



INTERNAL AUDIT PROGRESS REPORT

BRENTWOOD BOROUGH COUNCIL

March 2022

IDEAS | PEOPLE | TRUST



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SUMMARY OF 2021/22 WORK

Internal Audit

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised.

Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

For audits with a substantial or moderate assurance opinions, the executive summaries from the final report are included in the Internal Audit Progress Report. For audits with a limited or no assurance opinion, the full report will be included with the papers.

2021/22 Internal Audit Plan

The followings report have been finalised since our last progress report to the Audit and Scrutiny Committee, in December 2021 and the executive summaries are included in this report:

- Homelessness
- Building control

The following audits are in completion stage at the time of drafting this report:

- Partnerships
- Capital projects
- Section 106 agreements (including affordable housing)
- Main financial systems

The following audits are due to commence in March:













- Risk management
- Financial planning and control
- Democratic services

Changes to the Plan

We agreed changes to the timings of the audit below, at the request of officers:

- Covid-19 Grants Expenditure - moved from Q1 to Q2 - completed in Q2
- Planning - moved from Q2 to Q3 - completed in Q3
- Building control - moved from Q2 to Q4
- Democratic services - moved from Q2 to Q4
- Affordable Housing - moved from Q2 to Q4

REVIEW OF 2021/22 WORK

Audit	Exec Lead	Start Date	Planning	Fieldwork	Reporting	Design	Effectiveness	
Affordable Housing (carried forward from 2020/21)	Tracey Lilley	Q4	✓	✓				
Risk Management	Jacqui Van Mellaerts	Q4	✓					
Main Financial Systems	Jacqui Van Mellaerts	Q4	✓	✓				
Covid-19 Grants Expenditure	Jacqui Van Mellaerts	Q1	✓	✓	✓ Final			
Financial Planning and Monitoring	Jacqui Van Mellaerts	Q4	✓					
Capital projects	Jacqui Van Mellaerts	Q3	✓	✓				
Partnerships	Greg Campbell	Q3	✓	✓				
Local Development Plan	Phil Drane	Q2	✓	✓	✓ Final			
IT Data Breaches	Sarah Bennett	Q2	✓	✓	✓ Final			
Building Control	Phil Drane	Q4	✓	✓	✓ Final			
Planning	Phil Drane	Q2	✓	✓	✓ Final			
Housing - Homelessness	Tracey Lilley	Q3	✓	✓	✓ Final			
Democratic Services	Amanda Julian	Q4	✓					
Follow Up	Jacqui Van Mellaerts	Ongoing	-----Separate follow up reports-----					

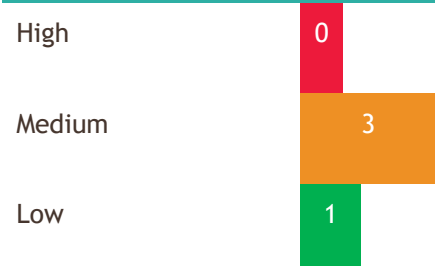
EXECUTIVE SUMMARY – HOMELESSNESS

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE:

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives, with some exceptions.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 4

BACKGROUND:

The borough of Brentwood has a relatively low number of homeless households, however is growing in line with the national average. The Council's Homelessness strategy notes that the two main reasons for homelessness within the borough is a loss of private rented sector accommodation and parental evictions.

The Homelessness Reduction Act 2017 came into force on 3 April 2018 and expanded the legal duties of councils to prevent or relieve homelessness within 56 days.

Where an individual is faced with the threat of becoming homeless, the Council has a duty to prevent this, by working with the individual to ensure they are able to remain in their current accommodation or providing them with alternative accommodation. Where an individual is already homeless, the Council has a duty to relieve homelessness, by providing emergency accommodation with the end goal being able to secure suitable accommodation. Where the Council is unable to meet the prevention or relief duty in the 56 day period, the Council still has a main housing duty, where the outcome is likely to be accommodation in the private sector or social housing.

The Act effectively means that the Council must provide meaningful help to everyone who is homeless or at risk of homelessness, irrespective of the status of their priority need, as long as they are eligible for assistance. The Act makes opportunities available to the applicant to request a review of decisions made by the Council at various stages in the application process. The Act has consequently led to an increase in the number of individuals who become active cases and the length of time spent with each household.

Individuals who are faced with the threat of homelessness or are already homeless are able to apply to the Council by completing a Housing Advice Request Form which is located online on the Council's Housing Assistance Referral Portal. Once completed, the applicant is contacted by a Housing Advice and Homelessness Prevention Officer.

All applications are received through the Locata system. The team responsible for receiving and reviewing homelessness applications consists of a Team Manager and three Housing Advice and Homelessness Prevention Officers, who are supported by a Temporary Accommodation Officer and an Administrator. The Administrator is responsible for allocating applications received to one of the Housing Advice and Homelessness Prevention Officers.

Applicants are required to prove their eligibility to receive support, by showing proof of citizenship/immigration status and proof that they are homeless or at the risk of becoming homeless, for example a Section 21 notice or a letter confirming such circumstances. If the Council are satisfied with the evidence provided, an initial assessment is carried out with a Housing Advice and Homelessness Prevention Officer to determine what support can be provided. If support can be provided, a Personalised Housing Plan (PHP) is created which sets out how the individual will be supported. The most common support offered is housing within the private rented sector.

Our audit tested a sample of 15 homelessness cases submitted and closed between April and November 2021, for evidence of initial assessments, sufficiency of documentation received, PHPs, timeliness of decision making, compliance with the 56 day rule and main housing duty, and review processes. We have also reviewed the Council's strategy, policy and procedures in this area and key performance reporting.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- **Homelessness Strategy:** The Council has a Homelessness Strategy 2020-2025, which was approved by the Environment, Enforcement and Housing Committee in January 2020. This strategy forms part of the Council's overall Housing Strategy 2021-2026. It clearly defines what homelessness and rough sleeping is; provides both national and local context; includes actions required to achieve the Council's strategic priorities; makes reference to key legislation; and names key partners such as Essex Police, YMCA and Basildon and Brentwood CCG. The achievement of the Homelessness strategy is monitored on a quarterly basis through an Action and Delivery Plan.
- **Policies and procedures:** The Homelessness Strategy is supported by the Housing Allocation Policy and Policy to Discharge into the private sector. There are also a suite of procedure notes available for staff involved in dealing with homelessness applications, including sign up process, sign off, risk assessment, triage, vulnerable applicants, case reviews and rent deposit scheme.
- **Initial assessments:** Our testing of a sample of homelessness cases found that in 14 out of 15 cases, there was evidence that an interview and initial assessment had been carried out in line with the Council's procedures. For the one instance where there was no initial assessment, the case was a triage case which was automatically closed after 28 days due to no correspondence from the applicant, therefore not considered to be an exception.

KEY FINDINGS:

Our audit identified the following findings:

- **Personalised Housing Plans:** Our testing of a sample of homelessness cases found that in three out of 15 cases, a PHP was not published and could not be evidenced, although on further enquiry we found that there were valid reasons for two of the cases. (Finding 1 - Low)
- **Timeliness of assessments and decisions (56 day rule):** For the sample of homelessness cases tested, in nine instances the decision was made more than 56 days after the date the case was opened, although in three cases this was due to lack of information from the applicant and there was no evidence that the Council breached its main housing duty after the 56 day period had passed. (Finding 2 - Medium)
- **Independent review of cases:** Whilst we were informed that the Housing Options Team Leader reviews cases through regular team meetings and meetings with individual case officers, there is no formal record of independent review of PHPs and approval for all decisions made. (Finding 3 - Medium)
- **Performance Reporting:** Performance reporting to SLT and the Audit and Scrutiny Committee on a quarterly basis includes KPIs for the number of individuals in temporary accommodation and the number of individuals on the waiting list for local authority housing. However, there are currently no KPIs reported in relation to compliance with the 56 day rule, the number of homelessness applications, and type and the number of rough sleepers in the borough. (Finding 4 - Medium)

CONCLUSION:

Whilst the Council has a robust strategy, policy and procedures in place with regards to homelessness, and initial assessments are carried out in compliance with those procedures, we identified instances of non-compliance with respect to the 56 day rule for prevention or relief. In addition, there is scope for improvement in arrangements for maintaining evidence of independent review of cases and wider key performance indicator reporting.

Consequently, we conclude moderate assurance over both the design and operational effectiveness of the Council's homelessness processes and controls. We have raised three medium priority and one low priority recommendations.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p><u>Timeliness of assessments and decisions (56 day rule)</u></p> <p>Where cases are approaching the 56 day limit, the Council should review such cases as a priority to determine the cause of the delay and whether further information is required from the applicant, such that a decision can be made before the 56 day limit. Where cases have not met the 56 day rule, clear notes should be held on file explaining why.</p>	<p>Medium</p>	<p>A review will be undertaken to see what automatic reporting can be put in place with the Locata system to highlight cases approaching 56 days to ensure appropriate action is taken. The Senior Manager will undertake regular case reviews monthly which will be recorded on the Locata system.</p>	<p>Marie Gentgall (Housing Options Team Leader) 31 January 2022</p>
<p><u>Independent review and approval</u></p> <p>The Council should ensure all PHPs are independently reviewed and approved on the Locata system before the decision letter is provided to the applicant.</p>	<p>Medium</p>	<p>There is currently a review and authorisation mechanism in place where decisions are being made on Statutory Homeless Cases. However, these are currently sent by email from Officers to a Senior Manager and, as identified, there is a risk that the authorisation document is not later uploaded to Locata due to human error. An interim measure to be put in place is that requests are made direct from the Locata system which will record when authorisation requests are made and allow for the Senior Manager to clearly record the outcome of a request.</p>	<p>Marie Gentgall (Housing Options Team Leader) 31 January 2022</p>

Performance reporting

The Council should review the KPIs that it reports to SLT as well as the Environment, Enforcement and Housing Committee in respect of homelessness, rough sleeping and temporary accommodation.

Consideration should be given to inclusion of the following KPIs:

- The number of homelessness cases received as a cumulative total in the year and for the month
- The number of homelessness cases by case type i.e. prevention, relief, triage and decision
- The number of open and closed homelessness cases
- % of cases where the 56 day rule has been met
- Number of rough sleepers in the borough
- Number of referrals made via StreetLink.

Medium

A suite of KPIs and Service Standards is currently being prepared. The recommended KPIs referred to in this report will be included within the KPI document.

Angela Abbott
(Corporate
Manager -
Housing Needs
and Delivery)

31 January 2022

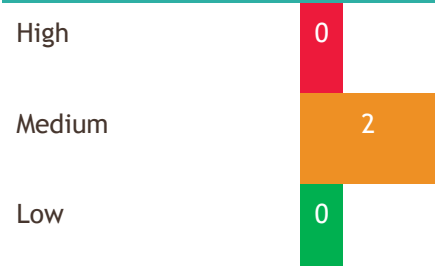
EXECUTIVE SUMMARY – BUILDING CONTROL

EXECUTIVE SUMMARY

LEVEL OF ASSURANCE:

Design	Moderate	Generally a sound system of internal control designed to achieve system objectives, with some exceptions.
Effectiveness	Moderate	Evidence of non compliance with some controls, that may put some of the system objectives at risk.

SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 2

BACKGROUND:

Local authorities have a legal duty to provide a building control service to the public under the Building Act 1984 and associated Building Regulations. This includes a duty to enforce the Act and the Regulations in their jurisdiction and retain ultimate responsibility for decision-making with regards to enforcement action.

The Building Regulations cover how applications should be made for domestic and commercial work, the duties and responsibilities of people involved, the actual technical requirements for each type of application and the timeframe in which local authorities may reject applications. The majority of building work requires consent under the Building Regulations.

The Council's building control service ensures that newly erected or altered buildings comply with Building Regulations and are safe and fit for people to live and work in. The building control services team works to acknowledge, process and approve applications in line with the Local Authority Building Control (LABC) ISO 9001 registered quality management system (QMS) procedures.

The Council may receive building applications in the form of either Full Plans or Building Notices. In the case of Full Plans, the Council receives the technical drawings and checks them for compliance with the Building Regulations. The building work may start before the Council approves the plan (unlike planning permission). In the case of Building Notices, notice of commencement of building work is given to the Council prior to commencement of work and the plans are not checked by the Council. In both cases, site inspections are carried out by Council surveyors, once notice of commencement of work is received, and the surveyors check the various stages of the work for compliance with the relevant technical requirements of the Building Regulations. A

completion certificate is issued upon completion if the works comply with the Building Regulations.

In addition, the Council may receive Initial Notices. These are notifications to the Council of intended building work by external 'Approved Inspectors' and the works can only commence once the notice has been registered as accepted by the Council. The Council has five days to review the notice and either accept or reject it. In these cases, there is no further involvement by the Council and the notifying contractor is responsible for procurement, site inspection and completion certificates.

We are informed that the Council received 230 Full Plans, 184 Building Notices and 276 Initial Notices in the period from 1 April 2021 to mid-January 2022.

The Council has a published Scheme of Charges which covered building regulation charges. The correct fees must be received before the Full Plan application or Building Notice can be accepted and a subsequent charge is receivable to cover the cost of all inspections after the first inspection.

The building control team will also respond to reports of unauthorised building works, usually tipped off by the public, to ensure that no construction is taking place without the appropriate approval and care for the regulations.

This audit reviewed the effectiveness of the Council's building control service including testing samples of Full Plan applications, Building Notices and Initial Notices to check if the required processes per the LABC procedures manual were adhered to and on a timely basis, that there was adequate evidence of site inspections (where relevant, as not all of the tested samples had reached completion stage yet at the time of the audit) and that the correct fees were charged by the Council.

GOOD PRACTICE:

Our audit identified the following good practice areas:

- The Council has adopted the ISO-accredited LABC procedures manual, which clearly sets out the processes to follow in step-by-step flowcharts.
- The hardcopy case files for Full Plan and Building Notice applications are recorded on the system, with traceable reference numbers between the system records and the paper files.
- Our testing of a sample of 10 Initial Notices received and accepted found that they contain all the required information from the notifying contractor, as set out in the LABC procedures manual, such as signature and approval by the inspector, evidence of appropriate insurance and declarations regarding required consultations.
- The Building Control Team has appropriately qualified and experienced building surveyors, and where site inspections had commenced for the samples we tested, we found that site inspections were being conducted by a qualified officer.
- The Council's published Scheme of Charges clearly sets out the charges applicable to various applications and site inspections submitted. The correct fees are received by the Council in accordance with the Scheme. For 1 of the 10 Full Plan applications tested the fee fell outside of the published fee scales, however we were informed that this was due to the extensions being over 100m² and therefore an individually determined charge was undertaken which was based on the time estimated to undertake the work.

KEY FINDINGS:

Our audit identified the following findings:

- We found that in 2 out of 10 Full Plan applications tested, the relevant sections of the system were not adequately completed and the check screen updated to reflect items having been cleared prior to approval (Finding 1 - Medium).
- Key performance indicators (KPIs), such as application completion deadlines, are currently monitored manually, with no central report informing management when applications should be completed/reviewed by and how the service is performing against ISO and statutory KPIs. For the 10 Full Plan applications sampled, one application review was completed 8 days after the statutory two month deadline (Finding 2 - Medium).

CONCLUSION:

The Council generally has adequate systems and processes in place to enable it to comply with the Building Control Regulations and a number of areas of good practice were identified. However, there is scope for improvement in how officers monitor and report on relevant KPIs. We also identified two instances of non-compliance in respect of the recording of approval processes for Full Plan applications and one instance of the Council exceeding the statutory period for completion of Full Plan applications.




Consequently, we provide moderate assurance on design and moderate assurance on the effectiveness of the key controls.

We have raised two medium priority recommendations.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p><u>Approval of full plans</u></p> <p>Training should be provided to all staff who use the system to ensure they fully understand their responsibilities when it comes to completing certain sections of the system as part of the Full Plan review process.</p> <p>Management should carry out regular sample spot checks of the system, and where staff members are found to not be completing the required sections of the system, further training and feedback should be provided.</p>	Medium	<p>Agreed. Training has now been provided and we are monitoring whether this is being applied in practice. We plan to carry out spot checks as part of the ISO audit process. The first set of spot checks will be carried out at the end of March 2022 and initially every three months thereafter. The sample checks will cover 2022 Full Plans as this sample will reflect the move from hardcopy to digital documentation.</p>	<p>Rob Farman, (Senior Building Surveyor and Quality Management Officer)</p> <p>30 June 2022</p>
<p><u>Key performance indicators</u></p> <p>The service should request the Council's ICT department and third-party provider to enable functionality that allow management to download reports from the system which closely monitor progress against ISO and statutory KPIs. There should be reports that show:</p> <ul style="list-style-type: none"> - Application date and date approved or rejected versus the ISO and statutory completion date requirements - All current active applications being worked on - All rejected applications within a specified timeframe - All approved applications within a specified timeframe. <p>The Council should also liaise with the system service provider to ensure that the completion deadline dates are precisely calculated on the system.</p>	Medium	<p>Agreed. We will progress this action with our ICT department and third-party provider.</p>	<p>Gary Price-Sampson (Building Control Team Leader)</p> <p>30 June 2022</p>





KEY PERFORMANCE INDICATORS 2021/22

Quality Assurance as per the Internal Audit Charter	KPI Results	RAG Rating
1. Annual Audit Plan delivered in line with timetable.	A few audits have been deferred, as detailed on page 3.	
2. Actual days are in accordance with Annual Audit Plan.	This KPI has been met.	
3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit.	Survey responses received to date have been very positive.	
4. Annual survey to Audit Committee to achieve score of at least 70%.	2021/22 survey to be issued.	
5. At least 60% input from qualified staff.	This KPI has been met.	
6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting.	This KPI has been met for 6 out of 6 audits (see table below).	
7. Finalise internal audit report 1 week after management responses to report are received.	This KPI has been met for 6 out of 6 audits (see table below).	
8. Positive result from any external review.	No external audit reviews have been carried out to date.	
9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.	The KPI regarding Council agreement of the terms of reference has been met for 8 out of 9 audits (see table below). The KPI regarding draft report has been met for 6 out of 6 audits (see table below).	
10. Audit sponsor to implement audit recommendations within the agreed timeframe.	Of the 14 recommendations raised in 2021/22, 5 have been completed, 4 are in progress and 5 are not yet due.	
11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff.	We can confirm that for the audit work undertaken to date, management and staff have supported our work and their co-operation has enabled us to carry out our work in line with the terms of reference through access to records, systems and staff as necessary.	

AUDIT TIMETABLE DETAILS (2021/22 AUDITS)





Audit	Draft TOR issued	Management response to TOR received	Closing meeting	Draft report issued	Management response to draft report received	Final report issued
Affordable Housing	20/01/22	24/01/22 (KPI 9 met)				
Risk Management						
Main Financial Systems	02/02/22	02/02/22 (KPI 9 met)				
Covid-19 Grants Expenditure	28/07/21	02/08/21 (KPI 9 met)	02/09/21	10/09/21 (KPI 6 met)	15/09/21 (KPI 9 met)	20/09/21 (KPI 7 met)
Financial Planning and Monitoring						
Capital projects	04/11/21	08/11/21 (KPI 9 met)				
Partnerships	29/10/21	03/11/21 (KPI 9 met)				
Local Development Plan	13/08/21	18/08/21 (KPI 9 met)	31/08/21	10/09/21 (KPI 6 met)	13/09/21 (KPI 9 met)	20/09/21 (KPI 7 met)
IT Data Breaches	11/08/21	17/08/21 (KPI 9 met)	24/08/21	03/09/21 (KPI 6 met)	15/09/21 (KPI 9 met)	20/09/21 (KPI 7 met)
Building Control	24/01/22	1/02/22 (KPI 9 met)	07/02/22	21/02/22 (KPI 6 met)	28/02/22 (KPI 9 met)	28/02/22 (KPI 7 met)
Planning	04/11/21	15/11/21 (oral but not received in writing) (KPI 9 not met)	22/11/21	25/11/21 (KPI 6 met)	26/11/21 (KPI 9 met)	29/11/21 (KPI 7 met)
Housing - Homelessness	25/11/21	30/11/2021 (KPI 9 met)	22/12/21	22/12/21 (KPI 6 met)	23/12/21 updated 04/01/22 (KPI 9 met)	04/01/22 KPI 7 met)
Democratic Services						

KEY FOR RAG RATING:

 = met target	 = not met target
 = partly met target	 = not applicable

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.



FOR MORE INFORMATION:

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