



EAST CAMBRIDGESHIRE
DISTRICT COUNCIL

Internal Audit Progress and Performance Update

January 2023

Introduction

- 1.1 The Internal Audit service for East Cambridgeshire District Council provides 210 days to deliver the 2022/23 Annual Audit Plan.
- 1.2 The Public Sector Internal Audit Standards (the Standards) require the Audit Committee to satisfy itself that it is receiving appropriate assurance about the controls put in place by management to address identified risks to the Council. This report aims to provide the Committee with details on progress made in delivering planned work, the key findings of audit assignments completed since the last Committee meeting and an overview of the performance of the audit team.

Performance

2.1 Delivery of the 2022/23 Audit Plan

At the time of reporting, fieldwork is either complete or underway in relation to 85% of the planned work and a further 10% is in planning stages. Delivery remains on track for the year and all remaining assignments have been allocated to an auditor for delivery by the end of March 2023.

Progress on individual assignments is shown in Table 1.

2.2 Are clients satisfied with the quality of the Internal Audit assignments?

To date, two survey responses have been received in relation to feedback on completed assignments for the 2022/23 audit plan. The feedback is summarised in Table 4.

2.3 Based upon recent Internal Audit work, are there any emerging issues that impact upon the Internal Audit opinion of the Council's Control Framework?

Since the last Committee meeting, the Internal Audit team has finalised a further six audit reports. The key findings were as follows:

Bank reconciliations

The Council's key financial systems underpin the effective delivery of all services and therefore contribute to all of the Council's corporate objectives and priorities. The maintenance of accurate and complete bank reconciliations is vital to the Council's overall financial control framework by providing assurance that the accounting records are free from fraud or error.

Based on the audit findings, the control framework for bank reconciliations is sound. Operational procedure notes are in place, all bank accounts are required to be reconciled on a monthly basis and are subject to independent review and sign-off.

Testing of a sample of reconciliations confirmed that controls are operating as expected. There are two reconciliations, one to reconcile bank and ledger transactions for the month

and the other to verify the cumulative position. All monthly reconciliations were completed and reviewed in a timely manner. Cumulative reconciliations for 2022/23 did not commence until July 2022, due to resources being focused on 2021/22 accounts closure, but were completed in a timely manner throughout the year thereafter. Testing confirmed that all reconciliations were completed accurately, supported by a clear audit trail and with no unexplained reconciling items. Testing also confirmed that cash in transit was banked promptly with no significant delays clearing the bank account.

Based on the work performed during the audit, assurance opinions were given as follows:

Assurance Opinion		
Control Environment	Substantial	
Compliance	Substantial	
Organisational Impact	Minor	

Creditors

The audit of creditor payments forms part of the 2022/23 suite of annually performed key financial system reviews and is undertaken in order to inform the Chief Internal Auditor's overall opinion on the financial control environment, which supports the Annual Governance Statement. All creditor payments are processed through the Unit4 Business World system (Unit4) and administered by the Finance Team. The objective of the audit was to review the design of, and compliance with, key controls within the creditor payments system, and to provide assurance over the controls to prevent and detect fraud and error. The scope of testing for the 2022/23 audit was in relation to raising requisitions, authorisation of purchase orders and invoices, control of credit notes, and changes to supplier standing data.

Appropriate segregation of duties exists between order requisition, order approval, goods receipting and approval of invoices for payment. Sample testing of 25 creditor invoices confirmed controls are operating as intended, however the review identified some instances where an audit trail was not available on the system for purchase order and invoice approvals. This is believed to be a system issue and is currently being investigated by the software provider. Sample testing of an additional ten transactions above £50k, processed in the current financial year, confirmed that nine were authorised in accordance with the approved financial limits but a log book, i.e. audit trail, was not available to verify the approval for the remaining one, again due to system issues.

Further sample testing confirmed that urgent payments had been justified, and approved, in all cases reviewed.

Compliance with controls over new suppliers and changes to supplier standing data is good but there was scope to strengthen the control environment further by restricting the number of individuals that have access to amend the supplier master file to only those that require it and keeping a formal record of when staff independently verify requests for bank detail changes. This was addressed promptly following the audit.

Based on the work performed during the audit, assurance opinions were given as follows:

Assurance Opinion		
Control Environment	Satisfactory	
Compliance	Good	
Organisational Impact	Minor	

Debtors

The audit of the debtors system forms part of the 2022/23 suite of annually performed key financial system reviews and is undertaken in order to inform the Chief Internal Auditor's overall opinion on the financial control environment, which supports the Annual Governance Statement. All debtor invoices raised are processed through the Unit4 Business World system (Unit4) and administered by the Finance Team. The scope of testing for the 2022/23 review has been in relation to the accurate raising of invoices, policies and procedures, credit notes and cancelled invoices and control account reconciliations.

The Council's Financial Procedure Rules provide information that governs sundry debtor processes and there are sufficient documented procedures which are available to staff to enable them to fulfill their debtor responsibilities.

Sample testing confirmed controls over the raising of invoices and credit notes and income allocation have been designed well and are operating effectively, ensuring that separation of duties are in place and appropriate approvals are applied.

Debtor control account reconciliations were accurately completed and independently reviewed each month for 2022/23.

Additionally, all recommendations raised in the 2021/22 debtors audit have been implemented.

Based on the work performed during the audit, assurance opinions were given as follows:

Assurance Opinion		
Control Environment	Substantial	
Compliance	Substantial	
Organisational Impact	Minor	

Budgetary control

Councils continue to face many challenges and ongoing reductions in government funding. Therefore, it is necessary to have effective governance and budgetary control arrangements in place to ensure probity and sound financial management. The objective of this review was to provide assurance over the controls in place for the budget setting process.

At the time of reporting, the projected net revenue expenditure for the Council was forecast to be £14,840,474 in 2022/23. This would be an underspend of £97,300 compared to the Council's approved budget of £14,937,774. The revenue budget for 2022/23 and Medium Term Financial Strategy (MTFS) for 2023/24 to 2025/26 was approved by Full Council on 22nd February 2022.

Budget setting arrangements are robust, including preparation of a medium term financial strategy linked to corporate objectives and integrated with the capital and treasury management strategies. Budget assumptions in relation to pay, inflation and pension contributions are suitably informed and arrangements for the development of savings and growth proposals have been evidenced as effective.

Budget setting procedures, including a clear timetable, are in place and one to one training is provided to all budget holders. Formal guidelines, as required in the Council's Financial Procedure Rules, are not issued, however sufficient arrangements are considered to be in place to ensure Members and officers are informed of the budget preparation process.

The 2022/23 budget was subject to effective review and scrutiny by the Corporate Management Team, appropriate officers and Members prior to approval.

Based on the work performed during the audit, assurance opinions were given as follows:

Assurance Opinion		
Control Environment	Substantial	●
Compliance	Good	●
Organisational Impact	Minor	●

Enforcement policy compliance

An Enforcement Policy should set out an approach to enforcement which is transparent, accountable, proportionate, consistent and appropriately targeted. Its aim is to protect the safety of the public, their health and safety and the environment. The purpose of this audit was to provide assurance that sufficiently robust controls are in place over enforcement compliance, and operating consistently, to ensure that the risks identified are being managed and mitigated effectively.

Enforcement activities take place across a number of service areas within the Council and internal audit confirmed that staff undertaking enforcement duties are suitably qualified and trained to undertake their enforcement activities and roles and responsibilities have been clearly defined.

The Council has a published Enforcement Policy and an Enforcement Protocol, setting guiding principles by which legislation will be enforced by the Council to protect public health, safety, amenity and the environment within East Cambridgeshire. These are supported by individual regulatory function enforcement policies but with the exception of the Housing Enforcement Policy, all other policies and protocols require review to ensure they remain up to date. It was noted that none of the other policies had been reviewed in the last three years.

It is important to maintain adequate enforcement records to ensure documentary evidence is easily available, consistency is maintained across all enforcement areas, and any exposure to risk is reduced. Audit review identified that whilst a sample of enforcement cases across the service areas had been dealt with in line with expected processes, they were not captured and/or recorded in a consistent manner and file structure on the Council's case management system. Specifically, it was not possible to obtain a report of all enforcement cases in licensing as no case management system was in use to capture these records, and, as such, a random sample across the population could not be selected for audit testing in this service area.

The steps officers should take on determining whether to prosecute, including details of the evidential and public interest tests are clearly documented in the Council's Corporate Enforcement Protocol and a prosecution file template is used to ensure that all necessary steps are taken and appropriate evidence is obtained. Sample testing, however, highlighted the need to track and monitor the completion and submission of prosecution files to the Legal department and a lack of full audit trail of subsequently agreed actions.

Based on the work performed during the audit, assurance opinions were given as follows:

Assurance Opinion		
Control Environment	Satisfactory	
Compliance	Satisfactory	
Organisational Impact	Moderate	

IT asset management

An accurate and complete ICT Asset Register/log should support the ICT team in exercising effective control over hardware and software owned by the Council. This should include complete, accurate and updated records of ICT equipment and software applications.

The objective of the audit was to provide assurance that controls are in place to ensure ICT hardware and software processes and procedures are consistently implemented and accurate records/register are in place to ensure accuracy, security and value for money.

The Council's ICT Hardware Asset Register is well established with the current software implemented in April 2021 to ensure ICT hardware assets are recorded and maintained. Processes for recording and tracking hardware assets appear robust, with processes in place for recording the disposal of assets. Work on awarding a new contract for secure disposal of hard drives is currently underway.

Physical verification testing performed by Internal Audit, on a sample basis, confirmed that controls and records of new starters, leavers and internal movers affecting the ICT Hardware Asset Register were comprehensive and accurate.

It was established that the ICT team have procedures in place for the safe installation of software. However, arrangements for the recording and effective ongoing maintenance of software assets in use on ICT devices across the Council requires further development. The Council currently holds a simple inventory for corporate software applications, which includes the number of licences. It was confirmed that only corporate licences are reviewed by the ICT team but it is understood that the new Helpdesk system allows devices to be scanned and can record installed software - which could enable a central register to be created.

Services manage and maintain service specific software with minimal input by the Council's ICT department. To provide an insight into the current arrangements within service areas for the management of software assets, Internal Audit randomly selected and contacted two service leads asking a series of questions relating to the ownership and management of their software assets. This provided assurance that roles and responsibilities between ICT and the service leads were well established and the ICT team had supported with patching, as required. The development of a detailed software register is recommended as a means of strengthening controls in this area going forward with both ICT officers and service areas inputting into this register.

Based on the work performed during the audit, assurance opinions were given as follows:

Assurance Opinion		
Control Environment	Satisfactory	
Compliance	Satisfactory	
Organisational Impact	Minor	

2.4 Implementation of audit recommendations by officers

Where an Internal Audit review identifies any areas of weakness or non-compliance with the control environment, recommendations are made and an action plan agreed with management, with timeframes for implementation.

Since the last Committee meeting, 14 agreed actions have been implemented by officers. An overview is provided in Table 2.

At the time of reporting, there are 8 actions which remain overdue for implementation. Of these, there are 6 actions categorised as 'High' or 'Medium' priority which are more than three months overdue, further details are provided in Table 3.

2.5 Real time risk assurances

Internal Audit are delivering a risk targeted rolling assurance programme to support the Council's risk management processes in 2022/23. Risk management and compliance with the Risk Management Strategy is the responsibility of the Council's management but Internal Audit is seeking to provide assurance over the effectiveness of the risk management process via these assurance reviews.

Internal Audit select risk entries listed within the register on a rolling basis and conduct targeted reviews to confirm that the controls listed on the register are (a) in place and (b) operating as expected. Given that there is a reliance upon these controls to manage the key risks and achieve the residual risk scores, the validity and effectiveness of the controls listed will be verified and reported back to the Audit Committee in regular progress reporting.

The content of the risk entry is also reviewed with the lead officer to seek assurance that the current scoring and details reflect the risk environment at this time. Any potential changes in risk scoring or content are fed back to the Risk Management Group for discussion/amendment. Internal Audit do not input into risk scoring or content, maintaining independence from this.

The third of the rolling risk assurance reviews has been completed and the risk selected was **A4: Homelessness on the District**. The risk score for this entry had been increased during 2022 and the inherent risk score is 'red', hence its selection for this review.

At the time of reporting, the inherent risk scoring for this entry is 20 (4 for likelihood and 5 for impact) and the residual risk is 9 (3 for likelihood and 3 for impact). As such, the listed controls are claimed to reduce the risk of likelihood and impact. Assurance has been sought over those controls.

The findings for each control are detailed in Table 5. The risk scoring was not amended as a result of this review.

A RAG (red, amber, green) rating – as defined below Table 5 – has been assigned to each control. The listed controls were assessed as 'green' with one recommended action related to clarifying the control on use of B&B accommodation.

2.6 Audit planning for 2023/24

Work is currently underway on development of a risk based audit plan for 2023/24. An indicative plan for 2023/24 was incorporated in the 2022/23 audit plan which was approved by the Audit Committee in March 2022. This is to be subject to a full review to ensure it remains focused on the Council's key areas of risk and will add valuable assurances in the year ahead.

Should the Audit Committee have any areas to highlight for potential consideration for coverage in 2023/24, these can be raised with the Chief Internal Auditor or Chair of the Audit Committee. Such areas may include emerging risks, upcoming projects or changes and/or areas of risks where other sources of assurance are not available.

Table 1 - Progress against 2022/23 Internal Audit Plan

Assignment	Planned start	Status	Assurance sought	Assurance Opinion			Comments
				Control Environment	Compliance	Org impact	
Governance & Counter Fraud							
Counter Fraud support / promotion / policies	Q2	As required	Not applicable – consultancy work.	Fraud awareness week promotion in November 2022 and revision of website to promote fraud reporting routes.			
National Fraud Initiative	Q3	In progress	All data uploaded ahead of deadlines.				
Risk management support and real time assurances	Q1 – Q4	In progress	Ongoing assurances over the controls listed in the Risk Register and supporting embedding of risk management.	Assurances provided on risk entries throughout the year.			See section 2.5 and Table 5
Annual Governance Statement support	Q1	Complete					
Procurement compliance	Q4	Planning					
Key financial systems							
Bank reconciliation	Q3	Final report issued	Annual assurances over the bank reconciliation processes and controls, covering: <ul style="list-style-type: none"> - written procedures to specify how bank reconciliations are to be completed; - reconciliations being carried out by an appropriate officer in a timely manner and independently reviewed; and - reconciliations completed fully and accurately with any unreconciled items identified and cleared in a timely manner. 	Substantial	Substantial	Minor	See section 2.3
Creditors	Q3	Final report issued	Cyclical assurances over key processes and controls for the creditors system, covering: <ul style="list-style-type: none"> - Controls over supplier standing data; - Ordering of goods / services and approval of invoices for payment; and - Follow up of 2021/22 recommendations. 	Satisfactory	Good	Minor	See section 2.3

Assignment	Planned start	Status	Assurance sought	Assurance Opinion			Comments
				Control Environment	Compliance	Org impact	
Debtors	Q3	Final report issued	Cyclical assurances over key processes and controls for the debtors system, covering: <ul style="list-style-type: none"> - Policies and procedures - Control account reconciliations - Raising of debtor invoices - Credit notes and cancelled invoices - Follow up of 2021/22 recommendations. 	Substantial	Substantial	Minor	See section 2.3
Payroll	Q3	Draft report issued					
Treasury management	Q3	Draft report issued					
Budgetary control	Q3	Final report issued	Cyclical assurances over key processes and controls for budgetary control, covering: <ul style="list-style-type: none"> - Budget setting - Budget approvals - Savings and growth proposals - Integrated financial planning 	Substantial	Good	Minor	See section 2.3
Key policy compliance							
Safeguarding	Q1	Final report issued	To provide assurance that adequate and effective controls are in place to mitigate the risks identified below in respect of the Council's safeguarding arrangements: <ul style="list-style-type: none"> - Lack of effective leadership and accountability impacts how the Council manages its safeguarding arrangements; - Inappropriate vetting and training of individuals has the potential to expose vulnerable adults and/or children resulting in harm; or - A safeguarding or child protection issue arises due to inadequate safeguarding protocols and procedures. 	Satisfactory	Satisfactory	Moderate	Reported at November 2022 meeting

Assignment	Planned start	Status	Assurance sought	Assurance Opinion			Comments
				Control Environment	Compliance	Org impact	
Staff claims	Q4	Fieldwork complete					
Enforcement policy compliance	Q2	Final report issued	<p>To provide assurance that sufficiently robust controls are in place for enforcement compliance, and operating consistently, to ensure that the risks identified are being managed and mitigated effectively. Areas covered:</p> <ul style="list-style-type: none"> - Enforcement plans, policies, protocols and procedures - Enforcement Officer training and guidance - Enforcement policy compliance. 	Satisfactory	Satisfactory	Moderate	See section 2.3
Risk based audits							
Asset related audits – follow up	Q4	Planning					
Performance management	Q4	Fieldwork complete					
Assets of Community Value	Q1	Final report issued	To provide assurance over the Council's consistent and compliant handling of applications for community right to bid.	Good	Substantial	Minor	Reported at July 2022 meeting
Grant claims	As required	In progress		Disabled Facilities Grant review completed			
IT audits							
IT asset management	Q2	Final report issued	To provide assurance over the Council's IT asset records and management – including both hardware and software.	Satisfactory	Satisfactory	Minor	See section 2.3
Cyber security	Q4	Not started					

Table 2 - Implementation of agreed management actions

	'High' priority recommendations		'Medium' priority recommendations		'Low' priority recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Actions due and implemented since last Committee meeting	5	63%	5	66%	4	45%	14	64%
Actions overdue by less than three months	1	12%	-	-	-	-	1	5%
Actions overdue by more than three months	2	25%	4	44%	1	7%	7	31%
Totals	8	100%	9	100%	5	100%	22	100%

Table 3 – Actions overdue more than three months (High or Medium priority)

Audit plan	Audit title	Agreed action and context	Priority	Responsible officer	Date for implementation	Officer update / revised date
Medium	ICT Manager	<p>Incident management planning There is no specific major malware breach incident plan in place to ensure the most effective and timely response to breaches, limiting impact and enabling recovery to be as effective as possible.</p> <p>Such a plan should include communications with the police and relevant third parties and would inform responses in the case of an incident.</p> <p>An incident management plan should be produced and should include template documentation and logs and details of communications with the police and key partners to support timely action and resolution.</p>	Medium	ICT Manager	31 March 2022	January 2023: Remains outstanding.
2021/22	ICT Outages	<p>ICT Strategy A strategy/service plan should be developed and approved to set out the focus of the ICT service and timeframes for key projects. The team has limited resources, and these must be deployed in line with the Council's agree priorities</p>	High	ICT Manager	31 July 2022	January 2023: Strategy being drafted but delayed by long term sickness leave.

Audit plan	Audit title	Agreed action and context	Priority	Responsible officer	Date for implementation	Officer update / revised date
2021/22	ICT Outages	<p>Infrastructure renewal plan An infrastructure renewal plan should be drafted and approved. This should link with the ICT strategy/service plan and inform budget setting.</p>	Medium	ICT Outages	31 July 2022	January 2023: Strategy being drafted but delayed by long term sickness leave.
2021/22	ICT Outages	<p>Public folder A project to review the use of the public folder is required. This should establish whether the current use is acceptable, in accordance with data policies and to clear any unnecessary data.</p>	Medium	ICT Outages	30 June 2022	<p>January 2023: Moved to M365.</p> <p>Internal Audit require further detail before closing.</p>
2021/22	ICT Outages	<p>Lessons learnt reviews This audit review has effectively collated these lessons learnt for the incidents in question but going forward this exercise should be conducted and documented promptly following the event and reviewed by management. A template and timeframe for this should be included in the Incident Management Plan.</p> <p>The contract with the back-up provider should be reviewed to ensure it is robust in making obligations clear and enabling penalties/compensation to be applied for failure to deliver.</p>	High	ICT Manager	31 July 2022	January 2023: Linked with Incident Management Planning above – remains outstanding.

Audit plan	Audit title	Agreed action and context	Priority	Responsible officer	Date for implementation	Officer update / revised date
2021/22	ICT Outages	<p>Microsoft support package The Council's current package does not provide 24/7 support which means there is an inevitable delay in receiving any support in the case of an outage which commences outside of office hours.</p> <p>Given the reliance upon responses from Microsoft, whilst still using an on-premise server, the Council should conduct an options appraisal and cost benefit analysis on packages available against the respective costs.</p>	Medium	ICT Manager	31 March 2022	January 2023: Microsoft have changed their licencing support options, so a further review is going to be necessary to determine the best option for the Council.

Table 4: Customer Satisfaction

At the completion of each assignment, the Auditor issues a Customer Satisfaction Questionnaire (CSQ) to each client with whom there was a significant engagement during the assignment. There have been two survey responses received during the year to date.

Responses	N/A	Outstanding	Good	Satisfactory	Poor
Design of assignment	-	2	-	-	-
Communication during assignment	-	2	-	-	-
Quality of reporting	-	2	-	-	-
Quality of recommendations	1	1	-	-	-
Total	1	4	-	-	-

Table 5: Risk register entries – rolling review of controls

Risk entry			
A4: Homelessness on the District.			
Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian’s being taken into homes via the Homes for Ukrainian Scheme.			
Assurance and Findings			
Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
A4.1	Frontline resources focussed on preventing homelessness.	 Green	<p>Findings</p> <p>In 2021/22 557 applications were taken from residents at risk of homelessness or homeless.</p> <p>Due to the significant rise in demand for the service, recruitment is currently underway for an additional Housing Officer which will bring the total to five qualified Housing Officers, with one acting as the Council’s dedicated Court Officer, to enable service users to access support in this area.</p> <p>With multiple factors potentially contributing to homelessness the Housing and Community Advice Team provide focused advice & support on topics, such as, debt, employment, housing, benefits, health and social care. All with the objective to prevent homelessness. A variety of ‘One Stop Shop’ services have been developed:</p> <p><u>Drop in clinics</u> – Located at the Council’s Office, (The Grange, Ely) Monday to Friday, 10am-4pm. Housing Officers, Community Advice Officers are available for service users to access advice & support.</p>

Risk entry

A4: Homelessness on the District.

Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian's being taken into homes via the Homes for Ukrainian Scheme.

Assurance and Findings

Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
			<p><u>Home appointments</u> – Pre-arranged appointment whereby members of the Housing and Community Advice team will visit service users to provide advice & support.</p> <p><u>Warm Hubs</u> – The Housing and Community Advice team attend new Warm Hubs within the District to provide advice & support.</p> <p><u>Housing and Community Advice Bus</u> – Roaming service visiting multiple locations throughout the District (Tuesday to Friday), locations can be found on the Council's website. The service commenced in April 2020 to ensure that service users could access services during the Pandemic, however, due to its success it is now a permanent part of the Housing and Community Advice Service. A Cost of Living event is planned for November 2022. The bus will be visiting new locations to try to reach out to potential service users as part of this event.</p> <p>In the event of the bus being unable to travel (breakdown/services etc.), back up locations are in place to ensure that the service continues</p>

Risk entry

A4: Homelessness on the District.

Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian's being taken into homes via the Homes for Ukrainian Scheme.

Assurance and Findings

Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
A4.2	Council retained hostels.	 Green	<p>Findings There are four hostels used by the Council, all are maintained by Sanctuary Housing. In 2021/22, 53 clients were placed in these hostels.</p> <p>The current arrangements appear to be operating effectively and hostels are not oversubscribed.</p>
A4.3	Housing now has community advice within the department meaning that residents now have a one stop-shop for early intervention and homelessness prevention.	 Green	<p>Findings With multiple factors potentially contributing to homelessness, the Housing and Community Advice Team provide focused advice & support on topics, such as: debt, employment, housing, benefits, health and social care. All with the objective to prevent homelessness. A variety of 'One Stop Shop' services have been developed – see A4.1 above.</p>
A4.4	Community bus is now on the road and stops at various locations throughout the month to give advice on housing and community advice.	 Green	<p>Findings Roaming service visiting multiple locations throughout the District (Tuesday to Friday), locations can be found on the Council's website. The service commenced in April 2020 to ensure that service users could access services during the Pandemic, however, due to its success it is now a permanent part of the Housing and Community Advice Service.</p>

Risk entry

A4: Homelessness on the District.

Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian's being taken into homes via the Homes for Ukrainian Scheme.

Assurance and Findings

Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
			<p>Cost of Living event planned for November 2022. The bus would be visiting new locations to try to reach out to potential service users as part of this event.</p> <p>In the event of the bus being unable to travel (breakdown/services etc.), back up locations are in place to ensure that the service continues.</p>
A4.5	Team continues to prevent homelessness and B&B has not been required to date.	<p align="center">● Green</p>	<p><u>Findings</u> This statement is incorrect - in 2021/22 there were two cases whereby bed and breakfast facilities were used. On both occasions the service user was assessed to be high risk, therefore, B&B facilities were utilised as the individuals were unsuitable to be placed within a hostel. To note – this was not due to hostel capacity issues and due to the needs of the individuals and, as such, is not flagged as a control weakness but a point of clarification.</p> <p><u>Recommendation</u> To review this key control wording to reflect that B&B's are considered in exceptional personal circumstances – for factual accuracy.</p> <p><u>Due date</u> December 2022</p>

Risk entry

A4: Homelessness on the District.

Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian's being taken into homes via the Homes for Ukrainian Scheme.

Assurance and Findings

Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
A4.6	Homes for Ukrainian's internal working group meeting weekly.	 Green	<p>Findings An internal Homes for Ukrainian's Working Group meets weekly with representation from the following support services:</p> <ul style="list-style-type: none"> • Director (Commercial); • Environmental Health; • Community Hubs; • Community Resettling Officer; • Community Services; • Customer Services; • Communications; and • Housing. <p>Officers from the Council attend a monthly Cambridgeshire County Council (CCC) Homes for Ukrainian's meeting where issues are raised, and further advice/support can be provided.</p>
A4.7	Additional admin. support recruited to assist with the Ukrainian schemes.	 Green	<p>Findings Community Resettling Officer has been recruited and supports Homes for Ukrainian's scheme along with the co-ordination of the Ukraine Community Hub which runs weekly.</p>

Risk entry

A4: Homelessness on the District.

Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian's being taken into homes via the Homes for Ukrainian Scheme.

Assurance and Findings

Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
			<p>The hub is designed to support both hosts and guests with an opportunity to access support and services, such as, schools, benefits, healthcare, employment and housing. A jobs fair has been arranged to take place as part of the Ukraine Community Hub in November 2022, with further events planned regarding 'moving on' as the Homes for Ukrainian's scheme comes to an end.</p> <p>Administrative support is in place, this is used to support the admin of the Government software system. Additional support has also been provided by customer services two mornings a week.</p>
A4.8	Community Hub set-up.	 Green	<p>Findings The Council has set-up/implemented a variety of 'One Stop Shop' Hubs to allow service users to access services. Information on all the Council's Community Hubs is available on the Council's website:</p> <ul style="list-style-type: none"> • Drop in Clinics/Hub • Warm Hubs • Ukraine Community Hub • Housing and Community Advice Service Bus

Risk entry

A4: Homelessness on the District.

Increase in homelessness driven by external factors such as the cost of living crisis (fuel and energy), Universal Credit and the Homelessness Reduction Act. Breakdown of relationships following Ukrainian's being taken into homes via the Homes for Ukrainian Scheme.

Assurance and Findings

Key control reference	Key control listed on register	RAG rating	Auditor comment and assurances obtained
A4.9	Working with multiple organisation.	 Green	<p>Findings The Housing and Community Advice Service team work with partner agencies/ organisations in the prevention of homelessness. Some of these are listed below:</p> <ul style="list-style-type: none"> • Cambridgeshire and Peterborough NHS Foundation Trust (mental health) • DWP (financial support) • Lighthouse Centre (severe weather emergency accommodation) • Community Outreach (domestic violence) • Adult Social Care (CCC) • Childrens Social Care (CCC) • Housing Associations within the Councils boundaries • Citizens Advice Bureau (CAB) <p>Hot-desking facilities are offered to partner agencies/organisations to use at the Council Offices. This arrangement promotes networking and builds working relationships across agencies and services which is vital when supporting service users with concerns that could contribute in homelessness.</p>

Risk register entries – rolling review of controls - RAG rating key:

RAG Rating Indicator	
● Red	Control is not present or not currently operating.
● Amber	Control is not operating fully or consistently in line with risk register entry.
● Green	Control in place and evidenced as operating as stated.

Glossary

At the completion of each assignment the Auditor will report on the level of assurance that can be taken from the work undertaken and the findings of that work. The table below provides an explanation of the various assurance statements that Members might expect to receive.

Compliance Assurances		
Level	Control environment assurance	Compliance assurance
Substantial ●	There are minimal control weaknesses that present very low risk to the control environment.	The control environment has substantially operated as intended although some minor errors have been detected.
Good ●	There are minor control weaknesses that present low risk to the control environment.	The control environment has largely operated as intended although some errors have been detected.
Satisfactory ●	There are some control weaknesses that present a medium risk to the control environment.	The control environment has mainly operated as intended although errors have been detected.
Limited ●	There are significant control weaknesses that present a high risk to the control environment.	The control environment has not operated as intended. Significant errors have been detected.
No ●	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact		
Level	Definition	
Major ●	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.	
Moderate ●	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.	
Minor ●	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.	

Limitations and Responsibilities

Limitations inherent to the internal auditor's work

Internal Audit is undertaking a programme of work agreed by the Council's senior managers and approved by the Audit Committee subject to the limitations outlined below.

Opinion

Each audit assignment undertaken addresses the control objectives agreed with the relevant, responsible managers.

There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work; were excluded from the scope of individual internal assignments; or were not brought to Internal Audit's attention.

Internal control

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and unforeseeable circumstances.

Future periods

The assessment of each audit area is relevant to the time that the audit was completed in. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management; internal control and governance; and for the prevention or detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

