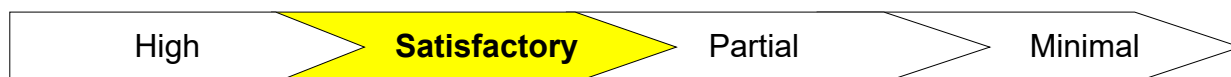


Appendix 2b: Audit Opinion and Themes

Assurance



Community Investment Fund

Objective

To assess the robustness of arrangements that ensure grant monies passed to the community by the Southend-on-Sea City Council (the “Council”), are being properly accounted for and delivering outcomes for the citizens of Southend.

Themes

We have assessed the overall governance arrangements in place for the Community Investment Fund and Community Investment Board. This has included the arrangements for appointing Community Investment Board members, arrangements for awarding the Community Investment Fund and the monitoring and reporting arrangements around the Community Investment Fund. We identified appropriate controls in many areas, particularly the arrangements around awarding the investments to various organisations.

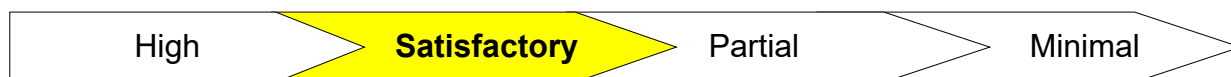
We identified four recommendations, none of which represent high risk findings:

- A centralised version control template should be designed to capture all policy and procedure documents across the Community Investment Funds process
- All governance information and arrangements should be documented in one document, which board members can access and obtain information from
- A recruitment document which captures the end-to-end process of recruiting a board member onto the Community Investment Board should be developed
- The monitoring of expenditure process should be conducted annually, as planned, for all investments. Consideration should also be given to the risk level associated with investments and their value individually, so that a proportionate approach can be taken.

Number of actions agreed: 4

Appendix 2b: Audit Opinion and Themes

Assurance



Empty Homes Strategy

Objective

To assess Southend City Council's strategic plan for the identification and monitoring of empty homes including the approach to bringing empty homes back in to use.

Themes

SCC's Empty Homes Team is comprised of the Empty Homes Officer. A recent change in the approach to dealing with empty homes involves collaboration with owners of properties to bring their homes back into use, as opposed to using legislative tools such as Compulsory Purchase Orders (CPOs) and Empty Dwelling Management Orders (EDMOs). These tools have previously been the standard action to ensure owners utilise their empty properties.

A spreadsheet of empty homes is maintained for the purpose of oversight and reporting. We identified two properties within SCC's case management system, Uniform that had been inadvertently omitted from the spreadsheet. It was recommended that the Empty Homes Officer should conduct more regular reconciliations with the Council Tax list to ensure properties are being appropriately identified by both teams.

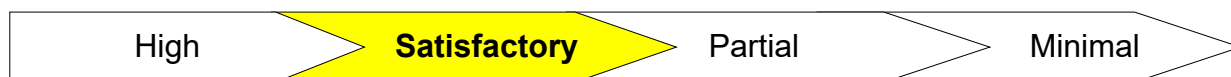
At the time of the audit (February 2024), the Empty Homes Team had registered the highest number of empty homes returned to use since 2020/21, however, it was identified that the Key Performance Indicator (KPI) lacked substantive value without contextual information around total numbers of empty homes.

There was no distinction within the KPI to enable users to distinguish between genuinely empty properties that have been brought back into use in the City and those properties that were put on "monitor" status by the Empty Homes Officer but turned out to not be empty. As a result, the performance figure being reported appeared higher than in reality, as some of the properties may have never been truly empty. The definition should be clarified to prevent confusion and potential misrepresentation.

Number of actions agreed: 7

Appendix 2b: Audit Opinion and Themes

Assurance



National Non-Domestic Rates

Objective

To assess the robustness of arrangements and processes for ensuring accurate billing and collection of National Non-Domestic Rates (NNDR).

Themes

This audit focussed on the processes and systems ensuring accurate and timely collection of National Non-Domestic Rates, including a review of refund and write-off processes, and quality monitoring.

We performed testing on VOA updates, relief applications, write-offs, and refunds, and found no inaccuracies in relation to issued charges or applied authorisation limits. There are, however, opportunities to strengthen the controls in place to reduce the risk of fraud and error and support the ongoing effectiveness of the service in relation to authorisation procedures for write-offs and refunds.

Reconciliation processes across the organisation with respect to NNDR income are robust and regularly completed.

Appropriate systems access is assessed and reviewed via Staff Interest Forms, which were under review at the time of the audit. We identified several improvements to these documents and the relevant processes, which were fed into the review during the audit work. Following the implementation of these updates, further testing was completed, and additional improvements have been identified to both the new Velocity form for refreshed, and the initial set-up, Staff Interest form.

Weekly quality monitoring checks are completed for all staff, providing a suitable control to support accuracy and enable appropriate corrections. Changing approach to look at a percentage of cases as opposed to a fixed number will increase the overall effectiveness of the control, by ensuring proportionate coverage of completed tasks.

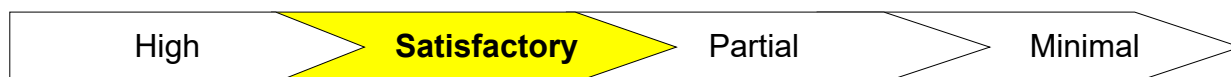
Authorisation levels within the Northgate system are not aligned with the prescribed levels for all staff. Although rationale and suitable senior staff approval was provided in respect of this, recommendations have been made to ensure appropriate system-based controls are in place to support appropriate authorisations.

As part of Phase 1 of the Council's Front Door Transformation Project, a new staffing structure has been in place within the service since July 2024. This new structure provided increased dedicated resources and seeks to deliver enhanced leadership reporting lines, additional supervision, oversight focus and monitoring for NNDR. Due to the timing of the audit, the new structure has not been reviewed as part of this audit.

Number of actions agreed: 11

Appendix 2b: Audit Opinion and Themes

Assurance



My Southend

Objective

To assess the progress of delivery of the programme in accordance with the plan and the effectiveness of the project governance arrangements to deliver the benefits to citizens, businesses, tourists, councillors and the Council, required from the new platform.

Themes

Internal Audit found that the governance arrangements in place for Phase One of the project provided appropriate oversight and challenge and ensured that decisions were based on complete and timely information.

Key project stakeholders have been effectively identified and engaged, through regular internal and external communications and Councillor briefing sessions.

In order to meet its hard deadline to migrate to the new platform by the 31st July 2024, the project determined and agreed, what it referred to as an MVP (Minimum Viable Product). This consisted of a number of forms and integrations with other Council systems which could be successfully migrated / replicated within the time available.

The project undertook a robust prioritisation process to determine the scope of the Minimal Viable Product (which the project could successfully go live with within the time available) and this covered 98% of the transactions that had been initiated in 2023.

The risks and impacts associated with the MVP were regularly discussed at Steering Committee meetings, to ensure minimal disruption to services and workarounds were established and agreed with those service areas not covered by MVP.

Detailed planning has rightly focused on the MVP and go live. The migration to the new platform was successfully completed on 2nd July and the project's focus will now turn to the completion of Phase One and delivery of non-MVP items. It will be important to ensure that momentum is not lost and that a detailed plan is put in place for these activities as soon as possible. This will help to provide clarity to those services with workarounds in place and highlight any areas where actions need to be expedited.

Following the completion of Phase One further work is required to determine the scope, benefits and delivery plans for future phases of the project, which in particular takes into account the deliverables and dependencies of the Front Door Project.

Management have agreed robust implementation dates with Internal Audit for the completion of the actions which have been identified, which are expected to be completed by January 2025.

Number of actions agreed: 5