & Laura Taylor-Green

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	The Council carried out an Alliance review update in June 2023. The review documents the issues affecting Alliance such as blockers, lack of understanding of the Alliance, shared challenges and addressing the drivers of health outcomes and health inequalities.	Actions to address issues affecting the alliance be documented and implemented. Awareness programmes to educate, smart actions to address drivers of health outcomes and health inequalities be considered and documented for action.	2	<i>The Alliance Delivery Plan and the Place plan for Colchester will set out actions to deliver against agreed priorities. Progress, performance, risk escalation and mitigation will all be reported and documented through the Alliance governance process through the respective delivery group, executive groups and the Alliance Committee where required.</i>	31/3/24	Michelle Tarbun & Laura Taylor-Green

Executive Summary – CCHL Procurement

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

CCC BAF risk PR 1 - Inability to deliver the budget strategy as planned.

SCOPE

The audit focussed on reviewing the procurement process including tenders, quotes and waivers within the CCHL Group.

KEY STRATEGIC FINDINGS



CCHL use the Council's Contract Procedure rules document for the Group's procurement process.



Training on procurement has not been received by the Finance Team in CCHL.



Testing of orders within the tender and quotes threshold found noncompliance with the Contract Procedure rules and waivers were not raised for these orders as required.



The Group does not have a contract register in place neither is there a register/list of waivers raised to date. Other findings are noted in the MAP.

GOOD PRACTICE IDENTIFIED



Sample testing of 20 purchases under £9,000 noted that all the orders were independently raised and approved by signatories in line with their delegated limits.

ACTION POINTS

Urgent	Important	Routine	Operational
1	3	0	1

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)
2	Directed	<p>A list of purchase orders raised between the period July 2022 and July 2023 for the CCHL group was reviewed and three of the orders are over £50,000.</p> <p>Testing of the sample of three expenditure over £50,000 found the following: Legrand care - £102,697.68 - This was for an upgrade to the Helpline system. It was noted that a tender was not required as it was an update to the currents system, however, a waiver could have been raised in line with the Procurement Contract rules. A waiver was however not seen for this transaction.</p> <p>Scruton Bland LLP - £70,050. The external audit company was contracted years back and the contract was renewed and approved by the Board of CCHL in November 2022. However, a waiver was not raised.</p> <p>The Contract Procedure rules require that for expenditure between £10,000 and £49,999, three quotes must be obtained before the supplier is selected. Testing of a sample five expenditure ranging from £16,000 to £36,000 found no evidence of receiving the requisite number of quotes, in line with the Council's Contract procedure rules was provided.</p>	Where services/contracts cannot be procured via the tender process (over £50k) as required by the Council's Contract Procedure rules, a waiver be raised and approved by the relevant signatories in line with the procedure rules.	1	<i>The Council's procurement policy allows for waivers to be raised in the event that following the tender/quotation process is not appropriate for various reasons. Going forwards, the Amphora group will complete waivers in all instances where this is deemed appropriate to do so. The Amphora group will produce a supplementary procurement guidance policy to set out the ways in which the Council's policy shall be implemented by Amphora.</i>	30/05/23	Finance Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.

2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<u>Council recommendation</u> The Finance Manager and Company Secretary noted that no training on procurement has been received by the Finance Team in CCHL.	The Council's procurement team to provide the relevant training on procurement to the Finance Team in CCHL as the Council's Contract Procedure Rules are used by CCHL.	2	<i>The Council's procurement team to be contacted and a meeting to be arranged.</i>	31/12/23	Finance Manager
3	Directed	A waiver register is not in place. Only a sample of waiver was provided for review as there is no central system in place for filing waivers raised across the Group. The waiver tested was correctly approved by a delegated signatory and the reason for the waiver was recorded in the form which was completed by a staff independent of the approving authority.	A waivers list should also be centrally maintained by the finance team, for recording all waivers raised by the CCHL group.	2	<i>A register of waivers applied going forwards to be maintained within the Amphora Group.</i>	31/12/23	Finance Manager
4	Directed	It was confirmed that the CCHL Group does not have a contract register in place. A waiver register is also not in place.	The CCHL Finance team to liaise with the Council's Procurement team to create a Contracts Register so that all the contracts by the group are documented on a SharePoint.	2	<i>The Council's procurement team to be contacted and a meeting to be arranged.</i>	31/12/23	Finance Manager

PRIORITY GRADINGS

1 **URGENT** Fundamental control issue on which action should be taken immediately.


2 **IMPORTANT** Control issue on which action should be taken at the earliest opportunity.







3 **ROUTINE** Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
1	Directed	Noncompliance with procurement rules noted as seen in the procurements over £10,000 as noted in the MAP above.	In order to ensure that procurement rules are followed in future, a system report of expenditure in each period is produced to verify that procurements in each threshold are checked and rules followed.	<p><i>Some instances relate to suppliers and services where it would be inappropriate to capture under a contract due to the nature of the business areas concerned. The Council's procurement policy allows for waivers to be raised in the event that following the tender/quotation process is not appropriate for various reasons. Going forwards, the Amphora group will complete waivers in all instances where this is deemed appropriate to do so. The Amphora group will produce a supplementary procurement guidance policy to set out the ways in which the Council's policy shall be implemented by Amphora.</i></p> <p><i>Ongoing checks to ensure procurement rules are adhered to, or waivers are sought, shall be undertaken.</i></p>

Executive Summary - Safeguarding

OVERALL ASSESSMENT
 <p>The diagram shows a central yellow circle labeled 'REASONABLE ASSURANCE' surrounded by a blue ring with the text 'Adequate & effective governance, risk and control processes'. To the right is a legend with four levels: Substantial Assurance (green), Reasonable Assurance (yellow), Limited Assurance (orange), and No Assurance (red).</p>
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
<p>CO2 - The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision.</p>
SCOPE
<p>To review the Council's compliance with the Safeguarding Policy and confirm if the council is meeting its legal duty to 'safeguard and promote the welfare of children and adults with needs for care and support.'</p>

KEY STRATEGIC FINDINGS								
<p> The Council has an up-to-date Safeguarding Policy in place. In addition to the policy, procedures and guideline used by the Council includes Southend Essex Thurrock (SET) Safeguarding and child protection procedures.</p>								
<p> Testing of the 32 adult referral cases in the current year to date found some exceptions noted in the MAP below.</p>								
<p> Safeguarding Level 1 compliance data increased from 52.09% to 58% on introduction of the Learning Pool.</p>								
<p> Testing of the two Children referral to date found that sufficient documentation of referral actions and outcome are in place.</p>								
GOOD PRACTICE IDENTIFIED								
<p> The Council has recently introduced a Safeguarding App for adult referrals.</p>								
<p> Quarterly Safeguarding report is now being prepared by the Safeguarding officer.</p>								
ACTION POINTS								
<table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>2</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	2	0	0
Urgent	Important	Routine	Operational					
0	2	0	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	<p>A review of the training data found that the latest mandatory training figures, prior to transition to Learning Pool were:</p> <ul style="list-style-type: none"> Safeguarding Level 1: 52.09% Suicide Awareness Level 1: 41% Prevent 1: 36.6% <p>Compliance figures are still low. however, progress has been made since the Learning pool was introduced. Safeguarding Level 1 training completion has gone up from 52.09% to 58.3%.</p>	Process be put in place to encourage staff members to complete the safeguarding training, to further improve compliance within the Councils training requirements.	2	<p><i>Learning Pool has made the courses much more accessible to Colchester City Council's large body of staff and is already having an impact after just one month although it is still in its infancy.</i></p> <p><i>It is worth noting that some staff are opting out of the Suicide Awareness due to the triggering nature of the training but we are not yet able to monitor this due to the newness of the system.</i></p> <p><i>The pilot scheme of in person training for frontline services has also been successful in reaching staff who do not have access to IT systems. This has contributed to a reduction in numbers who were overdue and going forward should provide a manageable way to maintain training completions.</i></p> <p><i>CCC intends to build on the pilot scheme and the courses available on LP to ensure they are appropriate and accessible to all staff over the course of the next year.</i></p> <p><i>CCC is looking to raise the profile of safeguarding within the organisation both online and in its physical environment-this should help to boost awareness of the importance and</i></p>	<p>01/08/24</p> <p><i>Over the course of the next year we will:</i></p> <p><i>Continue to improve our mandatory courses on LP using feedback and advice from service areas</i></p> <p><i>Continue to deliver in person training opportunities</i></p> <p><i>Create and monitor courses on learning pool that meet the needs of all service areas especially frontline services where uptake is historically the lowest.</i></p> <p>25/11/23 – Internal newsletter to be launched to coincide with adult safeguarding week. In addition, a pilot scheme of safeguarding site walks will begin to ascertain the</p>	Safeguarding Officer

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<i>training and encourage staff to complete.</i>	<i>promotion of safeguarding in areas designated for staff e.g. posters/information available in team rooms</i>	
2	Directed	<p>There are thirty-two adult referral cases in the current year to date. A review of the thirty-two cases found the following:</p> <ul style="list-style-type: none"> The dates of incidents were recorded, and reporting was done within 3 days of the incident. Eighteen referrals show the actions taken to resolve the safeguarding issues. Seven cases indicated that assessments would be done but outcome of assessment is not documented in the spreadsheet. Seven cases were poorly documented and not conclusive. 	Outcome of safeguarding cases be documented, and safeguarding cases be properly and fully documented in the safeguarding spreadsheet.	2	<p><i>Safeguarding officer will provide opportunities for training in raising the standard of record keeping in meetings and via updates.</i></p> <p><i>Outcome updates will be monitored closely by the safeguarding officer and monthly reminders will be sent for outcome updates to be completed. In the case of outcomes not being received, the safeguarding officer will also make attempts to obtain these.</i></p>	<p><i>DSO Update meeting 30/10/23</i></p> <p><i>DSO Update Meeting 30/10/23 and email reminders 31/10/23 12/10/23</i></p> <p><i>Safeguarding officer already chasing outcomes on behalf of officers</i></p>	<i>Safeguarding Officer</i>

Executive Summary – LAD3 Grant review

OVERALL ASSESSMENT

ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SP4 - Failure to protect public funds and resources – ineffective probity / monitoring systems/legislative breaches.

SCOPE

The audit reviewed how the LAD3 grant received by the Council was expended and verified if adequate records were maintained.

KEY STRATEGIC FINDINGS

- A call off contract and data share agreement were signed by the Council and the contractor on 27th October 2022.
- A memorandum of understanding and data sharing agreement was signed by the Council and the Government for the grant received on 25th November 2022.
- The Council received a total grant of £689,823.23 for the project, from which total sum of £392,767.35 was expended, resulting in an of underspend of £297,055.88. £277,584.12 from the underspend has been remitted to the Department for Business, Energy & Industrial Strategy.
- Twelve invoices raised during the project were all approved by authorised signatories of the Council in line with the scheme of delegation.

GOOD PRACTICE IDENTIFIED

- Total invoices raised, amount refunded to the Government and balance with the Council were reconciled to the grant received.







ACTION 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	<p>The Accounts payable team maintained an account on the finance system for the project. However, at the time of the audit, the records maintained by the Sustainable, Transport and Climate change team were yet to be reconciled and agreed with the Accounts payable record.</p> <p>However, Internal audit was able to agree the total invoices raised and amount refunded to the Government, to the grant received. The balance left with the council was also agreed with the project lead within the Sustainable, Transport and Climate change team.</p>	Reconciliation of Account payable record and the record held by the Sustainable, Transport and Climate change team be completed before closing the project.	3	<p>Reconciliation has taken place with the Accounts Payable team. It was found that the invoices were 50 pence out due to an error made in uploading the payment amount to the Council's payment system. This payment happened in the previous financial year and has been settled so there is nothing we can do about this. Other than this all payments tallied. The final report for the project has been sent off to Department for Energy Security and Net Zero on 10th October 2023, with final sign off from CEO and s151 officer provided.</p>	10/10/2023 (action complete)	Ben Plummer (Climate Emergency Officer) and Keith Parker-Larkin (Domestic Energy Efficiency Improvement Co-ordinator)

Executive Summary – Delivery of Housing strategy and outcomes


<p>OVERALL ASSESSMENT</p>	<p>KEY STRATEGIC FINDINGS</p>								
	<ul style="list-style-type: none">  The Council has a Housing strategy in place which covers the period 2022 – 2027 and sets out the Council's vision for housing in the city.  The Council has a delivery plan in place for implementing the Housing strategy. A progress report on the delivery plan is prepared by the Housing strategy progress group and presented to the portfolio holder.  Progress made on each action in the delivery plan is documented in the plan and actions due for implementation have been updated in the delivery plan.  The Council's Housing strategy is linked to the Homelessness and Rough sleeping strategy. 								
<p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p>	<p>GOOD PRACTICE IDENTIFIED</p>								
<p>Strategic risks C01 - Failure or inappropriate performance management of one or more strategic partnerships or key contracts and, C02 - The expectation remains that the Council will step in to deliver services when other providers either fail or reduce service provision</p>	<ul style="list-style-type: none">  The Housing strategy progress group is in place. The group met to update the actions and progress made in the delivery plan in July 2023. 								
<p>SCOPE</p>	<p>ACTION POINTS</p>								
<p>The audit was a governance review of the Housing strategy, and the processes in place to monitor implementation of the Housing strategy delivery plan.</p>	<table border="1"> <thead> <tr> <th data-bbox="1151 1142 1391 1211">Urgent</th> <th data-bbox="1391 1142 1630 1211">Important</th> <th data-bbox="1630 1142 1870 1211">Routine</th> <th data-bbox="1870 1142 2110 1211">Operational</th> </tr> </thead> <tbody> <tr> <td data-bbox="1151 1211 1391 1287">0</td> <td data-bbox="1391 1211 1630 1287">0</td> <td data-bbox="1630 1211 1870 1287">1</td> <td data-bbox="1870 1211 2110 1287">0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	1	0
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	Compliance	The Housing strategy progress group is in place and membership includes other organisations. However, the group currently meets twice a year	Consideration be given to increasing the meeting frequency to quarterly or three times a year so that actions to implement the strategy can be more effectively monitored and managed.	3	<i>We will look into increasing the frequency of the meetings as requested to improve the monitoring of the strategy.</i>	31/03/2024	Housing Strategy Co-ordinator

Executive Summary – Staff wellbeing and Sickness absence

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Costs of sickness absence and staff attrition if staff wellbeing and sickness absence are not managed satisfactorily.

SCOPE

The purpose of the audit was to review the controls and processes in place to manage and minimise staff sickness absences and proactively ensure staff wellbeing.

KEY STRATEGIC FINDINGS

- Self-certification for all periods of sickness absence and medical fit notes for absences of over seven days are not always obtained.
- Evidence has not been provided that return to work interviews have been completed for all sickness absences.
- Sickness absence has considerably reduced over the last two years, from an annual rolling average of 10.6 days in August 2022 to 8.2 days in August 2023.
- Weekly sickness absence reports are produced for all line managers, with monthly reports provided to heads of service.

GOOD PRACTICE IDENTIFIED

- Staff wellbeing is proactively promoted and there are many options of guidance and support available via the intranet.
- Staff are currently being consulted for input into the revision of the Wellbeing Strategy.

ACTION POINTS

Urgent	Important	Routine	Operational
0	2	0	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	<p>Self-certification and medical "fit notes" are not always obtained for all periods of sickness absence. This is an outstanding action from the previous audit in 2021-22.</p> <p>It is required by the Sickness Absence policy to obtain a self-certification for all absences, whether short or long-term absence. However, for four of 21 short-term sickness, and two of four for long-term sickness absences reviewed the self-certification was not held.</p> <p>In addition, there were seven where the self-certification has been completed but the dates of sickness on the self-certification did not match the dates on the i-Trent system. HR carried out a review during the audit and referred variances to line managers. Three of these variances have now been corrected.</p> <p>Medical "fit notes" are attached to the i-Trent sickness record. However, the audit testing identified that these have not been obtained for all periods of sickness of eight days or more in line with the Sickness Absence Policy.</p> <p>For one of six long term sickness and one of eight short term sickness no fit notes were held. A further four of the long-term sickness have some fit notes but they do not cover the full period required. For two of these, early retirement is now in progress.</p>	<p>Remind managers of the requirements, including checking any variance of absence dates at the time of the return to work interview.</p> <p>HR to carry out spot checks in future.</p>	2	<p><i>The audit highlighted issues with our Sickness Power App that we had not been made aware of so we are grateful for that.</i></p> <p><i>During the audit guidance was sent out in our Monthly HR Update to remind Managers of the process.</i></p> <p><i>Following receipt of this report HR Business Partners will discuss with their Services to identify any issues which may be preventing them from following our policy.</i></p> <p><i>We will review the guidance we provide to staff and managers to identify any areas of concern. We will look at the viability of producing a guide to sickness absence elearning package which will provide a refresher for existing managers and training for any new managers.</i></p> <p><i>HRSC will carry out spot checks following re-issue of guidance (ongoing).</i></p>	31.12.23	HRSC Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Evidence has not been provided that a return to work meeting is held following all periods of sickness absence.</p> <p>Most services use a PowerApp facility to record self-certification and the return to work meeting. The input requires a declaration by the employee that the self-certification is accurate, a declaration by the manager to confirm the sickness has been agreed, and the date of the return to work interview.</p> <p>The council is currently investigating some problems with the PowerApp,</p> <p>Some services, mainly neighbourhood, are unable to use this facility so operate a manual process then file the records on i-Trent.</p> <p>For 10 of 21 short-term absences and two of four long-term absences the PowerApp report did not detail the return to work or managers declaration.</p> <p>Where evidence was seen that the return to work interview had been completed, these had been done promptly after the employee returned.</p>	<p>Reinforce the policy to managers, with HR to carry out spot checks in future.</p> <p>If the known PowerApp issues cannot be resolved quickly, consider an alternative method of recording.</p>	2	<p><i>The ICT team worked on the App during the audit to ensure it was working correctly – any issues have now been fixed but HR will continue to monitor its effectiveness.</i></p> <p><i>See above re manager guidance/HR spot checks.</i></p>	Ongoing	HRSC Manager

Executive Summary – Data protection (Supplier GDPR compliance)

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk SP1 - Sensitive data, in any format, is not correctly managed, processed or protected from loss or theft in line with GDPR and Data Protection Act requirements.

SCOPE

The audit reviewed the processes in place for checking and confirming suppliers' compliance with GDPR requirement.

KEY STRATEGIC FINDINGS

- The Data protection policy has been updated and will be ratified by the Cabinet in December 2023.
- A one-off GDPR compliance exercise was carried out by the Council's Information service, to review compliance of 20 key contractors to the GDPR requirements.
- Testing of a sample of 25 tenders found that assessment of GDPR compliance as part of the tender evaluation process was done in 15 of the sample tested.
- Introduction of the terms and conditions to the purchase order will expressly state the supplier's liability if data belonging to the council is not protected.

GOOD PRACTICE IDENTIFIED

- The Council is currently working on introducing terms and conditions to be included the purchase order, that will expressly state the supplier's liability if data belonging to the council is not protected.

ACTION POINTS








Urgent	Important	Routine	Operational
0	2	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	A one-off GDPR compliance exercise was carried out by the Council's Information service, to review compliance of 20 key contractors to the GDPR processes on Articles 28, 30, 32 - 36 of the GDPR requirements.	A plan to review all the Council's contractors/suppliers' GDPR compliance be put in place so that the assessments can be done for all the contractors/regular suppliers over a period of time.	2	<i>A plan will be put in place to review key suppliers.</i>	31/03/2024	Information Services Manager
3	Delivery	Testing of a sample of 25 tenders found that assessment of GDPR compliance as part of the tender evaluation process was done in 15 of the 25-sample tested. GDPR compliance by the potential suppliers/contractors was not assessed/evaluated in 10 of the tenders reviewed.	Processes be put in place to ensure that all potential suppliers include evidence of Customer data protection/GDPR compliance in the tender documents submitted to the Council.	2	<p><i>The ITT & Bidder Response documents will be updated to ensure GDPR compliance is assessed/ evaluated in all tenders issued by the procurement team.</i></p> <p><i>Guidance will be added to the Procurement page on the intranet to ensure officers comply with GDPR when procurement is not involved.</i></p>	<p>31/12/2023</p> <p>31/03/2024</p>	<p><i>Senior Procurement Consultant</i></p> <p><i>Senior Procurement Consultant</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>A review of five contractors assessments carried out by the Information Services Manager found the following: Two contractors were fully compliant, two contractors were compliant on almost all the assessments questions except for one to two questions. One contractor was partially and fully non-compliant on 15 questions (Orwell Housing). The Information Services Manager contacted the client on the 21st of September, the client responded that they would respond to the Council by 29th September. The client had yet to respond to the Council at the time of the audit.</p> <p>Another client noted one noncompliant assessment (Health Trust Europe) provided further document which covered the non-complaint assessment. After additional review by the Council's legal team the document was signed.</p>	<p>The Council's legal team to determine the actions required to address the non-compliant and partial compliant assessment noted for Orwell Housing. (if the supplier responds to the Council's concerns with an amended contract which is assessed as fully compliant the need to seek legal advice would not apply.)</p>	3	<p><i>Following further correspondence with Orwell Housing, they are in the process of revising their documentation. Once updated it will be re-assessed for compliance.</i></p>	31/12/2023	Information Services Manager

Executive Summary – Housing Rent (Joint with CBH)

<p>OVERALL ASSESSMENT</p>	<p>KEY STRATEGIC FINDINGS</p>								
 <p>The diagram shows a circular gauge with 'Substantial Assurance' in the center. To the right, four horizontal bars represent assurance levels: Substantial Assurance (green), Reasonable Assurance (yellow), Limited Assurance (orange), and No Assurance (red). The green bar is highlighted.</p>	<ul style="list-style-type: none">  Updated Rent Setting and Service Charge and Income policies are in place and accessible by the relevant staff members.  Operational risks relating to the Housing Management and Housing Option Teams are documented in the Risk register.  A sample of 50 arrears cases were reviewed and it was confirmed that record of the last actions taken to recover the arrears is recorded in the spreadsheet.  Exceptions noted while testing the rent arrears are documented in the Key Findings and Management Action Plan (MAP). 								
<p>ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE</p>	<p>GOOD PRACTICE IDENTIFIED</p>								
<p>ST01 - Failure to deliver against expectations.</p>	<ul style="list-style-type: none">  Between April and October 2023, 97% rent collection was reported.  The Tenancy Services Team meets on a regular basis to review rent arrears and other rent related issued. 								
<p>SCOPE</p>	<p>ACTION POINTS</p>								
<p>The audit focussed on the process of collecting rent, managing and recovering housing rent arrears.</p>	<table border="1"> <thead> <tr> <th>Urgent</th> <th>Important</th> <th>Routine</th> <th>Operational</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>2</td> <td>0</td> </tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	2	0
Urgent	Important	Routine	Operational						
0	0	2	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	A review of a sample of 50 arrears noted that some actions referred to as 'Telephone call only' were not correctly stated as these entries were done by temporary staff no longer with the organisation. Six arrears fall into this category and further testing found that actions ranging from payment plan in place to court orders have been taken on the six arrears but not documented.	All arrears with the last actions noted as 'Telephone call' be reviewed to ensure that actual actions taken are uploaded to the NEC system.	3	<p><i>Use of telephone status in arrears action was confirmed to one agency officer who is no longer working for CBH.</i></p> <p><i>Arrears actions will be updated to the recognised stage at the next point of action.</i></p>	31/1/24	<p><i>Jon Cowie</i> <i>Housing Manager</i></p>
2	Directed	It was noted for five of the arrears tested that a payment plan has been agreed with the tenants but these were yet to be set up on NEC.	All arrears with payment plan be reviewed and the plan set up on the NEC system.	3	<p><i>Payment plans should always be indicated in the notes page with the additional option to set up a formal arrangement (though this will change the arrears action to ARRA).</i></p> <p><i>All staff involved in rent arrears recovery will be reminded at the next available team meeting in January.</i></p>	By 31/1/24	<p><i>Richard Dowling</i></p> <p><i>Jon Cowie</i></p>

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Budgetary Control	1	Final report	
Human Resources and Payroll	1	Final report	
Health Alliance Arrangements and Benefits to residents	1	Final report	
CCHL Procurement	2	Final report	
Safeguarding	2	Final report	
LAD Grant Review	n/a	Final report	Additional Audit
Delivery of Housing Strategy and Outcomes	2	Final report	
Staff wellbeing and Sickness absence	2	Final report	
Data protection (Supplier GDPR Compliance)	n/a	Final report	Additional Audit
Housing Rent (Joint with CBH)	3	Final report	
Procurement	1	Draft report	
Council Tax and NNDR	2	Draft report	
Business Continuity	2	Draft report	
Complaints Management (Waste Mgt)	1	Draft report	
CCHL Colchester Fibre	3	Draft report	
Fleet Management and Fuel Usage	3	Draft report	
Cyber Security	3	Fieldwork ongoing	

Contract Management	3	Fieldwork ongoing	
Council Governance of Subsidiary companies	4	Scope issued	Moved from Q2 to Q4 by key contacts
Leisure World	4	Scope issued	
Working with Volunteers and Police	4	Scope issued	
Housing benefits	4	Scope issued	
S106 Development contribution	n/a	Scope issued	Additional Audit
Museums – Merged services	4	Scope issued	Moved from Q3 to Q4 by key contacts
Key Financial Controls	4	Scope issued	
CCHL Amphora and CCC Financial SLA Audit	4	Scope issued	


KEY:

	To be commenced		Site work commenced		Draft report issued		Final report issued
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Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, 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 Homes 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
CBN - 23009	Guidance issued by HMRC on tax avoidance schemes		Action Required: Raise the profile of tax avoidance across networks and communication channels