

Eastern Internal Audit Services



South Holland District Council

Progress Report on Internal Audit Activity

Period Covered: 5 January 2021 to 2 March 2021

Responsible Officer: Emma Hodds – Head of Internal Audit for South Holland District Council

CONTENTS

1. INTRODUCTION	2
2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN	2
3. PROGRESS MADE IN DELIVERING AUDIT WORK.....	2
4. THE OUTCOMES ARISING FROM OUR WORK.....	2
APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK.....	4
APPENDIX 2 - EXECUTIVE SUMMARIES INTERNAL AUDIT REPORTS.....	7

1. INTRODUCTION

- 1.1 This report is issued to assist the Authority in discharging its responsibilities in relation to the internal audit activity.
- 1.2 The Public Sector Internal Audit Standards also require the Chief Audit Executive to report to the Audit Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
- Any significant changes to the approved Audit Plan;
 - Progress made in delivering the agreed audits for the year;
 - Any significant outcomes arising from those audits; and
 - Performance Indicator outcomes to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 The revised Annual Internal Audit Plan was approved on 26 November 2020, to respond to the Coronavirus Pandemic. Since then there have been no significant changes made to the plan.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 **Appendix 1** covers progress made against the revised 2020/21 internal audit plan. A total of 85 days of work has been allocated to Eastern Internal Audit Services (EIAS) to be delivered by TIAA Ltd. A total of 65 days has been allocated to Audit Lincolnshire (formally East Lindsay District Council).

Audit Lincolnshire's coverage includes the testing of key financial systems managed by Public Sector Partnership Services (previously Compass Point Business Services) on behalf of South Holland District Council. The Head of Internal Audit places reliance on the work carried out by Audit Lincolnshire when concluding on the overall Internal Audit Opinion. Progress in relation to completion of this work is provided to the Committee in quarter four.

- 3.2 **In summary:**

A total of 100 days of programmed work has been completed by Internal Audit equating to 69% of the (revised) Audit Plan for 2020/21.

4. THE OUTCOMES ARISING FROM OUR WORK

- 4.1 On completion of each individual audit an assurance level is awarded using the following definitions:

Substantial Assurance: Based upon the issues identified there is a robust series of suitably designed internal controls in place upon which the organisation relies to manage the risks to the continuous and effective achievement of the objectives of the process, and which at the time of our review were being consistently applied.

Reasonable Assurance: Based upon the issues identified there is a series of internal controls in place, however these could be strengthened to facilitate the organisation's management of risks to the continuous and effective achievement of the objectives of the process. Improvements are required to enhance the controls to mitigate these risks.

Limited Assurance: Based upon the issues identified the controls in place are insufficient to ensure that the organisation can rely upon them to manage the risks to the continuous and effective achievement of the objectives of the process. Significant improvements are required to improve the adequacy and effectiveness of the controls to mitigate these risks.

No Assurance: Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

- 4.2 Recommendations made on completion of audit work are prioritised using the following definitions:

Urgent (priority one): Fundamental control issue on which action to implement should be taken within 1 month.

Important (priority two): Control issue on which action to implement should be taken within 3 months.

Needs attention (priority three): Control issue on which action to implement should be taken within 6 months.

- 4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

- 4.4 During the period covered by the report Internal Audit has issued two reports in final as can be seen in the table below:

Audit	Assurance	P1	P2	P3
Accounts Receivable	Reasonable	0	3	2
Corporate Governance	Substantial	0	0	2

The Executive Summary of these reports are attached at **Appendix 2**, full copies can be requested by Members.

- 4.5 As can be seen in the table above, as a result of these audits seven recommendations have been raised and agreed by management.

In addition, one Operational Effectiveness Matters have been proposed to management for consideration.

During this period, we have concluded the Assurance Mapping review undertaken in quarter two. Since concluding this piece of work, it has been used by the Internal Audit Team to consider risks and additional testing requirements for audits included within the 2020/21 plan, including the Coronavirus Response and Recovery review, which is currently in progress. It will also be used for 2021/22 internal audit planning considerations.

The assurance mapping report can also be found at **Appendix 2** of this report.

5. PERFORMANCE MEASURES – Eastern Internal Audit Services

- 5.1 The Internal Audit Services contract includes a suite of key performance measures against which TIAA will be reviewed on a quarterly basis.
- 5.2 There are individual requirements for performance in relation to each measure; however, performance will be assessed on an overall basis as follows:
- 9-11 KPIs have met target = Green Status.
 - 5-8 KPIs have met target = Amber Status.
 - 4 or below have met target = Red Status.

Where performance is amber or red a Performance Improvement Plan will be developed by TIAA and agreed with the Internal Audit Consortium Manager to ensure that appropriate action is taken.

- 5.3 Quarter three work is now up to date with all reports either finalised or issued in draft for management attention. Quarter four performance is being closely monitored to ensure that the plan remains on track for completion by 31 March 2021.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 1											
TOTAL		0	0	0							
Quarter 2											
Assurance Mapping	SH2101	8	8	8	Final report issued 22 February 21						Mar-21
TOTAL		8	8	8							
Quarter 3											
Corporate Governance	SH2102	4	4	4	Final report issued 4 February 21	Substantial	0	0	2	1	Mar-21
Procurement Contract Management	SH2103	10	10	9	Draft report issued 25 February 21						
Accounts Receivable	SH2104	12	12	12	Final report issued 18 February 21	Reasonable	0	3	2	0	Mar-21
Income	SH2105	8	8	8	Final report issued 7 January 21	Reasonable	0	5	4	0	Jan-21
TOTAL		34	34	33							
Quarter 4											
Coronavirus Response and Recovery	SH2106	15	15	10	Fieldwork in progress						
Safeguarding	SH2107	5	0	0	Cancelled						
Asset Management	SH2108	10	10	5	Fieldwork in progress						
TOTAL		30	25	15							
IT Audits											
Remote Access	SH2109	8	8	1	APM issued						
TOTAL		8	8	1							
Follow Up											
Follow Up	NA	5	5	3							
TOTAL		5	5	3							
TOTAL		85	80	60			0	8	8	1	
Percentage of TIAA plan completed				75%							

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Audit delivered by Audit Lincolnshire											
Key Controls & Assurance	tbc	40	40	15							
Revenues & Benefits					Fieldwork complete						
Housing Rents					Fieldwork in progress						
Financial Services: Accounts Receivable Accounts Payable Budget Management Income Asset Management					Fieldwork in progress						
Accountancy Services (general ledger, control accounts, treasury management & bank reconciliation)					Fieldwork in progress						
Housing Benefit Subsidy	tbc	25	25	25	Complete						
TOTAL		65	65	40			0	0	0	0	
				62%							
OVERALL TOTAL		150	145	100			0	8	8	1	
				69%							

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES

Assurance Review of the Accounts Receivable Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Policies, Procedures and Security of the system	0	0	2	0
Raising of sundry debtors, refunds and transfers	0	2	0	0
Recovery and write off of outstanding debt	0	1	0	0
Total	0	3	2	0

*No recommendations have been raised in respect of direct debits.

SCOPE

A review of Accounts Receivable was completed in accordance with the revised audit plan for 2020/21. The outcomes of this review support the Annual Internal Audit Opinion.

RATIONALE

- The systems and processes of internal control are, overall, deemed "Reasonable" in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'important' and two 'needs attention' recommendations being raised upon the conclusion of our work.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- User access rights to the financial system are password protected with a policy in place for new users to be trained adequately before given access. This ensures access to the system is tightly controlled.
- All invoices are properly authorised with supporting documentary evidence in place. No duplicate invoices had been raised.
- Credit notes are appropriately authorised and approved with adequate justifiable reasons.
- Direct debits are promptly set up to aid timely recovery of outstanding debts.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where three 'important' recommendations have been made.

Raising of sundry debtors, refunds and transfers

- Transfers between accounts to be subject to independent scrutiny.
- In addition to an urgent recommendation made as part of the 2018/19 review of Financial Services - until such time that the new finance system is able to automatically enforce authorisation rights, a temporary process be put in place to enforce these and regular review of authorisation list to take place.

Recovery and write-off of outstanding debt

- Evidence (audit trail) to be retained of the officer preparing and the officer approving write-offs.

The audit has also highlighted the following areas where two 'needs attention' recommendations have been made.

Policies and procedures

- The Council's Debt Management Policy needs to include evidence of last and next review date to ensure they are reflective of current arrangements.
- The Council's Accounts Receivable Protocol needs to include the level below which debts are considered not cost effective to pursue.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

This area has not previously been subject to audit by Tiaa with Key Controls ordinarily covered by Assurance Lincolnshire.

Assurance Review of the Corporate Governance Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Adherence to the Constitution	0	0	2	0
Changes to committee meetings	0	0	0	1
Total	0	0	2	1

*No recommendations were raised in respect of decision making during the pandemic or use of emergency decisions.

SCOPE

A review of Corporate Governance has been completed, in particular covering the Council response to Covid-19 in the administration of committee meetings, including virtual meetings and the decisions made by those committees. The review of Corporate Governance is carried out annually to support the Head of Internal Audit Opinion.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Substantial Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'operational effectiveness matter', which sets out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services.
- A direction of travel is not provided since the scope of the previous review focused on General Data Protection Regulations (GDPR).

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- Both Councils have and continue to comply with the requirements of 'The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020' for holding virtual meetings during the Covid-19 pandemic and which remain in force up to, but not including, 7th May 2021, where after meetings will resume as previous, unless further instruction is provided. Both Councils updated their Constitutions in line with these requirements. Further updates to the respective Constitutions were also made, as appropriate. This included further extensions, in the case of South Holland, for planning determinations.
- Both Councils have produced Virtual Meeting Protocols to assist Members in attending virtual meetings during the Covid-19 pandemic in compliance with government requirements. They also include meeting etiquette, practical steps for attending meetings to avoid interruptions and voting arrangements.
- Audit testing confirmed that virtual meetings were held in accordance with government requirements allowing access to the public to view live or to watch retrospectively. There was also evidence of compliance with standard protocols for apologies, recording attendance and declaring interests in items on the agenda. Hard copies of agendas, report packs and meeting minutes were also available on the Council's websites.
- Committee decisions were made in accordance with correct procedure either through the show of hands or through roll call, thus ensuring outcomes are correct and transparent and allowable within the respective Constitutions.

ISSUES TO BE ADDRESSED

The audit has also highlighted the following areas where two 'needs attention' recommendations have been made.

Adherence to the Constitution

- Both Councils review and update its Business Continuity Plan and Business Impact Analysis for Democratic Services, taking in to account the impact of Covid-19 and links to the Council's wider Business Continuity and Emergency Plans, as appropriate.
- Annual reminders be sent out to all Members to update their register and disclosure of pecuniary interests, as necessary.

Operational Effectiveness Matters

The operational effectiveness matter, for management to consider relates to the following:

- Both Councils consider continuing with virtual meetings from 7th May 2021 that are not covered by government legislation i.e. those not requiring face to face meetings, in order to allow them to be conducted more flexibly and cost effectively.

Previous audit recommendations

Previous internal audit recommendations were not relevant to this review and were out of scope with the previous review having focused on General Data Protection Regulations (GDPR).

Other points noted

Following the departure of the shared Chief Executive, both Council's appointed a Head of Paid Services. On 18th January 2021 an all staff briefing announcement was published at both Councils. It advised of the preferred option of pursuing a new local strategic partnership at each Council; this following consideration by the Councils' Joint Strategy Board, at which it was agreed should be recommended to both Councils at their Full Council meetings in February 2021 following on from each Council's Cabinet meetings, with Business Case decision in March 2021 and with implementation from 1st April 2021. Shared services will continue for a period after 31st March 2021 whilst the implementation plans develop and the termination clause in the Memorandum of Agreement (MoA) between the two Councils, is activated.

Whilst this audit focused on the impact of the Covid-19 pandemic with each Council's governance arrangements, including changes to the Constitution, both Councils will further need to update their Constitutions to remove references to shared working arrangements as a consequence of the aforementioned split. A further audit review of BRK/21/05 SH/21/06 Coronavirus Response and Recovery has also commenced in January 2021 and will seek an update with progress on the potential changes required.

Assurance Mapping SH/21/01

Executive Summary

INTRODUCTION

1. This review of Assurance Mapping was carried out between September and November 2020 as part of the planned internal audit work for 2020/21.
2. The outcomes of the Assurance Mapping will inform the audit planning for 2020/21 and 2021/22, with regard to the impact of COVID-19 and associated risks identified by management and from our knowledge on the delivery of services since the outbreak.
3. We have identified three possible outcomes following our risk assessment on management assurances:
 - 3.1 No additional internal audit work is warranted in the area in 2020/21
 - 3.2 Risks have been identified that require specific review in relation to an audit already scheduled. These audits are SH2102 Corporate Governance; SH2103 Procurement and Contract Management and SH2105 Coronavirus Response and Recovery.
 - 3.3 Risks have been identified that are deemed to require review and are not scheduled in the current audit plan, for management to consider for inclusion in the 2020/21 plan or is less urgent and should be considered in the 2021/22 plan.

SCOPE

4. The objective of the review was to undertake a fact-finding exercise, by issuing questionnaires to relevant management asking them to detail the impact of COVID-19 on their service, how this has impacted on service delivery, resources, sustainability and risk mitigation for the Council. In addition, to scrutinise management reporting on service areas and risk to ascertain whether this aligns with the management of service areas and our knowledge of the issues and risks. The questionnaire covered a comprehensive set of wide ranging questions which include ascertaining the key changes in the department/service; if provision of services can be continued in the short and long term; how risks are being managed; and the effect on service performance. A copy of the full questionnaire is included in appendix 4.
5. This review provides an overview of the Council's response at a point in time. It is recognised that, due to the continuously changing situation, some of the points raised and risks identified will have been superseded in the intervening period.

MATERIALITY

6. Councils carry out a wide range of regulatory roles in meeting their many statutory duties of protecting the public, individuals and the environment. These duties are met using a wide range of activities. During the initial outbreak resources were directed to frontline services, alternative working practices were engaged and service delivery going forward has major impacts.

KEY FINDINGS

7. Responses to our fact finding questionnaire for this review were received from a number of directorates across the Council and these, along with scrutinising the Council's recovery and delivery plans from the initial outbreak and continuing pandemic, have been used to formulate a risk assessment and in setting the scope and objectives with audits included in this year's revised audit plan. This has provided insight into where additional audit testing is required, where there are considerations for the following financial year and where relevant management assurances provide levels of assurance over non key areas.
8. Considerable work has been undertaken to identify and coordinate the areas that require some level of scrutiny and to ascertain the best way to undertake this. The majority of the outcomes from this review feature in the review of SH2106 Coronavirus Response and Recovery audit that commenced in January 2021, where a detailed Position Statement will be produced providing management with the Council's current position in responding to the Covid-19 pandemic. Other risks identified by this exercise will be subject to scrutiny within individual service area audits where relevant.
9. The majority of the COVID-19 changes and associated risks identified by officers can be addressed within this year, or next year's audit plans. There is one area for South Holland District Council that would benefit from additional review during 2021/22:
 - 9.1 Business Planning and Performance Management. It is noted that the impact of COVID-19 on the Council has significantly impacted its ability to meet its planned efficiency savings by £931k. It is crucial for the Council's recovery plans and delivery plans to identify action to manage the impact of reduced income, increased costs and changes in ability to meet key performance targets. The proposed work would be carried out in conjunction with the planned SH2106 Coronavirus Response and Recovery Audit. It will include coverage of:
 - Review of 2020/21 plans to ensure that the Council meets its statutory financial duties
 - Review of performance against 2020/21 targets to ensure that the Council is on track to meet its statutory duties and associated targets or has identified and agreed action to address targets where performance is not as expected
 - Review of performance management regimes and (proposed) change to performance metrics to reflect the impact of COVID-19 to ensure that they are realistic and meet required targets/levels
 - Provide Assurance that plans have been revised for 2021/22 onwards to ensure that the Council meets its statutory duties

- 10 A summary of all the outcomes of the review are detailed in the table below. Questionnaires were not received from all departments. Please see Appendix 2 for a list of those who were able to return their questionnaires and do appreciate that this work was being undertaken at a time when all officers were incredibly busy.
- 11 Other areas put forward to be considered for inclusion within the 2021/22 audit plan are as follows:
- Contact centre – to include emphasis on business as normal (BAU) activities which have been suspended, and the review of the current focus within this area, including rebuilding and redesigning to maximise positive changes and acceleration of the Channel Shift programme and development of A1 Solutions for the future;
 - Corporate Governance – the usual annual audit to include the Councils investigation into the potential to hold hybrid meetings, for meetings not covered by Government statute which remain in force up to, but not including, 7th May 2021;
 - Procurement and contract management – to include the Committee Software System contract which is due for renewal in January 2020 and new performance measures to reflect COVID duties and the regular review of these; and
 - Licensing – to cover reduced income from licensing and commercial work, minor delay in Tascomi system development and capacity required to deal with significant or multiple outbreaks in the District.
- Housing benefit claims and homelessness has increased, increasing the workload, which had an initial impact on the service as it migrated to remote working. The continuing impact on the Council's ability to deliver the service as furlough ends and longer term impact on people's situations will need consideration.

SUMMARY OF OUTCOMES - CONSIDERATIONS FOR, AND IMPACT ON, THE INTERNAL AUDIT PLAN

Area	Observations	Internal Audit Coverage.
Overarching	<p>The overarching governance of the Council is paramount to meeting the Council's overall objectives throughout the pandemic, from mobilising resources to respond to the initial outbreak, to plans for longer term management. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>The Council has reverted to a place-based management structure for COVID response.</p> <p>The majority of staff have been asked to work from home; office only open as absolutely needed.</p> <p>Risks and issues reported via SMT/Gold Structure</p> <p>Updates to Cabinet on financial position of the Council provided June, Sep and Oct 20.</p> <p>Learning from first wave developed into robust Emergency Response Plan</p> <p>No Recovery or 'Return to BAU' plans have not been seen by Internal Audit.</p>	<p>The 2020/21 Coronavirus Response and Recovery audit (SH2106) will focus on providing assurance on the robustness of the Emergency Response Plan and ascertain whether consideration has yet been given to return to BAU.</p>
Finance	<p>The COVID 19 pandemic has significantly impacted on the Council's ability to deliver efficiency savings by £931k. The Council has considered the areas where income expected will not be achievable and where costs are rising due to responding to the pandemic: Assumptions within the budgets around income generating areas, these include business rates, council tax, car parking, events and market fees.</p> <p>Increasing costs for service delivery and reassigning staff in areas such as housing, homelessness, benefits.</p>	<p>The 2020/21 Coronavirus Response and Recovery audit (SH2106) will provide assurance that actions have been considered, agreed and shared with members aiming to mitigate the losses faced by the Council in responding to the Pandemic.</p> <p>In addition, the following controls will be reviewed during our 2020/21 Procurement (SH2103) work to establish whether risks in relation to continuing to manage contracts effectively have been mitigated.</p>
Customer Services and Communications	<p>Communications during the initial outbreak of the pandemic and continuing throughout its duration are paramount to ensuring the Council can support the local community and deliver services effectively. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>The Council focused phone contact centre resources on speaking with vulnerable customers to assess their wellbeing.</p> <p>BAU work suspended to focus on COVID work,</p> <p>Now focus is on rebuilding and redesigning to maximise positive changes</p> <p>Accelerate Channel Shift Programme and develop AI solutions for the future.</p>	<p>The 2020/21 Coronavirus Response and Recovery audit (SH2106) will provide assurance over how the Council has kept residents informed about changes in accessing services during the pandemic.</p> <p>An audit of the Contact Centre (in relation to Customer Services and Communications), will be considered for inclusion within the 2021/22 audit plan as it was deferred from the original 2020/21 plan.</p>

Area	Observations	Internal Audit Coverage.
	<p>Home working requires ongoing strong IT support which is prioritised, ensuring timely updates and info for residents and business.</p>	
<p>Legal and Democratic Services</p>	<p>Legal and Democratic Services play a vital role in ensuring that the Council acts responsibly throughout the pandemic and that correct protocols and delegations have been followed, whilst seeing a surge in workloads and responsibilities. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>The Coronavirus Act 2020; saw changes to legal constitution of meetings with most now being held live on Facebook.</p> <p>Changes/increase in urgent decisions. Emergency delegations were amended to give officers greater powers to respond quickly.</p> <p>Support was given to Members regarding decision making in virtual meetings. Officers felt that workload increased when administering virtual meetings particularly in giving technical support which at times was found to be an issue. Standards matters were put on hold, and efforts are being refocused on clearing any backlogs and re-organising virtual meetings.</p> <p>Clearing any legal services work that was put on hold during lockdowns and increases in work supporting other teams interpreting changings in law and guidelines issued by the Government.</p> <p>Safeguarding: Awareness sessions put on hold; now reorganising virtually. Operations/strategic board meetings put on hold; now being held virtually.</p> <p>Electoral viewing register put on hold, now recommenced.</p> <p>Potential to hold hybrid meetings now being explored.</p> <p>PCC and County elections have been delayed until May 2021. Planning is now underway.</p> <p>Committee Software System contract is due for renewal.</p>	<p>The 2020/21 Governance (SH2102) review will focus on providing assurance that decisions made during meetings have been completed in line with the Constitution, that member attendance continues to be high despite being held online and that members were supported in adapting to the new ways of working. This review will consider compliance with the national regulatory changes, particularly regarding constituting meetings.</p> <p>The 2020/21 Procurement review (SH2103) will incorporate how contracts are being procured and managed to accommodate the needs of the Council during the pandemic.</p> <p>The usual annual audit of corporate Governance in 2021/22, to consider including the Councils investigation into the potential to hold hybrid meetings.</p>
<p>Public Protection</p>	<p>Public Protection is a key area for the Council in how to manage significant workloads and ensure processes are sustainable throughout the pandemic. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>Managers have become place based to oversee response.</p> <p>Workloads have increased with resourced directed to assist front line services supporting the district and managing cases.</p> <p>Working flexibly to respond to COVID business enquiries when legislation changes.</p>	<p>The 2020/21 Coronavirus Response and Recovery Audit (SH2106) will incorporate focus on public protection and sustainability.</p> <p>A Business Planning audit, and Licensing audit, with a focus on public protection and sustainability, will be considered for inclusion within the 2021/22 audit plan.</p>

Area	Observations	Internal Audit Coverage.
	<p>Extra staff are being funded by the outbreak management grant from Lincolnshire County Council.</p> <p>A reduction in income (licensing, and commercial work) has been experienced.</p> <p>Minor delays to Tascomi system development have occurred; however a recovery delivery plan is in place.</p> <p>New capacity risk to deal with significant or multiple outbreaks in the District.</p> <p>New Performance measures to reflect COVID duties; will need regular review.</p>	
Licensing	<p>Licensing is client focused and the pandemic will affect how the service operates within changing boundaries to meet social distancing, lockdowns and the effects of businesses using their licences. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>Workarounds have been put in place due to premises being closed, i.e. for Taxi and taxi driver applications.</p> <p>Businesses operating illegally in lockdowns.</p>	<p>The 2020/21 Coronavirus Response and Recovery audit (SH2106) will include an overview of the arrangements in place.</p>
Human Resources	<p>Officers of the Council are crucial to ensuring an effective response to the pandemic. The HR department has an important role in ensuring the health and wellbeing of staff. Initial indications are, with staff able to work remotely the workforce is effective. The following observations were made by officers or identified in the recovery plans:</p> <p>Staff mental wellbeing is becoming a significant issue, since the initial outbreak, with lockdowns continuing, the extent of contracting COVID and long term physical impacts and remote working is becoming more isolating this is impacting on the longer term mental health of staff.</p> <p>During the first lockdown staff sickness in general dropped as people's views of the pandemic looked to a short term issue, however this is increasing as the longer term effects take hold.</p> <p>Longer term impacts on the workforce and adapting working practices will need to be considered, both for supporting the business need and individuals.</p> <p>Individuals are showing variances in how they cope in the pandemic, with increasing numbers finding working remotely isolating and showing the need to return to offices in some form, whether this be for part of their working week.</p> <p>The Council will need to consider a hybrid approach to the new normal, as it is unlikely that it will return to how things were before, but seeking to adopt new normal with remote, hybrid and office based working.</p>	<p>Consideration be given to HR areas in 2021/22 audit plans for working practices, sickness absence, wellbeing and performance.</p>

Area	Observations	Internal Audit Coverage.
Contracts and Procurement	<p>The Council has numerous contracts in place with contractors, which may have been impacted by the pandemic. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>Scale of services were reduced to focus on critical and strategic matters, e.g. leisure. Procurements all back on track.</p> <p>All contracts under £75k were signed electronically.</p> <p>Opportunities to work remotely are positive and need to be explored.</p> <p>Positive opportunities for accessible supplier and market engagement.</p> <p>Performance Framework would benefit from a review.</p>	<p>SH2103 Procurement and Contract Management has been included in the 2020/21 Internal Audit Plan. This review will focus on the Council's ability to monitor contracts in place during the Pandemic and during recovery and seek to provide assurance that the Council has reviewed the impact that the pandemic may have had on third parties ability to deliver services for the Council and key projects.</p> <p>During this review we will examine the effectiveness of the change in process of contracts signed electronically under £75k and provide assurance that key Procurements are back on track.</p>
Building and Planning Control	<p>Building and planning control involve a high degree of customer contact and as such will require stringent safety protocols for site visits and consideration of more inventive working practices. The following observations were made by officers or identified in the recovery plans as risks:</p> <p>New Safety Protocol to be agreed for site visits.</p> <p>Holding posts vacant to balance budget.</p> <p>May require further equipment for home working.</p> <p>Building and Planning Control Income has reduced during the Pandemic.</p>	<p>The 2020/21 Coronavirus Response and Recovery audit (SHD2106), will provide assurance that actions have been considered, agreed and shared with members aiming to mitigate the losses faced by the Council in responding to the Pandemic.</p>

* The Coronavirus Response and Recovery audit will include review of plans to complete work that has had to be temporarily put on hold during the pandemic.

APPENDIX 4 – Assurance Mapping Questionnaire

Coronavirus Questionnaire

1. What are the key changes in the department/service due to the impact of COVID-19, including for example governance / reporting arrangements?
2. How is the service being managed?
3. Are services continuing to be provided in both the short and longer term?
4. What legal requirements are there for the service and are these being met?
5. What is the financial impact on the service?
6. How will budgets be managed and met?
7. What are the resource implications as a result of the key changes, including remote working, plans for returning and/or whether there are longer terms plans for new working arrangements based on any lessons learnt?
8. What health and safety assessments have been undertaken for working remotely and coming back to the office?
9. Have contingency plans been put in place for a second outbreak?
10. How have corporate/service risks changed, and have risk registers been updated?
11. Has the performance framework been reviewed (both statutory and local measures)? How has performance been affected and will measures need to be altered in the future?
12. How have changes, such as to risks or performance, been reported to senior management?
13. Are all contractual arrangements being fulfilled, including whether or not contracts nearing expiry are being retendered for and any new contracts being procured?
14. Are residents and other stakeholders being kept informed of the Council's services and other help and advice?
15. Is there any other information that you think may be relevant?