



EAST CAMBRIDGESHIRE DISTRICT COUNCIL
INTERNAL AUDIT ANNUAL REPORT
2019/20



1. Background

1.1 The Public Sector Internal Audit Standards (PSIAS) require the Head of Internal Audit to provide an annual Internal Audit opinion and report that can be used by the organisation to inform its governance statement. The Standards specify that the report must contain:

- an Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment);
- a summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
- a statement on the extent of conformance with the Standards.

2. Head of Internal Audit Opinion 2019/20

2.1 This report provides a summary of the work carried out by the Internal Audit service during the financial year 2019/20 and the results of these assignments. Based upon the work undertaken by Internal Audit during the year, the Head of Internal Audit's overall opinion on the Council's system of internal control is that:

It is my opinion that **Satisfactory Assurance** can be given over the adequacy and effectiveness of the Council's control environment for 2019/20. This control environment comprises of the system of internal control, governance arrangements and risk management. This remains consistent with the opinions given in recent years.

Governance

During 2019/20, the Council's governance arrangements have remained broadly consistent with previous years. There are no significant governance issues that I wish to draw to the attention of the Council for inclusion in its Annual Governance Statement, based on the findings of Internal Audit work in 2019/20.

Financial control

Controls relating to the key financial systems which were reviewed during the year were concluded to be generally operating effectively. A key area highlighted in the Creditors system audit related to a need to strengthen preventative controls against bank mandate fraud – an action plan has been agreed to address this.

Risk management

Established structures and processes for identifying, assessing and managing risk remained consistent during 2019/20. The risk register was reviewed by the Finance and Assets Committee on a six monthly basis, considering the outcomes of quarterly reviews conducted by the Council's risk management group.

As at January 2020 there were no risks on the strategic risk register scored as 'red' – it should be noted that an extensive review of the risk register in 2020 will reflect the changing risk environment following the Covid-19 pandemic.

Internal Audit work is targeted upon the Council's key areas of risk and work completed in 2019/20 has assessed assurances in relation to controls in some these key areas.

Internal control

For the audits completed in 2019/20, 92% of the opinions given in relation to the control environment and compliance have been of at least Satisfactory Assurance. The proportion of audits resulting in opinions of Substantial Assurance has been higher than in previous years.

Of these audits, none have resulted in an opinion of 'major' organisational risk, which would impact upon the annual assurance opinion. An opinion of 'limited' assurance has been given in relation to compliance with controls on contract extensions and actions have already progressed to address this.

Of the recommended actions agreed, and due for implementation, 88% had been completed in a timely manner during the year.

Internal Audit has not been made aware of any further governance, risk or internal control issues which would reduce the above opinion. No systems of controls can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance.

2.2 The basis for this opinion is derived from an assessment of the individual opinions arising from assignments from the risk-based Internal Audit plan that have been undertaken throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in addressing any control weaknesses. A summary of audit opinions is shown in Table 1.

Table 1 – Summary of audit opinions 2019/20:

Area	Substantial	Good	Satisfactory	Limited	No
Financial systems	2	6	1	1	-
Key policy compliance	2	4	1	1	-
Risk based audits	-	4	3	-	-
Total	4	14	5	2	0
Summary	16%	56%	20%	8%	-
2018/19 summary – for information	6%	44%	40%	10%	-

3. Review of audit coverage

Audit opinion on individual audits

3.1 The Committee is reminded that the following assurance opinions can be assigned:

Table 2 – Assurance categories:

Level of Assurance	Definition
Substantial	There are minimal control weaknesses that present very low risk to the control environment. The control environment has substantially operated and either no, or 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.

3.2 All individual reports represented in this Annual Report are final reports and, as such, the findings have been agreed with management, together with the accompanying action plans.

Summary of audit work

3.3 Table 3 details the assurance levels resulting from all audits undertaken in 2019/20 and the date of the Committee meeting at which the outcome of the audit was presented.

3.4 All completed assignments have been delivered in accordance with the agreed terms of reference and provide assurance in relation to the areas included in the specified scope.

Table 3 – Summary of audit opinions 2019/20:

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
Anglia Revenues Partnership				
Council Tax	Satisfactory assurance (Adequate/Reasonable)			July 2020
NNDR	Satisfactory assurance (Adequate/Reasonable)			July 2020
Housing Benefit	Satisfactory assurance (Adequate/Reasonable)			July 2020
Enforcement	Good assurance (Good/Substantial)			July 2020
Financial				
Bank Reconciliations	Good assurance	Good assurance	Minor	July 2020
Budgetary Control	Good assurance	Good assurance	Minor	July 2020
Creditors	Satisfactory assurance	Limited assurance	Moderate	July 2020
Debtors	Good assurance	Good assurance	Minor	July 2020
Treasury management	Substantial assurance	Substantial assurance	Minor	February 2020
Key policy compliance				
Grants to voluntary organisations	Substantial assurance	Substantial assurance	Minor	February 2020
Absence management	Good assurance	Good assurance	Minor	September 2019
Use of government procurement cards (GPCs)	Good assurance	Satisfactory assurance	Minor	September 2019
Contract extensions	Good assurance	Limited assurance	Moderate	July 2020

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
Risk based audits				
Homelessness Reduction Act compliance	Satisfactory assurance	Satisfactory assurance	Minor	July 2020
Leisure centre income	Good assurance	N/A	Minor	July 2019
Community Infrastructure Levy (CIL)	Good assurance	Good assurance	Minor	September 2019
Health and safety	Good assurance	Satisfactory assurance	Minor	February 2020

3.5 In addition to the audit assignments above, Internal Audit has also drafted the Annual Governance Statement for the Council for 2019/20 and overseen the collation of assurances to support this.

3.6 A number of these audit outcomes have been reported to the Finance and Assets Committee during the 2019/20 financial year. Summaries of those which have been finalised since the last progress report was presented are provided in Appendix A to this report.

Implementation of Internal Audit recommendations

3.7 Internal Audit follow up on progress made against all recommendations arising from completed assignments to ensure that they have been fully and promptly implemented. Internal Audit trace follow up action on a monthly basis and provide a summary to the Finance and Assets Committee.

3.8 A total of 20 audit recommendations have been made during 2019/20.

3.9 Details of the implementation rate for audit recommendations made during 2019/20 are provided in Table 4.

Table 4 - Implementation of audit recommendations from 2019/20 reports:

	Category 'Essential' recommendations	Category 'Important' recommendations	Category 'Standard' recommendations	Total
Agreed and implemented	4	6	5	15 (75%)
Agreed and not yet due for implementation	1	1	1	3 (15%)
Agreed and due within last 3 months, but not implemented	-	1	-	1 (5%)
Agreed and due over 3 months ago, but not implemented	-	1	-	1 (5%)
TOTAL	5	9	6	20 (100%)

3.10 In addition to this year's audit recommendations, there remain one audit recommendation which is overdue from previous years' audit report. A full overview of overdue actions as at 31st March 2020 is provided in Table 5.

Table 5 - Summary of overdue recommendations as at 31st March 2020

Audit Title	Audit Year	Essential		Important		Standard	
		Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue
Absence Management	2019/20	-	-	1	-	-	-
Homelessness	2019/20	-	-	-	1	-	-
Payroll	2016/17	-	-	-	-	1	-
Totals		0	0	1	1	1	0

Other sources of assurance

- 3.11 In addition to the Internal Audit work, assurances from other sources are also taken into consideration in informing the annual Internal Audit opinion.
- 3.12 It is noted that the Council's Public Sector Network compliance certificate expired in March 2020 and has not have been re-accredited at the time of reporting. Based on advice from the Cabinet Office, the Council will seek certification following a server upgrade which is due to take place in July 2020. As such, assurance cannot currently be provided over the compliance with this security standard.

4.0 Internal Audit contribution

Added value

- 4.1 It is important that Internal Audit demonstrates its value to the organisation. The service provides assurance to management and members via its programme of work and also offers support and advice to assist the Council in new areas of work.
- 4.2 The Council commissioned 210 days from LGSS to deliver the 2019/20 Audit Plan. This involved delivery of the current year Audit Plan, client liaison, support, reporting and attendance at the Resources and Finance Committee.
- 4.3 LGSS has delivered **100%** of the assignments from the 2019/20 Audit Plan to draft report stage. There is one audit which remains to be finalised, in relation to the Payroll system, and this will be reported to the next meeting of the Finance and Assets Committee – the draft report has highlighted no significant areas of concern.

Internal Audit contribution in wider areas

- 4.4 Key additional areas of Internal Audit contribution to the Council in 2019/20 are set out in Table 6:

Table 6 – Internal Audit contribution

Area of Activity	Benefit to the Council
Facilitation of Risk Management Group and attendance at quarterly meetings.	To support effective risk management arrangements – in identifying, assessing and managing corporate risks.
Promotion of fraud awareness week in November 2019 and setting up of a new fraud reporting mailbox to enable concerns to be raised directly with Internal Audit.	Supporting the Council in its Counter Fraud strategy and reinforcing a zero tolerance culture.
Maintaining good working relationships with External Audit.	Reducing duplication and maximising value of audit resources.

Area of Activity	Benefit to the Council
Presence at East Cambridgeshire District Council offices.	Assistance with ad-hoc queries and advice. Raising the profile of Internal Audit with service leads to increase the effectiveness of the service.

Professional Standards

- 4.5 The Public Sector Internal Audit Standards (PSIAS) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013. The standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.
- 4.6 The objectives of the PSIAS are to:
- Define the nature of internal auditing within the UK public sector;
 - Set basic principles for carrying out internal audit in the UK public sector;
 - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
 - Establish the basis for the evaluation of internal audit performance and to drive improvement planning.
- 4.7 A detailed self-assessment against the PSIAS has been completed by the Head of Internal Audit, a copy of which can be provided on request. The outcome of the assessment was that the Internal Audit service is operating in general compliance with the Standards.
- 4.8 During 2016/17, LGSS Internal Audit was subject to an external assessment against the PSIAS, as is required on a four yearly basis. This concluded that the delivery of the audit service was generally in accordance with the Standards and any recommendations arising were implemented.

Council tax

This key system review, conducted on an annual basis, considers the key risks to achieve the objective of the ARP to deliver revenues and benefits services to five partner authorities, providing a robust and flexible service to their councils.

Assurance was gained that:

- reconciliations are being completed and authorised on a regular basis
- reviewing and amending system user permissions is likely to be a continuing work area, but improvements are apparent and a sound process to do this is emerging
- the write off process is now completed electronically
- at the end of the testing period, it was evident that there has been a reduction in the delay in processing exemptions and discounts which has been maintained
- credit balance amounts are reducing and a plan is in place to review historic credits across the partnership with an improved process to conclude the credit.

It was noted that:

- 9 actions from the 2018/19 audit report were considered to remain a work in progress, including one regarding System Access which was reported as a high risk in 2018/19.
- The systems and processes of internal control are overall deemed as Satisfactory in managing the risks associated with the Council Tax system.

National non-domestic rates (NNDR)

This key system review, conducted on an annual basis, considers the key risks to achieve the objectives of the ARP to deliver revenues and benefits services to five partner authorities, providing a robust and flexible service to their councils.

Assurance was gained that:

- Parameters and applicable limits for the NNDR multipliers, listed building exemption, mandatory charitable relief, and retail discount were correct on Academy for 2019/2020, and the parameters input had been checked for accuracy by the NNDR Team Manager and ARP Operations Manager (Revenues) before going live.
- All year end VO schedules reviewed were accurate compared to Academy, or satisfactory explanations were provided where differences were identified, and reconciliations were completed prior to annual billing.
- All sampled BACS submissions for direct debits and refund payments were accurate, had been signed appropriately and within a good time frame
- All sampled returned direct debits had been actioned promptly and appropriately
- All sampled suspense transactions had been managed promptly
- The most recent collection rate was confirmed as calculated accurately against system records, with deviations from target performance annotated
- Control account reconciliations were completed promptly, supported by evidence, and independently approved by a senior officer
- All sampled individual refunds were approved appropriately and supported by evidence
- System parameters for debt reminders and arrangements agree to the expected pathway, and are the same for all authorities.

It was, however, noted that:

- System access remains a key area for action, as limited assurance can be given that procedures are in place to confirm access to NNDR databases across Partnership and Council staff is justified
- The number of longstanding actions and ongoing areas for improvement remains high, and it is hoped that this will reduce during 2020/21.

The systems and processes of internal control are overall deemed as Satisfactory in managing the risks associated with the NNDR system.

Housing benefit

This key system review, conducted on an annual basis, considers the key risks to achieve the objective of the ARP to deliver revenues and benefits services to five partner authorities, providing a robust and flexible service to their councils.

Assurance was gained that:

- changes in legislation and system parameters continue to be correctly actioned with independent verification
- reconciliations are being completed and authorised on a regular basis
- reviewing and amending system user permissions is likely to be a continuing work area, but improvements are apparent and a sound process to do this is emerging.

It was noted that:

- No fraudulent actions, claims or payments were identified. Some errors were identified during testing which could have an impact on the claim or impact on the claimant and these were addressed by a Team Manager following testing. These are human errors which can only be addressed through monitoring, communication and training.

The systems and processes of internal control are overall deemed as Satisfactory in managing the risks associated with the Housing Benefit system.

Enforcement

This key system review, conducted on an annual basis, considers the key risks to achieve the objectives of the ARP Enforcement Agency to deliver services to five partner authorities, providing a robust and flexible service to their councils.

Assurance was gained that:

- A sound control process is in place for case histories within the One Step system, with good audit trails and records kept of all interactions, including the status and progress of the accounts.
- The system administration for One Step users is proactively checked on a quarterly basis to ensure only authorised users are active and that access levels are accurate and appropriate. New user email requests from managers are retained and actioned accordingly.
- Regular Anglia Revenues and Benefits Joint Committee meetings are held that communicate the financial performance of ARPE. Performance figures are reported and discussed in monthly Managers meetings. It has been noted that the Recovery Performance target is regularly above target.
- Supporting documentation for the reconciliation process is readily available and retained providing complete and sufficient audit trails.

- All key areas of debt are being recovered on across the partnership. The majority of cases are for Council Tax, approximately 83%.
- All methods of payments are promoted. Cash payments are the least preferred option but there are procedures in place for when cash payments are made. Receipt books are issued and recorded efficiently with a complete inventory and are retained in accordance with data retention guidelines; for 6 years plus current.

It was noted that:

- Unallocated payments continue to be an issue with a large volume of historic balances. The Enforcement Team have exhausted all avenues to allocate. These should be transferred to a relevant account and cleared from unallocated. Sufficient information will still be available should a customer come forward at a later date and the amount could be allocated to their account accordingly. Some unallocated payments date back to 2015.
- Communication channels for key information such as change of address and contact information needs to be addressed to avoid inefficient use of agent time and associated costs. There were approximately 262 cases resulting in 225 visits that were passed to the Enforcement Team with inaccurate and/or incomplete information in 2018/19.

The systems and processes of internal control are overall deemed as Good in managing the risks associated with the ARP Enforcement Agency system.

Bank reconciliation

The maintenance of accurate and complete bank reconciliations is vital to the Council's overall financial control framework. The effective operation of controls to maintain accurate records is pivotal in ensuring that the Council's financial statements are produced promptly and accurately. The bank reconciliation process ensures that transactions appearing in the Council's accounting records are compared with bank statements allowing discrepancies to be appropriately managed.

There are written operational procedure notes covering the bank reconciliation process and these provide assurance over the resilience of the process should there be a change in staffing or loss of key personnel through absence.

The audit review tested the accuracy of the completed bank reconciliations for the months of June and December 2019 and concluded that all figures included in the reconciliations could be matched to supporting records and had been accurately prepared. The monthly cash book reconciliations which is the first stage of the reconciliation process did not consistently record who had completed and checked the reconciliations. In the period April 2019 to February 2020, there were four cases (36%) there was no evidence on the reconciliation of who had completed the reconciliation and in five cases (45%) the reconciliations had not been signed off by the Senior Accountant. This should be evidenced in all cases to provide assurance that the reconciliations have been completed in a timely manner and have been independently checked. The completed bank account reconciliations are printed off and the hard copy is signed by the Senior Accountant as the preparer and the Finance Manager as the checker. It could not be confirmed that the June and December 2019 reconciliations had been signed off due to the Senior Accountant working remotely. It has been agreed that in future the electronic version of the bank reconciliations will record this.

Based on the outcome of audit testing, an opinion of Good Assurance has been given for the design and compliance with controls.

Budgetary Control

The Council must demonstrate sound financial management, and continue to look for opportunities to maximise income and deliver savings to ensure that it can maintain a balanced budget and afford future plans. Councils continue to face many challenges due to the way in which services are delivered 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 Council's financial strategy for the medium term is to set a robust financial framework for the Council's plans over the next four years which support the delivery of the Council's priorities within the context of an annual balanced budget. The audit of the budgetary control system forms part of the 2019/20 suite of annually performed key financial system reviews and is undertaken in order to inform the Head of Internal Audit's overall opinion on the control environment, which supports the Annual Governance Statement.

Sections 30-36 of the Local Government Finance Act 1992 requires the Council to set a budget and council tax by 11th March each year and for the financial year 2019/20 this was approved by Full Council on 21st February 2019. There is no formal timetable for the budget setting process that is shared with budget holders and it has not yet been established whether there is a timetable in place within the Finance Team which ensures that the Council meets the statutory requirements. There are named budget holders assigned to budget headings with monthly budget monitoring reports being provided by the Finance Team and budget managers are responsible for ensuring that the budgets for which they are responsible for are not overspent. Under Financial Regulations each Policy Committee is required to consider projections of financial performance against both revenue and capital budgets on a quarterly basis, with significant variances of actual spend compared to profiled budgeted spend being explained. Internal Audit testing has confirmed that reports have been provided to the Policy Committees at the required frequency during the financial year 2019/20.

Since the last Internal Audit review of budgetary control the Council has adopted a set of Financial Procedure Rules which among other things, includes the rules around the authorisation of virements. A number of minor adjustments to budgets have been made during the financial year 2019/20 and control of these is not recorded. The introduction of a virements log would provide an audit trail of decisions made to increase or decrease budgets linked to supporting documentation and authorisation.

Based on the outcome of audit testing, an opinion of Good Assurance has been given for the design and compliance with controls.

Creditors

The audit of the creditor payments system forms part of the 2019/20 suite of annually performed key financial system reviews and is undertaken in order to inform the Head of Internal Audit's overall opinion on the financial control environment, which supports the Annual Governance Statement. All creditor payments are processed through the Unit 4 Business World system 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 2019/20 has been in relation to policies and procedures, standing data, BACS payments and reconciliations.

A review of policies and procedure notes confirmed that these were up to date. Controls over supplier payments had been improved since the last review of this area in the financial year 2017/18 and were

operating as intended. The creditor control account reconciliation is completed annually by the Senior Accountant however assurance can be taken from the completion of monthly bank reconciliations.

Sample testing of new suppliers and changes to existing suppliers bank details the review identified a lack of consistency in the supporting documentation held. Testing of 25 new suppliers identified that in two cases (8%) there was no supporting documentation held and in 14 cases (56%) full evidence was not held to support the bank details of the new supplier. Testing of 12 changes to existing suppliers' bank details identified that in three cases (25%) there was no supporting documentation held and in seven cases (58%) evidence to support the change was not complete. This was identified as a weakness in the previous audit in the financial year 2018/19 and there is a continued risk that incorrect or fraudulent details could be input onto Unit 4 Business World system which could lead to a payment error. Bank mandate fraud poses a high risk which must not be underestimated and controls in this area must be robust – as such this weakness has resulted in a Limited Assurance opinion on compliance. A review of the current procedure is required to ensure that it enforces the requirement to ensure all relevant documentation has been received and checks made to ensure the accuracy of new and existing supplier details on Unit 4 before payments are made. This is particularly important in the present climate when such fraudulent attempts have increased across local government.

Debtors

The audit of the debtors system forms part of the 2019/20 suite of annually performed key financial system reviews and is undertaken in order to inform the Head of Internal Audit's overall opinion on the control environment, which supports the Annual Governance Statement. The Council raises over 4,000 sundry debtor invoices annually with a total value in excess of £4.5 million. All transactions are processed through the Council's finance system, Unit 4 Business World. The objective of the audit was to review the design of, and compliance with controls to prevent and detect fraud and error covering debt recovery, write offs and reconciliations.

Testing of a sample of 20 debts has confirmed that generally they are being actively pursued however in three cases recovery action taken is being queried with officers who have yet to respond. A review of 'parked' invoices identified that of the 72 invoices there was a credit balance showing in 15 cases (21%) and these should be reviewed in consultation with individual services and action taken to write them off, where necessary. In addition, a further 'parked' invoice dating back to the financial year 2016/17 should also be investigated and written off if the debt is irrecoverable. A review of a sample of five write offs identified one case (£480) where the write off had not been authorised by the Finance Manager in accordance with the Scheme of Delegation.

There are monthly debtor control account reconciliations completed and testing confirmed that these were being completed in a timely and accurate manner. For the reconciliations tested, however, there was no evidence of any independent check.

Based on the outcome of audit testing, an opinion of Good Assurance has been given for the design and compliance with controls.

Contract extensions

The critical objective of this review was to ensure that the Council procures goods, services and works in accordance with Contract Procedure Rules to demonstrate efficiency, value for money, transparency and compliance with legislation. The Council's Contract Procedure Rules which were

approved by Full Council on 5th October 2017 cover the procedure to be followed when extending an existing contract.

The key risk for the area under review is that value for money may not be achieved through:-

- Existing contracts being extended for unreasonable periods with the result that opportunities to test the market are foregone;
- Repeated use of the same contractors without rotation and / or competition increases the risk of fraud, corruption and poor value for money; and,
- Potential breach of Contract Procedure Rules.

In order to form an opinion on compliance with Contract Procedure Rules, a sample of five contracts recorded in the contracts register were selected for testing where the expiry date of the contract had past but payments were still being made. Internal Audit reviewed the supporting documentation held to ensure that Contract Procedure Rules had been complied with regarding the extension of the contract. Based on the work performed during the audit on the sample of contracts, overall limited assurance can be given that controls have operated as intended. The procedures to be followed are clearly set out in Contract Procedure Rules along with further guidance notes and a standard form is available on the intranet to use for exemptions to be authorised. However there was little or no supporting documentation provided to evidence compliance and, as such, the spend is essentially off contract and, as such, the continued use of these suppliers was outside of any existing contractual agreement. In addition it was found that where contracts were extended they had not been recorded in the central Contracts Register and therefore the Council has not met the requirements of the Local Government Transparency Code which requires the Council to publish all contracts with a value equal to or exceeding £5,000. In no cases tested were EU thresholds breached as a result.

Based on the outcome of audit testing, an opinion of Good Assurance has been given for the design of the Council's controls but only Limited Assurance could be given for compliance with these in practice.

Homelessness Reduction Act compliance

The proper, effective and efficient management of homelessness applications and compliance with the Council's duties under the Homelessness Reduction Act 2017 is critical in ensuring that everyone who is homeless or at risk of homelessness will have access to help, irrespective of their priority need, as long as they are eligible for assistance. The Homelessness Reduction Act 2017 came into effect on 3rd April 2018 and modified and extended existing homelessness protection in a number of ways, such as:

- Improved advice and information about homelessness and the prevention of homelessness;
- Extension of the period 'threatened with homelessness', now 56 days (previously 28 days);
- Introducing new duties to prevent and relieve homelessness for all eligible people, regardless of priority need and intentionality;
- Introducing assessments and personalised housing plans, setting out the actions housing authorities and individuals will take to secure accommodation; and
- Encouraging public bodies to work together to prevent and relieve homelessness through a duty to refer.

Testing of a sample of 25 homelessness cases confirmed that the Council had complied with the requirements of the Homelessness Reduction Act, however the documentation examined to support individual applications did not provide satisfactory evidence of the identity of the applicant as in two

cases (8%) only a drivers licence was provided to support identification and in a further two cases (8%) there was no identification seen. If this control is not being applied then there is a risk that a homeless duty may have been awarded to an applicant with no recourse to public funds. The Council needs to ensure that all required checks are completed and evidenced to the required standard.

The Council places a heavy emphasis, where possible, on the prevention of homelessness but recognises its duty to provide temporary accommodation until a household can be found suitable accommodation. The Council is fortunate to have a number of options available that do not necessitate the use of expensive bed and breakfast accommodation, which has not been used as temporary accommodation for a number of years.

The audit review has identified a need for the Council to update a number of key Strategies and Policies to ensure that they reflect the current homelessness legislation contained in the Homeless Reduction Act and the Government's Rough Sleeping Strategy.

Based on the outcome of audit testing, an opinion of Satisfactory Assurance has been given for the design and compliance with controls.