



**HARBOROUGH DISTRICT COUNCIL**

**INTERNAL AUDIT ANNUAL REPORT  
2020/21**

## 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 supporting report that can be used by the organisation to inform its governance statement.
- 1.2 The Standards specify that the annual 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 including progress against the improvement plan resulting from any external assessments.

## 2. Head of Internal Audit Opinion 2020/21

- 2.1 This report provides a summary of the work carried out by the Internal Audit service at Harborough District Council during the financial year 2020/21 and the results of these assignments. Based upon the work undertaken during the year, the Head of Internal Audit's overall opinion on the Council's system of internal control is that:

Based upon the outcomes of the agreed programme of work delivered by Internal Audit during 2020/21 it is my opinion that **Satisfactory Assurance** can be given over the adequacy and effectiveness of the Council's control environment operating during 2020/21. 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 and acknowledges areas of sound control as well as some areas of weakness requiring management action.

It must be noted that this general opinion is based upon the outcomes of planned audit work and does not reflect potential issues highlighted by an ongoing investigation, which may require the opinion to be revisited. It is not possible to report upon, or discuss, the findings of this work at this time, pending conclusion of the formal investigation.

**Financial control** - Controls relating to the key financial systems which were reviewed during the year were concluded to be generally operating effectively. Some delays noted in completion of the bank reconciliations have since been rectified and procedures must be embedded effectively going forward.

It should be noted that Internal Audit have not received any assurances over key controls operating in the delegated revenues and benefits service for 2020/21 as at the time of reporting. As such, assurance cannot currently be given in this area.

**Risk management** - Established structures and processes for identifying, assessing and managing risk remained consistent during 2020/21. The risk and opportunity register was

subject to review throughout the financial year and was shared with the Audit and Standards Committee.

Internal Audit work is targeted upon the Council's key areas of risk and work completed in 2020/21 has assessed assurances in relation to controls in some of the key areas highlighted on the register.

**Governance** - During 2020/21, the Covid-19 pandemic resulted in a number of restrictions and a range of additional responsibilities placed upon the Council to drive the national response and support to local communities. During this time, Council, Executive and committee meetings have been held remotely to enable decision making to continue, in line with the Constitution.

**Internal control** - For the audits completed in 2019/20, 100% of overall audit opinions given in relation to the control environment and compliance have been of at least Satisfactory Assurance.

Action plans have been agreed to address areas of weakness. Of the recommended actions agreed, and due for implementation during the financial year, 96% have been completed by Council officers.

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.

The Covid-19 pandemic has required alternative ways of working and delayed the commencement of audit fieldwork in the first half of 2020/21. During the financial year, however the vast majority of planned audit assignments have been delivered and, as such, it is my opinion that there is sufficient basis upon which to inform an opinion.

**March 2022:**

Upon the conclusion of the fact finding investigation work, referenced in the 2020/21 statement, this opinion has been re-visited. The findings of the investigation highlighted areas of non-compliance with key controls and governance procedures which exposed the Council to an increased level of risk. Those incidents were noted to have taken place in previous financial years (primarily 2018/19 and 2019/20) and none of the key failings in controls identified in the review related to the 2020/21 financial year, but have exposed potential gaps in control frameworks at that time. In re-considering this opinion, the Head of Internal Audit acknowledges the robust response from the Council's management team in 2021/22 in dealing with these issues fully and promptly, with the greatest level of transparency that was possible under the circumstances. The actions taken to address all areas of weakness highlighted by the investigation suitably address the recommendations raised and provide assurance over the robustness of controls that would be applied going forward.

On this basis, the assurance opinion for 2020/21 is caveated in that the Satisfactory Assurance rating does not extend to controls in relation to delivery of asset related major projects, upon which only Limited Assurance could be given.

- 2.2 The basis for this opinion is derived from an assessment of the range of individual opinions arising from assignments within 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 respect of addressing any control weaknesses and has acknowledged any gaps in assurances. A summary of audit opinions is shown in Table 1.

**Table 1 – Summary of audit opinions 2020/21:**

<b>Area</b>	<b>Substantial</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Limited</b>	<b>No</b>
Financial	-	1	1	-	-
Governance & Counter Fraud	-	2	-	-	-
Corporate & Cross Cutting	-	-	2	-	-
Delivery of Corporate Objectives	-	8	-	-	-
<b>Total</b>	<b>-</b>	<b>11</b>	<b>3</b>	<b>0</b>	<b>0</b>
<b>Summary</b>	<b>0%</b>	<b>76%</b>	<b>24%</b>	<b>0%</b>	<b>0%</b>
<b>2019/20 outcomes – for comparison</b>	<b>21%</b>	<b>54%</b>	<b>25%</b>	<b>0%</b>	<b>0%</b>

### 3. Review of Audit Coverage

#### Audit opinion on individual audits

- 3.1 The Committee is reminded that the following assurance opinions have been assigned during 2020/21:

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 as intended with either no, or only minor, errors 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 Audit reports issued in 2020/21, other than those relating to consultancy support, resulted in the provision of one of the above audit opinions. 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 2020/21 and the date of the Committee meeting at which a summary of the report was presented.

Table 3 – Summary of Audit Opinions 2020/21:

Audit Area	Design of Control Environment	Compliance	Organisational Impact	Committee Date
<b>Financial</b>				
Financial System Key Controls	Good assurance	Satisfactory assurance	Minor	July 2021
<b>Governance &amp; Counter Fraud</b>				
Procurement compliance	Good assurance	Good assurance	Minor	July 2021
<b>Corporate &amp; Cross Cutting</b>				
IT Programme management	Satisfactory assurance	Satisfactory assurance	Moderate	July 2021
<b>Delivery of Corporate Objectives</b>				
Grow on space – post implementation review	Good assurance	Good assurance	Minor	July 2021
Development management	Good assurance	Good assurance	Minor	March 2021
Planning enforcement	Good assurance	Good assurance	Minor	March 2021
S106 contributions	Good assurance	Good assurance	Minor	July 2021

- 3.4 Outlined in Appendix 1 is a summary of each of the audits finalised during the year. The Committee should note that the majority of these findings have previously been reported as part of the defined cycle of progress update reports provided to the Audit and Standards Committee.

#### **Implementation of Internal Audit Recommendations**

- 3.6 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 Audit and Standards Committee.

- 3.7 A total of 40 recommendations were made during 2020/21. A further 43 outstanding actions from previous financial years have also been implemented during the last twelve months and it is positive to note that no overdue actions from past years remain open as at 31<sup>st</sup> March 2021.
- 3.8 Further details of the implementation rate for audit recommendations made during 2020/21 are provided in Table 4.

Table 4 - Implementation of audit recommendations due in 2020/21:

	Category 'High' recommendations	Category 'Medium' recommendations	Category 'Low' recommendations	Total
Agreed and implemented	4	12	29	45
Agreed and not yet due for implementation	-	14	22	36
Agreed and due within last 3 months, but not implemented	-	1	1	2
Agreed and due over 3 months ago, but not implemented	-	-	-	0
<b>TOTAL</b>	<b>4</b>	<b>27</b>	<b>52</b>	<b>83</b>

- 3.9 A summary of 'high' and 'medium' overdue recommendations is shown in Table 5. There are no overdue audit recommendations remaining from previous financial years.

Table 5 - Summary of overdue recommendations as at 31<sup>st</sup> March 2021

Audit Title	Audit Year	High		Medium	
		Over 3 months overdue	Under 3 months overdue	Over 3 months overdue	Under 3 months overdue
Planning enforcement	2020/21	-	-	-	1
<b>Totals</b>		-	-	-	<b>1</b>

3.10 The level of implementation is reported to the Audit and Standards Committee throughout the year and monitoring of outstanding recommendations remains ongoing.

**Other sources of assurance**

3.11 In forming an opinion on the control environment for 2020/21, other sources of assurance have been considered, where appropriate. This has included:

- The Council has delegated the collection of council tax and business rates and the administration of housing benefits to the Leicestershire Revenues and Benefits Partnership led by Hinckley and Bosworth Borough Council. A copy of the audit report on the partnership’s controls for 2020/21 has not yet been provided. As such, Internal Audit cannot provide any assurance over the key controls operating in that area for 2020/21, at the time of reporting.

**4. Internal Audit performance**

**Internal Audit Contribution**

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, advice and insight to assist the Council in new areas of work or to pro-actively review and improve the control framework.

Internal Audit contribution

4.3 Key additional areas of Internal Audit contribution to the Council in 2020/21 are set out in Table 6:

Table 6 – Internal Audit Contribution

Area of Activity	Benefit to the Council
Independent support and consultancy advice on the BC25 programme.	Advice on implications for controls arising from proposals made and sharing of good practice solutions and ‘critical friend’ support.
Maintaining good working relationships with External Audit to ensure most effective coverage and avoiding duplication if possible.	Reduce audit burden, saving costs.
Assisting in the maintaining a suite of revised counter fraud policies and Code of Corporate Governance.	To ensure the Council’s governance arrangements are robust and consistent with best practice.



Area of Activity	Benefit to the Council
Delivering an all staff training session on the Bribery Act and revised counter fraud policies.	Embedding awareness of key controls in relation to fraud and corruption and ensuring staff are alert to the risks.
Facilitating a fraud awareness week campaign.	Raising the awareness of staff in relation to fraud risks and embedding a zero tolerance culture to fraud and corruption.
Sharing of best practice and solutions adopted at other authorities.	Benefit from insight into tried and tested solution and good practice examples to strengthen controls and efficiencies.
Ad hoc advice and assistance.	Assistance with ad-hoc queries, building working relationships and raising the profile of Internal Audit.
Acting as a point of contact for whistleblowing referrals.	Providing an independent point of contact for reporting concerns and providing a professional investigation service at short notice when required, to ensure concerns are dealt with in accordance with best practice and suitably logged.
Supporting and advising upon fact-finding investigations, as required.	Sharing of knowledge of good practice and independent insight and challenge.

### Performance Indicators

- 4.4 Internal Audit maintains several key performance indicators (KPIs) to enable ongoing monitoring by senior management and the Audit and Standards Committee. Outturns against these indicators in relation to work delivered for Harborough District Council are provided in Table 7:

Table 7 – Internal Audit KPIs 2020/21

Indicator description	Target	Actual
Delivery of the agreed annual Internal Audit Plan	100%	<b>100%</b>  <b>Note:</b> Ethics and Equalities audit delayed at management request and fieldwork completed in May 2021. To be reported in 2021/22.
Delivery of the agreed annual Internal Audit Plan by end of March 2021	90%	<b>82%</b>  <b>Note:</b> Audits of Key Financial Systems and Ethics and Equalities delayed at management request.
Customer Feedback – rating on a scale of 1 to 4 (average) – where: 4 = Outstanding, 3 = Good, 2 = Satisfactory and 1 = Poor).	3.1	<b>3.4</b>

## 5. Professional Standards

5.1 The Public Sector Internal Audit Standards (PSIAS) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013 and were further updated in March 2017. The standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.

5.2 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.

5.3 A detailed self-assessment against the latest PSIAS has been completed by the Head of Internal Audit, a copy of which can be provided as required. The outcome of the assessment was that the Internal Audit service is operating in general conformance with the Standards. The Head of Internal Audit can also take this opportunity to confirm the service's independence.

## **6. Whistleblowing**

- 6.1 In March 2020, the Council adopted a revised Whistleblowing policy. The review of this key policy was intended to ensure consistency with good practice and to provide a clear route for individuals to raise concerns in confidence.
- 6.2 As part of the revised policy it was agreed that the Head of Internal Audit would report upon any trends in referrals and the effectiveness of the new policy. Given this policy was adopted at the end of the financial year, there is limited evidence available of the effectiveness of the revised policy at this point but this will be monitored and reported upon in 2020/21. At the time of reporting, the Head of Internal Audit is not aware of any whistleblowing referrals received during 2020/21.

## Appendix 1: Summary of Internal Audit Work Undertaken for 2020/21

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
Financial systems key controls	Good assurance	Satisfactory assurance	Minor	<p>To provide assurance over key controls related to the following risk areas:</p> <ul style="list-style-type: none"> <li>• Bank reconciliations;</li> <li>• Main accounting systems;</li> <li>• Treasury management practices; and</li> <li>• Sundry income recovery.</li> </ul>	<p>The Council operates a number of systems designed to ensure that transactions are recorded in a timely, accurate and complete manner, free from fraud or error. These systems are often referred to as 'Key' or 'Fundamental' financial systems.</p> <p>The S151 Officer is required to include a statement in the Council's annual financial statements that confirms he has kept proper accounting records that are up to date. Internal audit control evaluation and testing supports the S151 Officer in exercising this duty.</p> <p>The 2020/21 financial year was one of unprecedented workloads as the Council responded to the Covid-19 pandemic, notably involving the administering of several grants for local businesses impacted by the national lockdowns. No additional funding was provided by Central Government to support the process of administering these grants and this created a pressure on staffing resources. Additionally, during the year, the Finance team was impacted by the loss of some experienced members of staff and both of these issues led to a number of key controls not operating with the required frequency during the year. This was most notable in respect of the regular reconciliation of the bank account and in the completion of some control account reconciliations. At the time audit fieldwork was undertaken in April 2021, bank account reconciliations</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>for the months between November 2020 and March 2021 were in the process of being undertaken and some control accounts, which were due to be reconciled on a quarterly basis, had not been completed during 2020/21. Since concluding the fieldwork, Internal Audit have been provided with evidence that year end reconciliations of bank and control accounts have been completed.</p> <p>The audit confirmed that an appropriate process is in place to ensure that debtor invoices are raised where income is due to the Council and that this income is correctly posted to the general ledger when it is received. In order to avoid contributing to potential financial hardship faced by debtors due to the national lockdowns, the Council took the decision to suspend the debt recovery process beyond the issuing of reminder letters (courts were in any case closed for long periods during national lockdowns). Aged debt has increased from £712K at the end of 2019/20 to £1.065m at the end of 2020/21. The Council will need to implement a plan to recover this debt during 2021/22.</p>
<b>Governance &amp; Counter Fraud</b>					
Procurement compliance	Good assurance	Good assurance	Minor	The Council's Contract Standing Orders (CSOs) are designed to ensure probity and value for money when procuring	The Council's Contract Procedure Rules (CPRs) and Statement of Required Practise for Procurement (SORP) are designed to ensure probity and value for money when procuring goods, works or services that meet the

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
				<p>goods, works or services that meet the needs of local residents and comply with legal and regulatory requirements. This audit was carried out to provide assurance over compliance with the Council's CSOs to ensure contracts are procured in a fair and transparent manner and achieve value for money.</p>	<p>needs of local residents and comply with legal and regulatory requirements in respect of competition and transparency. This audit was carried out to provide assurance that officers are complying with the approved rules and practices. The procurement SORP was last updated in July 2020 and is published on the Council's website. This year's audit was carried out against a backdrop of the Covid-19 pandemic and associated national and regional restrictions. In these circumstances, full compliance with contract procedure rules may not have been possible in all cases and this has been taken into account during the audit. Nevertheless, effective governance and transparency of decision making remains important to ensure contracts are procured or extended in a fair and transparent manner and achieve value for money.</p> <p>To comply with the Local Government Transparency Code the Council publishes all expenditure over £500 on its website together with its contracts register. Review of expenditure reports for 2020/21 and comparison to the contracts register confirmed that the register was materially accurate and complete, with the potential exception of five employment agencies.</p> <p>Testing of a sample of procurements confirmed that controls had been exercised to achieve and evidence value for money. Documentation to demonstrate compliance with internal procedure rules was retained,</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					including evidence of quotations, tenders and use of framework contracts. Testing of a small sample of contract extensions confirmed that the extensions were either allowed within the original contract terms or were extended in response to the Covid-19 pandemic in accordance with regulations and national guidance.
Corporate & Cross Cutting					
IT Programme management	Satisfactory assurance	Satisfactory assurance	Moderate	To provide assurance that the Council has an appropriate process for identifying and implementing an annual IT work programme and that IT projects (or support by the IT service of major projects) are effectively managed.	The annual programme of work completed by the ICT function is detailed within the IT Service Management System. Demand for IT support for the Council's wider projects and maintenance of IT infrastructure is typically high, as evidenced by the 2020/21 workplan listing a total of 34 projects/tasks, ranging from administrative tasks such as compiling a list of all renewals and upgrades, to providing necessary technical support and system implementation to the Smarter Services Programme. As a small team, vacancies and unplanned absences quickly impact on the Team's ability to deliver the workplan. In common with the IT profession in the public sector, the team experience difficulties in successfully recruiting to vacant posts. Added to this is the need to respond to unplanned, urgent tasks, such as responding to Covid-

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>19 and the occasional failure to inform the Team of the need for support for projects.</p> <p>All these factors increase the risk that the IT programme/workplan may not be delivered within expected timescales, leading to a detrimental impact on completion of wider Council projects and programmes that rely on aspects of IT development. It is therefore important that controls in place over the overall delivery of the IT workplan/programme ensure that a prioritisation process is in place and maximise the potential for timely completion of tasks/projects, as well as clearly identifying the impact of external pressures. This report details a number of recommendations aimed at improving the demonstration of control in these areas.</p> <p>To assist in delivery against this agenda, the ICT Team has implemented a cloud based 'agile' project management system to record the completion of tasks in delivering the various projects in the workplan. Pressures associated with the Covid-19 pandemic, have, however, prevented the system's development in 2020/21 as planned. This is significant because the system's ability to support and improve the ICT team's reporting against its Team Plan needs to be explored</p>



Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					with the objective of improving the frequency and content of reporting.
<b>Delivery of Corporate Objectives</b>					
Grow on space post implementation review	Good assurance	Good assurance	Minor	To provide assurance over the management and post implementation phase of this project, including risk management, governance and procurement/contract management.	<p>Construction of the Harborough Grow-on Centre (HGC) is intended to support the growth and retention of businesses in Harborough. Following the success of the Harborough Innovation Centre (HIC), it was identified that when businesses were looking to grow to larger accommodation there was a lack of appropriate space within the Harborough district making it difficult for the businesses within the HIC to expand whilst remaining within the district. The project was submitted for funding in February 2017 as part of the European Structural and Investment Funds (ESIF) programme and on 25<sup>th</sup> April 2017 HDC received notification that the outline application had been successful and was invited to complete a full application. Following a period of extensive scrutiny and refinement of the bid, the funding application was formally approved by the Ministry of Housing, Communities and Local Government (MHCLG) on 14<sup>th</sup> September 2018 for £3.283m. Additional funding was approved by the Leicester and Leicestershire Enterprise Partnership (LEEP) on 12<sup>th</sup> October 2018 for £0.988 million and construction commenced shortly thereafter.</p> <p>Internal Audit's stage one (initiation) report concluded that the project was being well managed and made just three low priority recommendations for improvement.</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>The stage two (delivery) report found that the construction project remained on-track and within budget, although procurement of a lettings agent and managing agent had been delayed. Furthermore, following departure of the previous project manager and project support officer, urgent action was needed to re-establish appropriate governance arrangements and bring project documentation up-to-date. All recommendation from the first two reports have been fully implemented.</p> <p>Since the previous audit review, all construction work has been completed, contracts for the managing and lettings agents finalised and the centre is now operational. Additional post-completion works were required in response to local market requirements but the project remains within the overall capital budget. Occupancy has inevitably been adversely affected by the Covid-19 pandemic and increased home working, as well as delays in appointing a lettings agent. At the time of audit, the HGC continues to be managed as a live project albeit the centre is effectively in the operational stage. Arrangements should now be made to close the project and move to business as usual, including completion of a post-project review to ensure all lessons are identified and appropriately addressed.</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
Development management	Good assurance	Good assurance	Minor	To provide assurance that the Council has put in place appropriate controls to manage the risks identified and thereby ensure that the Development Management service supports the Council's corporate aims and objectives.	<p>The audit confirmed that the Council has an appropriate process in place to receive, validate and determine planning applications in accordance with planning legislation. Sample testing of fifteen applications (five major and ten minor) confirmed that the systems in place to process them using the Uniform and Idox systems had been efficiently and effectively applied. The audit did however note a small number of instances where information recorded on Uniform and/or supporting evidence saved on Idox could be improved. Recommendations have been made to introduce random quality assurance checks on applications that have been determined; to compile procedure notes to provide local guidance on the use of the Uniform/Idox to demonstrate compliance with planning legislation and policy; and to add a prompt to the validation checklist to confirm that applications for officers or members are submitted for committee approval.</p> <p>Applications were found to be validated and consulted on promptly and Decision Notices were signed off by officers with delegated responsibility for doing so and were all published on the Council's public website.</p> <p>Sample testing confirmed that applications are not validated until the appropriate fee has been received and there was also evidence to demonstrate that complex fees are subject to checking and adjustment in appropriate cases. It was however noted that there is currently no process in place to reconcile planning fee</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>income recorded in Uniform to income received in the finance system.</p> <p>Performance against a standard set of planning Key Performance Indicators (KPIs) is recorded on the Council's performance management system (TENS), a number of which are also reported through to Cabinet. Standard reports are available on the Uniform system to produce the majority of data uploaded to TENS and reported to Cabinet. The audit confirmed that planning KPI targets are being consistently achieved in terms of target times for determining applications and limiting the number of decisions allowed on appeal. Customer satisfaction surveys are also sent out with every Decision Notice issued and the Auditor's review of a sample of returned surveys revealed a high level of customer satisfaction. There was also evidence available to demonstrate that committee overturns are monitored and performance is actively benchmarked against neighbouring Councils.</p>
Planning enforcement	Good assurance	Good assurance	Minor	To provide assurance over the management of planning enforcement in the district including a review of performance measures, the Local Enforcement Plan and effective use of the Uniform system.	The Council has a local enforcement plan that was approved in 2018 and is currently being reviewed and updated to ensure it remains consistent with legislation and related national guidance. There are currently no operational procedure notes in place but the enforcement plan includes an outline of the enforcement process, clear prioritisation criteria and potential outcomes. Staff numbers are considered by officers to be broadly comparable with other

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>Leicestershire Councils and there is no significant backlog of cases. All members of the team are suitably experienced and qualified and receive regular training and development. There are regular team meetings and case reviews and cases can only be closed after senior officer review. Any formal enforcement action is subject to appropriate approval, although there is scope to review the scheme of delegation. Testing of a sample of cases confirmed a good level of compliance with established procedures and processes.</p> <p>There are a range of customer service standards and performance indicators for the enforcement function. Performance monitoring could be improved by extending the range of performance indicators to provide a broader picture of service outcomes and improving the audit trail from reported performance to the underlying data sources. Monitoring of timeliness targets could also be improved by measuring performance based on the date complaints are received rather than the date they are registered.</p> <p>All enforcement cases and related documentation are recorded using the Idox Uniform system and appropriate arrangements are in place to ensure compliance with data protection and confidentiality requirements. All members of the enforcement team have a working knowledge of the Uniform system and there is a nominated system champion. It is noted that there has</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					been no refresher training in recent years and some aspects of the system are not yet being used to their full potential. Formal enforcement notices are based on national models and testing of a sample of cases confirmed compliance with all statutory and regulatory requirements in respect of format, content and time limits. The outcome of any enforcement appeals is circulated within the team to ensure any lessons are learned. Public access to the enforcement register and related documents could be improved.
S106 Agreements	Good assurance	Good assurance	Minor	To provide assurance over the controls operating for the agreement of s106 contributions and recovery of the monies when due. To follow up on progress made since the audit in 2016/17 in strengthening monitoring controls.	<p>Section 106 Planning Obligations are legal agreements formed between the Council and developers as part of the planning application process. The agreements help make development proposals acceptable when they might otherwise be unacceptable, in planning terms. They ensure that a proposed development contributes to the needs of communities, particularly through contributions towards infrastructure and facilities such as affordable housing. An audit of S106 Agreements was carried out in 2016/17 and this raised a number of areas where the control environment required further strengthening to ensure consistent and effective monitoring of agreements.</p> <p>The Council has since implemented a number of measures to support s106 monitoring including the timely recovery and acceptable spend of monies due. This includes a s106 monitoring post in the establishment and regular s106 monitoring meetings</p>

Audit Assignment	Assurance Rating			Area Reviewed	Basis for Assurance Opinion
	Design	Compliance	Org Impact		
					<p>with representation from key service areas. The sample testing conducted during the course of the audit provided assurance over the completeness of records held and actions being taken to monitor and act upon agreed trigger points. As such, the monitoring arrangements appear significantly stronger than those in place at the time of the last audit testing.</p> <p>It is noted that there is much work already underway to review end to end s106 processes, from negotiation to expenditure, including a review by Scrutiny and within the BC25 programme. As such, this audit has sought to review the control environment operating during the last twelve months and highlight those key controls which are currently working effectively. No areas of notable control weakness have been highlighted by the audit testing on monitoring processes but there may be opportunities to achieve greater efficiencies through a review of the full lifecycle of the s106 agreement, and such options should be explored as part of the corporate reviews. Feedback has also been obtained from a sample of parish councils on the existing s106 processes and how they could be better supported to apply for monies; this feedback has been shared with management and the BC25 programme.</p>