

Committee: Audit and Scrutiny	Date: 25 July 2022
Subject: Internal Audit Progress Report 2021/22	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer	Public
Report Author/s: Jacqueline Van Mellaerts, Corporate Director (Finance and Resources) and Section 151 Officer Telephone: 01277 312500 E-mail: Jacqueline.vanmellaerts@brentwood.gov.uk	<u>For Information</u>

Summary

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2021/22 internal audit plan.

The following report has been finalised since the last Committee:

- Section 106 agreement (Including affordable housing) (Limited/Moderate)

Main Report

Introduction and Background

1. 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 internal audit have done, together with their assessment of the systems reviewed and the recommendations they have raised.
2. Their work complies with Public Sector Internal Audit Standards. As part of their audit approach, they 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 them to give assurance on the risk management and internal control processes in place to mitigate the risks identified.
3. The Audit Committee approved the 2021/22 annual audit plan in March 2021. The progress against plan is reported at every Audit and Scrutiny Committee during 2021/22.

4. Following the previous committee held on the 5th July, there was one outstanding Audit, which has now been finalised and can be reported to the Committee.

Issue, Options and Analysis of Options

5. The following reports have been finalised since the last Committee and the full audit report has been included as Appendix A.
 - Section 106 agreement (Including affordable housing) (Limited/Moderate)

The conclusion of the audit is as follows:

Section 106 agreement (Including affordable housing) (Limited/Moderate)

6. Affordable Housing targets have not been at expected levels for several years, although steps are clearly being taken to strengthen arrangements in this area. We found there to be a lack of ownership and an insufficient system of controls to monitor progress being made by developers against s106 agreements, the receipt of s106 contributions and the allocation of developer receipts to the capital plan. This exposes the Council to a risk of not receiving money owed by developers or having to repay contributions received if the funds are not utilised in time.

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

We have raised two high priority recommendations.

The full report is attached in Appendix A

7. This is regularly monitored by Senior Officers and will be followed up again ahead of the next Audit and Scrutiny Committee, along with other recommendations due.

Consultation

Not applicable.

References to Corporate Strategy

To ensure the Council is effective and efficient by delivering services that are value for money and meet the needs of our residents.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer.

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

Tel & Email: 01277 312500 / amanda.julian@brentwood.gov.uk

There are no legal implications arising from this report.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

There are no direct economic implications arising from this report.

Background Papers

None

Appendices to this report

Appendix A: Section 106 Agreements (including affordable housing) Report