

AUDIT AND STANDARDS COMMITTEE

A meeting of the Audit and Standards Committee will be held on **TUESDAY, 26 APRIL 2022** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm**



Kathy O'Leary
Chief Executive

Please Note: The meeting is being held in the Council Chamber at Stroud District Council and will be streamed live on the Council's [YouTube Channel](#). A recording of the meeting will be published onto the [Council's website](#). The whole of the meeting will be recorded except where there are confidential or exempt items, which may need to be considered in the absence of press and public.

If you wish to attend this meeting, please contact democratic.services@stroud.gov.uk.
This is to ensure adequate seating is available in the Council Chamber.

AGENDA

1. **APOLOGIES**
To receive apologies of absence.
2. **DECLARATION OF INTERESTS**
To receive declarations of interest.
3. **MINUTES (Pages 3 - 12)**
To approve the minutes and exempt minutes of the meeting held on 8 February 2022.
4. **PUBLIC QUESTION TIME**
The Chair of the Committee will answer questions from members of the public submitted in accordance with the Council's procedures.

DEADLINE FOR RECEIPT OF QUESTIONS Noon on Wednesday, 20 April 2022

Questions must be submitted to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud and can be sent by email to Democratic.services@stroud.gov.uk

5. **3RD QUARTER TREASURY MANAGEMENT ACTIVITY REPORT 2021/22 (Pages 13 - 26)**
To provide an update on treasury management activity as at 31/12/2021.

6. **INTERNAL AUDIT PROGRESS REPORT 2021/22 (Pages 27 - 76)**
To inform Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2021/22.
7. **COVID-19 BUSINESS SUPPORT GRANTS - POST-PAYMENT ASSURANCE UPDATE (Pages 77 - 86)**
This report is to inform Members of action taken following the conclusion of Covid-19 Post-Payment Assurance work by Internal Audit. This is intended as a companion piece to Internal Audit's own report on this matter (see Internal Audit Activity Progress Report 2021/22 in this pack).
8. **PLANNING ENFORCEMENT MANAGEMENT UPDATE (Pages 87 - 104)**
To provide the Committee with an update on the progress made against the management actions to address the recommendations.
9. **DRAFT INTERNAL AUDIT PLAN 2022/23 (Pages 105 - 116)**
To provide the Committee with a summary of the draft Risk Based Internal Audit Plan 2022/23, as required by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.
10. **STANDING ITEMS**
 - (a) To consider any risk management issues
 - (b) To consider the Work Programme (Pages 117 - 118)
11. **MEMBER QUESTIONS**
See Agenda Item 4 for deadlines for submission.

Members of Audit and Standards Committee

Councillor Nigel Studdert-Kennedy (Chair)

Councillor Paula Baker
Councillor Stephen Davies
Councillor Nick Hurst
Councillor Norman Kay

Councillor Martin Percy (Vice-Chair)

Councillor Keith Pearson
Councillor Ashley Smith
Councillor Rich Wilsher



STROUD DISTRICT COUNCIL

Council Offices • Ebley Mill • Ebley Wharf • Stroud • GL5 4UB
Telephone 01453 766321
www.stroud.gov.uk Email: democratic.services@stroud.gov.uk

AUDIT AND STANDARDS COMMITTEE

08 February 2022

7.00 - 10.04 pm

Council Chamber

Minutes

Membership

Councillor Nigel Studdert-Kennedy (Chair)

Councillor Paula Baker
Councillor Nick Hurst
Councillor Norman Kay
Councillor Stephen Davies

Councillor Martin Percy (Vice-Chair)

Councillor Keith Pearson
Councillor Ashley Smith
Councillor Rich Wilsher

*

*= Absent

Officers in Attendance

Strategic Director of Resources
Head of Audit Risk Assurance
Monitoring Officer
Democratic Services & Elections Officer
Principal Accountant

Principal Auditor
Strategic Director of Communities
Head of Contract Services
Senior Policy and Governance Officer
ICT Service Delivery Manager

Other Member(s) in Attendance

Councillors Ross

ASC.037 Apologies

An apology for absence was received from Councillor Davies.

The chair proposed and received agreement from the Committee to move Agenda Item 11 to the end of the meeting, after Agenda Item 13.

ASC.038 Declaration of Interests

There were none.

ASC.039 Minutes

The Strategic Director of Resources confirmed that the information requested at the previous Committee meeting, with regards to the planning enforcement report, would be brought to the next committee in April 2022.

Councillor Hurst raised concerns with the use of acronyms within the minutes and asked for them to be defined.

RESOLVED That the Minutes of the meeting held on 30 November 2021 were approved subject to the amendments above.

ASC.040 **Public Question Time**

There were none.

ASC.041 **Contract Management Framework**

The Senior Policy and Governance Officer introduced the report and explained that there were three documents which created the framework for this report:

- The Statement of Principles – Underpins the Councils Approach to the Policy.
- The Contract Management Policy – Sets out who is responsible for doing what and explained the purpose of Contract Management.
- The contract management procedure – explain how it was proposed to carry out contract management at the council.

She further informed the Committee that there were 4 appendixes attached to the Contract Management Procedure which included:

- Software Contract Renewal Checklist – Sets out the minimum requirements for contract managers looking to update their software contracts.
- Contract Management Plan – Sets out who is responsible for what.
- Contract Variation Template – Sets out the process to amend a contract.
- Contract Extension Template – Sets out the process to extend a contract.

The Senior Policy and Governance Officer then informed the committee their plans for implementing the new framework. She drew the Committees attention to paragraph 3 on page 17 which set out the proposed training plan. She further informed them of the plans to keep the Senior Leadership Team (SLT) and the Leadership Management Team (LMT) up to date with the new quarterly dashboard produced by the Policy and Governance team.

Finally she concluded by explaining that this framework would be coming back to the Committee annually for a review of its progress.

Councillor Pearson questioned paragraph 3 of page 17 of the document pack where it referred to staff training. The Senior Policy and Governance Officer confirmed she would take the comments on board and ensure that the training was mandatory for staff.

In response to questions asked, the Senior Policy and Governance Officer gave the following answers:

- The Policy and Governance Team would provide a second line of defence for contract management where they would be sampling a few of the contracts taken each year and ensure that all procedures were followed, the results of which could be brought back to committee as part of the annual review.
- The training proposed didn't include an assessment to measure understanding however, she was happy to take this feedback back to the team.

In response to Councillor Percy, the Strategic Director of Resources confirmed that once the framework was in place and the second line of defence had begun their checks, they would be looking to see if they needed a system to aid in the completion of those checks. He further informed the Committee that their E-learning platform does allow for the addition of a small test at the end to check the trainees understanding.

2021/22

In response to Councillor Pearson, the Senior Policy and Governance Officer agreed to clarify the signature required at the bottom of the Contract Variation Form.

Councillor Hurst questioned whether there were any provisions for the complication that accompany large contracts. The Senior Policy and Governance Officer explained that there may be specific amendments which need to be made in regards to specific contracts which is why it was included in the decision for the Committee to agree.

Councillor Kay questioned whether the framework needed to be more specific before being agreed at Committee. The Senior Policy and Governance Officer explained it would be very difficult to allow for every and any contract that the council may take however it was meant as a general guidance for Officers to follow.

The Strategic Director of Resources reminded the Committee that should the framework be approved it will come back to Committee annually for feedback to further develop it over time.

Councillor Pearson proposed and Councillor Kay seconded.

Councillor Hurst raised a few concerns, the first regarding inflation and cost supply issues creating potential damage to long term contracts. The second concern was related to the use of the word 'estimate' on page 23 of the document pack as it implied a degree of flexibility the shouldn't be there.

Councillor Pearson questioned why the VAT was included in the total if the council didn't need to pay it. The Senior Policy and Governance Officer confirmed that as of January 2022 the regulations changed to include VAT, she further confirmed the council will pay VAT initially and then will receive the amount back. It was agreed for the threshold figures to be recalculated minus the VAT and brought back to Committee so as to no have an effect on the contracts.

After being put to a vote, the Motion carried unanimously.

- RESOLVED**
- a) **To approve the Contract Management Framework**
 - b) **To agree that the Contract Management Framework will be reviewed annually by the Audit & Standards Committee.**
 - c) **To agree that the Strategic Director of Resources has delegated authority to make minor amendments to the framework.**

ASC.042 Management Update - ICT Service Desk

The ICT Service Delivery Manager introduced the report and talked the Committee through the outstanding recommendations which included:

- Service Level Agreement to be released – This included the targeted resolution times, percentage of tickets completed and response times for IT which were still being fine-tuned before being distributed.
- Reporting to be released – This was now being completed and IT were performing very well in all aspects except contract resolution which was being addressed.
- Break down the reporting on Service Requests – They had spoken with the supplier of the Service Desk system and had agreed a way in which to do this going forward.

Agenda Item 3

2021/22

The ICT Service Delivery Manager gave the following answers in response to questions asked:

- The recent Councillor Induction pack included the number for the ICT Service Delivery Manager and an e-mail address for Service Desk. It was agreed to check this information and send it back out to Councillors.
- Service Delivery was still maintained when managers were absent or on leave.
- They were looking into redundancy and resiliency to anticipate any large system events such as the cyber attack Gloucester City had recently undergone. This included backup routines and using alternative systems at the site in Littlecombe.

Councillor Baker proposed and Councillor Smith seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED to accept the progress report.

ASC.043 Risk Management Update

The Strategic Director of Resources introduced the report and provided an update on the Risk Management Review which included:

- They had received a draft report which had since been through Internal Audit and discussed at length to begin to formulate the final report. Once this had been completed it would be coming to Audit and Standards Committee to look at.
- The report would include recommendations to improve risk management reporting to the committee and ways in which members could get more involved.

The Strategic Director of Resources concluded by informing Members that they were looking for a new system with which to monitor risk, one that Members will be able to access.

The Strategic Director of Resources gave the following answers in response to Members' questions:

- The corporate risk register in appendix A considered the main risks that crosscut a number of different service areas.
- Inflation was included within the main budget risk however due to the severity of the risk it should likely have been its own item which further indicated the need for the review.

In response to Councillor Baker, the Senior Policy and Governance Officer explained that the narrow column with the Red, Amber, Green (RAG) status was historically greyed out due to causing confusion. Since then, the newest risks that had been added onto the system incorporated the use of the RAG status which was why there were some with a colour and some without.

Councillor Pearson questioned CCR10 on page 56 of the document pack and whether line managing responsibility was being outsourced to contractors. The Strategic Director of Resources explained that it meant if there was ever a situation where key people were lost, they could outsource that responsibility however that would only be if required.

In response to questions from the Chair, the Strategic Director of Resources explained that:

2021/22

- CCR16 related to inadequate IT infrastructure, which was historically a high rating risk however, IT had received significant funding in recent years which had caused it to drop down in risk.
- There were no risks on the highest scoring level at that time.
- CCR18 on page 56 was a high risk due to historical issues with budgets for recycling and waste. They weren't anticipating any major issues and that risk would be re-scored at its review date.
- The Governments White Paper was published last week and was still being digested due its the large content. There was a meeting booked for the following day to discuss the effects of the report.

Councillor Baker proposed and Councillor Wilsher seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To accept and note for future reference:

- a) The progress on the Risk Management Review**
- b) The Current Corporate Risk Register at Appendix A**

ASC.044 Internal Audit Progress Report 2021/22

The Head of Audit Risk Assurance introduced the report and explained that since the last Committee meeting in November there had been one audit activity completed which was an audit on voids. He further explained the completed audit activity to the Committee which included:

- Figures 3 and 4 in the report show the finely balance judgement which took place throughout.
- There had been a great impact on void turnaround times due to Covid. It was recognised that some staff of the contractors were furloughed.
- The period of time looked at was quite a challenging one for Officers.
- There were 20 recommendations made, 3 of which were classed as high priority.

The Head of Audit Risk Assurance also informed the Committee that there was a summary on counter fraud activities included within the report which consisted of:

- 2 referrals were received and dealt with by Audit and Standards Committee.
- 1 item was carried over from the previous year which was still being assessed by the Counter Fraud Team and would be coming to the Committee once finalised.

In response to Councillor Hurst, the Head of Contract Management confirmed that 127 properties were subject to the audit.

Councillor Baker clarified that tenants removed from properties due to non-payment of rent or through their own actions would not contribute to the homelessness issue because there would be no obligation to house them if they had caused their own homelessness.

Councillor Percy raised concerns over the number of reports which indicated a missing or out of date procedure and questioned whether there was a way to identify this without completing a full audit. The Head of Audit Risk Assurance explained that some Councils had a policy register.

Agenda Item 3

2021/22

The Strategic Director or Resource confirmed that a policy register was currently being drafted by the Policy and Governance Team.

Councillor Pearson questioned whether the new way of working e.g hybrid and home working had caused the large number (67%) of audit reports to be limited when only 33% were classed as satisfactory. He further questioned that if that was a factor would the Council take it under consideration. The Principal Auditor confirmed that the outcomes of those audits were not driven fundamentally by home working.

Councillor Kay raised concerns with the Safeguarding report being deferred into the following year. The Principal Auditor confirmed that part of the mid-year revision involved adding a number of new, high risk priority audits to the current plan, as requested by Committee. In order to accommodate those reports it was decided to move the Safeguarding audit into the following internal audit plan.

Councillor Kay expressed his dissatisfaction with the deferral of the Safeguarding audit.

Councillor Percy questioned whether they would solidify the internal audit plan by accepting the report today. The Strategic Director of Resources confirmed the audit plan was set in advance, however, should things arise throughout the year, the Committee would be entitled to ask to add or change things. He further explained they were very close to the end of the current year and to add or amend things at this time would have been difficult.

It was confirmed that the audit year coincided with the Civic year as opposed to the calendar year. The Strategic Director of Resources agreed to work with the Audit Team to make the Safeguarding report a high priority for the following audit plan.

Councillor Hurst debated the following topics:

- The enormous loss of income to the HRA due to the large number of voids which didn't seem to be reported in the budget going to Council.
- The local authority peer groups against which the councils' figures were measured were also experiencing the pandemic however they managed to cope.
- Interested to see if other peer group authorities had brought the housing maintenance contracts in house.
- This report needed to be largely in the Public Domain and Housing Committee needed sight of it.

Councillor Baker confirmed that the time frames for Audit review and the Peer authority review were slightly different therefore couldn't be directly compared.

The Chair confirmed to the Committee that the voids report had already been to the Housing Committee on the 7th December.

The Chair of the Housing Committee, Councillor Ross confirmed it had been discussed, they had set up a task and finish group who would be looking into voids and repairs and they regularly reported back to the Housing Committee.

The Strategic Director of Resources explained that the Accountancy Manager gave a budget report at the last Housing Committee which reported on the financial aspect of voids.

2021/22

Councillor Percy proposed and Councillor Pearson seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To accept:

- a) **The progress against the Internal Audit Plan 2021/22; and**
- b) **The assurance opinions provided in relation to the effectiveness of the Council's control environment.**

ASC.045 Annual Governance Statement 2020/21 Improvement Plan - Update

The Head of Audit Risk Assurance introduced the report and explained that the statement was approved at the Audit and Standards Committee in July 2021. He further explained that this report in Appendix A sets out the action that had been taken to date.

Councillor Percy questioned whether there had been any update on the appointment of the Monitoring Officer in 2022. The Strategic Director of Resources explained that they would have a timeline available shortly however, they had hoped to be going out to advert in the following months. Once this had been confirmed the information would be shared with Members.

Councillor Percy proposed and Councillor Hurst seconded.

After being put to a vote, the Motion was carried.

RESOLVED To accept the progress made against the identified improvement areas.

ASC.046 Treasury Management Strategy, Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2022/23

The Principal Accountant introduced the report and explained it was to set the following strategies for the following financial year. They explained that the prudential and treasury management codes were both revised in December 2021 and their guidance notes were later circulated in January 2022. The Principal Accountant explained that the changes set out in paragraph 7 on page 87 of the document pack did not have a significant effect on Stroud District Council (SDC).

The Principal Accountant summarised the key points from the report which included:

- The ethical investment policy found on page 115 which would be reported back to the committee each quarter and revised annually.
- Table 1, page 88 set out the Capital Budget.
- Table 2, page 89 identified the net financial need.
- Table 3, page 89, set out the councils borrowing need.
- New Benchmark investments were set out on page 103

The Principal Accountant gave the following answers in response to questions asked:

- There was a £12mill limit with Money Market Funds (MMF) and an £8mill limit with individual banks however there was a £4mill with any individual MMF.
- The rates with MMF were comparatively lower than alternative options.
- LINK Asset Services were the council's treasury Advisory. They have quarterly meetings with SDC and provided daily advice. Although they did not scrutinise work, they were available for advice should this be required.

Agenda Item 3

2021/22

- The Ethical Policy was a new policy for SDC and performance reports would be brought back quarterly to the Committee.
- Page 93 set out the interest rates forecast. The aim with this was to layer the investments in order to have maturing investments at different periods during the year. This would then enable SDC to take advantage of higher investment rates when they were available.

Councillor Baker questioned the pension fund investments and whether there was any assurance that those investments were ethical. The Principal Accountant explained that the SDC pension fund was part of the larger Gloucestershire pension fund which was managed by the Brunel Partnership. They would follow the Gloucester investment policy of which SDC have little influence.

In response to questions from the Chair the Principal Accountant gave the following answers:

- Page 101 of the document pack – The reason for the difference in the interest rate between Thurrock District Council and Dudley Metropolitan Council was due to the length on investment and the time at which the investment was taken out.
- The net income of capital receipts from the sale of council houses under the right to buy scheme in 2021 was around £600k.
- On page 90, paragraph 2.8 showed the Housing Revenue Account (HRA) had made a payment into an earmarked reserve for the purpose of the repayment of the housing debt.

The Strategic Director of Resources confirmed that there was no legal requirement for the HRA to put aside money for the repayment of the Housing debt however it was best practice and they had begun to do so.

The Chair raised a question around the return of investments with organisations that provided social housing. The Principal Accountant confirmed that it was a category of investment that SDC could use however it would vary on what was available on the day.

Councillor Percy proposed and Councillor Hurst seconded.

After being put to a vote, the Motion was carried unanimously.

RECOMMEND a) adopt the prudential indicators and limits for 2022/23 to 2024/25;
THAT b) approve the Treasury Management Strategy 2022/23, and the
COUNCIL treasury prudential indicators;
c) approve the Investment Strategy 2022/23, and the detailed criteria for specified and non-specified investments; and
d) approve the MRP Statement 2022/23,
e) approve the Ethical Investment Policy.

ASC.047 **To consider the Work Programme for 2021 / 22**

The Chair summarised the updates to the Work Programme as requested at the last meeting.

The Head of Audit Risk Assurance requested to differ the 'Follow Up Enforcement Report' to the September meeting due to the timescale in which a few of the recommendations needed in order to be completed.

2021/22

The Councillors debated the deferral and it was agreed for the Strategic Director of Resources to liaise with the Head of Development Management in order to provide a management update on the progress of the recommendations.

The Head of Audit Risk Assurance requested to differ the 'Review of the effectiveness of the Audit and Standards Committee' due to upcoming internal process changes which would affected reporting. He further requested the 'Annual Report of the Audit and Standards Committee' be renamed to the Report of the Chair of the Audit and Standards Committee'.

Councillor Pearson expressed his concerns regarding the deferral of the follow up enforcement report.

The Strategic Director of Resources agreed to circulate the report with the outstanding recommendations highlighted.

In response to Councillor Percy, the Strategic Director of Resources confirmed that they would look into the possibility of a 12 month, rolling Work Programme.

ASC.048 Reports for Information

- a) Information Sheet - Briefing Note on the Audit, Risk and Assurance Improvement Journey

The Head of Audit Risk Assurance introduced the report and explained that it sets out some of the internal changes and improvements that would be taking place within the Audit Service which included:

- How audits were undertaken.
- Enhancements to the risk based internal audit planning process.
- Risk management review.
- A new look for the Internal Audit plan.
- Formats for reports to improve dynamic and clearly highlight areas that need to be addressed.
- Introducing a recommendation monitoring sheets to track the progress of management with Audit recommendations.
- From April 2022 would be providing a single level of assurance.
- Increase consultancy work to address issues as they happen.

In response to Councillor Percy, it was agreed to look into the different ways of completing follow up audits.

ASC.049 Member Questions

There were none.

ASC.050 Limited Assurance Management Update - Out of Hours Emergencies

The Chair asked Members if they were happy to continue the meeting given that the time was approaching 10pm and in accordance with the Councils' Constitution section 3 paragraph 6, Members need to take a vote in order to continue the meeting.

After being put to a vote, the Motion was carried.

Agenda Item 3

2021/22

RESOLVED To continue the meeting until all items had been considered.

The Chair explained that this report contained exempt information therefore, a vote to enter a private session was required.

The Chair Proposed, on the advice of the Monitoring Officer, and it was seconded by Councillor Baker, that Agenda Item 11 should be considered exempt if agreed, any questions would be dealt with in closed session. The information was considered exempt as it related to the financial or business affairs of any particular person (including the authority holding that information).

After being put to a vote, the Motion was carried.

RESOLVED Pursuant to the provisions of Section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of this item at agenda item 9 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A of the Act.

Members moved into closed session to discuss the report and the live recording was stopped.

During the closed session Councillor Percy proposed and Councillor Baker seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To ACCEPT the progress report.

The meeting closed at 10.04 pm

Chair

STROUD DISTRICT COUNCIL

AUDIT AND STANDARDS COMMITTEE

26 APRIL 2022

Report Title	3rd Quarter Treasury Management Activity Report 2021/22			
Purpose of Report	To provide an update on treasury management activity as at 31/12/2021.			
Decision(s)	The Committee RESOLVES to ACCEPT the treasury management activity third quarter report for 2021/2022.			
Consultation and Feedback	Link Asset Services (LAS).			
Report Author	Maxine Bell, Senior Accounting Officer Tel: 01453 754134 E-mail: maxine.bell@stroud.gov.uk			
Options	None			
Background Papers	None			
Appendices	Appendix A – Prudential Indicators as at 31 December 2021 Appendix B – Explanation of prudential indicators Appendix C – Economic Summary			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

Background

- Treasury management is defined as: ‘The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’
- This report is presented to the Audit and Standards Committee to provide an overview of the investment activity and performance for the third quarter of the financial year, and to report on prudential indicators and compliance with treasury limits. A quarterly report is regarded as good practice, but is not essential under the Code of Practice for Treasury Management (the Code).

Discussion

- The Chartered Institute of Public Finance and Accountancy (CIPFA) issued the revised Code in November 2011, originally adopted by this Council on 21 January 2010. This third quarter report has been prepared in compliance with CIPFA’s Code of Practice, and covers the following:
 - A review of the Treasury Management Strategy Statement (TMSS) and Investment Strategy
 - A review of the Council’s investment portfolio for 2021/22

Agenda Item 5

- A review of the Council's borrowing strategy for 2021/22
- A review of compliance with Treasury and Prudential Limits for 2021/22.
- Other Treasury Issues

Treasury Management Strategy Statement and Investment Strategy update

4. The TMSS for 2021/22 was approved by Council on 25th February 2021. The Council's Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:
 1. Security of Capital
 2. Liquidity
 3. Yield
5. In 2021-22 the Council will continue to invest for the longest permitted duration with quality counterparties to maximise return without compromising security, or liquidity. In particular instances the Section 151 Officer will authorise investments in the LAS blue category for a period of up to two years, which is currently longer than the LAS recommended duration of one year. Otherwise, the length of investments permitted will vary if necessary in line with LAS advice subject to the Council's 3-year upper limit.
6. A breakdown of the Council's investment portfolio as at 31 December 2021 is shown in Table 3 of this report.
7. Current advice from Link is to invest for no more than a year with UK banks, or up to a maximum of five years with government or local government provided they are sufficiently highly rated on Link's weekly list.

Investment Portfolio 2021/22

8. In accordance with the Code, it is the Council's priority to ensure security and liquidity of investments, and once satisfied with security and liquidity, to obtain a good level of return. The investment portfolio yield for the third quarter is shown in the table 1 below.
9. LIBID/LIBOR benchmarks have been subject to a review convened by the Bank of England and as part of that process they will be withdrawn at the end of 2021. As set out in the Council's 2022-23 Strategy specified investments, from 2022-23 financial year, will be benchmarked against the SONIA (Sterling Overnight Index Average) compounded 7-day and 3-month rates. The Council's investment funds will be benchmarked against the 0 – 35% shares index.

TABLE 1: Average Interest Rate

	Period	Investment Interest Earned £	Average Investment £m	Rate of Return
Internally Managed Specified		26,439	58,661	0.181%
Property Fund / Multi-Asset Fund	01/04/2021 - 30/06/2021	71,990	10,000	2.88%
Total Quarter 1		98,429	68,661	0.57%
Internally Managed Specified		27,201	58,880	0.182%
Property Fund / Multi-Asset Fund	01/07/2021 - 30/09/2021	72,208	10,000	2.94%
Total Quarter 2		99,409	68,880	0.57%
Internally Managed Specified		28,044	58,152	0.187%
Property Fund / Multi-Asset Fund	01/10/2021 - 31/12/2021	66,913	10,000	2.80%
Total Quarter 3		94,957	68,152	0.55%
HALF YEAR TOTAL	01/04/2021 - 30/09/2021	292,795	68,564	0.57%

Agenda Item 5

TABLE 2: Funds Performance – Quarter 3 2021-22

Fund	Initial Investment £m	Value as at 31/12/2021 £m	Return Apr - Dec 2021
Lothbury	4.000	4.197	2.68%
Hermes	2.000	2.182	3.63%
TOTAL PROPERTY FUNDS	6.000	6.379	2.99%
Royal London	3.000	3.247	2.46%
CCLA	1.000	1.090	2.66%
TOTAL MULTI-ASSET FUNDS	4.000	4.337	2.51%
TOTAL FUND INVESTMENTS	10.000	10.716	2.80%

10. The approved limits as set out in the Treasury Management Strategy report to Council 25th February 2021 within the Annual Investment Strategy were not breached during the first 9 months of 2021/22, with the exception of Barclays which did breach the limit through the re-investment of interest and has now been resolved.
11. Funds were available for investment on a temporary basis. The level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The authority holds £15m core cash balances for investment purposes (i.e. funds that potentially could be invested for more than one year). The Council has invested £10m into Property and Multi-Asset Funds with the objective of longer term investments improving the overall rate of return in future years.

12. Table 3 below shows the investments and borrowing position at the end of December 2021.

	Jun 2021 £'000	Sep 2021 £'000	Dec 2021 £'000
Aberdeen	3,042	933	3,985
Federated Prime Rate	33	2,028	746
Money Market Funds Total	3,075	2,961	4,731
Lloyds	7,985	2,049	2,049
Lloyds Banking Group Total	7,985	2,049	2,049
-			
NatWest	64	113	2,284
Royal Bank of Scotland	3,007	3,000	3,000
RBS Banking Group Total	3,071	3,113	5,284
Standard Chartered	2,000	7,000	7,000
Santander	7,994	7,999	7,999
Barclays Bank Plc	8,008	8,009	7,777
Svenska Handelsbanken	14	140	6,505
Goldman Sachs	8,000	4,000	4,000
Qatar National Bank	3,000		
Toronto Dominion		4,000	4,000
Bayerische Landesbank			2,000
Coventry Building Society	4,500	5,000	2,000
Principality Building Society		2,000	2,000
National Counties Building Society		2,000	2,000
Other Banks/Building Society Total	33,516	40,148	45,281
Dudley Metropolitan Council	1,000	1,000	1,000
Thurrock District Council	2,000	1,000	1,000
North Lanarkshire	3,000	3,000	
Local Authority Total	6,000	5,000	2,000
TOTAL INVESTMENTS	£53,647	£53,271	59,345
Lothbury	4,000	4,000	4,000
Hermes	2,000	2,000	2,000
TOTAL PROPERTY FUNDS	£6,000	£6,000	£6,000
-			
RLAM	3,000	3,000	3,000
CCLA	1,000	1,000	1,000
TOTAL MULTI ASSET FUNDS	£4,000	£4,000	£4,000
-			
PWLB	102,717	102,717	102,717
TOTAL BORROWING	£102,717	£102,717	102,717

Agenda Item 5

External Borrowing

13. The Council's Capital Financing Requirements (CFR) for 2021/22 is £121.834m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (External Borrowing) or from internal balances on a temporary basis (Internal Borrowing). The Council has borrowing of £102.717m as at 31 December 2021.

Compliance with Treasury and Prudential Limits

14. It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". Council's approved Treasury and Prudential Indicators are outlined in the approved TMSS.
15. During the period to 31 December 2021 the Council has operated within treasury limits (subject to the technical breach noted in paragraph 10) and Prudential Indicators set out in the Council's TMSS and with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in Appendix A.
17. Work has been completed on the Council's treasury management Ethical Investment Policy and has been included in the 2022-23 Treasury Management Strategy report.

18. IMPLICATIONS

18.1 Financial Implications

There are no financial implications arising from the decision. The whole report is of a financial monitoring nature.

Lucy Clothier, Accountancy Manager
Email: Lucy.Clothier@stroud.gov.uk

18.2 Legal Implications

There are no legal implications directly arising from this report.

One Legal
Tel: 01684 272691 Email: legalservices@onelegal.org.uk

18.3 Equality Implications

There are no equality implications arising from the recommendations made in this report.

18.4 Environmental Implications

There are no environmental implications arising from the recommendations made in this report.

Prudential Indicators as at December 2021

Prudential Indicator	2021/22 Indicator £'000	Actual as at 30 June 2021 £'000	Actual as at 30 Sept 2021 £'000	Actual as at 31 Dec 2021 £'000
Capital Financing Requirement (CFR)	121,834	111,330	116,582	119,208
Gross Borrowing	102,717	102,717	102,717	102,717
Authorised Limit for external debt	137,000	102,717	102,717	102,717
Operational Boundary for external debt	129,000	102,717	102,717	102,717
Principal sums invested > 365 days	15,000	10,000	10,000	10,000
Maturity structure of borrowing limits				
Under 12 months	25%	0%	0%	0%
12 months to 2 years	50%	2%	2%	2%
2 years to 5 years	75%	0%	0%	0%
5 years to 10 years	100%	0%	0%	0%
10 years and above	100%	98%	98%	98%

This page is intentionally left blank

Explanation of prudential indicators

Central Government control of borrowing was ended and replaced with Prudential borrowing by the Local Government Act 2003. Prudential borrowing permitted local government organisations to borrow to fund capital spending plans provided they could demonstrate their affordability. Prudential indicators are the means to demonstrate affordability.

Gross borrowing – compares estimated gross borrowing in February 2021 strategy with actual gross borrowing as at 31 December 2021.

Capital financing requirement (CFR) – the capital financing requirement shows the underlying need of the Council to borrow for capital purposes as determined from the balance sheet. The overall positive CFR of £121.834m provides the Council with the opportunity to borrow if appropriate. £11,990m of borrowing is planned for 2021/22 arising from the approved capital programme, together with £1.9m minimum and voluntary revenue provisions for the repayment of debt.

Authorised limit for external debt - this is the maximum limit for gross external indebtedness. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. This limit is set to allow sufficient headroom for day to day operational management of cashflows. This limit has not been breached in the period 1 April 2021 to 31 December 2021.

Operational boundary for external debt – this is set as the more likely amount that may be required for day to day cashflow. This limit has not been breached in the period 1 April 2021 to 31 December 2021.

Upper limit for fixed and variable interest rate exposure – these limits allow the Council flexibility in its investment and borrowing options. Current investments are either fixed rate term investments or on call. Borrowing is at a fixed rate.

Upper limit for total principal sums invested for over 365 days – the amount it is considered can prudently be invested for a period in excess of a year. Current policy only permits lending beyond 1 year with other Local Authorities up to a maximum of 3 years. Property fund investments are subject to a 25 year maximum, and other investment funds up to 10 years as set out in Table 14 of the latest Treasury Management Strategy.

This page is intentionally left blank

ECONOMIC OVERVIEW (NOVEMBER 2021)

UK

While the emergence of the Omicron COVID-19 variant has increased the downside risks to analysts' GDP forecasts, it has arguably increased the upside risks to their CPI inflation forecasts. The transmissibility, severity and capacity for Omicron to escape vaccines are still unknown. However, if the new variant leads the government to close non-essential retail, hospitality venues and schools, forecasters think GDP would fall by something like 3%. As has been in the case in previous lockdowns, that would boost demand for goods relative to demand for services, which may keep goods inflation higher for longer. That suggests the Bank of England will still raise interest rates from 0.10%, possibly in December. In terms of the main economic themes:

- Output & activity indicators suggest that Omicron has yet to significantly reduce economic activity.
- Household indicators imply that consumer spending strengthened before Omicron was discovered.
- External indicators suggest that shortages will continue to take a bigger toll on exports than imports for a few months yet
- Labour market indicators imply that the market remained tight after the furlough scheme ended on 30th September.

- Inflation indicators show that CPI inflation has already risen to a 10-year high of 4.2% in October and may well climb towards 6% by spring 2022.

EUROZONE

High frequency data showed that travel to retail and recreation destinations, restaurant bookings and flights had all declined in the past few weeks as coronavirus restrictions were tightened in the face of rising hospitalisations. It now looks likely that GDP growth will be lower than analysts' forecasts of 0.7% q/q in Q4. The Omicron variant has added to these downside risks although at this stage its transmissibility, severity and capacity to escape vaccines, as elsewhere, are unknown.

Meanwhile, forecasters think euro-zone inflation has probably peaked at nearly 5% in November. If restrictions are tightened sharply, energy inflation may fall more than they have assumed, pulling headline inflation down a bit further and faster than current assumptions. However, core inflation – which matters more to central bankers – could end up higher than anticipated if supply problems last for longer. Either way, it now seems likely that the ECB will maintain some capacity to keep bond purchases high and flexible beyond next March. Key economic factors are as follows:

- Coronavirus indicators show that hospitalisations have been rising in all major economies.
- Output indicators show that there has been a sharp drop in the high-frequency activity data.
- Consumer indicators reveal that visits to restaurants, retail and recreation venues have fallen.

- External indicators confirm that the cost of shipping goods from Asia to Europe remains very high.
- Labour market indicators have been holding up well so far but may weaken due to the Covid wave.
- Inflation indicators suggest that the euro-zone inflation rate has peaked at nearly 5% in November.
- Monetary indicators show a small increase in lending to the private sector
- Fiscal indicators show that government deficits will remain high this year.
- Financial indicators reveal that Eurozone equities have suffered more than most due to Omicron.

US

The next 12-18 months are shaping up to be an unusually challenging period for the Fed Chair, who was confirmed as Jerome Powell in the early stages of December. October data showed a renewed jump in CPI inflation to a 30-year high, with alternative measures showing underlying inflation clearly rising too. This undermined the Fed's claim that the surge is largely transitory. Analysts still suspect that a drop-back in energy prices and partial easing of supply shortages early next year will reduce some of the pressure on the Fed to tighten policy – particularly if the pace of recovery in the labour market underwhelms

Nevertheless, the October data further strengthen forecasters views that higher inflation is likely to be much more persistent than the Fed currently anticipates.

- Output and activity indicators point to a pick-up in GDP growth in the fourth quarter.
- Consumption indicators show inflation concerns weighing on consumer confidence.
- Investment indicators reveal that equipment investment is being held back by shortages.
- External indicators suggest that exports rebounded in October.
- Labour market indicators imply that wage growth will continue to accelerate.
- Inflation indicators show that inflationary pressures are broadening.
- Financial market indicators illustrate that the sharp rise in interest rate expectations has had little impact on long-term bond yields or the stock market.

JAPAN

While October's trade data showed goods' exports still depressed by the recent collapse in domestic car production, there is growing anecdotal evidence that the auto sector is on the cusp of a rapid rebound. Toyota said that its global production in October was still 40% below normal, the same shortfall as in September.

However, production in November is likely to be only 15% below normal and higher than in the same month last year. In December, the company expects

to produce a record one million cars globally, up 30% y/y in a bid to make up for lost ground. Nissan has similarly announced that it is ramping up production as supply shortages are dissipating fast. Meanwhile, Honda said that it expects normal production to resume in December.

Between them, these three firms account for more than half of vehicle sales in Japan. The collapse in domestic car production was caused by shortages of components from suppliers in Vietnam and elsewhere in Southeast Asia. However, those suppliers' factories are now getting back to full capacity.

As such, most of Japan's fall in goods exports and the sharp drop in durables consumption last quarter should reverse in Q4. Add in a sharp rebound in services spending due to the easing of domestic restrictions and GDP should rise by around 2.0% q/q this quarter after falling 0.8% q/q in Q3.

- Output and activity indicators point to GDP rebounding strongly over the coming quarters.
- Consumer indicators suggest that consumer activity is finally recovering rapidly.
- Business indicators point to a rebound in business investment after Q3's surprisingly sharp fall.
- Labour market indicators suggest that labour shortages won't become as severe as in other rich economies.
- Inflation indicators point to a further sharp rise in "core" goods inflation.
- Property indicators suggest that house prices

could continue to rise strongly on rising construction costs.

- Monetary indicators suggest that outstanding loans may soon shrink again.
- Financial market indicators point to the Japanese equities outperforming the S&P 500.

CHINA

The global spread of a more transmissible COVID variant is a particular challenge for China, a country trying to remain COVID-free. However, after nearly two years of success suppressing infections domestically, the bar to changing course before better medical treatments or vaccines are available is high.

A recent study by the Chinese Centre for Disease Control and Prevention estimated that if the country were to adopt the pandemic control measures recently in place in several Western countries, it would soon be facing several hundred thousand new cases per day and 10-20,000 severe cases.

These estimates were deliberately conservative, made on the assumption that natural and vaccine-derived immunity is as high in China as in the comparator countries.

The actual health cost, the authors argue, would almost certainly be higher. Given these concerns, if Omicron proves harder to contain than Delta, analysts expect officials to tighten containment measures in response. Economically, that would lead to further intermittent disruption to domestic activity, particularly services, and to global supply chains.

MARKET DATA (NOVEMBER 2021)

	OPEN	CLOSE	HIGH	LOW
FTSE 100	7,168.7	7,384.5	7,420.7	7,122.3
£/\$	1.3279	1.3532	1.3532	1.3204
€/£	0.8526	0.8413	0.8589	0.8388
5y Gilt	0.650%	0.809%	0.831%	0.520%
10y Gilt	0.819%	0.968%	1.011%	0.695%
25y Gilt	0.976%	1.197%	1.255%	0.889%
50y Gilt	0.598%	0.866%	0.934%	0.502%

ECONOMIC FORECASTS

LINK GROUP - DECEMBER 2021

	End Q1 2022	End Q2 2022	End Q3 2022	End Q4 2022	End Q1 2023	End Q2 2023	End Q3 2023	End Q4 2023	End Q1 2024	End Q2 2024	End Q3 2024	End Q4 2024	End Q1 2025
Bank Rate	0.25%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%
5yr PWLB Rate	1.50%	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.80%	1.90%	1.90%	1.90%	2.00%	2.00%
10yr PWLB Rate	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.10%	2.20%	2.30%
25yr PWLB Rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%
50yr PWLB Rate	1.70%	1.80%	1.90%	1.90%	2.00%	2.00%	2.00%	2.10%	2.10%	2.20%	2.20%	2.30%	2.30%

CAPITAL ECONOMICS – DECEMBER 2021

	End Q1 2022	End Q2 2022	End Q3 2022	End Q4 2022	End Q1 2023	End Q2 2023	End Q3 2023	End Q4 2023
Bank Rate	0.25%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%
5yr PWLB Rate	1.50%	1.50%	1.60%	1.60%	1.70%	1.80%	1.90%	2.00%
10yr PWLB Rate	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%
25yr PWLB Rate	1.80%	1.80%	2.00%	2.00%	2.10%	2.10%	2.20%	2.30%
50yr PWLB Rate	1.60%	1.70%	1.70%	1.80%	2.00%	2.10%	2.20%	2.40%

Agenda Item 5

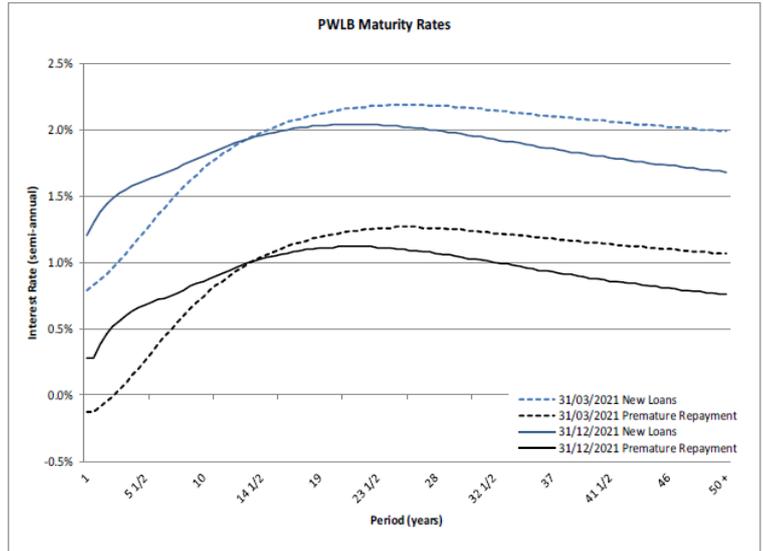
Appendix C

HISTORICAL DATA

CURRENT ECONOMIC DATA

	1 APRIL 2021	31 DECEMBER 2021	CHANGES %
FTSE 100	6,737.30	7,385.00	9.61
DOW JONES	33,153.21	36,585.00	10.35
£/\$	1.379	1.349	-2.18
EURO/£	0.851	0.837	-1.65
TARGET INFLATION (CPI)	0.70%	5.10%	4.40%
HEADLINE INFLATION (RPI)	1.50%	7.10%	5.60%
UNDERLYING INFLATION (RPIX)	1.60%	7.20%	5.60%
UK BANK RATE	0.10%	0.25%	0.15%

PWLB MATURITY RATES (INCL. CERTAINTY RATES)



INVESTMENT INFORMATION (FINANCIAL YEAR 2021-22)

Date	7 Day LIBID (Average for Month)	1 Month LIBID (Average for Month)	3 Month LIBID (Average for Month)	6 Month LIBID (Average for Month)	12 Month LIBID (Average for Month)
31/03/2021	-0.08%	-0.08%	-0.04%	-0.02%	0.03%
30/04/2021	-0.08%	-0.08%	-0.04%	-0.01%	0.04%
31/05/2021	-0.08%	-0.07%	-0.04%	-0.02%	0.04%
30/06/2021	-0.08%	-0.07%	-0.04%	-0.02%	0.05%
31/07/2021	-0.08%	-0.07%	-0.05%	-0.03%	0.06%
31/08/2021	-0.08%	-0.07%	-0.06%	-0.03%	0.09%
30/09/2021	-0.08%	-0.08%	-0.05%	-0.01%	0.14%
31/10/2021	-0.08%	-0.04%	0.03%	0.18%	0.47%
30/11/2021	-0.08%	-0.05%	0.00%	0.19%	0.54%
31/12/2021	-0.08%	-0.06%	-0.02%	0.06%	0.23%

INFLATION (FINANCIAL YEAR 2021-22)

Period end*	RPI		RPI-X		CPI	
	Index	%	Index	%	Index	%
Mar-21	296.9	1.5	298.1	1.6	109.4	0.7
Apr-21	301.1	2.9	302.5	3.2	110.1	1.5
May-21	301.9	3.3	303.3	3.4	110.8	2.1
Jun-21	304.0	3.9	305.5	3.9	111.3	2.5
Jul-21	305.5	3.8	306.9	3.9	111.3	2.0
Aug-21	307.4	4.8	309.0	4.9	112.1	3.2
Sep-21	308.6	4.9	310.2	5.0	112.4	3.1
Oct-21	312.0	6.0	313.6	6.1	113.6	4.2
Nov-21	314.3	7.1	316.0	7.2	114.5	5.1

RPI = Retail Price Index, RPI-X = RPI excluding mortgage interest payments, CPI = Consumer Price Index

STROUD DISTRICT COUNCIL

AUDIT AND STANDARDS COMMITTEE

26 APRIL 2022

Report Title	Internal Audit Activity Progress Report 2021/22			
Purpose of Report	To inform Members of the Internal Audit activity progress in relation to the approved Internal Audit Plan 2021/22.			
Decision(s)	The Committee resolves to note: a) The progress against the Internal Audit Plan 2021/22; and b) The assurance opinions provided in relation to the effectiveness of the Council's control environment.			
Consultation and Feedback	Internal Audit findings are discussed with Service Heads and Managers. Management responses to recommendations are included in each assignment report.			
Report Author	Piyush Fatania Head of Audit Risk Assurance (ARA) Tel: 01452 328883 Email: piyush.fatania@gloucestershire.gov.uk			
Options	There are no alternative options that are relevant to this matter.			
Background Papers	None.			
Appendices	Appendix A – Internal Audit Activity Progress Report 2021/22 Appendix A – Attachment 1 - Completed 2021/22 Internal Audit Activity during the period January 2022 to mid-March 2022 Appendix A – Attachment 2 - Progress report including assurance options Appendix B – Risk Management Review Report			
Implications (details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1.0 INTRODUCTION/BACKGROUND

- 1.1 Members agreed the Internal Audit Plan 2021/22 at the [27th April 2021 Audit and Standards Committee meeting](#).
- 1.2 In accordance with the [Public Sector Internal Audit Standards \(PSIAS\) 2017](#), this report (through **Appendix A**) details the outcomes of Internal Audit work carried out in accordance with the agreed Plan.

2.0 MAIN POINTS

- 2.1 The Internal Audit Activity Progress Report 2021/22 at **Appendix A** summarises:
- I. The progress against the Internal Audit Plan 2021/22, including the assurance opinions on the effectiveness of risk management and control processes;

Agenda Item 6

- II. The outcomes of the Internal Audit activity delivered during the period January 2022 to mid-March 2022; and
- III. Special investigations/counter fraud activity.

2.2 The report is the fourth progress report in relation to the Internal Audit Plan 2021/22.

3.0 CONCLUSION

3.1 The purpose of this report is to inform the Committee of Internal Audit work undertaken to date, and the assurances given on the adequacy and effectiveness of the Council's control environment. Completion of the Internal Audit Activity Progress Reports ensures compliance with the PSIAS, the [Council Constitution](#) and [the Audit and Standards Committee Terms of Reference](#).

3.2 In accordance with the PSIAS and as reflected within the Audit and Standards Committee work programme, the Annual Report on Internal Audit Activity 2021/22 will be presented to the 19th July 2022 Audit and Standards Committee meeting.

4.0 IMPLICATIONS

4.1 Financial Implications

There are no financial implications arising directly from this report.

Andrew Cummings, Strategic Director of Resources
Email: andrew.cummings@stroud.gov.uk

Risk Assessment: Failure to deliver effective governance will negatively impact on the achievement of the Council's objectives and priorities.

4.2 Legal Implications

Monitoring the implementation of Internal Audit recommendations assists the Council to minimise risk areas and thereby reduce the prospects of legal challenge.

Contact: One Legal
Tel: 01684 272691 Email: legalservices@onelegal.org.uk

4.3 Equality Implications

There are no equality implications arising from the recommendations made in this report.

4.4 Environmental Implications

There are no environmental implications arising from the recommendations made within this report.

Internal Audit Activity Progress Report

2021/22



Agenda Item 6

Appendix A

(1) Introduction

All Councils must make proper provision for Internal Audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that a relevant Council 'must undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.

The Council's Internal Audit service is provided by Audit Risk Assurance (ARA) under a Shared Service agreement between Stroud District Council, Gloucester City Council and Gloucestershire County Council. ARA carries out the work required to satisfy this legislative requirement and reports its findings and conclusions to management and to this Committee.

The guidance accompanying the Regulations recognise the Public Sector Internal Audit Standards 2017 (PSIAS) as representing 'proper Internal Audit practices'. The standards define the way in which the Internal Audit service should be established and undertake its operations.

The Internal Audit service is delivered in conformance with the International Standards for the Professional Practice of Internal Auditing.

(2) Changes within 2022

ARA recognise the challenges facing the Council and local government more widely, to deliver high quality services and to meet the expectations of residents and other stakeholders.

ARA are firmly committed to helping the Council and its officers to manage their risks, to deliver services and to be successful in achieving objectives.

Therefore, ARA have reviewed how we work and how we can best help the Council to meet its challenges. We have commenced a journey to initiate improvements in a number of areas and, by doing so, improve the service that we provide to the Council.

The Committee are asked to note the following changes that will take place within 2022. These include:

- i. Changing the format of ARA activity reports from January 2022. Our reports will be more focussed, concise and dynamic, clearly highlighting the areas that need to be addressed by management.
- ii. The risks identified in ARA reports will be rated using a High, Medium and Low categorisation.
- iii. The style of reporting to the Committee will also change in 2022/23. In particular, the Internal Audit Progress Report will be split into two. Firstly, the summaries of Internal Audit reports will be more concise highlighting just the salient points. Secondly the summary of Internal Audit activity will be red, amber or green (RAG) rated to show the progress of individual audits:

- Red will indicate an audit that is unlikely to be completed in-year;
 - Amber will indicate a delay to the start of an audit; and
 - Green will indicate that an audit is due to commence in the quarter stated in the Internal Audit Plan.
- iv. From April 2022, ARA will introduce Recommendation Progress Monitoring reports. These will be issued by Internal Audit ahead of the Committee, to the management responsible for implementing the recommendations. Management will then specify the progress made in implementing the recommendations, for example implemented, in progress or that more time is required.
- v. The Recommendation Progress Monitoring reports will help management and the Committee to monitor progress on recommendation implementation across the Council, and to see that Internal Audit reports are being actioned.
- vi. The Head of ARA's Annual Report, the Annual Report of the Chair of the Audit and Standards Committee, and the Annual Governance Statement will be reviewed and updated to be more focussed and concise.

(3) Responsibilities

Management are responsible for establishing and maintaining appropriate risk management processes, control systems (financial and non-financial) and governance arrangements.

Internal Audit plays a key role in providing independent assurance and advising the Council that these arrangements are in place and operating effectively.

Internal Audit is not the only source of assurance for the Council. There are a range of external audit and inspection agencies as well as management processes which also provide assurance. These are set out in the Council's Code of Corporate Governance and its Annual Governance Statement.

(4) Purpose of this Report

One of the key requirements of the PSIAS is that the Head of ARA should provide progress reports on Internal Audit activity to those charged with governance. This report summarises:

- i. The progress against the 2021/22 Internal Audit Plan, including the assurance opinions on the effectiveness of risk management and control processes;
- ii. The outcomes of the 2021/22 Internal Audit activity delivered during the period January to mid-March 2022; and
- iii. Special investigations/counter fraud activity.

Agenda Item 6

Appendix A

(5) Progress against the 2021/22 Internal Audit Plan, including the assurance opinions on risk and control

The schedule provided at **Attachment 1** provides the summary of 2021/22 activities which have not previously been reported to the Audit and Standards Committee.

The schedule provided at **Attachment 2** contains a list of all 2021/22 Internal Audit Plan activity undertaken during the financial year to date. This includes, where relevant, the assurance opinions on the effectiveness of risk management arrangements and control processes in place to manage those risks. **Attachment 2** also reflects where activity outcomes have been presented to the Audit and Standards Committee.

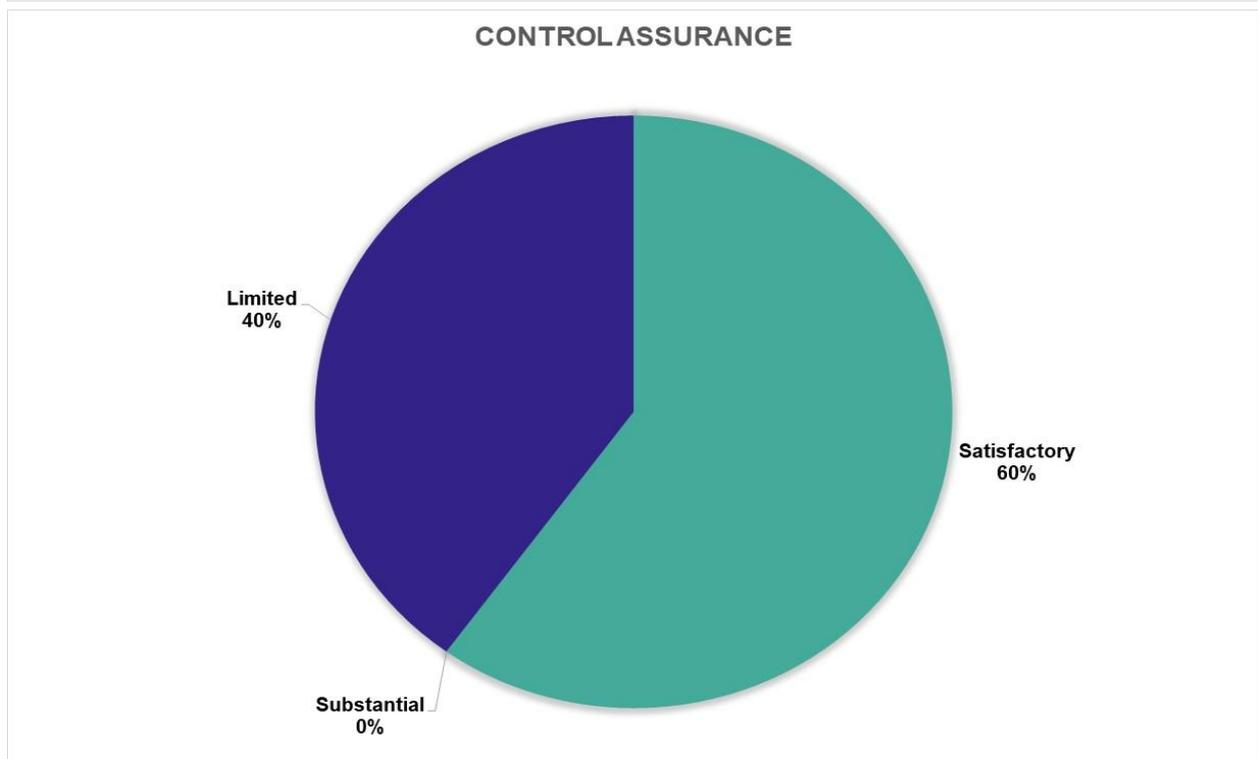
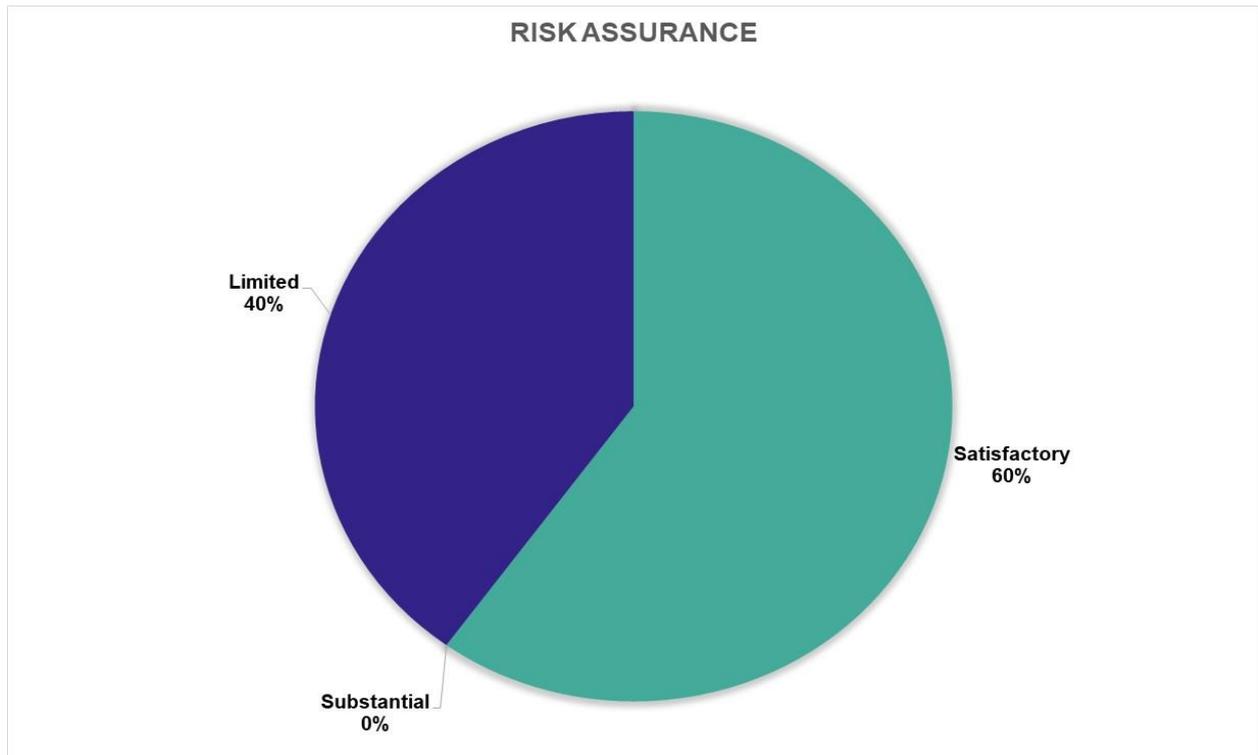
Explanations of the meaning of the assurance opinions are shown below.

Assurance Levels	Risk Identification Maturity	Control Environment
Substantial	Risk Managed Service area fully aware of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, customers, partners, and staff. All key risks are accurately reported and monitored in line with the Council's Risk Management Policy.	<ul style="list-style-type: none"> System Adequacy – Robust framework of controls ensures that there is a high likelihood of objectives being achieved. Control Application – Controls are applied continuously or with minor lapses.
Satisfactory	Risk Aware Service area has an awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, customers, partners and staff. However, some key risks are not being accurately reported and monitored in line with the Council's Risk Management Policy.	<ul style="list-style-type: none"> System Adequacy – Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger. Control Application – Controls are applied but with some lapses.
Limited	Risk Naïve Due to an absence of accurate and regular reporting and monitoring of the key risks in line with the Council's Risk Management Policy, the service area has not demonstrated a satisfactory awareness of the risks relating to the area under review and the impact that these may have on service delivery, other service areas, finance, reputation, legal, the environment, customers, partners and staff.	<ul style="list-style-type: none"> System Adequacy – Risk of objectives not being achieved due to the absence of key internal controls. Control Application – Significant breakdown in the application of control.

(5a) Summary of Internal Audit Assurance Opinions on Risk and Control

The pie charts below show a summary of the risk and control assurance opinions arising from the 2021/22 audit activity undertaken from April 2021 up to mid-March 2022. Five 2021/22 Internal Audit activities within this period have resulted in assurance opinions.

It is noted that the majority of ARA activity delivered to mid-March 2022 has not generated an assurance opinion, due to being a grant, consultancy review or resource support. The outcomes from these areas are not included in the pie charts.



Agenda Item 6

Appendix A

(5b) Limited Control Assurance Opinions

Where audit activities record that a limited assurance opinion on control has been provided, the Audit and Standards Committee may request Senior Management attendance to the next meeting of the Committee to provide an update as to their actions taken to address the risks and associated recommendations identified by Internal Audit.

(5c) Audit Activity where a Limited Assurance Opinion has been provided on Control

During the period January to mid-March 2022, no limited assurance opinions on control have been provided on completed audits from the 2021/22 Internal Audit Plan.

(5d) Satisfactory Control Assurance Opinions

Where audit activities record that a satisfactory assurance opinion on control has been provided and recommendations have been made to reflect some improvements in control, the Committee can take assurance that improvement actions have been agreed with management to address these.

(5e) Internal Audit Recommendations

During the period January to mid-March 2022, Internal Audit made a total of **21** recommendations to improve the control environment. None of these were high priority, **11** were medium priority and **10** were low priority recommendations. 100% of the recommendations have been accepted by management.

The Committee can take assurance that all high priority recommendations will remain under review by Internal Audit, by obtaining regular management updates, until the required action has been fully completed.

(5f) Risk Assurance Opinions

During the period January to mid-March 2022, no limited assurance opinions on risk have been provided on completed audits from the 2021/22 Internal Audit Plan.

Monitoring of the implementation of recommendations to manage the risks identified is owned by the relevant manager(s) and helps to further embed risk management in the day-to-day management, risk monitoring and reporting process.

(5g) Internal Audit Plan 2021/22 – Update

Members approved the Internal Audit Plan 2021/22 at the 27th April 2021 Audit and Standards Committee meeting.

The Internal Audit Plan 2021/22 delivers a range of ARA activity across the Council's Service areas. Activity types include:

- i. Internal Audit;

- ii. Counter fraud activity and fraud or irregularity case review;
- iii. Consultancy review or advice;
- iv. Grant certification or review; and
- v. Resource support for priority areas.

All of these activity types generate an ARA outcome or conclusion, however only the Internal Audit activity stream will result in assurance opinions on risk and control.

When compared to prior years, the Internal Audit Plan 2021/22 includes a higher level of non-assurance opinion activity. This is due to the following factors:

- i. An increased level of grants certification and review requirements, as a result of both Covid-19 and project relevant grant funding streams received by the Council;
- ii. Appropriate application of PSIAS requirements, which supports consideration and delivery of consultancy review within Internal Audit Plans; and
- iii. The changing risks and needs of the Council, evident through the Internal Audit Plan 2021/22 planning and consultation process. This has resulted in increased consultancy review and advice activities to enable agile and added value outcomes from ARA work.

The above weighting of ARA activity will impact upon the Internal Audit Progress Report **section 5** and **Appendix 2** content.

As detailed on **Attachment 2**, six new activities have been added to the Internal Audit Plan 2021/22 based on risk position and need. These include:

- i. The Senior Leadership Team (SLT) and Member requested Planning Review (Enforcement), which was confirmed as a priority for ARA delivery;
- ii. New mandatory grant certification and review work; and
- iii. Management requested consultancy activity.

This page is intentionally left blank

Completed 2021/22 Internal Audit Activity during the period January 2022 to mid-March 2022

Summary of Satisfactory/Acceptable Assurance Opinions on Control

Service Area: Communities

Audit Activity: Tenant Engagement

Background

Stroud District Council lets approximately 5,000 residential properties to around 6,000 tenants and leaseholders across the Stroud District. Housing Services lead on tenant engagement activities, with support provided by colleagues in other service areas where required (for example, in facilitating scrutiny activities).

The outbreak of the Covid-19 pandemic in early 2020 deprioritised tenant engagement activity, with staff resources redeployed to support core service delivery and other key projects. A gradual normalisation of tenant engagement activities is expected in 2022.

ARA note the hard work of the Officers in balancing the delivery of multiple complex projects alongside the recruitment of the new Tenants' Voice Representatives (April 2021). The pressures upon service delivery across Housing Services over the past two years have been high.

Scope

As part of the agreed 2021/22 Internal Audit Plan, ARA have reviewed the arrangements in place regarding tenant engagement, involvement, and empowerment. This Internal Audit involved reviewing the Council's compliance with the Tenant Involvement and Empowerment Standard, one of the Consumer Standards regulated by the Regulator of Social Housing.

Assurance Opinion – Acceptable (equivalent to the Satisfactory assurance opinion)

Key Findings

The main findings from this audit are highlighted below:

- i. The lack of a dedicated staff resource places pressure upon the Council's ability to deliver consistent tenant engagement and involvement activities;
- ii. The current approach to tenant engagement is 'big-tent', to get more tenants involved. A more refined and tailored approach will be required in future;
- iii. Tenant scrutiny activities were not undertaken during the sample period, having ceased following the outbreak of the Covid-19 pandemic;

Agenda Item 6

Appendix A - Attachment 1

- iv. The approach to formal communications is ad-hoc, with Annual Reports and the Keynotes Newsletter not being published since 2019. This impacts tenants' understanding of the Council's operations (transparency) and their awareness of the positive work being achieved across Housing Services and Contract Services (and by the Council more widely); and
- v. The Survey of Tenants and Residents (STAR) has not yet been scheduled, with procurement yet to take place (for the independent provider).

Conclusion

Following inspection of relevant documentation and the evaluation and sample testing of the systems and processes in place, ARA concludes that, overall, the existing procedures and controls provide an Acceptable Assurance level in meeting the service area's control objectives.

ARA have identified areas where improvements can be made to enhance the existing control environment. Three Medium and nine Low priority recommendations have been raised. These focus upon human resource, information gathering, information sharing, training, lessons learned, and performance metrics and monitoring. Once implemented this should ensure going forward that the arrangements for tenant engagement better support delivery of the Tenant Engagement Strategy.

Management Actions

Management have responded positively to the ARA recommendations made, with target dates set for delivery of the agreed actions from May to October 2022.

Service Area: Place

Audit Activity: Private Sector Empty Homes – Limited Assurance Follow-Up

Background

There are 54,998 dwellings within the Stroud District. As of October 2021, there were 166 dwellings classed as being empty for more than two years (long-term empty). This figure relates to the number of dwellings subject to an "Empty Property Council Tax Premium" and is based on the assigned Council Tax Code (CTC). As of October 2021, there were also a further 500 dwellings classed as second homes. There is no "Premium" applied to second homes, which are simply charged the normal rate.

The Empty Property Council Tax Premium is: 100% from 1st April 2020 for those properties which have been empty for more than two years; 200% from 1st April 2020 for those properties which have been empty for more than five years; and 300% from 1st April 2021 for those properties which have been empty for more than 10 years. The "Premium" is over and above the standard Council Tax (CT) rate – for example, a resident with a normal CT rate of £1,400 subject to a 100% premium will receive a bill of £2,800.

To provide some local context, the tables below have been prepared to show the relevant figures for Stroud District Council and six nearby councils. A “Trend” is included for information only and is based on Auditor judgement. For the purposes of this audit, a decrease in the number of “second homes” is considered to be positive. The source data are the “Council Taxbase Statistics” returns from 2019 to 2021, available at GOV.UK. All abbreviations (for councils) can be found below.

Council	Abbreviation
Stroud District Council	SDC
Cheltenham Borough Council	CBC
Tewkesbury Borough Council	TBC
Forest of Dean District Council	FDDC
Gloucester City Council	GCiC
Cotswold District Council	CDC
West Oxfordshire District Council	WODC

Council	Total Number of Dwellings	Empty Dwellings (> 2 Years) 2019	Empty Dwellings (> 2 Years) 2020	Empty Dwellings (> 2 Years) 2021	Trend (±10%)
SDC	54,998	187	195	166	↓
CBC	56,958	108	147	220	↑
TBC	43,045	77	103	88	↑
FDDC	39,308	0	80	88	↑
GCiC	58,539	160	153	120	↓
CDC	44,925	48	53	40	↓
WODC	51,294	50	60	39	↓

Council	Total Number of Dwellings	Second Homes 2019	Second Homes 2020	Second Homes 2021	Trend (±5%)
SDC	54,998	520	538	500	→
CBC	56,958	942	943	876	↓
TBC	43,045	223	234	221	→
FDDC	39,308	313	311	285	↓
GCiC	58,539	176	464	224	↑
CDC	44,925	1,714	1,739	1,670	→
WODC	51,294	981	995	986	→

The figures for empty properties should be qualified with any relevant caveats or limitations. The source data used is important, with the Council Tax base figures used above having their own limitations (with regards to the picture that they paint). For example, the figure of 166 long-term empty dwellings in the Stroud District (2021) includes only those properties assigned one of a specific set of CTC(s). This figure also includes the 52 SDC-owned dwellings (from SDC’s social housing stock) which were empty for more than two years as at October 2021. The figures for other councils can be assumed to include any empty council-owned housing stock, though only Cheltenham Borough Council from the list above retains a sizeable stock as of January 2022. The figure of 166 empty dwellings is therefore reliable, but not precise.

Agenda Item 6

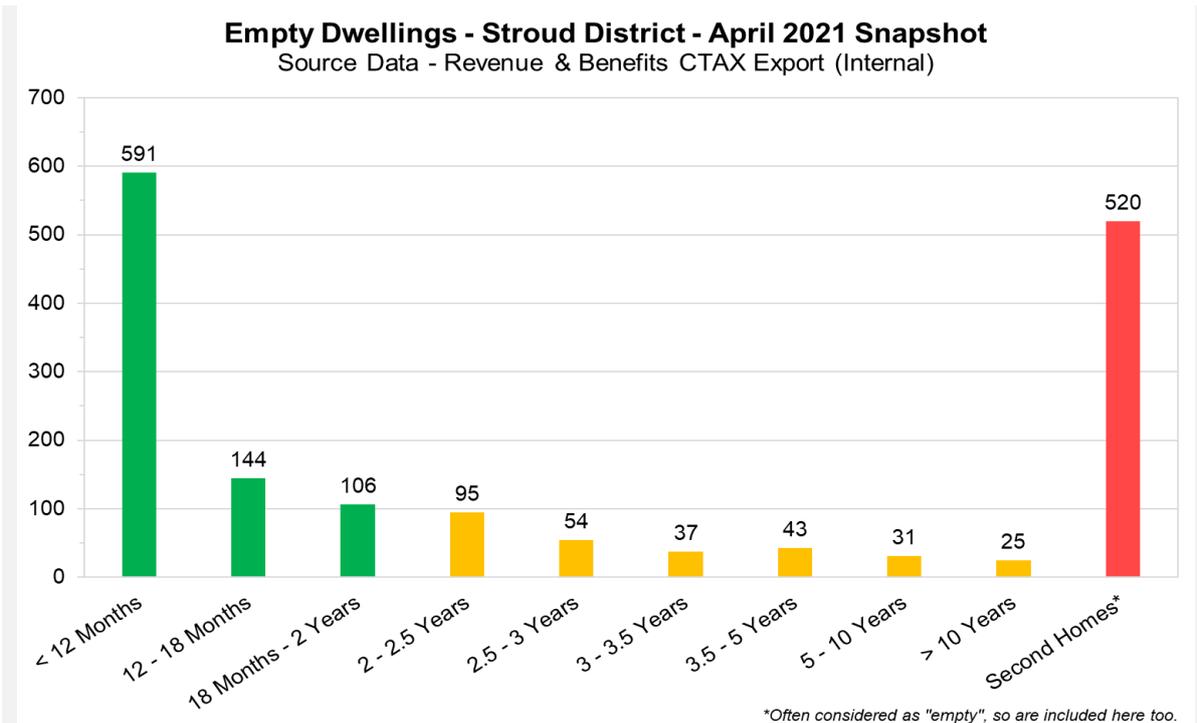
Appendix A - Attachment 1

Additionally, there are some long-term empty dwellings which would not be captured within this figure due to having a different CTC (or a CTC exempt from the application of a Council Tax Premium). There is also some in-year movement in CTCs and the CT classification of dwellings. The number of empty dwellings as at April 2021, six months prior to the October 2021 Council Taxbase return, was estimated by the former Private Sector Housing Officer (PSHO) to lie between 207 and 285. This is still likely to be a slight underestimate as owners may not report their dwelling as empty, meaning that some empty dwellings are charged the normal CT rate. A snapshot using internal data is shown below, produced from interim figures (April 2021) provided to the former PSHO by the Revenue and Benefits Manager. This includes all CTCs and is based on “Date Empty”.

Since April 2020, SDC has imposed “Empty Property Council Tax Premiums” on dwellings empty for more than two years. This is achieved via the assignment of an appropriate CTC to an empty dwelling at the two-year empty mark. This now forms an important part of SDC’s approach to reducing the number of empty dwellings.

The Private Sector Housing Renewal Policy 2018-2023 forms the basis for the SDC’s wider “Empty Homes Strategy” and the Housing Renewal Team’s activities in this area. SDC provides support to the owners of empty dwellings in a number of ways, ranging from free guidance through to a loan of up to £15,000 for renovation works. This is a “proactive” outreach service, with a part-time PSHO dedicated to its delivery.

SDC’s council-wide performance in returning empty dwellings into use can be estimated (to an extent) by comparing Council Taxbase data from year to year and via the New Homes Bonus return. However, it is more challenging to determine the extent to which the work of the PSHO contributes to this (using the methods set out within the Private Sector Housing Renewal Policy 2018-23). The draft Empty Homes Strategy provided to Internal Audit stated that, for the year preceding November 2020, there were 100 dwellings returned to use in the Stroud District. The former PSHO estimated that around 25 of these dwellings were returned to use specifically due to the work of the wider Housing Renewal Team within Environmental Health.



Scope

Internal Audit is required to undertake a formal follow-up audit in the subsequent year to the provision of a Limited Assurance opinion. The purpose is to assess the progress made towards implementing the agreed recommendations.

The previous review raised one High Priority and two Medium Priority recommendations. These were:

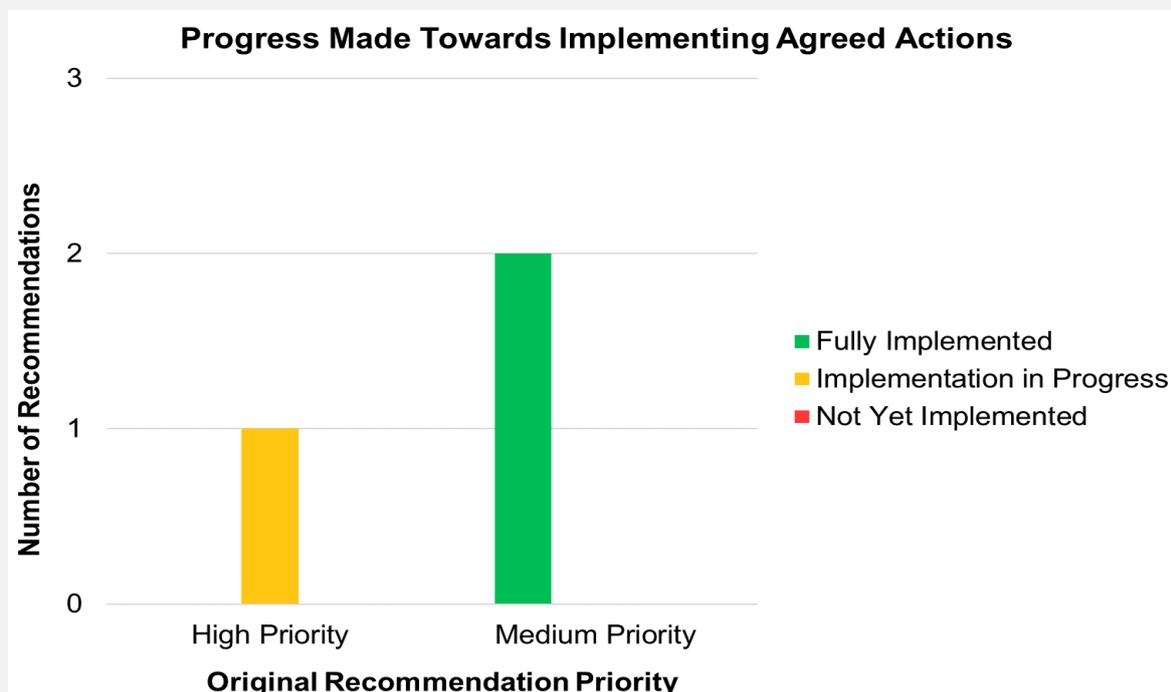
- i. Recommendation 1 (High Priority) – ‘To ensure that owners of empty properties are supported to bring their properties back into use, it is imperative that owners receive letters and factsheets every six months, in line with Council policy and procedures.’
- ii. Recommendation 2 (Medium Priority) – ‘The Empty Property Procedure is reviewed and refreshed as appropriate with regard to when properties should be entered onto the Uniform (case management) system. Any change in procedure must support the need for corporate priorities to be met, and the consideration of enforcement actions are transparent and support offered is fully documented.’
- iii. Recommendation 3 (Medium Priority) – ‘Update the Uniform system to ensure that it evidences correspondence and support given to owners of empty properties that would meet the requirements of the Housing Act 2004 for Empty Dwelling Management Order (EDMO) and Compulsory Purchase Order (CPO) enforcement actions. This must be in line with the revised Empty Property Procedure (as documented in Recommendation 2).’

Risk Assurance – Satisfactory

Control Assurance – Satisfactory

Key Findings

The status of the above recommendations (as of January 2022) is shown below.



Recommendations 2 and 3 have been implemented as agreed. Recommendation 1, which required that the post of PSHO be filled, is shown as 'Implementation in Progress'. This is due to the post now being vacant, having been previously successfully filled. Recruitment is planned to commence between February and May 2022, but this may be delayed due to changes being considered for the structure of the role. A revised version of the original recommendation has been raised and agreed.

As shown in the table(s) above, SDC is not an outlier versus nearby councils, with a relatively low number of long-term empty dwellings. This supports a change in priority for this new recommendation. Additionally, the new "Empty Property Council Tax Premium" will ensure that wider objectives are pursued, even in the absence of a PSHO.

A new Empty Homes Strategy is currently being drafted, which will refresh the approach for the coming years. This has been reviewed by Internal Audit, with some suggestions provided in the following areas:

- i. The opportunities for deeper joint-working with Revenue and Benefits with regards to data-sharing, enforcement action, and verification visits ("second homes");
- ii. The development of an Empty Homes Database, with dwellings scored and the depth of action clearly outlined and planned (outreach and enforcement); and
- iii. The support available for the owners of empty dwellings (currently a £1,000 to £15,000 loan).

Two new Medium Priority recommendations were raised as part of this follow-up audit, which will help to ensure that the PSHO’s work will deliver maximum, measurable benefit to the Empty Homes Strategy.

Internal Audit notes that EDMOs are no longer considered to be an effective means of bringing empty dwellings back into use, with the costs outweighing any benefits. CPOs and “Enforced Sales” are less flawed “final” options to bring empty dwellings back into use. The former PSHO has had some success in using lower-level enforcement action to address complaints regarding empty dwellings.

Conclusion

The service area has made satisfactory progress towards implementing the original Internal Audit recommendations raised.

The overall assurance level is now Satisfactory Assurance. This should be considered in light of planned recruitment and changes to the overall Empty Homes Strategy.

A summary of the number of recommendations raised across the ARA reviews is included below.

Audit Review	Number of Recommendations	
	High Priority	Medium Priority
PSEH (Original) – April 2022	1	2
PSEH Follow-Up – January 2022	0	3

Management Actions

The Housing Renewal Manager has responded positively to the recommendations raised, which will support the upcoming refresh of SDC’s Empty Homes Strategy. The options for delivering this proactive service are currently under consideration and remain an important area of focus for the Housing Renewal Team.

Agenda Item 6

Appendix A - Attachment 1

Summary of Consulting Activity, Grant Certification or Review and Support Delivered where no Opinions are provided

Service Area: Resources

Audit Activity: Grants Payments – Post Payment Assurance

Background

As a result of the Covid-19 pandemic, the UK Government has implemented local and national restrictions on movement, commerce, and public activity throughout 2020 and 2021. To support businesses during periods of local (“Tiers”) and national restrictions, a package of financial aid was provided in the form of various grants. These grants were administered by the relevant council. There is no grant certification (by Internal Audit) required for any part of this package of business aid. Between October 2020 and March 2021, both local and national restrictions were imposed across England at various points. The grants that were provided to businesses during this period are summarised within the “Scope” section below.

Scope

Internal Audit has provided support to the Council to assist in ensuring that grant payments were made to eligible businesses. This work was based upon the relevant UK Government grant administration guidance and criteria.

The Revenue and Benefits Manager selected the grants that Internal Audit were to review, which are listed in the table below. A 10% sample (of businesses who received grant monies) was then selected by the Auditor for further review, to provide the assurance required over grant administration. In some cases, slightly more than 10% of businesses were sampled.

The period under review was October 2020 to March 2021.

The table below shows the Covid-19 business grants that were within the scope of this review. The total amount disbursed and the number of (unique) recipients are also shown. The latter should be taken as an approximate figure, intended to highlight the number of individual businesses which benefitted from grant support (this may not align completely with reporting by Revenue and Benefits, where the focus may be on the number of individual payments or rateable properties).

Grant Name	Abbrev.	Total Amount Disbursed	Number of Unique Recipients
Local Restrictions Support Grant (Closed Addendum)	LRSGA	£5,234,745.73	786
Closed Business Lockdown Payment	CBLP	£3,596,000.00	745
Local Restrictions Support Grant (Closed)	LRSGC	£99,016.88	181
Local Restrictions Support Grant (Sector)	LRSGS	£2,357.14	1
Christmas Support Payment	CSP	£57,000	58

Internal Audit was requested to highlight to the Revenue and Benefits Manager any individual payments or grant recipients requiring further attention.

The Revenue and Benefits Manager would then complete a review and determine the legitimacy of the grant payment. Internal Audit has had no role beyond identifying cases where further attention would be recommended.

A number of grants were placed outside the scope of this particular exercise by the Revenue and Benefits Manager. This was due to officers within the service completing similar checks during our fieldwork period. This only excluded them on this particular occasion, and Internal Audit may review these at a future date if requested to do so.

The table below shows the Covid-19 business grants that were placed outside the scope of this review. The total amount disbursed and the number of (unique) recipients are also shown. The latter should be taken as an approximate figure, intended to highlight the number of individual businesses which benefitted from grant support.

Grant Name	Abbrev.	Total Amount Disbursed	Number of Unique Recipients
Restart Grant (“Retail” and “Hospitality and Leisure”)	RG	£4,955,392.00	636
Additional Restrictions Grant (Various - Dec 2020 to Mar 2021)	LRSGD	£3,241,562.29	1028
Local Restrictions Support Grant (Open)	LRSGO	£573,516.05	521

Key Findings

The results from review of the sampled grant claims and recipients were either categorised as “Major Query”, “Minor Query”, or “No Query”. The meanings of these terms are summarised in the table below. It should be noted that, even if a Major Query has been raised as part of this work, this does not guarantee that an issue will be present following further investigation.

Categorisation	Meaning
Major Query	There were concerns over the grant recipient’s eligibility for the grant monies, based on the relevant UK Government guidance in place. For example, they were not mandated to close, or were overpaid.
Minor Query	There were no substantial concerns over the grant recipient’s eligibility for grant monies, but aspects of the application required further clarification. For example, the trading status of the company was unclear based on social media activity and required a site visit.
No Query	There were no issues found with regards to the grant recipient’s eligibility for monies when tested against the relevant UK Government guidance.

The results for the grants under review are summarised via the three diagrams below (for LRSGC, LRSGA, and CBLP). The value (in terms of grant monies paid out) of those categorised as “Major Query” is detailed above each figure.

Agenda Item 6

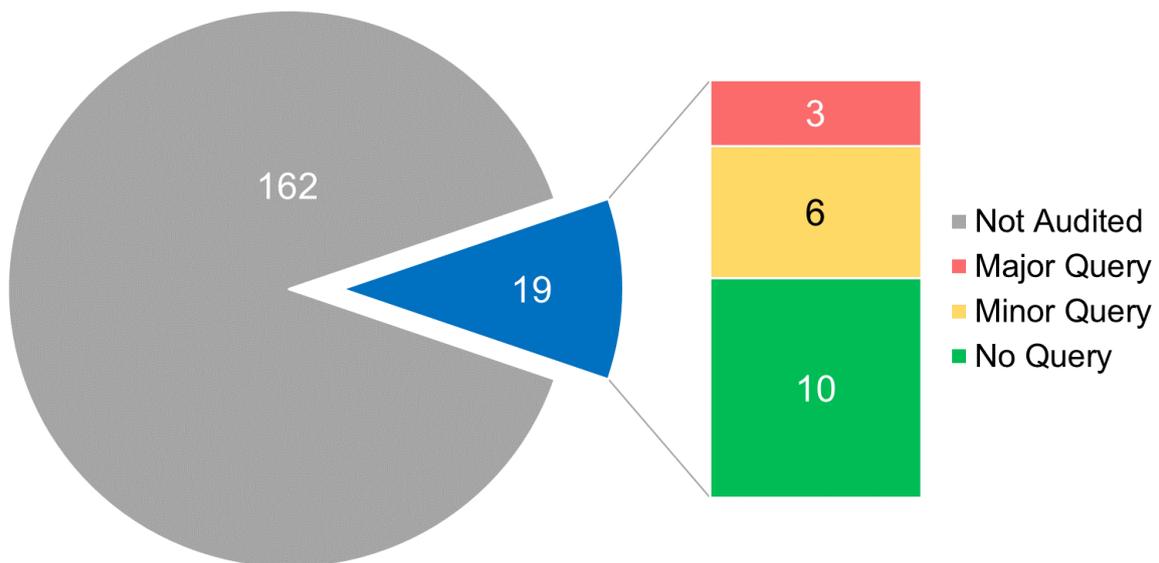
Appendix A - Attachment 1

The analogous diagrams for LRSGS and CSP have not been produced. Only one business received the LRSGS grant, with a Minor Query raised. In total, 58 businesses received the £1,000 CSP, but Internal Audit has reviewed 14 of those within either the LRSGC, LRSGA, or CBLP samples. Therefore, no further work was completed. Additionally, the CSP was provided based simply on the classification of the rateable property (hereditament) as a Public House, so no application form was completed.

LRSGC

There were 181 unique recipients of LRSGC grant funding, from which a sample of 19 were chosen (a 10.5% sample). The total amount disbursed via the LRSGC was £99,016.88. The value of the sample was £14,909.69 (a 15% sample). The total value of those flagged with a "Major Query" was £2,096.27.

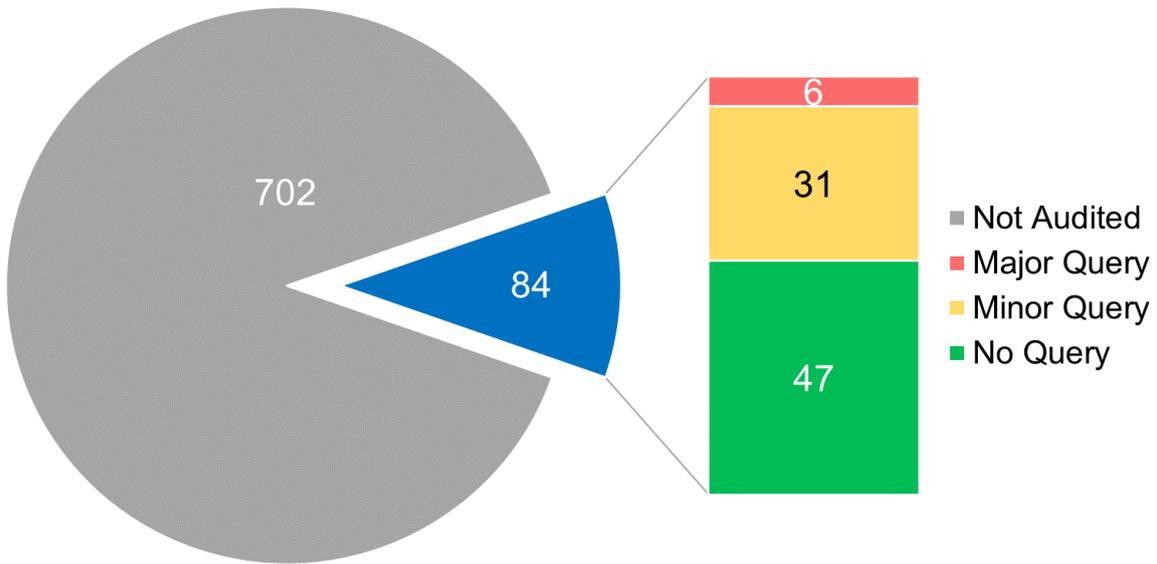
Local Restrictions Support Grant (Closed) - LRSGC



LRSGA

There were 786 unique recipients of LRSGA grant funding, from which a sample of 84 were chosen (a 10.7% sample). The total amount disbursed via the LRSGA was £5,234,745.73. The value of the sample was £522,837.60 (a 10% sample). The total value of those flagged with a "Major Query" was £35,512.19 (£8,500.14 + £4,335.21 + 4x £5,669.21).

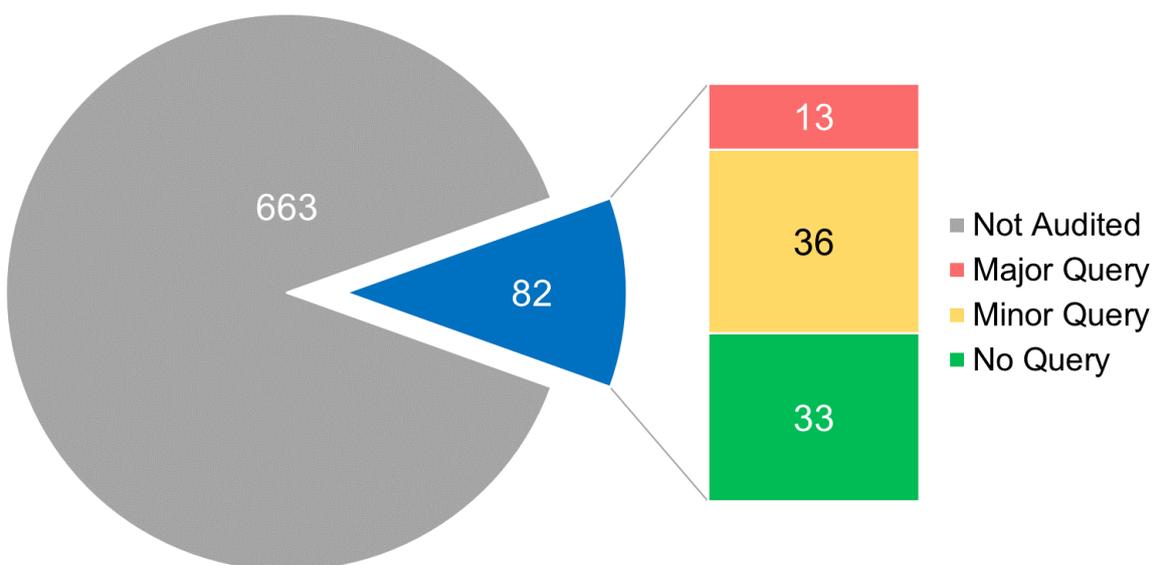
Local Restrictions Support Grant (Closed Addendum) - LRSGA



CBLP

There were 745 unique recipients of CBLP grant funding, from which a sample of 82 were chosen (an 11% sample). The total amount disbursed via the CBLP was £3,596,000.00. The value of the sample chosen was £381,000 (a 10.6% sample). The total value of those flagged with a “Major Query” was £56,000 (2x £6,000 + 11x £4,000).

Closed Business Lockdown Payment - CBLP



Agenda Item 6

Appendix A - Attachment 1

As indicated above, a “Minor Query” being raised did not constitute a substantial concern over grant administration. The table below shows the percentage (%) of claims in the ARA sample from each grant type categorised as either “No Query” or “Minor Query”.

Grant Name	% “No Query” or “Minor Query”
LRSGA	93%
CBLP	84%
LRSGC	84%
LRSGS	100%

Conclusion

The roll-over of some applicant information from grant to grant was a factor in a number of cases referred back with a “Minor Query” (where there was often some information missing or an inconsistency noted). However, this approach was vital to ensuring that funds were disbursed in a timely manner. As highlighted in the table above, the majority of claims sampled were categorised as either “No Query” or “Minor Query”.

Management Actions

The Revenue and Benefits Manager will review those payments or businesses highlighted by Internal Audit’s testing. Any further action is at his discretion. In some cases, it is accepted that it may not be worthwhile or cost-effective to pursue any further action (for example, the recovery of monies).

An update will be provided by the Revenue and Benefits Manager to the Audit and Standards Committee alongside this report on the outcome of these referrals.

Service Area: Place

Audit Activity: Planning Enforcement - Consultancy

Background

The Development Management service is seeking to introduce the Enterprise IT software for Planning Enforcement. This is to facilitate effective performance management, in support of an updated policy and procedure due to be introduced in 2022.

Included in the Development Management improvement plan is the aspiration to utilise the Enterprise IT software to aid the Enforcement process. A project plan for the set-up, design and testing of the software has been developed.

Scope

The objective of this consultancy review was to:

- i. Review project progress made by the Team Leader, Planning Support; and

- ii. Consider the planning enforcement process currently in place and provide consultancy input where test system procedures, controls and reports need to be amended, with the objective of improving the case management of enforcement complaints received.

Key Findings

- i. The Team Leader, Planning Support explained that the Enterprise IT test system configuration of Uniform data has contributed to the time delay in setting up the framework for the Planning Enforcement process.
- ii. The improvement plan scheduled testing of case data in December 2021 has therefore slipped and is likely to commence in April 2022.
- iii. The Enforcement process (thirteen activities from initiation to completion) have been materially set up in the test system, and only require minor amendments before a detailed review of case data is undertaken.
- iv. The minor amendments required included the need to create date driven alert reports within the system, to ensure that communication with complainants and other stakeholders takes place at key points. For example, a complainant is informed of investigation progress into an urgent complaint within 15 working days.
- v. Supporting procedure notes to operate and document the Enforcement process are currently being created and reviewed by the Development Management Team Leader.
- vi. Letter template formats for communication with the complainant and other relevant stakeholders will be updated and completed by the Development Management Team Leader by April 2022.

Conclusion

The Team Leader, Planning Support has successfully actioned the Enforcement process activities which needed improvement within the test system IT parameters.

The next phases for testing and full implementation of the Enterprise software will take place in late spring of 2022.

Additional consultancy time has been included within the 2022/23 Internal Audit Plan to review progress made on; i) Procedure documentation; ii) Test system monitoring of live complaints; and iii) The format and reporting of daily, weekly, and monthly Enterprise alert reports to Enforcement staff.

Agenda Item 6

Appendix A - Attachment 1

Service Area: Place

Audit Activity: Sustainable Warmth Grant - Consultancy

Background

Stroud District Council were successful in obtaining further grant funding to support improvements in home energy efficiency across Gloucestershire and South Gloucestershire. The target properties are those with an Energy Performance Certificate rating of E-G (30% of the total can have a rating of D).

The award of £5,247,985 will support the delivery of a wide range of improvement measures including: External Wall Insulation; Underfloor Insulation; Air-Source Heat Pumps; and High-Retention Storage Heaters.

The Sustainable Warmth name is a wrapper for two different grants, shown in the table below.

Grant Name	Acronym	Amount	Delivery
Home Upgrade Grant Phase 1	HUGS	£4,217,985	March 2022 to March 2023
Local Authority Delivery Scheme Phase 3 (Sustainable Warmth)	LADS 3	£1,030,000	March 2022 to March 2023

These are distinct grants. LADS 3 is for 'on-gas' and HUGs is 'off-gas' (for heating purposes).

The Council are not targeting park homes with this funding, having already supported a significant amount of work in this area via the Green Homes Grant Local Authority Delivery Scheme (GHG LADS) Phase 1a and 1b funding (>£2m).

The Sustainable Warmth funding will be targeted at both owner-occupied properties and those in the private rental sector. The delivery of this project will progress via the Warm and Well scheme and be managed by Severn Wye Energy Agency (SWEA), who have been successful in delivering the GHG LADS on the Council's behalf.

Scope

The Housing Renewal Manager requested Internal Audit's input on the plan for the delivery of Sustainable Warmth grant-funded works. This was consultancy work, intended to ensure that key controls were built-into the project at the earliest possible stage. The advice provided was not binding on SWEA, but Internal Audit's input has been welcomed by all involved.

Key Findings

Advice was offered in the areas listed below and was linked to the key terms of the Sustainable Warmth grant (within the Memorandum of Understanding). A short, written summary of matters discussed during the meeting was provided to SWEA's Head of Service Quality and the Project Manager shortly after.

Areas covered:

- i. Standard Areas for Review by Internal Audit – ‘Systems and Processes’, ‘Adequate Record-Keeping’, and ‘Money Spent for Eligible Reasons’;
- ii. Additional Areas for Review by Internal Audit – ‘Governance, Monitoring, and Reporting’, ‘Risk Management’, ‘Contractual Expectations’, ‘Procurement and Value-For-Money’, and ‘Meeting Objectives’; and
- iii. Further Preparation Required – ‘Paper-Trail for Eligibility’, ‘Application Streams’, and ‘Data Collection / Retention’.

Conclusion

HUGS and LADS 3 will each require review and certification by Internal Audit in the future (by the 28th of April 2023).

The consultancy advice provided does not preclude Internal Audit from performing the required certification fieldwork. ARA will ensure independence and objectivity through appropriate resource allocations. The Auditor who will be assigned to grant certification will not be the same individual who provided the consultancy support.

Service Area: Resources

Audit Activity: Test and Trace Support Scheme – Main Scheme and Discretionary Scheme February 2022 Update

Background

As a result of the Covid-19 pandemic, the UK Government has implemented local and national restrictions on movement, commerce, and public activity throughout 2020 and 2021. The UK Government have attempted to curtail the spread of Covid-19 by requiring a period of self-isolation after testing positive for Covid-19 (or being identified as a close contact of someone who has). The specific requirements have been varied on numerous occasions over the last two years.

To support those who might encounter hardship by being required to remain at home and unable to work, the Test and Trace Support Payment Scheme (TTSPS) was rolled-out. Payments of £500 were administered by the relevant council to eligible individuals. The TTSPS can be received via the Main Scheme or via the Discretionary Scheme, which had slightly different eligibility criteria. The TTSPS formally closed on 24th February 2022. The Council is accepting TTSPS applications from individuals instructed to self-isolate before this date up to the 6th April 2022, where the claim is made within 42 days of the first day of self-isolation.

Applications are sorted into the appropriate category following review by the Senior Benefit Officer. The source of funding and the amount available differ for each Scheme, with limited funding available for the Discretionary Scheme. A total of £284,000 was paid out by the Council in TTSPS as of 31st December 2021 (£148,500 via the Main Scheme and £135,500 via the Discretionary Scheme).

It should be noted that the term ‘application’ and ‘claim’ are often used interchangeably where the TTSPS is concerned.

Scope

To date there has been no requirement for Internal Audit sign-off published by the Department of Health and Social Care (DHSC), the funding body. This work has instead been undertaken as part of a wider package of grants post-payment assurance support provided by Internal Audit.

The support work was completed in two large tranches, referred to as Phase 1 and Phase 2. As of February 2022, there remain a small number of payments not yet reviewed, including applications made (and those yet to be made) between 1st February 2022 and 6th April 2022. This is discussed within the ‘Key Findings’ section below.

All TTSPs made under the “Main Scheme’ and the ‘Discretionary Scheme’ during the following periods were reviewed: Phase 1 covered 1st October 2020 to 17th July 2021 and Phase 2 covered 18th July 2021 to 31st January 2022.

These ‘Phases’ refer only to the division of Internal Audit’s work into two lots. The eligibility of applicants for the TTSPS was tested against the relevant DHSC guidance and requirements in place at the time.

Data-driven fraud checks were included in testing. For both Phase 1 and 2, this was focussed on identifying multiple applications originating from the same household over a short period of time.

Limitations

The source data used to select Internal Audit samples was a direct system export from Civica OPENRevenues and included only claims made and fully processed at the time of data request. The impact of this is negligible and a consequence of both the 'dynamic' nature of the source data and our completing the review on an ongoing basis. The figures referred to (in terms of classifications as 'Main Scheme' and 'Discretionary Scheme') in this text are interim and subject to any final corrections when preparing the final return for the DHSC. For example, this will address any claims unsuccessful under the 'Main Scheme' but which were subsequently reassessed and successful under the 'Discretionary Scheme'.

Key Findings

The results of our work to date are organised below under the following headings:

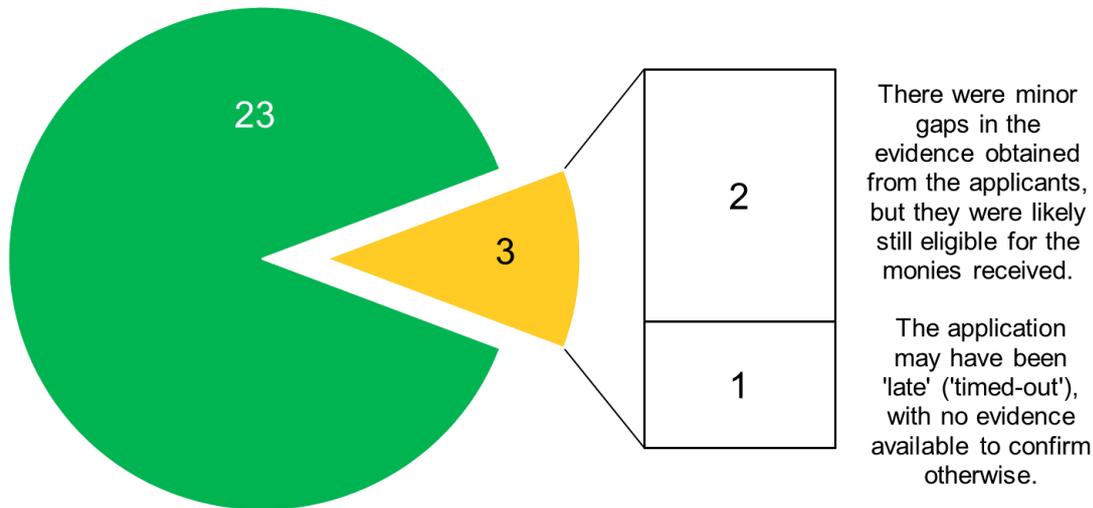
- i. Key Findings – Phase 1 – Main Scheme;
- ii. Key Findings – Phase 1 – Discretionary Scheme;
- iii. Key Findings – Phase 2 – Main Scheme;
- iv. Key Findings – Phase 2 – Discretionary Scheme;
- v. Key Findings – All Applications (Accepted / Refused); and
- vi. Internal Audit Coverage.

For the first four diagrams below, the following colour scheme applies: Green = 'No Issues', Amber = 'Issue Noted'.

Key Findings – Phase 1 – Main Scheme

There were 194 successful applications within the Phase 1 sample. Internal Audit sampled 21 of these as the 'core' sample. As part of the fraud-check outlined above, a further 5 applications were reviewed. This provided a 13.4% sample. The results of our testing are summarised in the diagram below, with a short explanatory note underneath.

Test & Trace Support Payment Scheme
Phase 1 - Main Scheme

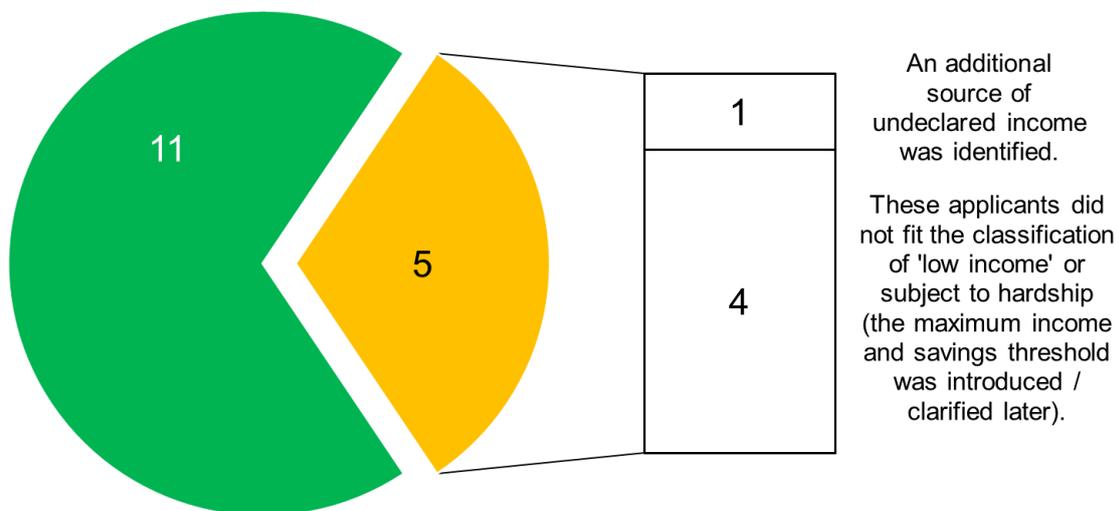


There were no specific issues highlighted within the fraud-check sample. For 88% of the applications reviewed in the sample, there were no issues noted.

Key Findings – Phase 1 – Discretionary Scheme

There were 109 successful applications over the Phase 1 sample period. Internal Audit sampled 12 of these as the 'core' sample. As part of the fraud-check outlined above, a further 4 applications were reviewed. This provided a 14.7% sample. The results of testing are summarised in the diagram below, with a short explanatory note underneath.

Test & Trace Support Payment Scheme
Phase 1 - Discretionary Scheme



There were no specific issues highlighted in the fraud-check sample. For 69% of the applications reviewed in the sample, there were no issues noted.

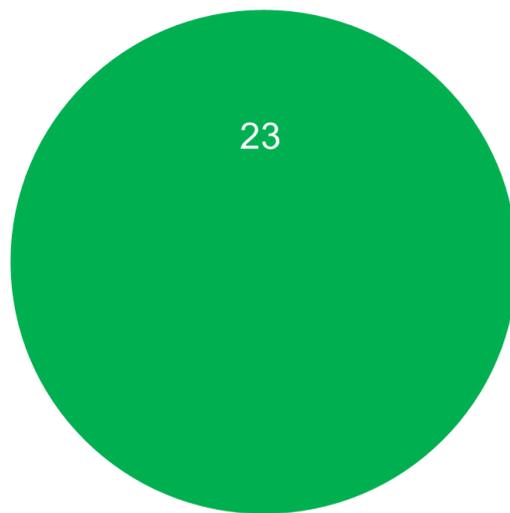
There were four applicants who did not fit the criteria of 'low income'. These were processed before checks against the maximum income and savings threshold were embedded into the process, so represent 'teething issues' in the delivery of the TTSPS.

There was one application where Internal Audit identified an additional source of part-time (or ad-hoc) income on the provided bank statement, which was not reflected on the relevant Application Form. This was missed due to human error when processing the application.

Key Findings – Phase 2 – Main Scheme

There were 223 successful applications over the Phase 2 sample period. Internal Audit sampled 19 of these as the 'core' sample. As part of the fraud-check outlined above, a further 4 applications were reviewed. This provided a 10.3% sample. The results of testing are summarised in the diagram below, with a short explanatory note underneath.

Test & Trace Support Payment Scheme Phase 2 - Main Scheme



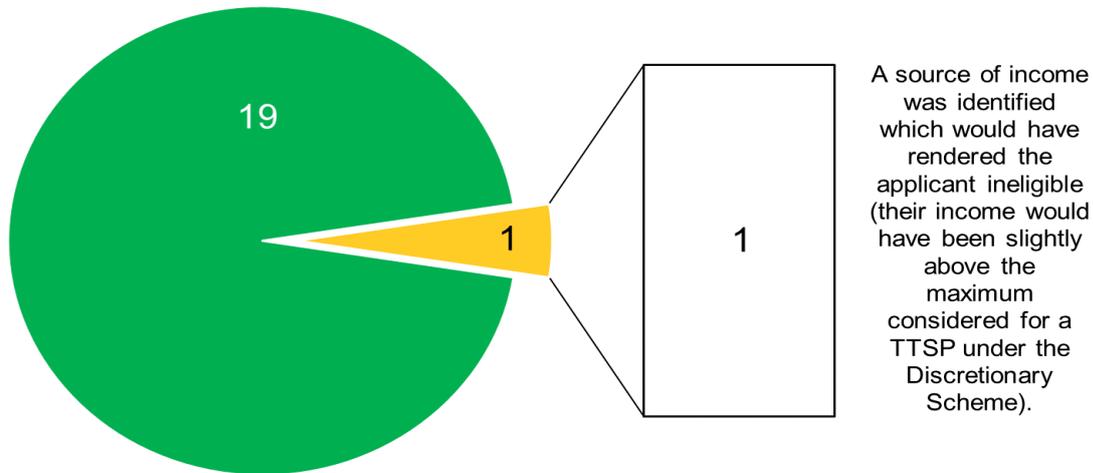
There were 0 claims within the sample reviewed with any issues.

There were no specific issues highlighted in the fraud-check sample. For 100% of the applications reviewed in the sample, there were no issues noted.

Key Findings – Phase 2 – Discretionary Scheme

There were 187 successful applications over the Phase 2 sample period. Internal Audit sampled 16 of these as the 'core' sample. As part of the fraud-check outlined above, a further 4 applications were reviewed. This provided a 10.7% sample. The results of testing are summarised in the diagram below, with a short explanatory note underneath.

Test & Trace Support Payment Scheme
Phase 2 - Discretionary Scheme



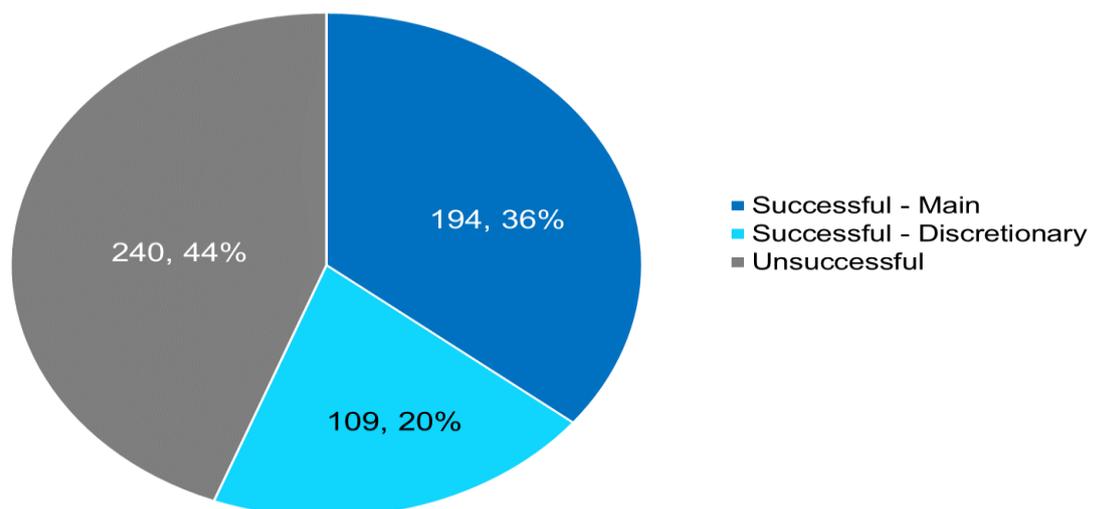
There were no specific issues highlighted in the fraud-check sample. For 95% of the applications reviewed in the total sample, there were no issues noted.

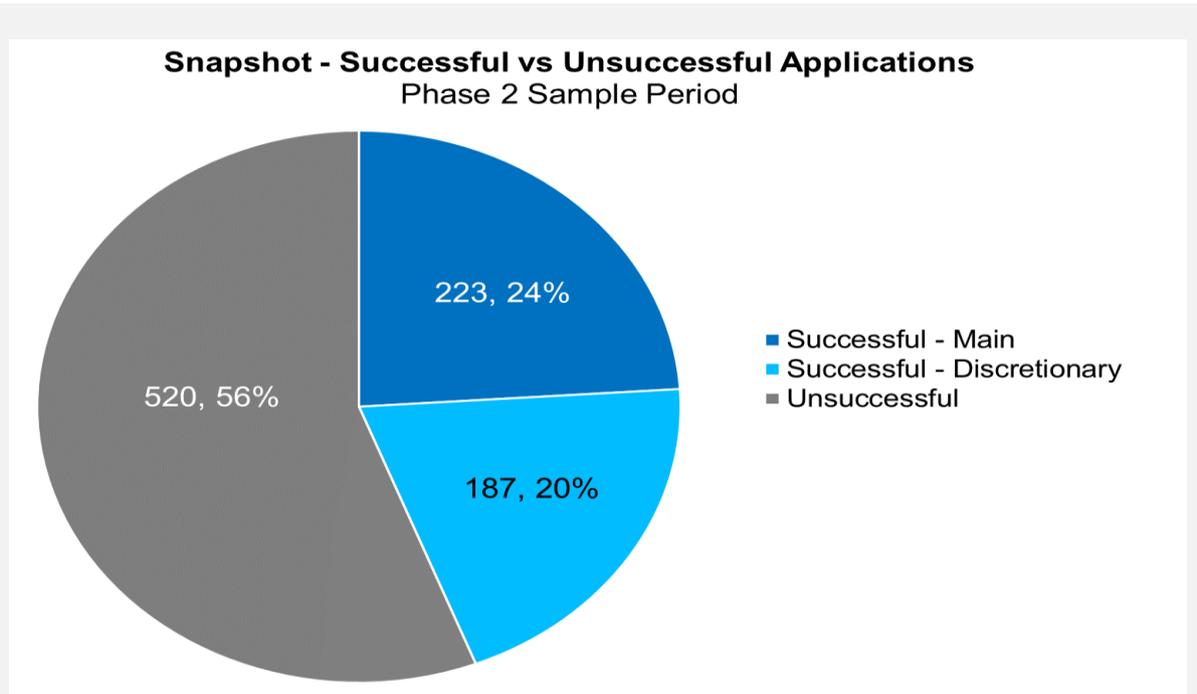
There was one application where Internal Audit were unable to verify that the applicant only had one source of income (one job). This was not concealed income; ARA were simply unable to confirm from the evidence collected by the Council that the individual did not continue to receive an additional income from another part-time role (which would have placed their income above the maximum threshold).

Key Findings – All Applications (Accepted / Refused)

To provide some context surrounding the % of applications which were 'Successful' versus 'Unsuccessful', the relevant interim data for Phase 1 and Phase 2 has been collated into the figures below.

Snapshot - Successful vs Unsuccessful Applications
Phase 1 Sample Period





An estimated 44% of applications were refused over the Phase 1 period. The reasons for refusal for this tranche were mostly either 'Not in Receipt of Eligible Benefit' and 'Other'. The latter was used for duplicate applications and a failure to respond to requests from the Council for further information or documentation. There were limited funds available for the Discretionary Scheme, so this could not be used to support those ineligible under the Main Scheme. An estimated 56% of applications were refused over the Phase 2 period. The reasons for refusal for this tranche were mostly 'Other' (as above).

The change between Phase 1 and 2 may also be linked to the rollout of the Covid-19 vaccine and shifting self-isolation guidance, which have both reduced the pool of eligible individuals (for the TTSPS).

Internal Audit Coverage

The diagram below has been prepared to highlight the level of coverage of the TTSPS that Internal Audit has provided to date.

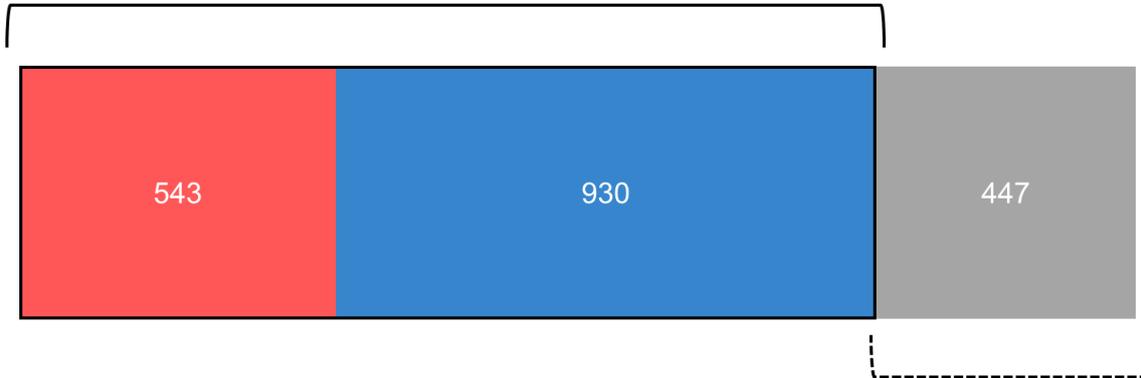
Red – Phase 1 – 543, Blue – Phase 2 – 930, Grey – 'Remaining' (Projected) – 447

Agenda Item 6

Appendix A - Attachment 1

Test & Trace Support Payment Scheme - SDC Internal Audit Coverage To Date (Estimated)

Phase 1 and Phase 2, October 2020 to January 2022



*The TTSPS formally ended on 24th February 2022, but is still taking applications until 6th April 2022 for those told to self-isolate before the 24th February 2022. The uptake is not expected to be high, with only a handful of applications expected over this period. The projected figure of 447 is therefore likely to be an overestimate.

Applications* Not Reviewed, late-January 2022 to April 2022

Conclusion

The initial roll-out of the TTSPS was at pace, with some ambiguity in the guidance early-on. The highly variable level of demand has placed pressure on the Council's ability to deliver the TTSPS, especially given that this work was completed by the Senior Benefit Officer in addition to their normal duties. Although Internal Audit has highlighted a small number of issues in the sample testing, the error rate is acceptable when taking into account the above factors.

The Council has exercised a sensible degree of caution in processing applications, but not to the detriment of those genuinely in need. This is evident in the figures for unsuccessful applications and should provide some assurance that the "1st Line of Defence" has prevented a large number of ineligible individuals from receiving a £500 payment. The changing guidance over the course of the TTSPS has posed challenges too, which were managed satisfactorily by the Council.

Management Actions

No formal recommendations were raised as part of this work. Although there were minor issues highlighted upon a 'deep-dive' into individual applications, there is no further action required that would be reasonable or proportionate given the 'borderline' nature of the claims and the low value of the payments. The TTSPS is due to be closed in April 2022, with a return submitted to DHSC shortly after.

Summary of Special Investigations/Counter Fraud Activities

Current Status

The Counter Fraud Team (CFT) within Internal Audit has received four referrals in 2021/22 to date. Two of the four cases were business grant application concerns. A review by the CFT found there to be no issues. The grants were subsequently paid, and the referrals closed. The remaining two 2021/22 cases are under review and once concluded, will be reported to the Audit and Standards Committee.

In addition, the CFT continues to work on one case brought forward from last year (Covid-19 grant related). This case remains under review and will be reported to the Audit and Standards Committee on its completion.



Any fraud alerts received by Internal Audit from the National Anti-Fraud Network (NAFN) and other credible entities are passed onto the relevant service areas within the Council, to alert staff to the potential fraud.

Since the start of the Covid-19 pandemic, ARA has provided the Council with regular updates on local and national scams which seek to take advantage of the unprecedented circumstances. These include the following fraud risk areas: a rise in bank mandate frauds, inflated claims, duplicate payments and the submission of fraudulent Covid-19 grant applications. This area of activity continues, with updates provided to the Council where relevant.

National Fraud Initiative (NFI)

Internal Audit continues to support the NFI which is a biennial data matching exercise administered by the Cabinet Office. The data matches in respect of the main 2021/22 exercise were released in January 2021.

Please find attached a link to the latest [NFI newsletter](#).

Examples of data sets include housing, insurance, payroll, creditors, council tax, electoral register and licences for market trader/operator, taxi drivers and personal licences to supply alcohol. Not all matches are always investigated but where possible, all recommended matches are reviewed by either Internal Audit, the appropriate service area within the Council or by procuring the services of the Counter Fraud Unit (CFU).

The CFT is currently assisting the Council to undertake some of the outstanding match reviews.

Agenda Item 6

Appendix A - Attachment 1

In addition, ARA has been advised that the CFU have been employed to undertake some of the match reviews on behalf of the Council. The CFU findings will be separately reported to the Audit and Standards Committee.

Covid-19 Omicron Business Grant Fraud update

As reported by NAFN in January 2022, the updated value of Covid-19 Business Grant fraud prevented from a total of 206 Councils in England, Scotland and Wales is:



Due to the additional government funding made available during the Covid-19 pandemic, further matches (associated with the payments of the various government grants) have been made available and these continue to be released for review throughout the year. The CFT have offered the Council assistance in reviewing some of these matches.

Progress Report including Assurance Opinions

Department	Activity Name	Priority	Activity Status	Risk Opinion	Control Opinion	Reported to Audit and Standards Committee	Comments
Council Wide	Local Government Association Peer Review	1	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Council Wide	Risk Management	1	Final Report Issued	Not Applicable	Not Applicable	26/04/2022	The activity replaces the previously deferred 'risk and performance reporting' review. Full report at Appendix B .
Council Wide	Business Continuity Lessons Learned	1	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Transformation and Change	Fit for the Future	1	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Place	Private Sector Housing (Empty Homes) - Limited Assurance Follow Up	1	Final Report Issued	Satisfactory	Satisfactory	26/04/2022	
Place	Canal Project Budget Management	1	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Place	Planning Applications	1	Final Report Issued	Satisfactory	Satisfactory	30/11/2021	Brought Forward from 20/21 plan.
Place	Planning Review (Enforcement)	1	Final Report Issued	Not Applicable	Not Applicable	30/11/2021	New activity.
Place	Planning Enforcement - Consultancy	1	Final Report Issued	Not Applicable	Not Applicable	26/04/2022	New activity.
Place	Sustainable Warmth Grant - Consultancy	1	Final Report Issued	Not Applicable	Not Applicable	26/04/2022	New activity.
Resources	Carbon Neutral 2030	1	Cancelled				Cancelled based on the Draft Internal Audit Plan 22/23 risk assessment and consultation exercise.
Resources	Creditors - Limited Assurance Follow Up	1	Audit in Progress				
Resources	Contract Management Framework	1	Draft Report Issued				Consultancy review. This activity replaces the original 'Procurement and Contract Management Follow Up' activity. The procurement element of the original review has been deferred.
Resources	ICT Service Desk	1	Final Report Issued	Not Applicable	Not Applicable	28/09/2021	Brought Forward from 20/21 plan. Consultancy review.
Resources	ICT Infrastructure Strategy	1	Audit in Progress				Brought Forward from 20/21 plan.
Resources	Council Tax	2	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Resources	Grant Payments - Post Payment Assurance	1	Final Report Issued	Not Applicable	Not Applicable	26/04/2022	
Resources	Green Homes Grant Local Authority Delivery Scheme - Phase 1a	1	Final Report Issued	Not Applicable	Not Applicable	30/11/2021	
Resources	Green Homes Grant Local Authority Delivery Scheme - Phase 1b	1	Audit in Progress				New activity. Second phase.
Resources	Innovate to Renovate	1	Deferred				New activity. Grant review. Deferral to enable claim 1 audit delivery in Q1 22/23.
Resources	Lost Sales, Fees and Charges - Claim Three	1	Final Report Issued	Not Applicable	Not Applicable	28/09/2021	
Resources	Purchase Cards	2	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.

Progress Report including Assurance Opinions

Department	Activity Name	Priority	Activity Status	Risk Opinion	Control Opinion	Reported to Audit and Standards Committee	Comments
Resources	Social Housing Decarbonisation Fund Demonstrator	1	Deferred				Deferred based on the Draft Internal Audit Plan 22/23 risk assessment and consultation exercise.
Resources	Test and Trace Support Scheme - Main Scheme	1	Final Report Issued	Not Applicable	Not Applicable	26/04/2022	
Resources	Test and Trace Support Scheme - Discretionary Scheme	1	Final Report Issued	Not Applicable	Not Applicable	26/04/2022	New activity.
Resources	Facilities Management	2	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Resources	Compliance with Gov Standards	1	Audit in Progress				
Resources	Incident Management Process	1	Planned				Activity agreed for delivery from March 22. Terms of reference issued.
Resources	Change Management Process	1	Planned				Activity agreed for delivery from March 22. Terms of reference issued.
Resources	Disaster Recovery and Business Continuity - Limited Assurance Follow Up	1	Deferred				Deferred based on the Draft Internal Audit Plan 22/23 risk assessment and consultation exercise.
Communities	Tenant Engagement	1	Final Report Issued	Acceptable		26/04/2022	New ARA assurance opinion approach applied. 'Acceptable' opinion is equivalent to 'Satisfactory'. Brought Forward from 20/21 plan.
Communities	Anti-social Behaviour Management	1	Audit in Progress				
Communities	Electrical Works Contract - Limited Assurance Follow Up	1	Audit in Progress				
Communities	Stratford Park Leisure Centre	1	Cancelled				Cancelled based on the Draft Internal Audit Plan 22/23 risk assessment and consultation exercise.
Communities	Cleaner Estates Strategy (Refuse)	2	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Communities	Housing Advice	1	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Communities	Housing Revenue Account (HRA) Delivery Plan	1	Deferred				Deferred based on the Draft Internal Audit Plan 22/23 risk assessment and consultation exercise.
Communities	Safeguarding	1	Deferred				Internal Audit Plan 21/22 review completed by SLT in October 21. SLT request for activity deferral. Based on new in year requested activities (such as Planning Enforcement) requiring priority delivery and the completion of up to date risk assessment.
Communities	Voids Management	1	Final Report Issued	Limited	Limited	08/02/2022	Change from priority 2 to priority 1, following 21/22 in year risk assessment update.
Exempt	Exempt	1	Final Report Issued	Limited	Limited	28/09/2021	



**AUDIT RISK ASSURANCE
FINAL REPORT
RISK MANAGEMENT
REVIEW
MARCH 2022**

CONTENTS

Section		Page
1	Introduction	2
2	Executive Summary	2
3	Findings	3
4	Risk Management Review Assessment	7
5	Risk Management Improvement Areas	8
6	Acknowledgement	9
7	Report Issue	9
8	Review Limitations	9
9	Summary of Recommendations by Priority	9
10	Management Action Plan	10

1. Introduction

- 1.1 TIAA have been commissioned by the Head of Audit Risk Assurance (ARA) in consultation with the Council to undertake an independent review of the Council's risk management processes. As part of the review, TIAA will provide an assessment on where on the risk maturity scale the Council are currently.
- 1.2 TIAA have experience of risk management at other councils throughout the country and can utilise this to support and assist the Council to review and refresh its processes in this area.
- 1.3 The review considered the following key matters:
- i. The Council's Constitution or similar that may refer to risk management (to include Financial Regulations);
 - ii. The current risk management strategy, policy and procedures;
 - iii. Any and all risk registers that currently exist; and
 - iv. Interviews with key and relevant officers and Members at the Council
- 1.4 Advice and guidance are given without prejudice to the right of Internal Audit to review and make recommendations on relevant policies, procedures, controls and operations at a later date.
- 1.5 This report will be submitted to the Audit & Standards Committee (the Committee) scheduled for April 2022 in Part 1.

2. Executive Summary

- 2.1 The review of the Council's Risk Management arrangements concluded that on the risk maturity scale the Council were only at a level 3 and not a level 4 as identified in documentation. The main outcomes of the review identified the following:
- i. Policies and procedures (including the risk management toolkit) were clearly written but were not always followed in practice;
 - ii. The risk register (which did not follow the bowtie methodology as described in the toolkit) did not always contain risks but causes or consequences identified as the risk;
 - iii. The Audit and Standards Committee although receiving some very useful data on the control framework did not receive specific risk management reports. The Council should therefore consider what the most appropriate method of providing information on risk management to elected members should be;
 - iv. The 2021 to 2024 Delivery Plan has demonstrated a good understanding of key projects and activity and how these are to be measured as progress towards developing SMART objectives and what might help or hinder their achievement;

Agenda Item 6

Appendix B

- v. Regular risk management training should be provided to all Members of the Audit and Standards Committee; and
- vi. To support the Council on its risk management journey a number of other issues such as appointing Risk Champions, determining risk appetite and assessing inherent risk should all be considered.

3 **Findings**

- 3.1 During this review the Council's key documents (that support the risk management framework) were examined, an interview with the Section 151 Officer was undertaken. The Chairman of the Audit and Standards Committee also provided answers to a short questionnaire. These indicated that some of the documentation, such as the Risk Management Toolkit, identify an exemplary risk management process. However, there were actual processes in place, but these did not reflect that of the Toolkit.
- 3.2 The Risk Management Policy Statement and Strategy (2017 -2020) – as updated in 2021 was reviewed
- 3.3 This document sets out the Council's policy and general strategy to identify, evaluate, monitor and to effectively manage the Council's risks, particularly those which affect its priorities and core business.
- 3.4 While the Risk Management Policy Statement and Strategy provides a clear overview of what is expected of the Council, its Members and officers, much of what is stated in this document is not supported by actual events. Examples of good narrative in the Policy that were not reflected in working practices include:
 - i. The risk register did not reflect the bow tie methodology as described in the Risk Management Toolkit;
 - ii. Strategic risks did not seem to be linked to their objectives (risks are uncertainties and can only exist in relation to an objective);
 - iii. Risks in the register were not always risks but were sometimes the cause (COVID 19 Pandemic) of the risk or just a statement (Government white paper on local government reorganisation and devolution);
 - iv. In addition, in some instances, what is described as a "risk" may not actually be the risk but rather the consequence, for instance:

CCR1 – "Failure to develop a budget strategy identifying income and savings opportunities to meet the funding gaps identified in the Budget Strategy and MTFP."

It is suggested that the failure to develop a budget strategy is not the risk (whereas this could actually be a preventative control – in part). The risk is the "failure to realise the income and savings as detailed or described in the budget strategy".
 - v. Furthermore:

CCR18 – “The loss of income from recycling/incentive credits and the potential for increased costs of recycle processing.”

It is suggested that the loss of income from recycling is not the risk (but a consequence of poor recycling rates). The risk will apply to the Councils overall budget and income with the poor recycling being one of the “consequences” as a result of a risk occurring.

vi. No evidence could be found to confirm that the Council had established its risk appetite.

- 3.5 The Risk Management Toolkit was reviewed. This is a guide to assist officers and committees to help effectively describe, assess, monitor and ultimately manage the various risks which the Council faces in its work. It should be read in conjunction with the Risk Management Policy Statement and Strategy (2017). It sets out the various points which should be considered to ensure that risks are properly recorded in the Council’s risk registers, whether the Strategic Risk Register or the Operational Risk Register.
- 3.6 However, what happens in practice does not reflect the methodology for risk management as described in the toolkit and, in particular, how the risk register is managed and populated. See 2.4 above and specifically:
- i. Stage 1 - Clarification of objectives – as these were not SMART (Specific, Measurable, Achievable, Realistic and Timely) it would be challenging to identify which risks would either help its achievement or hinder their outcome;
 - ii. Stage 2 – Identifying risks – the Toolkit makes it clear how to do this, but the risk register does not always contain descriptions that can be considered as “risks”;
 - iii. Stage 3 – Assessing the risk – to this end the Council’s risk appetite has not been determined, which is a key driver in assessing the amount and type of risk the Council is prepared to accept;
 - iv. Stage 4 – Risk control – the risk register does not distinguish between preventative controls and recovery controls. Risk Triggers and Risk Impacts also are missing from the register;
 - v. Stage 5 – Monitor and report – the “Bow Tie Report” for each risk recorded will give a detailed depiction of the risk information in a diagram, providing a clear illustration of the risk. The review did not identify any bow tie reports. (The “Bow Tie” methodology is a risk evaluation method that can be used to analyse and demonstrate causal relationships in high risk scenarios. The method takes its name from the shape of the diagram that is created when an analysis of the relationship between the many causes that might trigger a risk, the risk itself and the many outcomes or consequences should the risk occur. The resultant shape looks like a man’s bowtie.)
- 3.7 The risk register was reviewed. The risk register should flow from the Risk Management Toolkit and reflect the good practice as described in it.

Agenda Item 6

Appendix B

- 3.8 The register does not flow from the Toolkit or follow the “bow tie” methodology as described in the Toolkit. By not applying the bow tie method this is the main reason why many of the “risks” may not be the risk. The bow tie method helps in identifying the cause which will potentially trigger the risk. Preventative controls can then be identified, along with the many consequences should the risk occur. Recovery controls are then more readily identified once potential consequences are known.
- 3.9 The Annual Governance Statement (AGS) 2019/20 which describes the Governance Assurance Framework was reviewed, along with the role of the Audit and Standards Committee:
- 3.10 The chairman of the Committee was asked to comment on the committee’s involvement in risk management as this is key to understanding and supporting the approval of the Annual Governance Statement. The Chairman felt the committee was not involved as deeply as it should be in terms of risk management.
- 3.11 It should be noted however, that as well as the annual report on risk management activity, the Committee also receive Internal Audit reports, the Annual Report of the Head of ARA, reports from the External Auditor and occasionally from other assurance providers. All of these, to a greater or lesser extent contain information pertaining to the Council’s risk environment.
- 3.12 Therefore, the Committee does undertake a great deal of the work that it should, in accordance with its Terms of Reference and the CIPFA Guidance.
- 3.13 However, while there is a standing item on Risk Management on every Audit and Standards Committee agenda, a review of agenda and minutes did not identify any specific reports relating to Risk Management reported to the Committee. The Strategic Director of Resources did comment that he did provide Members with the corporate risk register for review and comment at this point of the agenda.
- 3.14 The Chairman of the Committee went on to state “the ability of the Audit Committee to challenge the reports relies upon access to additional information that may not have been included in a written report. This was usually achieved by reference to Excelsis. This access is not currently available and is unlikely to be so in the immediate future.” (Excelsis is the current software application for maintain the council’s risk register).
- 3.15 The Council should consider the most appropriate method of providing information on risk management to elected members, whether that is through direct system access or sufficiently detailed risk reporting.
- 3.16 In addition, the Chairman also stated:
- “Members of the Audit Committee need to have available or to acquire the necessary skills to investigate in depth how a risk is being managed and controlled. The ability to challenge the management and the cost of control depends on the understanding of all the people making the challenge. It is likely that training would be necessary for members of the audit committee to carry out the challenge effectively. Risk Management training was offered this year but very poorly attended. The problem appears to be a lack of understanding as to how essential the management of risk is in terms of continuing council services. To have an interest in this topic has become something of a

specialisation. Some method must be found to ensure that members of the Audit Committee do undertake the necessary training to understand and examine the system.”

- 3.17 It is clear that, at the present time, the Committee is not fully achieving its role with regard to understanding risk management and being able to challenge risk and the controls (cost and effectiveness) that will mitigate both the likelihood and impact or the risk occurring. The follow should be progressed:
- i. Regular risk management training to be provided to all Members of the Audit and Standards Committee. (Members to be informed of why risk management is important and the role it plays in them approving the Annual Governance Statement);
 - ii. Sufficient data and detail need to be reported to each and every meeting of the Audit and Standards Committee. The reports would include deep dives into a specific risk, any near misses the Council or other similar bodies may have experienced between meetings and any forthcoming events that might have additional risks for the Council to manage. (It is not suggested that the whole risk register is reported but a report on key risks that are forthcoming, and the actions being taken or proposed to manage them should be a regular feature. It should be noted, as stated elsewhere in this report, that the current risks in the risk register may not be risks and this needs to be addressed for meaningful reporting to occur to this Committee.);
 - iii. The Council have recently produced their 2021 to 2024 Delivery Plan which does detail the Council's key projects and activity to achieve their objectives. This document does go some way towards achieving SMART objectives which will assist in identifying risks relating to the achievement of those objective;
 - iv. Consideration be given to developing a risk assurance map. A risk assurance map will give senior officers and Members a visual representation of where the Council can take its assurances from for the achievement of each of their key objectives. The risk assurance map would highlight both gaps and duplication in the assurance framework for the Council using the three lines of defence. This can then be presented as a visual impression to the Committee for comment and discussion;
- 3.18 From a review of risk management processes at the Council, a score of 4 out of 5 seems generous and, as this is contained within the AGS, may not present an accurate reflection of the Council's risk maturity. A number of the documents and practices that should support effective risk management are either ineffective or not present in the activities of the Council. Two examples would be a risk register that may not contain risks and a lack of evidence that there is a formal risk appetite present at the Council.
- 3.19 To assist in understanding the Council's current state with regard to its risk maturity a questionnaire was devised and completed by the Section 151 holder. The questionnaire covered the following key areas:
- i. Risk Culture;
 - ii. Risk Identification;
 - iii. Risk Assessment;
 - iv. Risk Appetite;
 - v. Risk Response;
 - vi. Risk Reporting;

Agenda Item 6

Appendix B

- vii. Integration with the Strategic and Service Plans; and
- viii. Assessment of Risk Management Effectiveness

3.20 The key outcomes from the questionnaire identified the following:

- i. The Council should consider identifying a specific Risk Champion or Champions who can take responsibility for coordinating and progressing risk management throughout the Council;
- ii. Consideration should be given to including risk management within individuals' job descriptions;
- iii. Inherent risk should be assessed to determine its significance;
- iv. Speed of occurrence and persistence of risks should be considered as an integral part of its risk management procedures;
- v. The Council's risk appetite for each risk should be determined and included as an integral part of the risk register

3.21 While the Council's Risk Management documentation (Risk Management Policy Statement and Strategy and Risk Management Toolkit) are clearly written the Council are not following the good practice described within.

3.22 In addition, it should be noted that this report is an independent fact-finding review to assess the documentation and processes the Council have in place for the management of risk. The review is in two parts with part 2 providing help and assistance to the council to help embed a better understanding and application of risk management. To that end TIAA will bring best practice from other councils that will assist Stroud District Council on the risk management journey.

4 Risk Management Review Assessment

4.1 On the basis of the documentation examined, responses to the questionnaire and the evaluation and sample testing of the risk management system and processes in place, it is TIAA's view that the Council are at a level 3 on the risk maturity scale. Further work and training are needed to be compliant with its Risk Management Strategy and Policy and most importantly its Risk Management Toolkit.

4.2 We have identified areas where improvements can be considered to enhance the existing risk management processes and to help re-focus and support the Council on its risk management journey.

4.3 TIAA are available and working with ARA will assist the Council in its risk management journey. Key areas of assistance would be in the following areas:

- i. Developing a methodology for creating SMART objectives;
- ii. Assisting in the development of using the bow tie methodology of supporting risk management all as described in the Risk Management Toolkit;

- iii. Training of Members, managers and staff to help them understand risk and the application of risk management;
- iv. To assist with the development of Risk Assurance Mapping; and
- v. The development of an all staff survey to gauge their understanding and awareness of risk and controls.

5 Risk Management Improvement Areas

- 5.1 The Council should review the Risk Management Policy and Strategy to confirm it is up to date, fit for purpose and to evidence that the statements made within it are indeed being applied and undertaken in practice by:
 - i. Council;
 - ii. All Committees;
 - iii. Audit and Standards Committee;
 - iv. Strategic Leadership Team;
 - v. Strategic Heads and Chief Executive for their particular service areas;
 - vi. Heads of Service and Unit Managers;
 - vii. Officer Risk Champions; and
 - viii. All staff
- 5.2 The Council should enact and apply the guidance as described within the Risk Management Toolkit and to evidence that the processes described therein are indeed being undertaken. This should include adopting the bow tie methodology for developing the risk register.
- 5.3 The Council should review the following for the Audit and Standards Committee:
 - i. Regular training for Members on risk management, its importance, the role it plays in the Council achieving its objectives and the role it plays in the committee approving the Annual Governance Statement;
 - ii. The reports that should be reported to each and every Committee on risks and risk management;
 - iii. The development of a risk assurance map to enable Members of the Committee to have a visual presentation of the assurance framework for the whole council.
- 5.4 The Council should conduct a survey of managers and then all staff to understand their awareness and understanding of risk management and the part they play in assessing risk and in achieving objectives in the most efficient and effective way.
- 5.5 The Council should establish ongoing training to better understand risk and risk management for managers and staff.
- 5.6 The Council should establish Risk Champions who understand the benefits of risk management, the systems involved that manage risks (risk register) and have time allocated to support others in their departments and directorates.

Agenda Item 6

Appendix B

6. Acknowledgement

6.1 The Consultant would like to thank all of the staff involved for their help and co-operation during the review of Risk Management.

7. Report Issue

7.1 This report will be issued to:

- The Chief Executive
- The Strategic Director of Resources

8. Review Limitations

8.1 The matters raised in this report are only those which came to our attention during the course of the review from sample testing undertaken, examination of documents and discussion with staff.

8.2 The work of Internal Audit should not be relied upon to identify all strengths and weaknesses that may exist or all the improvements that might be made. It may not identify all circumstances of fraud or irregularity should there be any. However, audit procedures have been designed to give a reasonable probability of discovery of any material irregularities.

9. Summary of Recommendations Made by Priority

9.1 Recommendations arising from this review have been prioritised as:

High Priority:	0
Medium Priority:	5
Low Priority:	1
Rejected:	0

10.

Management Action Plan

Risk

For audit purposes risk is the chance of error, financial loss or fraud remaining undetected if effective controls are not in place or require improvement. Internal Audit prioritises review recommendations as:

High Risk

Action that is considered necessary to ensure that the Council is not exposed to serious levels of risk such as breaches of legislation, statutory duty, Council policies and procedures or to the potential for financial loss or fraud. Controls are either not in place or are ineffective.

Medium Risk

Action that is considered necessary to ensure exposure to high risk is prevented. Existing controls need improving.

Low Risk

Action that is considered desirable and should result in enhanced control or better value for money.

Please note that priority levels for individual recommendations reflect the relative level of risk to the Council, when considering the overall control environment and financial implications in relation to the potential for fraud or loss.

Ref	Observation	Risk / Opportunity	Priority Level	Recommendation	Managers Comments	Action by Date
1	<p>The Council's Risk Management Policy and Strategy were reviewed. It was found that risk management activities in practice did not always conform to the Policy or the Strategy.</p> <p>It was also found that the bow tie methodology, as stated in the Council's Risk Management</p>	Inconsistent or incorrect application of risk management practices.	Medium	<p>The Council should review the Risk Management Policy and Strategy to confirm it is up to date, fit for purpose and to evidence that the statements made within it are indeed being applied and undertaken in practice.</p> <p>The Council should enact and apply the guidance as described within the Risk</p>	<p>Agreed by the Strategic Director of Resources.</p> <p>The Risk Management Policy and Strategy will be reviewed and a revised policy brought to committee later in the year.</p> <p>The Bow tie methodology is reflected in the manner in which risks are presented in excelsis. Future training for</p>	1 st October 2022.

Appendix B
Agenda Item 6

Ref	Observation	Risk / Opportunity	Priority Level	Recommendation	Managers Comments	Action by Date
	Toolkit, was not being utilised.			Management Toolkit and to evidence that the processes described therein are indeed being undertaken. This should include adopting the bow tie methodology for developing the risk register.	managers will cover how the methodology can be best implemented.	
2	<p>The Audit Committee's role with regards to risk management should be reviewed.</p> <p>Currently, the Audit Committee does not receive the Council's risk registers at each of its meetings.</p> <p>Receipt of the Strategic and departmental risk registers, on a rolling basis, would enable the Committee to monitor the management of risk on a regular basis.</p> <p>The review has also highlighted the need for</p>	The Committee is not wholly fulfilling its role in accordance with the CIPFA Guidance.	Medium	<p>Risk registers should be reported to each Committee meeting, on a rolling basis.</p> <p>Regular training should be provided to Members on risk management, its importance, the role it plays in the Council achieving its objectives and the role it plays in the committee approving the Annual Governance Statement.</p>	<p>Agreed by the Strategic Director of Resources.</p> <p>The Strategic Risk register will be submitted to each Committee as a standing item.</p> <p>Service registers will be brought when requested by the Committee as part of the work programme.</p>	1 st June 2022.

Ref	Observation	Risk / Opportunity	Priority Level	Recommendation	Managers Comments	Action by Date
	<p>risk management training to be provided to Members of the Audit Committee.</p> <p>Whilst training was provided by Internal Audit, not all Members had attended.</p>				Audit Committee members will again be invited to a further session of risk management training.	1 st October 2022
3	<p>The Council does not currently have an assurance map.</p> <p>An assurance map would enable the Committee to have a structured means of identifying and mapping the main sources and types of assurance across the Council and the three lines of defence.</p>	The Council and the Committee can have a fuller and more detailed understanding of the sources of risk and the assurances (where available) that mitigate these.	Medium	The Council should develop an assurance map to provide a visual presentation of the assurance framework for the whole council.	<p>Agreed by the Strategic Director of Resources.</p> <p>An assurance map will be commissioned and brought to a future committee.</p>	1 st June 2022.
4	As a suggestion, to aid the Council's understanding of risk management and to help determine the scope of future engagement with the wider officer team, a survey of risk management knowledge	Inconsistent or incorrect knowledge and application of risk management practices.	Medium	The Council should conduct a survey of managers and then all staff to understand their awareness and understanding of risk management and the part they play in assessing risk and in	<p>Agreed by the Strategic Director of Resources.</p> <p>A survey will be developed and issued to the Council's Leadership and Management Team (LMT)</p>	1 st June 2022

Ref	Observation	Risk / Opportunity	Priority Level	Recommendation	Managers Comments	Action by Date
	and application in practice should be undertaken.			achieving objectives in the most efficient and effective way		
5	Based on 4. above, the Council can use the survey results to identify any gaps in knowledge or inconsistencies in the application of risk management practice.	Inconsistent or incorrect knowledge and application of risk management practices.	Medium	The Council should establish ongoing training for managers and staff.	Agreed by the Strategic Director of Resources. Training will be carried out, possibly using external providers	1 st October 2022.
6	The Council should consider establishing a Risk Management Group, with Champions from each department. This could be an effective way to establish consistency in risk management practices across the Council.	Inconsistent or incorrect knowledge and application of risk management practices.	Low	The Council should establish Risk Champions who understand the benefits of risk management, the systems involved that manage risks (risk register) and have time allocated to support others in their departments and directorates.	Agreed by the Strategic Director of Resources. A role of risk champion (or similarly named role) will be developed, and a group established. Champions will be of sufficient seniority to challenge colleagues on risk management compliance.	1 st October 2022.

STROUD DISTRICT COUNCIL

AUDIT AND STANDARDS COMMITTEE

26 APRIL 2022

Report Title	Covid-19 Business Support Grants - Post-Payment Assurance Update			
Purpose of Report	This report is to inform Members of action taken following the conclusion of Covid-19 Post-Payment Assurance work by Internal Audit. This is intended as a companion piece to Internal Audit's own report on this matter (see Internal Audit Activity Progress Report 2021/22 in this pack).			
Decision(s)	The Committee RESOLVES to note the report.			
Consultation and Feedback	The Revenue and Benefits Manager has prepared this report in close consultation with the respective Senior Auditors responsible for the referrals. As part of investigating the referrals, there has also been consultation with ARA's Counter Fraud Team.			
Report Author	Simon Killen, Revenue and Benefits Manager Tel: 01453 766321 Email: simon.killen@stroud.gov.uk			
Options	There are no alternative options which are relevant to this matter.			
Background Papers	None			
Appendices	Appendix A - Covid-19 Business Grants			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. INTRODUCTION

- 1.1. Following the outbreak of the Covid-19 pandemic in March 2020, the UK Government has imposed local and national restrictions on movement, commerce, and travel at various points during 2020 and 2021.
- 1.2. To support businesses during these periods, the Department for Business, Energy and Industrial Strategy (BEIS) oversaw the roll-out of a package of support (in the form of various grants). Local Authorities (LAs) were responsible for the delivery of this support to business ratepayers (those recorded as paying National Non-Domestic Rates – NNDRs).
- 1.3. Stroud District Council's (SDC) Revenue and Benefits Team disbursed £45.8m to over 17,000 businesses during 2020 and 2021. This is broken-down by grant within Appendix A. All grants were (and are being) administered by Officers from within Revenue and Benefits, in addition to their normal workload. Additional resource has been drawn from other teams to support high-volume periods. All grant applications were managed via the existing software tool used to manage NNDR payments (Civica OPENRevenues), which simplified grant administration and data-matching. All payments were released via the

Agenda Item 7

existing creditors system, which included that system's inherent controls and authorisations.

- 1.4. The delivery of Covid-19 support to businesses over the past two years has garnered recent media interest, but it is important to acknowledge the difficult balance between the pace of delivery and the ability to conduct extensive checks. The approach taken for each successive grant has often been altered based on lessons-learned from the previous. This report will help inform Members of the measures taken to reduce SDC's risk exposure and provide some assurance over grant administration.

2. DUE-DILIGENCE CHECKS & INTERNAL AUDIT INVOLVEMENT

- 2.1. LAs are responsible and accountable for the lawful use of funds under Section 151 of the Local Government Act 1972. The Section 151 Officer is required to ensure that they have sufficient oversight of the proper administration of financial affairs within the LA. They must exercise their duties in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.
- 2.2. The guidance published by BEIS highlighted the requirement for a programme of pre and post-payment checks to take place for each package of support. The UK Government extended the use of Spotlight (digital due diligence software package) to LAs free of charge, to support the execution of these requirements. Officers within the Revenue and Benefits Team completed a programme of pre and post-payment checks, with the volume and depth shaped by the Fraud Risk Assessment for each grant (this factored-in the value of grant versus the cost of substantive checks). As a minimum, BEIS expected LAs to have a regime in place for completing pre and post-payment checks. BEIS review evidence of this when they close-off the grant / the package and obtain final declarations from LAs. Revenue and Benefits employed the following pre-payment checks as standard, though it is noted that our approach has been stricter for some grants than others as guidance has evolved and lessons have been learned.
- 2.3. Officers completed the risk assessments used a number of data matching and investigatory techniques that were immediately available. These included:
 - a. Matching data to the Business Rates system and to the applicant data provided. An important way to ensure consistency between the system and the latest data provided by the applicant. This can also quickly identify duplicate applications, names, addresses and bank details.
 - b. Matching data to other systems. Cross check details to the creditors system to identify if addresses for individuals or business names were recorded differently elsewhere identifying red flags to investigate further.
 - c. Checking of bank accounts through the National Fraud Initiative (NFI) service.
 - d. Checking of company information using the Governments SPOTLIGHT service.
 - e. Considering any notices and warnings shared through local and regional counter fraud and internal audit networks.
 - f. Using the masses of data that is publicly available on-line proved to be a useful tool particularly for cases deemed high risk, to check whether on-line information validates information provided such as business type, trading status or names of individuals.
 - g. Direct contact – For high risk cases, the business was contacted or visited to validate the application, identity and accuracy of an application.

- 2.4. There is no formal requirement for Internal Audit sign-off on any grant monies provided via the grants listed within Appendix A. However, the Revenue and Benefits Team have worked closely with Internal Audit over the past two years to aid the effective and efficient administration of the grant funding.
- 2.5. Internal Audit were engaged to provide formal support in completing the post-payment checks required as part of the grant assurance regime. All checks involved comparing the circumstances of the business(es) against the grant criteria in effect at the time. Internal Audit used both Spotlight and publicly-available information e.g. on Companies House, to complete these checks. A sample of businesses who received funding from each grant were reviewed. Any irregular payments were to be raised with (referred to) the Revenue and Benefits Manager for further investigation. These checks fitted into the broader regime of post payment checks and framework of pre and post payment checks, responsive to the different risk profile of each grant.
- 2.6. Internal Audit did not review all grants administered by Revenue and Benefits over 2020 and 2021 (see Appendix A for full list and breakdown). The grants that were reviewed by Internal Audit as part of this exercise were the following:
- a. Local Restrictions Support Grant (Closed) - LRSGC
 - b. Local Restrictions Support Grant (Closed Addendum) - LRSGA
 - c. Local Restrictions Support Grant (Sector) - LRSGS
 - d. Closed Business Lockdown Payment - CBLP
 - e. Christmas Support Payment – CSP
- 2.7. It is worth noting that over £4.5m has been provided in Additional Restrictions Grant funding, which is discretionary and through 6 different policies has supported those businesses which sit outside of the business rates systems.
- 2.8. Table 1 below shows the definitions used by Internal Audit to categorise any referrals made to the Revenue and Benefits Manager. Table 2 below shows the referrals from Internal Audit’s work. Full details on their approach can be found within the Internal Audit Progress Report.

Table 1: The classifications used by Internal Audit when referring grant payments / businesses back to Revenue and Benefits. The definitions were decided by Internal Audit.

Categorisation	Meaning
Major Query	There were concerns over the grant recipient’s eligibility for the grant monies, based on the relevant UK Government guidance in place. For example, they were not mandated to close, or were overpaid.
Minor Query	There were no substantial concerns over the grant recipient’s eligibility for grant monies, but aspects of the application required further clarification. For example, the trading status of the company was unclear based on social media activity and required a site visit.
No Query	There were no issues found with regards to the grant recipient’s eligibility for monies when tested against the relevant UK Government guidance.

Agenda Item 7

Table 2: The referrals received by Revenue and Benefits from Internal Audit, broken down by the classification applied.

Grant Name	Total Number Reviewed	Major Query	Minor Query	No Query
LRSGC	19	3	6	10
LRSGA	84	6	31	47
LRSGS	1	0	1	0
CBLP	82	13	36	33

- 2.9. Following the receipt of the referral, further investigation was completed to determine whether the grant recipient was entitled to the monies received. This involved site visits, liaison with other colleagues, and consideration of best interest, potential outcomes etc. A referral was closed where the Revenue and Benefits Manager was able to derive sufficient comfort that the business was eligible for grant funding, even if there was some doubt over minor issues with aspects of their application.

3. REFERRALS & OUTCOMES

- 3.1. The tables on the following pages show the outcome of all referrals made by Internal Audit from the sample of grant payments reviewed. A headline summary is provided for the referrals marked as 'Minor Query'. A more detailed summary is provided for those referrals marked as 'Major Query' for each grant. Internal Audit have advised that adequate coverage of recipients of the CSP was achieved via their testing of other grants. This is the reason this grant does not appear below. The Revenue and Benefits Manger has reviewed 100% of the referrals made.
- 3.2. There were referrals made which resulted in recovery action being initiated, some of which is ongoing. One of Internal Audit's referrals led us to look at another similar business, where further action was taken. A number of the referrals highlighted know shortcomings in the applications such as missing documents. It also highlighted the ambiguous government guidance that made it hard to identify which rules applied when and whether businesses were eligible for a particular grant. In some cases, they were not completely in line with the letter of the grant terms but were broadly in accordance with the key criteria and requirements.

This section of the page is intentionally blank. The report continues on the next page.

Table 3: An update on all referrals classed as 'Minor Query' from Internal Audit's sample testing of the LRSGC, LRSGA, and CBLP grants. Referrals were cleared by the Revenue and Benefits Manager if further evidence supported the view that no further action was required e.g. the business substantially met the criteria set out by BEIS at the time, or where recovery action would not be to the benefit of SDC or the wider community.

Grant Name	Total Number of Referrals (Minor Query)	Number Cleared by Revenue and Benefits Manager	Number with Further Action Required	Comment
LRSGC	6	5	1	On-going query
LRSGA	31	31	0	Queries were related to aspects of grant administration process that did not disqualify the applicant
LRSGS	1	1	0	Reviewed and met qualifying conditions
CBLP	36	35	1	On-going query

Table 4: An update on all referrals classed as 'Major Query' from Internal Audit's sample testing of the LRSGC grant. The reason for the referral is provided along with an update from the Revenue and Benefits Manager.

Query ID	Reason (Provided by Internal Audit for Referral)	Status	Comment
1	The evidence available indicated that the business was not required to close and had successfully transitioned to working in a 'Covid-Secure' manner, so was ineligible for grant funding.	Action Taken	Grant paid on basis company closed but not mandated to. Miscategorised and should have been paid as discretionary for loss of trade.
9	There were numerous inconsistencies across the evidence reviewed. There was no communication from the individual recorded as being the ratepayer. The evidence pointed to grant monies being paid to an 'impersonator' based in Birmingham	Action Taken	Seeking to recover grant payment
10	The evidence available indicated that the business was not required to close, so was ineligible for grant funding.	Cleared	Grant payment made under LRSGO not LRSGC

Table 5: An update on all referrals classed as ‘Major Query’ from Internal Audit’s sample testing of the LRSGA grant. The reason for the referral is provided along with an update from the Revenue and Benefits Manager.

Query ID	Reason (Provided by Internal Audit for Referral)	Status	Comment
15	There was evidence that the business was not mandated to close and that it continued trading as normal.	Cleared	Premises visited and trading confirmed
20	There was evidence suggesting that the business trading in the hereditament was not mandated to close and may have commenced trading only to receive grant funding. Further clarity was sought surrounding the circumstances of the business.	Cleared	Checks and information provided satisfy grant award
29	The evidence available indicated that the business type may not have been eligible for this grant funding.	Cleared	Checks and information provided satisfy grant award
38	There was evidence suggesting that the business was not trading at the time of the grant application, with some inconsistencies noted in the documentary evidence reviewed.	Cleared	Premises visited and trading confirmed
42	The trading circumstances of the business required review. There corporate structure of the business may have precluded it from accessing this grant funding.	Cleared	Checks and information provided satisfy grant award
78	The evidence available indicated that the business / individual who received grant monies was not the ratepayer.	Action Taken	Invoices have not secured repayment of the grant and counter fraud team investigating. Applicant invited to attend an interview under caution

Table 6: An update on all referrals classed as ‘Major Query’ from Internal Audit’s sample testing of the CBLP grant. The reason for the referral is provided along with an update from the Revenue and Benefits Manager.

Query ID	Reason (Provided by Internal Audit for Referral)	Status	Comment
6	There was evidence that the business was not trading in 2020 and had ‘chosen’ to remain closed until May 2021, so was ineligible for grant funding. They also received LRSGA and LRSGC funding they may not have been eligible for.	Action Taken	On-going – clarification sought around trading
8	There was evidence suggesting that the business trading in the hereditament was not mandated to close and may have	Action Taken	On-going – awaiting clarification from landlord of tenant and trading

	commenced trading only to receive grant funding. Further clarity was sought surrounding the circumstances of the business.		
18	The grant payment may have been claimed by an individual other than the ratepayer.	Cleared	Payee correct
23	There was little strong evidence indicating that a business was trading here.	Cleared	Checks confirmed eligible business
25	There was evidence that the business was not trading in 2020.	Cleared	Case notes support was trading
33	There was evidence suggesting that the business had received more grant monies than they were entitled to.	Cleared	Underpayment top up ARG discretionary
34	There was evidence suggesting that the business trading in the hereditament was not mandated to close, so was ineligible for grant funding.	Action Taken	Seeking to recover grant payment
38	The evidence available pointed to there being two successful applications made for a single hereditament (the guidance stipulates that only one full payment is made to each hereditament).	Cleared	X2 rated business premises
47	There was evidence that the grant recipient was not a ratepayer at the stated address.	Action Taken	On-going investigation
49	There was evidence suggesting that the business trading in the hereditament was one which was specifically not mandated to close. This business had successfully transitioned to a remote service (and have continued to since).	Action Taken	Seeking to recover grant payment
60	The evidence available suggested that the business had continued to receive grant payments after they had ceased trading at their stated address.	Cleared	Application reviewed and eligibility confirmed
61	The trading arrangements of the business required further review, to ensure that monies were paid to the correct individuals and accounts.	Cleared	Bank details confirmed
79	There was evidence suggesting that the business trading in the hereditament was one which was specifically not mandated to close.	Action Taken	Ongoing investigation

Agenda Item 7

4. CONCLUSION

- 4.1. Internal Audit have helped ensure that we complete the required post-payment checks on eligibility and continue to meet stakeholder expectations. The vast majority of grant payments reviewed were not referred back ('No Query') or were referred with only minor issues ('Minor Query').
- 4.2. BEIS have formally signed off the original grant schemes having checked and verified the evidence supplied confirming no substantive issues identified and were satisfied with the evidence provided for pre and post payment checks. Reconciliation and assurance work continues with BEIS and ARA with some of the more recent grant schemes.
- 4.3. It should be noted that, due to the impact of the Omicron Variant (Covid-19), further grant funding was made available to businesses in the Stroud District. This was under the banner of the Omicron Hospitality and Leisure Grant and Additional Restrictions Grant which required more onerous checks than some of the previous grant schemes. Assurance work is being carried out by BEIS during 2022 along with more in-depth work by ARA which has been included this year's audit plan.

5. IMPLICATIONS

5.1. Financial Implications

There are no financial implications arising from this report. The report sets out the assurance work that has been taken to protect the funds issued as business grants.

Andrew Cummings, Strategic Director of Resources

Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk

5.2. Legal Implications

There are no specific legal implications arising from the report or the recommendation.

One Legal

Tel: 01684 272691 Email: legalservices@onelegal.org.uk

5.3. Equality Implications

An EqIA is not required because there are not any specific changes to service delivery proposed within this decision.

5.4. Environmental Implications

There are no significant implications within this category.

Appendix A – Covid-19 Business Grants

The tables below show a full breakdown of all grant disbursements.

Grant Name	Period	Total Value of Claims Paid	No. of Claims Paid
Local Restrictions Support Grant (Open)	Effective from August 2020	£573,016.05	1,503
Local Restrictions Support Grant (Closed)	02/12/2020 – 30/12/2020	£99,016.88	257
Local Restrictions Support Grant (Sector)	01/11/2020 to 30/12/2020	£2,357.14	4
Christmas Support Payment	December 2020	£57,000	58
Local Restrictions Support Grant (Closed Addendum)	05/11/2020 to 31/03/2021	£5,230,031.73	7,489
Closed Business Lockdown Payment	Effective form January 2021	£3,580,000.00	809
		£9,541,421.80	10,120

This page is intentionally left blank

Report to the Audit and Standards Committee on 26th April 2022 on the actions taken in relation to the recommendations made in the Planning (Enforcement) Internal Audit report.

Lead and Presenting Officer:

Geraldine Le Cointe, Head of Development Management

Summary of Audit Area

Stroud District Council (the Council) is the area's local planning authority, whose duty it is to carry out specific planning functions. The Council's broader Development Management Service enables the discharge of this duty. One of the functions of the Development Management Service is planning enforcement. The Planning Enforcement Service is a discretionary service, where the Council investigates complaints about alleged breaches of planning control.

The National Planning Policy Framework advises local planning authorities to act in a proportionate way when responding to suspected breaches of planning control. The Framework states that enforcement can be important for maintaining public confidence in the planning system, but enforcement action is discretionary and must be proportionate, expedient and in the public interest. Detailed information about planning enforcement powers is given in the online Planning Practice Guidance on ensuring effective enforcement. For example, a local planning authority may decide not to take enforcement action if it believes that a development would have been granted planning permission, or may require retrospective planning permission to be obtained.

The Council has responsibility for taking appropriate enforcement action as necessary, in the public interest, within the Stroud District. The Council has an Enforcement Policy and Procedure which recognises that planning enforcement can be a complex and involved process with varying timescales. The aim of the policy is to ensure that the Council's approach is fair and reasonable, that interested parties are kept informed, and that any action is timely and proportionate. This being said, service provision has been adversely impacted by the imposed national (and local) restrictions across the UK in response to the Covid-19 pandemic.

The actions of the Planning Enforcement service are governed by the Town and Country Planning Acts, National Planning Policy Framework, Planning Practice Guidance, the Council's Constitution and the Council's Planning Enforcement Policy and Procedure.

Summary Terms of Reference for the Audit

This audit review considered the following key service components (themes):

- i The development, review, and approval process for the Council's policy;

- ii Processes and systems designed to implement the policy and to ensure its application;
- iii Control systems designed to ensure and report on compliance with the processes;
- iv Process and system changes implemented and planned to improve service delivery and outcomes, including the introduction of enhanced IT systems;
- v Service 'management', operational activities and processes that assess, ensure, and confirm (including monitoring and reporting) that desired policy objectives are achieved (as detailed in section B of the approved Terms of Reference);
- vi The Member oversight and engagement arrangements that monitor, support, and ensure the service has the required inputs to deliver the desired performance outcomes and deliver those outcomes; and
- vii The service delivery arrangements during the Covid-19 pandemic in meeting the national and Council requirements to keep staff safe and the consequential impact on following policy and procedure and delivering outcomes.

It should be noted that during the course of the review a number of areas were considered where there were corporate arrangements that would apply, for example, project management, service planning, risk management. The corporate approach to these areas were outside of the scope for this review. However, Internal Audit did consider how these impacted on the enforcement service and how they may have better aided it. Recommendations have been made, but these need to be considered against the particular corporate arrangements and practices operating and planned.

Risks

The following were the key risks identified at the planning stage of this review:

- i. The Council fails to deliver the requirement of its Planning Enforcement Policy;
- ii. Public confidence in the Council's enforcement and wider planning service is eroded; and
- iii. Adverse impact on staff morale and retention.

Key Findings

During the course of the Internal Audit fieldwork, it was apparent that the service was aware of the challenge it had and was experiencing in delivering the requirements of the Planning Enforcement Policy and Procedure. The service had developed an improvement plan, though improvements were identified over the course of our fieldwork. Following discussions with the Development Team Manager, this initial version of the improvement plan was further developed into a comprehensive Business Improvement Plan.

The key findings from this review have been summarised below.

Key Findings

- i. Procedures should be reviewed and clarified to ensure that Member oversight of the revised Council Planning Enforcement Policy and Procedure is sufficiently defined;
- ii. The Enforcement Policy and Procedure requires review and revision to ensure that it contains clear guidance. This review should include establishing through consultation the enforcement aims and objectives, delivery requirements and measurements, and monitoring processes. The policy and procedure monitoring processes should ensure the service is effective and compliant with procedures, internal process, and any statutory requirements. This review and approval of the policy and procedure should be followed by further training on it being offered to Members and officers;

Key Findings (Continued)

- iii. There were a number of operating processes which required review, to ensure that they support the delivery of (and compliance with) the Enforcement Policy and Procedure. The current IT systems used (Uniform for case records and Idox for documents and evidence) is a key factor here. For example, Uniform is not a comprehensive case management system, it currently offers little in the way of management information (or oversight functionality) on case progress. There is little built-in functionality with regards to monitoring resource allocation, prompts and event triggers, record-keeping, or communications-monitoring. This was identified by the service and featured in the service's Business Improvement Plan. It was being addressed through the review of Uniform functionality and the adoption of Enterprise, the service's case management system;
- iv. There were some gaps within the service's Business Improvement Plan with regards to assessing resource demand (as part of achieving key objectives and goals). It was therefore challenging to appraise how realistic Business Plan goals were. The service change being actioned was an "activity" to be undertaken alongside 'business as usual'. The change programme should be formally defined as a "project", which requires a resource demand assessment and, where appropriate, specific corporate project support;
- v. The service has struggled to ensure adequate resourcing; the Head of Development Management has advised Internal Audit that she is aware that this is not unique to Stroud, but is also reflected across many English Councils because of a recognised shortage of applicants with planning related skills. The service has not had a full establishment in 2020 and 2021. Recently the approach to resourcing has relied upon the availability of candidates within the 'agency' market. A comprehensive service delivery resourcing assessment is required that results in a business case for change, if so required, to address the resourcing challenges; and
- vi. The demands on the service have increased due to, in the service's view, the impact of the Covid-19 pandemic. There has been no formal assessment of the demand levels and the impact this has on service delivery and compliance with the Enforcement Policy and Procedure. Demand variances should be proactively monitored to ensure that undue pressure is not placed on the service. It would also be prudent to assess the demands exerted (on resources) by both direct and non-direct service activities to fully understand the direct service resource available.

Action Taken As Of March 2022

Management Overall Comment: There has been some slippage to the delivery dates in the Business Improvement Plan, mainly due to significantly depleted staffing, but also because this project has no dedicated resource and is running alongside business as usual. The revised date to roll out the proposed system changes is now May 2022. Much of the Business Improvement Plan revolves around the planned IT improvements.

Since the audit fieldwork was undertaken, there have been a number of staff changes. The ones which have affected this project the most related to the Systems Processing Officer and Senior Enforcement Officer. Through internal promotion, the Systems Processing Officer post was vacant between 1 December 2021 and 7 March 2022. This is a critical post in delivering the system changes. While the previous post holder continues to support this project, they have done so while taking on the challenges of a new role.

The Senior Enforcement Officer is another critical role to the delivery of this project. The previous post holder retired in February 2022. The role is currently vacant although we are actively trying to backfill this post; we had no suitable applicants when it was advertised in February 2022. Additional agency staff have just been recruited but there has been a drop in capacity within the team. The management actions of the Senior Enforcement Officer are currently being handled by the Development Team Manager, but again this is alongside the normal responsibilities of that post.

Notwithstanding these challenges, good progress has been made against a number of the recommendations, as set out in the following sections of this report. Many other elements are dependent on the implementation of the new IT processes and therefore are also delayed.

Recommendation – 1(M)	Original Management Response
<p>Procedures should be reviewed and clarified to ensure that Member oversight of the revised Council Planning Enforcement Policy and Procedure is sufficiently defined.</p>	<p>The revision of the Enforcement Policy and Procedure will define the arrangements for Member monitoring of its objectives and performance measures.</p> <p>Target Completion Date:</p> <p>31st December 2021</p>
Management Update As At March 2022	
<p>The Monitoring Officer confirmed that the Development Control Committee was the constitutional body with oversight for all development management issues. Following detailed discussions on the format and operations, the ‘Development Management Advisory Panel’ – a member/ officer working group was established by the Development Control Committee, and the group’s terms of reference approved, on 18 January 2022.</p> <p>In accordance with the resolution of the Development Control Committee, Members of the group have been agreed by the Chair of Development Control Committee, in consultation with the Group Leaders. The first meeting of the Panel is scheduled for 4 May 2022. The planning enforcement policy and procedure review will be an agenda item for that meeting.</p>	

Recommendation – 2(M)	Original Management Response
<p>The review of the Enforcement Policy and Procedure is key to ensuring Members approve guidance that meets the Council’s needs, can be delivered, and can be monitored for effectiveness and compliance (with outcomes that can and will be measured).</p> <p>This review should be a collaborative process between Members and officers. A Policy and Procedure Development Programme has been developed (Business Improvement Goal A, Appendix B), which involves consultation with stakeholders. However, this process should be further defined – this represents an opportunity to proactively engage with Members and groups who may initiate complaints on a more regular basis, like Parish and Town Councils.</p>	<p>There is a plan to set up an informal Member group from Development Control Committee to discuss development management and enforcement performance management issues. This group, to be chaired by the Head of Development Management, will provide the Members oversight for the revised Enforcement Policy and Procedure. Consultation on the revised policy will be carried out in accordance with the Council’s Corporate Consultation Strategy. The method of adoption of the revised policy is dependent on the outcome of Recommendation 1. Resources available to progress this dependent on Recommendation 5.</p> <p>Target Completion Date:</p> <p>Revised policy and procedures to DCC 31st July 2022</p>
<p>Management Update As At March 2022</p>	
<p>The Development Management Advisory Panel will meet for the first time in early May 2022. It will review the draft policy and procedures. Subject to feedback, the policy and procedures will be subject to consultation over the summer before returning to the Development Management Advisory Panel in September with the aim to be adopted by the Development Control Committee in the autumn.</p>	

Recommendation – 3(H)	Original Management Response
<p>The review and implementation of new IT processes represents an opportunity to ensure the efficiency and effectiveness of both processes and controls. Internal Audit should be invited to be a proactive consultee during the testing phase. This should involve Internal Audit reviewing and offering advice on the planned controls, particularly those that are embedded within the IT systems and that support performance management and the delivery of objectives. Audit plan days should be allocated for this within the current year and 2022-23.</p>	<p>Internal Audit will be invited to participate in the design and testing phase. Specifically, as part of Goal 3, Objective 3, Action 3 (scheduled for November 2021) and Goal 3 Objective 4 Action 5 (scheduled for December 2021) of the Business Improvement Plan.</p> <p>Target Completion Date:</p> <p>31st December 2021</p>
Management Update As At March 2022	
<p>Internal Audit reviewed and advised upon the proposed IT processes in February 2022. Management have committed to engaging with Internal Audit regarding testing and feedback, which is scheduled to take place in April 2022. However, it is not envisaged that Internal Audit will undertake the testing. Internal Audit have also requested to review the accompanying procedure notes. Again, management will liaise with Internal Audit over procedure notes when appropriate.</p>	

Recommendation – 4(M)	Original Management Response
<p>The service should undertake a post-implementation review of the Enterprise system and associated processes. This will ensure that maximum benefit is being obtained and the desired level of case and performance management, control, and record-keeping is being obtained. Internal Audit should be invited to provide independent support to assist this specific review.</p>	<p>Internal Audit will be invited to participate in the review phase, specifically Goal 5, Objective 2, Action 3 (scheduled for February 2022) and Goal 5 Objective 3 Action 2 (which is dependent on the adoption of the revised Enforcement Policy and Procedure) of the Business Improvement Plan. Resources available to progress this dependent on Recommendation 5.</p> <p>Target Completion Date:</p> <p>31st July 2022, to coincide with Recommendation 2</p>
Management Update As At March 2022	
<p>The service remains committed to undertaking a post-implementation review of the IT process and system changes. This is now scheduled for the autumn of 2022.</p>	

Recommendation – 5(H)	Original Management Response
<p>The service should consider its need for corporate support to deliver its change and improvement programme. Minor change may be able to occur alongside ‘business as usual’ activities, but change beyond this should be considered as a project in its own right. This project should have clear terms, delivery goals and outcomes, be resourced, be time-limited and have a delivery assurance process.</p> <p>It is Internal Audit’s opinion that the Enforcement service’s Business Improvement Plan is an activity that should be defined as a ‘project’ requiring a clear resource demand assessment and support as assessed pertinent.</p>	<p>The service agrees in principle with this recommendation and fully supports its implementation however, there is a lack of resource available to assist the service in delivering this piece of work as a project. Although requiring significant resources, the Business Improvement Plan as drafted is considered to be broadly achievable but only to the detriment of the business in other areas of the service. There is not a corporate project team to either manage or support the delivery of a project by the service. There is a structural, financial, and skill resource issue in implementing this recommendation.</p> <p>Discussion to be held with Strategic Director to establish resource and timescale. This recommendation is key to the delivery and success of most other recommendations.</p> <p>Target Completion Date:</p> <p>31st March 2022</p>
<p>Management Update As At March 2022</p>	
<p>No additional resource has been secured to assist in the delivery of this work or to establish the Business Improvement Plan as a formal project. Indeed, with recent staff changes the Business Improvement Plan now has less resourcing than when the audit reports were presented to the Audit and Standards Committee. Some support has been provided from other council services, although this has been limited. Temporary support for the planning enforcement team, through an additional agency enforcement officer, has been provided to ensure that capacity does not fall while the Senior Enforcement Officer role remains vacant.</p>	

Recommendation – 6(M)	Original Management Response
<p>Officers should determine and agree the training and awareness arrangements required and provided to stakeholders, interested parties and staff. Determining and agreeing the delivery methods, frequency, scope, and funding. The effectiveness of the awareness and training arrangements should be periodically tested to ensure they remain appropriate and effective.</p>	<p>The intent of the recommendation is recognised. However, from the service’s experience there is little value to detailed training to a wider audience as planning enforcement decisions are made on a case-by-case basis against planning merit. The objective is to provide clear understanding of the enforcement process, procedures, and scope and the service consider this is best met through the content of the revised Enforcement Policy and Procedure accompanying guidance on the website.</p> <p>Strengthen training on enforcement issues at annual mandatory Development Control Committee training. This is open to any Member to attend.</p> <p>Staff training programme spring 2022. Resources available to progress this dependent on Recommendation 5.</p> <p>Target Completion Date:</p> <p>31st July 2022 (see Recommendation 2)</p>
<p>Management Update As At March 2022</p>	
<p>Progress on this recommendation has slowed due to the retirement of the Senior Enforcement Officer. However, the service is on track to develop individual professional development plans for staff this spring. The service remains committed to providing a clear understanding of enforcement processes as part of the revised policy and procedure. Although not specifically in relation to planning enforcement, the Planning Advisory Service have been engaged to work with officers and members on training and development. There remain no plans to provide training for a wider audience or other stakeholders.</p>	

Recommendation – 7(H)	Original Management Response
Officers and Members should ensure the revised corporate approach to service planning (performance and risk management) provides assurance that policy objectives, performance requirements and risks are being effectively met and managed. Where there are service challenges these corporate and service-based processes should identify and lead to agreed rectification actions that are supported, delivered, and monitored.	<p>The service considers this beyond their remit although fully support this recommendation. This matter shall be raised with the relevant Strategic Directors.</p> <p>Target Completion Date:</p> <p>31st December 2021</p>
Management Update As At March 2022	
The corporate approach is still outstanding, however, on reflection, there is an opportunity to establish performance and risk monitoring. However, this would be against the objectives of the revised policy and procedures. It would also depend on the service delivery resourcing assessment required by Recommendation 8. The service still considers there to be a limit on what may be achieved with regard to a corporate approach; however, the service shall be mindful of this recommendation when implementing Recommendations 8, 9, 10, and 11.	

Recommendation – 8(H)	Original Management Response
<p>The service should produce a comprehensive service delivery resourcing assessment, and a business case for change if needed. This should include a formal assessment of:</p> <ul style="list-style-type: none"> i Resource to meet demand; ii Skills requirements (for each role); iii The market rate for the roles required (salaries and supplements); iv Staff availability; 	<p>There is a clear need to review the resourcing of the planning enforcement function; at present additional resource is provided by agency staffing at considerable cost. However, the resourcing needs are directly related to the requirements of the Enforcement Policy and Procedure and may be influenced by any efficiencies gained through the introduction of Enterprise.</p> <p>A short term review of resourcing will be made in January 2022 before the current agency placement comes to an end (in February).</p>

- v Reasonableness of service costs (via market testing or benchmarking); and
- vi Alternative delivery models for service delivery (for example, shared service agreements with other local authorities).

In addition, this assessment should also factor in the immediate challenges of implementing both IT and process changes. The medium-term impact of a revised policy and procedure and the long-term impact of more effective IT systems (and service demand forecasting) also require consideration.

The outcome of this assessment should link to Business Improvement Plan Goal 6.

A longer-term review of resourcing will be made in the summer of 2022 once the expectations of the revised Enforcement Policy and Procedure are identified and the Enterprise system has been embedded into the service’s ways of working.

Resources required to undertake a resourcing assessment should be included in the project resources as part of Recommendation 5.

Target Completion Date:

31st July 2022 if resources / support available

Management Update As At March 2022

This is a future piece of work, depending on any efficiencies that may be gained from Enterprise and the commitments made in the policy and procedure. However, as the Senior Enforcement Officer role is vacant and going through the recruitment process, the opportunity was taken to review the role in light of proposed changes resulting from the new IT systems. The role is currently subject to a re-evaluation by Human Resources. It remains the plan to review resources of the team more broadly in the near future.

Recommendation – 9(M)	Original Management Response
<p>Changes in service demand should be monitored based on pre-determined tolerances which should trigger a formal process that assesses impact and determines, agrees, and approves actions to address these. In the instance of the Enforcement service this could mean officers and Members considering balancing demand to resource and the scope and requirements of the policy and procedure.</p>	<p>Monitoring of service demand against identified resource tolerances established as part of Recommendation 8. This information can be discussed with the proposed Development Management liaison group to allow for Member involvement.</p> <p>However, there is no provision in the Service Plan or budget for contingency should the tolerances be reached/ breached and the experience of the service is either using agency resource or to make do and mend.</p> <p>Target Completion Date:</p> <p>31st January 2022 and ongoing</p>
Management Update As At March 2022	
<p>The service remains committed to defining tolerances and actions. This piece of work is dependent on the resourcing review of the service, which itself relies on the revised policy and procedures. The service is yet to start this piece of work.</p>	

Recommendation – 10(M)	Original Management Response
<p>The service should introduce time and task monitoring arrangements for a limited period in order to obtain timesheet data on the relationship between direct and non-direct service activities. This information can then be used to inform the resource review recommended earlier.</p>	<p>The service will introduce time and task monitoring over a defined period in spring 2022 once the revised Enforcement Policy and Procedure and the service standards it introduces have been published. However, there is a resource implication in the setting up of time and task monitoring which should be included in the project resources as part of Recommendation 5 and 8.</p> <p>Target Completion Date:</p> <p>30th April 2022</p>
Management Update As At March 2022	
<p>Investigations into how the service may introduce time and task monitoring are a priority for the newly appointed Systems Processing Officer. Work on this has started and is ongoing.</p>	

Recommendation – 11(H)	Original Management Response
<p>The performance management framework should be reviewed as part of the policy and procedure review to ensure the delivery of the objectives set can be measured and monitored. This framework should measure and monitor the delivery of the Enforcement Policy and Procedure, supporting and demonstrating the progress of operational and individual targets and outcomes.</p>	<p>The service is in the process of reviewing its performance management tools, as set out in Goal 7 of the Business Improvement Plan. The revised Enforcement Policy and Procedure, the new Council Plan, and any subsequent revised Service Plan will feed into the performance management framework and any tools required to monitor.</p> <p>There is a resource demand to reporting on performance objectives which should be included in the project resources as part of Recommendation 5 and 8.</p> <p>This can only be started with any degree of confidence after other recommendations and aspects of the business improvement plan have been completed and embedded.</p> <p>Target Completion Date:</p> <p>31st October 2022</p>
Management Update As At March 2022	
<p>Performance management tools remain an issue across the service. A recent engagement with the software provider proved unsuccessful in delivering performance management reports at a reasonable cost. While work has started on this recommendation, it is still in its infancy.</p>	

Recommendation – 12(M)	Original Management Response
<p>The review of the policy and procedure is an opportunity for officers and Members to assess, agree and approve the enforcement communication arrangements.</p> <p>The communication arrangements should be governed by the required service levels and legal constraints. These should be able to be performance tracked, monitored, and reported, and meet the expectations and requirements of the complainant, the complaint location owner, occupier or person responsible, and Members, whilst maintaining required complainant confidentially.</p>	<p>The service acknowledges the purpose of this recommendation. The service intends to address this by setting out the communications expectations in the revised Enforcement Policy and Procedure. Additional guidance may be required for Members who are not themselves the complainant; this will be progressed in the form of a note and published on the Members' Hub.</p> <p>The implementation of this is dependent on the date that the revised Enforcement Policy and Procedure is adopted.</p> <p>Resources being available to progress this are dependent on Recommendations 5 and 8.</p> <p>Target Completion Date:</p> <p>31st October 2022</p>
<p>Management Update As At March 2022</p>	
<p>No further update to original management response.</p>	

Recommendation – 13(M)	Original Management Response
<p>As part of the Enforcement Policy and Procedure review, the implementation of the IT system, the changing working practices and any operational benefits stemming from the arrangements introduced during the pandemic should be considered for inclusion.</p>	<p>The introduction of Enterprise will facilitate greater levels of flexible working as through the automation of tasks. The corporate approach to hybrid working is being prepared and the service will ensure that new systems and processes take on board the lessons learned from the pandemic.</p> <p>Furthermore, the service will review (as part of its review of the website or digital platform) IT capabilities to allow the submission of supporting documentation and evidence with enforcement complaints.</p> <p>Resources being available to progress this are dependent on Recommendations 5 and 8.</p> <p>Target Completion Date:</p> <p>31st July 2022</p>
<p>Management Update As At March 2022</p>	
<p>The hybrid policy has now been introduced. Management are considering how to interpret this policy to ensure service delivery as a customer facing function.</p>	

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE
26 APRIL 2022

Report Title	Draft Internal Audit Plan 2022/23			
Purpose of Report	To provide the Committee with a summary of the draft Risk Based Internal Audit Plan 2022/23, as required by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS) 2017.			
Decision(s)	<p>The Audit and Standards Committee RESOLVES to:</p> <p>a) Note that the Draft Internal Audit Plan 2022/23 reflects the current risk profile of the Council; and</p> <p>b) Agree the Draft Internal Audit Plan 2022/23 as detailed in Appendix A.</p>			
Consultation and Feedback	<p>Officers (Senior Leadership Team (SLT), Heads of Service and Service Managers) and Members have been consulted on the draft Annual Risk Based Internal Plan 2022/23.</p> <p>Alongside Internal Audit's own assessment of risk, the consultation process is applied to ensure effective plan development in order to establish priorities and assurance requirements.</p> <p>The timing of audit work has been planned in conjunction with the appropriate managers to minimise abortive work and time.</p>			
Report Author	Piyush Fatania Head of Audit Risk Assurance (ARA) Tel: 01452 328883 Email: piyush.fatania@gloucestershire.gov.uk			
Options	No other options have been considered as a Risk Based Internal Audit Plan is required by the PSIAS.			
Background Papers	N/A – links to legislation are in the body of the report.			
Appendices	Appendix A – Draft Internal Audit Plan 2022/23			
Implications (details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1.0 INTRODUCTION/BACKGROUND

- 1.1 All Councils must make proper provision for Internal Audit in line with [the Accounts and Audit Regulations 2015](#) (the Regulations). The Regulations provide that a relevant Council 'must undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'. Completion of annual Internal Audit activity based on the risk profile of the Council also supports the Section 151 Officer's duty to ensure the proper administration of the Council's financial affairs.

Agenda Item 9

- 1.2 The guidance accompanying the Regulations recognise [the PSIAS 2017](#) (the Standards) as representing 'proper Internal Audit practices'. The Standards define the way in which the Internal Audit service should be established and undertake its operations. These Standards require the Head of ARA to produce an Annual Risk Based Internal Audit Plan to determine the priorities of Internal Audit activity.
- 1.3 The proposed activity should be consistent with the Council's priorities and objectives. It should take into account the risk management framework, risk appetite levels set by management and Internal Audit's own judgement of risks.
- 1.4 To ensure Internal Audit resources continue to be focussed accordingly, it is essential that we understand the Council's needs. This requires building relationships with key stakeholders, including other assurance and challenge providers, to gain crucial insight and ongoing understanding of the strategic and operational change agendas within the Council.
- 1.5 This insight is not only identified at the initial development stages of the Risk Based Internal Audit Plan. Dialogue continues throughout the financial year(s) and increases the ability for the Internal Audit service to adapt more closely to meet the assurance needs of the Council, particularly during periods of significant change. Our Plan is therefore dynamic and flexible to meet these needs.

2.0 MAIN POINTS

- 2.1 To ensure that an effective Plan is developed and alongside Internal Audit's own assessment of risk, a consultation process took place with SLT, Heads of Service and Service Managers to establish priorities and assurance requirements. Audit and Standards Committee and wider Member audit requests were also considered as part of the consultation approach. The proposed activity from all sources was collated and matched against Internal Audit's resource availability and prioritised accordingly.
- 2.2 For the Draft Internal Audit Plan 2022/23, ARA have enhanced our methodology to better analyse and document risks.
- 2.3 In previous years, the Internal Audit Plan was based largely on discussions with management about the areas to audit. However, distinguishing between different risks, particularly from different services and departments, was based more on subjective opinions rather than qualified judgement.
- 2.4 Assessing how best to use ARA resources was challenging as it was not easy to measure the relative importance of risks and issues identified by management. The new process is analytically driven and improves our ability to measure and compare risks more accurately. This enables our work to be better aligned to the risks of the Council.
- 2.5 The Plan is stated in terms of estimated days input to the Council of 463 audit days, which is comparable to prior year. By continuing to apply risk based

Internal Audit planning principles, this level of input is considered acceptable to provide the Internal Audit assurance requirements of the Council.

2.6 The Head of ARA will continue to reassess Internal Audit resource requirements against the Council's priorities and risks. As a result of this review process, the Plan will be amended throughout the year as required.

2.7 Any key changes to the Plan will be reported to the Audit and Standards Committee.

3.0 CONCLUSION

3.1 The PSIAS require the Head of ARA to produce an Annual Risk Based Internal Audit Plan and for this Plan to be agreed by the appropriate body, which for Stroud District Council is the Audit and Standards Committee. This Audit and Standards Committee report meets the PSIAS requirement.

3.2 Regular reports on progress against the agreed Internal Audit Plan 2022/23 will be presented to the Audit and Standards Committee. These will be captured within the Audit and Standards Committee work programme for 2022/23.

4.0 IMPLICATIONS

4.1 Financial Implications

There are no financial implications arising directly from this report.

Andrew Cummings – Strategic Director of Resources

Tel: 01453 754 115

Email: andrew.cummings@stroud.gov.uk

Risk Assessment: Failure to deliver effective governance will negatively impact on the achievement of the Council's objectives and priorities and reputation.

4.2 Legal Implications

There are no specific legal implications beyond those mentioned in the report.

Contact: One Legal

Tel: 01684 272 691 Email: legal.services@onelegal.org.uk

4.3 Equality Implications

There are no equality implications as a result of the recommendations made within this report.

4.4 Environmental Implications

There are no environmental implications as a result of the recommendations made within this report.

This page is intentionally left blank

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
Quarter 1 2022/23						
1	1	Communities	Leisure Facilities - Inventories	High	To determine the accuracy of the inventory assets at The Pulse and Stratford Park Leisure Centre in preparation for the commencement of the Local Authority Trading Company.	CCR4 CMS12
2	1	Communities	Social Housing Decarbonisation Fund (Demonstrator)	High	To review the effectiveness of the governance arrangements to ensure compliance with the terms and conditions of the grant.	CCR1 CCR4
3	1	Place	Canal Restoration Project - Risk Management	High	To review the adequacy and effectiveness of the Council's risk management arrangements for the Canal Project.	CCR1 CCR4 CEX 7,9,10 and 11
4	1	Place	Planning Applications - Consultations with Town and Parish Councils	Medium	As part of the consultation process, to review where Town and Parish Councils ask for conditions or modifications to applications, that these have been considered, noted, included, as appropriate, when planning permission is granted.	CCR4 DM 2 and 3
5	1	Place	Planning Enforcement	Consultancy	Consultancy risk and control advice as part of the Fit for the Future program for introducing IT and process changes to realise business improvements.	CCR4 DM 1,2,3 and 4
6	1	Place	Planning Enforcement - Complaints Data Analysis	High	Data analysis of the number of complaints received, action taken and outcomes.	CCR4 DM 1,2,3 and 4
7	1	Place	Innovate to Renovate	Medium	Validation of the accuracy of Claim 1 to mitigate the risk of grant funding loss.	CCR1

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
8	1	Resources	Covid 19 Business Grants - Post Payment Assurance	High	Support provision for ongoing validation checks on the Covid 19 Business Grant payments.	CCR1 CCR4
9	1	Resources	IT Applications Management	High	To review the adequacy and operating effectiveness of the Council's arrangements for applications support.	CCR4
10	1	Resources	IT Disaster Recovery and Cyber Security	High	To verify whether process maps and checklists for IT Disaster Recovery and Cyber Response are fit for purpose, understood, and appropriately tested.	CCR4
Quarter 2 2022/23						
11	2	Communities	Cleaner Estates Strategy (Refuse)	High	This review will seek to determine whether the agreed Strategy actions are being actively progressed in line with the stated target delivery dates.	CCR1 CCR4
12	2	Communities	Housing Management System - Project Management	High	To review the effectiveness of the project management arrangements for implementation of the new housing management system.	CCR4 TNS 74
13	2	Communities	Housing Revenue Account (HRA) Delivery Plan	High	This review will seek to determine whether the HRA agreed actions are being actively progressed in line with the stated target delivery dates.	CCR1 CCR4
14	2	Communities	Out of Hours Emergencies - Follow-Up	High	To review the operating effectiveness of the control environment post implementation of the agreed management actions from the 2021/22 Internal Audit review.	CCR4 CCR91 THS 1

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
15	2	Communities	Safeguarding	High	To review the effectiveness of the Council's arrangement for ensuring it meets its statutory responsibility and duty of care to co-operate, communicate and report issues relating to safeguarding to the appropriate internal person(s), authorities and partner agencies.	CCR4 CCR91 CMS16
16	2	Communities	Social Housing Decarbonisation Fund (Wave 1)	High	To review the effectiveness of the governance arrangements to ensure compliance with the terms and conditions of the grant.	CCR1 CCR4
17	2	Place	ISO 14001 - Environmental Management System	Consultancy	Undertake a gap analysis to identify what areas may need to be strengthened to ensure compliance with ISO 14001 in preparation for the accreditation status. (Council Plan Action EC1.2).	N/A
18	2	Place	Innovate to Renovate	Medium	Validation of accuracy of Claim 2 to mitigate the risk of grant funding loss.	CCR1
19	2	Resources	IT Procurement	Consultancy	Consultancy risk and control advice to support pre-procurement activity for the new Emergency Management Server facility.	CCR1 CCR4
20	2	Resources	Risk Management	Consultancy	Consultancy allocation to support the development of the Council's Risk Assurance Map.	CCR1 CCR4
21	2	Resources	Members Expenses	Medium	To review the framework of controls for administering the Members' Scheme of Allowances and evaluate the operating effectiveness of the systems and processes in place.	CCR1 CCR4
Quarter 3 2022/23						
22	3	Council Wide	Business Continuity	High	To review the adequacy of the Council's Business Continuity Management arrangements in the event of a cyber-attack.	CCR4

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Agenda Item 9

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
23	3	Council Wide	Contract Management Framework	High	To review the effectiveness of the roll out of the Council's Contract Management Framework.	CCR4
24	3	Council Wide	Emergency Planning	High	To review the adequacy of the Council's Emergency Planning arrangements to ensure compliance with the Civil Contingencies Act 2004.	CCR4
25	3	Council Wide	Fit for the Future Programme	High	To review the adequacy and operating effectiveness of the Council's governance framework for delivering the Fit for the Future programme.	CCR1
26	3	Communities	Section 20 Leaseholder Service Charges	High	To review the effectiveness of the Council's arrangements for managing Section 20 Leaseholder Service Charges.	CCR1 CCR4 TNS 71
27	3	Communities	Homelessness Prevention	Medium	To review whether the Council has appropriate arrangements for the prevention of homelessness to ensure compliance with legislation and regulation.	CCR4 CCR91 HA 1,2, 3,4,5,6 and 7
28	3	Place	Health and Safety Audits	Medium	To review whether the requirement for annual audits of service health and safety arrangements are being undertaken in compliance with the Council's corporate Health and Safety Policy.	CCR4
29	3	Place	Brimscombe Port	High	To verify the accuracy of the Brimscombe Port management accounts to enable certification sign-off and compliance with the funding agreement.	CCR1
30	3	Resources	Cash and Bank	High	To review the cash and bank reconciliation and monitoring arrangements to confirm the Council's financial transactions have been correctly and fully accounted for in its financial accounting system.	CCR1
31	3	Resources	Insurance	High	To consider the main risks in relation to insurance and to review the adequacy and operating effectiveness of the key systems and controls in place to address these.	CCR1 CCR4

Appendix A

Page 112

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
32	3	Resources	Payroll and Pension Administration	High	To review the adequacy and effectiveness of the systems and processes following implementation of the new Human Resource and Payroll system.	CCR1 CCR4
33	3	Resources	Government Procurement Cards	Medium	To review the effectiveness of the Council's arrangements for administering Purchase Cards.	CCR1 CCR4
Quarter 4 2022/23						
34	4	Communities	Housing Voids - Follow-Up	High	To review the operating effectiveness of the control environment post implementation of the agreed management actions from the 2021/22 Internal Audit review.	CCR4 CCR91 TNS 67
35	4	Place	Planning Enforcement – Follow-Up	High	To review whether the agreed management actions from the 2021/22 Internal Audit review have been implemented in full.	CCR4 DM 1,2,3 and 4
36	4	Place	Sustainable Warmth Grant (Home Upgrade Grant Phase 1)	High	To review compliance with the terms and conditions of the grant to support grant certification sign-off.	CCR1
37	4	Place	Sustainable Warmth Grant (Local Authority Delivery Scheme Phase 3)	High	To review compliance with the terms and conditions of the grant to support grant certification sign-off.	CCR1
38	4	Resources	Council Tax - Opening Debits	High	To provide assurance that the Council Tax opening debit has been correctly calculated and reflected in the Council Tax system.	CCR4 CCR91 R & B1
39	4	Resources	Covid 19 Business Grants - Post Payment Assurance	High	Support provision for ongoing validation checks on the Covid 19 Business Grant payments.	CCR1 CCR4

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Agenda Item 9

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
40	4	Resources	Election Payments	High	To review the effectiveness of the Council's arrangements for administering Election payments.	CCR1 CCR4 ELEC1
41	4	Resources	National Non-Domestic Rates (NNDR) - Opening Debits	High	To provide assurance that the NNDR opening debit has been correctly calculated; appropriate notifications have been received advising of the NNDR multipliers and transitional relief rates; and these are reflected in the NNDR system.	CCR4 CCR91 R & B1
42	4	Resources	Risk Management Follow-Up	High	To review whether the agreed management actions from the 2021/22 Internal Audit review have been implemented in full.	CCR1 CCR4
43	4	Resources	Treasury Management and Ethical Investments Strategy	High	To review the adequacy and operating effectiveness of the Council's Treasury Management arrangements, including compliance with the Council's Ethical Investment Policy.	CCR1 CCR4
Throughout 2022/23						
44	Throughout	Communities	Leisure Facilities - Local Authority Trading Company	Consultancy	Consultancy risk and control advice as part of the future program for introducing the Local Authority Trading Company.	CCR4
45	Throughout	Counter Fraud	Counter Fraud	High	Activity streams delivered by the ARA Counter Fraud Team (CFT), including but not exclusive to: Counter Fraud support; Fraud Investigation and Detection; National Fraud Initiative (NFI) activity; and Fraud Risk Management.	

Appendix A

Page 114

AUDIT, RISK AND ASSURANCE – DRAFT INTERNAL AUDIT PLAN 2022/23

Ref	Indicative Quarter	Entity	Audit	Risk Score	Proposed Scope	Risk Register Ref
46	Throughout	Support	Management, Planning and Advice	High	Activity streams, including but not exclusive to: Audit Management and Planning; Committee reporting and attendance; Working Group and Management meetings attendance; Provision of Internal Control or General Advice; and Quality Assurance and Improvement Programme delivery.	
47	Throughout	Support	Recommendation Monitoring	High	This allocation enables ARA to monitor management's progress with the implementation of Internal Audit recommendations.	

This page is intentionally left blank

STROUD DISTRICT COUNCIL**AUDIT AND STANDARDS COMMITTEE****26 APRIL 2022****WORK PROGRAMME**

Meeting Date	Report Description	Responsible Officer / Member
19 July 2022	Internal Audit Progress Report 2021/22	Chief Internal Auditor
	Counter Fraud Unit Update and Annual RIPA/IPA Update	Counter Fraud Manager
	Final Policy for the use of internet/social media in investigations and enforcement	Counter Fraud Manager
	Standing Items a. To consider the work programme for 2022/23. b. To consider any Risk Management issues.	
27 September 2022	Internal Audit Progress Report 2021/22 ▪ Follow up Enforcement Report	Chief Internal Auditor
	Standing Items a. To consider the work programme for 2022/23. b. To consider any Risk Management issues.	
29 November 2022	Internal Audit Progress Report 2021/22	Chief Internal Auditor
	Standing Items a. To consider the work programme for 2022/23. b. To consider any Risk Management issues.	
7 February 2023	Internal Audit Progress Report 2021/22	Chief Internal Auditor
	Contract management Framework Update	Senior Policy and Governance Officer
	Standing Items a. To consider the work programme for 2022/23. b. To consider any Risk Management issues.	
18 April 2023	Internal Audit Progress Report 2021/22	Chief Internal Auditor
	Standing Items a. To consider the work programme for 2022/23. b. To consider any Risk Management issues.	

This page is intentionally left blank