

Internal Audit and Counter Fraud Quarter 4 Progress Report 2024/25

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1. Summary of Completed Audits

Housing Rents

1.1 Housing rents, which are set annually in accordance with government policy, are paid by tenants of council-owned properties. The council's social landlord duties cover approximately 12,000 rented properties, 2,900 leasehold properties and 3,000 car parks and garages, with the Housing Revenue Account (HRA) containing income and expenditure relating to these properties.

1.2 As part of our planned work for 2024/25 we agreed with management to undertake a full audit of housing rents. A previous review of housing rents reported in June 2022 concluded a Partial Assurance opinion. The subsequent follow-up audit of this work, in December 2023 also concluded Partial Assurance. The scope of this latest audit included reviewing whether previous agreed actions had been implemented and were operating as expected.

1.3 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Policies and procedures in relation to rent collection and arrears management are in place, up to date and communicated to relevant parties;
- Processes are in place to ensure the accurate calculation of annual rents;
- Efficient and effective processes operate over rent collection and recovery of overdue rents;
- Tenancy changes are accurately and promptly recorded; and
- Key systems reconciliations are in place and are operating effectively.

1.4 We were able to provide an improved opinion of **Reasonable Assurance** as we saw evidence that actions in relation to high-risk findings identified in our previous audit work, particularly regarding management of arrears, have now been implemented. Rent accounts were also found to be accurate and up to date, and were created and ended promptly, in line with tenancy dates. Payments received were accurately and promptly posted to the relevant rent account, with system reconciliations taking place.

1.5 Escalation policies to manage tenant arrears have recently gone live. Whilst over 4000 arrears actions have been generated in the system since the policies went live, at the time of our audit work, the majority of these were pending officer review for appropriateness. Information from this review will be used to assess the suitability of actions generated, and the extent to which this process can be automated going forward.

1.6 There were some opportunities to further improve the control environment, including ensuring that the service:

- Determines clear standards relating to the management of the suspense account, to minimise delays in payment allocation;

- Reviews the former Tenant Arrears procedure and strengthen operational capacity for regular write-offs to occur; and
- Reviews the refund process to ensure evidence is retained, quarterly monitoring reports are run, and consideration is given to expanding the number of managers who can approve refunds.

1.7 A formal action plan has been agreed with management to address these findings.

Housing Benefit and Council Tax Reduction

1.8 Housing Benefit and Council Tax Reduction are administered by Welfare Revenues and Business Support. In 2017, Housing Benefit was replaced by Universal Credit for all new claimants and as such most people who are of working age now claim through Universal Credit instead of Housing Benefit. The 2024/25 budget for Housing Benefit is £101.3 million, which is down by £12.4 million from the previous financial year. The Team also processes claims relating to Council Tax Reduction which may be available for those on low incomes.

1.9 The Department of Works and Pensions (DWP) is pro-actively moving claimants across to Universal Credit, with over half of working age claimants now receiving this benefit and it is expected that all relevant claimants will be assessed for Universal Credit and notified by March 2026. As the Housing Benefit Subsidy received from the DWP reflects the number of Housing Benefit claimants, with diminishing cases, this will have an effect on the amount received by the Council in 2025/26.

1.10 This audit, which forms part of the agreed Internal Audit Plan for 2024/25, assessed the Housing Benefit and Council Tax Reduction controls to ensure that benefits are accurately and promptly paid to those with a legitimate entitlement. The review also assessed the progress made in implementing the agreed actions from the previous October 2023 Partial Assurance Internal Audit report covering this area.

1.11 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Initial claims for Housing Benefit and/or Council Tax Reduction are processed accurately, timeously, and have appropriate supporting evidence;
- Ongoing claims are paid correctly, based on accurate, up-to-date information;
- Overpayments are correctly calculated and recovered in full where possible. Any write-offs are appropriately authorised; and
- Regular reconciliations are undertaken of the Benefits System to Housing Rents, General Ledger and Council Tax.

1.12 Due to automation and the DWP pro-actively moving claimants across to Universal Credit, the service has had capacity to make significant progress with addressing backlogs. As the previous opinion was reached based primarily on the backlog issues and their implications rather than systemic internal control weaknesses, we have revised our opinion and have provided **Reasonable Assurance** over the controls operating within the area under review.

1.13 There were some opportunities to further improve the control environment, including:

- Increasing automation and improving the speed and efficiency of processing claims and changes to circumstances, whilst taking into account accessibility issues;
- Further reduce the overpayments backlog, where the debtor is not already in an active repayment plan; and
- Increase benefits expertise into the frontline council tax administration to manage changes in circumstances and the impact on direct debit payments and arrears for residents.

1.14 A formal action plan has been agreed with management to address these findings.

General Ledger

1.15 The Council's general ledger records all financial transactions received and made by the Council. It is essential in producing the annual accounts and financial returns for the Council. Maintaining an accurate general ledger is imperative for forecasting and budgeting activities, holding even more significance in the current challenging financial climate.

1.16 This review was part of the agreed Internal Audit Plan for 2024/25 and was included to provide assurance before key financial systems are updated as part of the Corporate Services Improvement Programme.

1.17 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Comprehensive guidance, procedures and training notes, as well as financial regulations, are in place for the operation of the general ledger in accordance with statutory guidance and accounting standards;
- Transactions in the feeder systems are completely and accurately transferred to (or are reflected in) the general ledger;
- Journals are appropriately described, authorised, complete and valid;
- Suspense and holding accounts are monitored; entries are investigated, and appropriate action taken to resolve in a timely manner;
- The structure of the main accounting system reflects the structure of the organisation; and
- Bank reconciliations are regularly prepared by an independent finance officer with evidence of separation of duties and with a review of the reconciliation by an appropriate senior officer.

1.18 We were able to provide an opinion of **Reasonable Assurance** as controls are in place, including that financial rules and regulations are defined and suitably communicated, journal entries are clear and sufficiently detailed, and bank reconciliations are undertaken regularly.

1.19 There were some opportunities to further improve the control environment, including:

- Reviewing training needs and materials and providing these to staff;
- Clarifying and documenting processes for setting up new cost centre and detail codes, and for the monthly reconciliation's; and
- Review and migrate documentation to SharePoint.

1.20 A formal action plan has been agreed with management to address these findings.

Risk Management

1.21 Risks to the Council delivering its objectives are recorded and managed at a strategic level and within directorates. Risk registers are subject to review by Directorate Leadership Teams, the Corporate Leadership Team and Cabinet as appropriate.

1.22 At the time of the audit, risk management processes and the way the Council records risk were in the process of being reviewed as part of refreshing the Council's Risk Management Framework. We acknowledge that these developments also come at a time of an organisational redesign within the Council, which results in the additional challenge of keeping documents and registers up to date due to the change in directorates and officers.

1.23 This review formed part of the agreed Internal Audit Plan for 2024/25, and the purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- The Council has in place a robust Risk Management Framework which facilitates the effective identification, assessment and response (where appropriate) to risks;
- Management ensure that risks are subject to appropriate identification, assessment and response (where appropriate) in accordance with the organisation's Risk Management Framework;
- Effective mitigations are in place to minimise the impact and / or likelihood of occurrence of the risks identified; and
- Robust reporting arrangements are in place to allow for effective senior officer and Member oversight.

1.24 In recognition that directorate risk processes were in development at the time of the audit, these were excluded from the review but will be reviewed in the scheduled 2025/26 risk management audit.

1.25 We were able to provide an opinion of **Reasonable Assurance**, with the Council's Risk Management Framework containing key elements, and being appropriately reviewed. Strategic risks are subject to appropriate oversight and review, including identification of new risks. Work has also been commenced to help understand and develop the organisation's risk appetite.

1.26 There were some opportunities to further improve the control environment, including the following:

- Development of an overarching risk appetite statement;

- Reviewing and updating training on risk management; and
- Working with risk action leads to ensure actions are specific, measurable, achievable, relevant and time-based.

1.27 A formal action plan has been agreed with management to address the improvements identified in this review.

Corporate Governance Policy Framework and Associated Guidance – follow up

1.28 Local government is required to operate through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes (policies and procedures). This framework is intended to be followed as best practice for developing and maintaining a local code of corporate governance and for discharging accountability for the proper conduct of public business. The publication of an Annual Governance Statement makes the adopted practice open and explicit. A strong corporate governance framework will ultimately foster a stable and inclusive organisational culture and help enable the Council to achieve its objectives and deliver services.

1.29 A review of Corporate Governance Policy Framework and Associated Guidance, undertaken as part of the agreed audit plan for 2023/24, focussed on the completeness, accuracy, quality and timeliness of the documentation available, and the extent of awareness of this amongst management and staff. The audit report concluded a Partial Assurance opinion.

1.30 As part of our planned work for 2024/25 we agreed with management to undertake a follow up review to assess and provide assurance on the progress made in implementing the agreed actions from the previous review.

1.31 We have now been able to provide an opinion of **Reasonable Assurance** as we saw evidence that six of the eight actions agreed in the previous report have been fully or partially implemented, including an updated whistleblowing policy and a substantial reduction in the average number of days for cases to be closed.

1.32 Two findings were repeated in this follow up, including adding a concluding statement to the Annual Governance Statement of the Council's opinion of its governance arrangements and also ensuring that staff are able to access clear information on governance on the Council's intranet.

1.33 Actions to address these outstanding areas were agreed with management within a formal management action plan.

Business Continuity Planning – follow up

1.34 The Civil Contingencies Act 2004 places a statutory duty on local authorities, as a category one responder, to develop, maintain and test business continuity plans. During 2023/24 we completed an audit of Business Continuity Planning, which concluded Partial Assurance.

1.35 As part of our planned work for 2024/25 we agreed with management to undertake a follow-up review to assess and provide assurance on the progress made in implementing the agreed actions from the previous review.

1.36 In completing this review, we are pleased to report that we were able to provide an improved opinion of **Reasonable Assurance**.

1.37 Whilst the direction of travel in many areas was positive, with the majority of actions having been implemented in full, there were some areas where further improvement was still required. This included the appropriate approval of key business continuity documentation, the identification and implementation of lessons learned (from tests) to ensure plans are robust, and maintaining training records to ensure officers with key roles in this area are able to fulfil these.

1.38 Actions to address these outstanding areas were agreed with management within a formal management action plan.

Payment Card Industry Data Security Standards – follow up

1.39 Payment Card Industry Data Security Standards are designed to ensure that all organisations that accept, process, store or transmit payment card information, maintain a secure environment. The standards provide specific, actionable guidance on protecting payment card data. The Council processes income for multiple services through debit and credit card transactions and is required to comply with these standards in order to continue to accept card payments.

1.40 As part of our planned work for 2024/25 we agreed with management to undertake a follow up review of this audit that concluded Partial Assurance in 2023/24. This follow-up review assessed and provided assurance on the progress made in implementing the agreed actions from the previous audit report. In completing this review, we were able to provide an improved opinion of **Reasonable Assurance**.

1.41 Whilst the majority of actions were either implemented in full or were in the process of being implemented, there were some areas where action was still required following the completion of a pilot programme. This included ensuring there is recorded approval and version control of key documentation, published guidance regarding procuring a new payment system, and training is further developed in this area.

1.42 Actions to address these outstanding areas were agreed with management within a formal management action plan.

HR/ Payroll

1.43 Payroll is one of the largest areas of expenditure for the Council. In September 2024 there were approximately 9,600 payments to employees, totalling circa £16.9m (net payments).

1.44 As a key financial system, this audit is conducted on a cyclical basis and was included on the 2024/25 audit plan. A previous review in 2023/24 concluded Partial Assurance, with the scope including reviewing whether previous agreed actions had been implemented and were operating as expected.

1.45 The purpose of this latest audit was to provide assurance that controls are in place to meet the following objectives:

- Only genuine starters are set-up, approved and paid accurately calculated from the correct date;
- Leavers are removed from the payroll in a timely manner and paid correctly and accurately to the correct dates;
- Permanent variations to pay accurately reflect employees' grades and/or changes to their contracts, calculated and paid from the correct dates;
- Pay runs and BACS transmissions are correct and authorised;
- Payroll data is accurately reflected in the General Ledger;
- Temporary payments (including additional hours, expense claims and payment to casual staff) are only made for hours worked and expenses incurred legitimately as a result of employment;
- Changes to standing data are reviewed, authorised and input accurately;
- Enquiries are responded to, and information is acted upon, in a reasonable timeframe; and,
- Accurate details provided to the East Sussex Pension Fund in line with the requirements of the Fund.

1.46 It was clear that there had been improvement since the previous 2023/24 audit, and notably the pension data submissions were up to date at the time of the audit review and oversight of the backlog had improved. However, we were still only able to provide an audit opinion of **Partial Assurance** overall as a number of issues have persisted, and efforts to address backlogs had been hampered by a delay in delivery of a system solution for document management. It is also clear that capacity within the team at the time of the audit could lead to a single point of failure risk occurring.

1.47 Actions have been agreed with management to address identified risks from the review and improve the control environment. They include the following:

- Introduction of an interim manual process across the team in order to address the backlog of queries, prior to the introduction of an electronic document management system;
- Delivery of training sessions in order to increase resilience across the team;
- Reviewing payroll processes, ensuring sufficient detail is captured as part of processes and development of guidance across the team for payroll specific processes;
- Changing the corporate leaver process to remove the multiple approval levels prior to being actioned;

- Working with colleagues to identify the root cause of variances identified and providing Finance colleagues with a breakdown of costings to undertake reconciliations to the General Ledger;
- Updating guidance to ensure recording of Disclosure Barring Service certificates are compliant;
- Ensuring all information required to be held in personnel files is present and correct; and
- Issuing periodic notices to officers across the Council reminding them of the correct process for submitting and authorising mileage claims.

1.48 The implementation of actions agreed to mitigate these risks will be reviewed as part of the 2025/26 HR/ Payroll audit.

Contract Management Compliance – Facilities and Building Services

1.49 Previous audits of contract management compliance across the organisation have identified the need for improvement. Whilst a robust contract management framework is in place, compliance with it was found to be weak. Following our previous review in this area, the Procurement Team responded with training and communications to help raise awareness across the Council.

1.50 It was agreed with management as part of the Internal Audit Plan for 2024/25, that as a continuance of this work, we would review compliance with the contract management framework within service areas. As an area that regularly manages contracts, Facilities and Building Services was chosen as an area to examine. The audit focused on a sample of suppliers to whom a high value of payments (over £500,000) had been made, assessing whether promotion of the Framework has led to an increase in compliance and resultant robust management of high-value contracts.

1.51 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Governance arrangements, including corporate oversight, monitoring and reporting are effective in delivering the required outcomes;
- Financial controls ensure that the contract is delivered to budget, and payments are only made for goods, works or services actually provided;
- Arrangements ensure that any problems are resolved, with appropriate remedies invoked, in accordance with contractual requirements;
- Risk management and business continuity arrangements ensure continuing service provision; and
- Only necessary variations are made.

1.52 We were only able to provide an opinion of **Partial Assurance** as compliance with a number of areas of the Contract Management Framework could not be evidenced and it was clear that use of the framework is not embedded within the service.

1.53 Actions have been agreed with management to address identified risks from the review and improve the control environment, as follows:

- Communication will take place with contract managers to signpost them to the Contract Management Framework and associated documentation. Opportunities for contract managers to receive training on the framework will also be explored. The service will embed use of the Framework and documentation, initially for new contracts;
- Management will ensure staff involved in the procurement of contracts understand the requirements of Contract Standing Orders for certain contracts to be published, and for services to update the Procurement Team should a change of contract manager occur;
- An annual reminder will be sent requesting that staff involved in procurement duties complete a declaration of interest which will be reviewed, with suitable mitigations identified where needed.

1.54 Due to the Partial Assurance opinion, we will complete a follow up review to assess the extent to which these actions have been implemented. We will also include further contract management compliance audits for other services.

Property Asset Collection Controls

1.55 The Housing Service approached Internal Audit for advice regarding an instance where a substantial amount of cash was discovered in a Council property, following the death of the tenant. Whilst staff were striving to do the right thing, safeguarding the cash until it could be returned to the legal beneficiary, there were uncertainties in responsibilities and how the cash should be secured and processed.

1.56 It also became clear that similar incidents have occurred, where staff have been asked to accept responsibility to safeguard valuables (including cash) in both Housing and Adult Social Care services. Council staff in these circumstances are placed in a potentially vulnerable position and clear processes are therefore required to help safeguard them from allegations of misappropriation.

1.57 This audit was agreed, as an addition to the 2024/25 plan, to provide assurance that processes and controls are in place and are being followed where assets/valuables are discovered in vacated housing stock.

1.58 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Where assets found within vacated Council housing stock, become the responsibility of the Council, they are timeously itemised and logged, with any of notable value flagged;
- Valuable assets recovered from Council stock are stored securely at all times whilst in the Council's possession, with cash banked as soon as practicable;
- The Council endeavours to promptly direct valuable assets recovered from Council stock to the correct legal recipient.

1.59 We were only able to provide an opinion of **Partial Assurance** as current procedures do not currently cover the wide range of routes disposal of assets can take, nor the roles and responsibilities of the multiple involved parties. Actual practice was also found to not align with that documented. Actions have been agreed with management to address identified risks from the review and improve the control environment, as follows:

- A cross-service working group will be established to facilitate updating of procedures in line with corporate policy and to provide a consistent approach across frontline services. An accompanying implementation plan and communication plan will also be developed;
- Update of procedures will include determination of how to identify the suitable recipient of assets on a tenant's death, and processes for sale of assets where appropriate; and
- The inventory template will be reviewed and standardised.

1.60 Due to the Partial Assurance opinion, we will complete a follow up review to assess the extent to which the agreed actions have been implemented.

Schools

1.61 We have a standard audit programme in place for all school audits, with the scope of our work designed to provide assurance over key controls operating within schools. The objectives of our work are to ensure that:

- Governance structures are in place and operate to ensure there was independent oversight and challenge by the Governing Body;
- Decision making is transparent, well documented, and free from bias;
- The school is able to operate within its budget through effective financial planning;
- Unauthorised or inappropriate people do not have access to pupils, systems, or the site;
- Staff are paid in accordance with the schools pay policy;
- Expenditure is controlled and funds used for an educational purpose;
- The school ensures value for money on contracts and larger purchases; and,
- All voluntary funds are held securely and used in accordance with the agreed purpose.

1.62 One school and the Central Hub pupil referral unit audit were finalised in quarter 4. The table below shows details, together with the final level of assurance reported to them.

Name of School	Audit Opinion
Brunswick Primary School – follow up	<p style="text-align: center;">Reasonable Assurance</p> <p>The previous Partial Assurance audit had 15 findings and agreed actions. For the follow up review we found significant improvement to the control environment.</p>
Central Hub Brighton (Pupil Referral Unit)	<p style="text-align: center;">Partial Assurance</p> <p>Areas requiring improvement included:</p> <ul style="list-style-type: none"> • Improving expenditure controls and oversight of expenditure; • Completing HMRC's online Check for Employment Status for Tax checklist to verify employment status for individuals engaged to provide services; • Ensuring contractors have the correct level of public liability insurance; and • Ensuring statutory reporting is up to date on the school website.

1.63 We aim to undertake follow-up audits at all schools with Minimal Assurance opinions. For Partial Assurance opinions we will undertake a follow up review or alternatively write to the Chair of Governors to obtain confirmation that recommendations have been implemented.

1.64 The core financial role of the LA is to set and monitor a local framework, including provision of budgetary information, provision of a financial oversight and ultimately intervening where schools are causing financial concerns. Schools (the governing body and the Headteacher) are required to manage their delegated budget effectively ensuring the school meets all its statutory obligations, and through the Headteacher comply with the LA's Financial Regulations and Standing Orders.

Grant Certifications and Non-Opinion Work

New England House

1.65 The Chief Executive requested that Internal Audit carry out a lessons learnt review following receipt of a report from fire safety consultants stating there were critical deficiencies in the building New England House that led to its temporary closure by the Council. New England House is a Council owned property hosting 99 business tenants.

1.66 The aim of the lessons learned review was to help the Council understand how this situation had arisen and identify improvements that could be made to avoid future repetition.

1.67 Given the commercially sensitive nature of the issues identified, we are unable to share the findings in full, however we provided the following recommendations for management to consider:

- All staff involved in contract management should undertake relevant training to ensure they fully understand their roles and responsibilities relating to the management of contracts;
- In the case of all projects, appropriate and proportionate project management disciplines should be applied, in line with organisational standards. As a minimum, this should include fundamentals such as a project brief and project plan with timescales, roles and responsibilities and resources clearly defined;
- The Council should consider mechanisms for helping to ensure that all staff, whether working on defined projects, or delivering business as usual activities, understand their responsibilities with regard to raising concerns and escalating issues of importance. This may be through establishing guidance and embedding behaviours within the organisational culture;
- For all projects, appropriate arrangements should be put in place to ensure that all relevant project records and documentation are retained and accessible, possibly through a relevant SharePoint site. This will enable an audit trail of project activity and decision making and will help ensure continuity of record keeping in the event of staff turnover;
- Given the costs involved, care should be taken to ensure that external surveys and reports are only commissioned where there is an appropriate need. Where such reports are received, management should ensure that appropriate action is taken in response to any findings and recommendations; and
- Staff should arrange a full consultation with all relevant commercial parties, and East Sussex Fire and Rescue Service, in order to come to a definitive view as to the fire safety concerns at New England House. Any actions required as a result should be immediately addressed in order to ensure the building is safe for continued use.

1.68 A separate report is provided to this committee from the Corporate Director of City Operations which includes a management response to the recommendations.

Supporting Families Grant

1.69 The Department of Levelling Up, Housing and Communities (DLUHC) requires Internal Audit to verify a proportion (5-10%) of outcome submissions made by the Local Authority for Supporting Families (SF) Programme, using the updated national Outcomes Framework (October 2023 – March 2025).

1.70 We reviewed 10 of the 73 submissions made under the Outcomes Framework in the previous quarter (October to December 2024) during quarter 4 and confirmed that these have been subject to appropriate quality assurance checks and no significant issues were identified.

2. Proactive Counter Fraud Work

Counter Fraud Activity

2.1 The team continue to monitor intel alerts and share information with relevant services when appropriate.

2.2 In addition, the team are continuing to review matches released as part of the National Fraud Initiative. High risk matches will be prioritised for investigation and support provided to services reviewing the reports.

Summary of Completed Investigations

Supplier Fraud

2.3 Following an allegation that a supplier was inflating prices and volume of work completed, Internal Audit undertook an investigation analysing supplier spend and work billed. The investigation did not find any evidence to substantiate the allegations or of wrongdoing, however, the investigation did find issues with non-compliance with Council Standing Orders and agreed actions to improve compliance with procedures.

Overclaiming of Overtime

2.4 Following a referral from management of an employee potentially overclaiming overtime, an investigation found that the employee had overclaimed £210.42. The employee resigned and the overpayment was recovered from their salary.

Misconduct

2.5 Internal Audit supported management with an investigation into an allegation that an employee of the Council was also undertaking employment in a Council care home through an agency. The investigation upheld the allegation, and the employee resigned during the disciplinary process.

Overclaiming of Overtime

2.6 Following an allegation that an employee was double claiming bank holiday pay, Internal Audit undertook an investigation reviewing overtime claimed against work rotas. The investigation found that the employee had overclaimed bank holiday pay, but that guidance and procedures were not clear and robust. Recovery of overpayment of £1,348 was made and a letter of expectation issued. Actions were agreed with management to improve the scheduling of work rotas and ensure clear guidance was in place for claiming additional and enhanced hours.

Conflict Of Interest

2.7 Internal Audit received an allegation that an employee of the Council had failed to declare a close relationship with a supplier, and which resulted in the unfair award of work to the supplier. The investigation found no evidence of wrongdoing but did find control weaknesses in relation to procurement and contract management. Actions were agreed to address weakness and ensure compliance with Contract Standing Orders.

Misuse of Public Funds

2.8 Following the departure of an employee, Internal Audit received an allegation that goods had been ordered which did not meet the required specifications. Following an investigation, it was not possible to evidence that a robust procurement process had been followed. Actions were agreed to ensure Contract Standing Orders were followed for future procurement.

Housing Tenancy Fraud

2.9 The Tenancy Fraud Team continue to investigate allegations of potential subletting. We work closely with Housing managers and officers for a joined-up approach to allegations of abandonment with an increasing emphasis on visits and communication with tenants to increase awareness and reiterate a tenant's responsibility under their tenancy agreements.

2.10 A pilot proactive campaign undertaken in 2024 reviewed a sample of 1,000 tenancy records using data matching with external credit referencing and resulted in a property being recovered after it was identified that the tenant was not using the property as their main and principal home.

Council Tax Fraud

2.11 The Team continues to investigate allegations of false claims for Single Person Discount (SPD) and Council Tax Reduction Support (CTRS).

Fraud Area	(£) 2024/25	(£) 2023/24	(£) 2022/23	(£) 2021/22
Properties Recovered	930,000	558,000	186,000	279,000
Housing Application Withdrawn	359,772	-	-	-
Homeless Application Withdrawn	-	-	-	-
Right-To-Buy Withdrawn	102,400	-	-	-
SPD Removed	5,559	8,625	511	9,746
Revenues Exemption Removed	2,947			
CTRS	4,659	440	406	-
Housing Benefit	-	3,853	3,658	-
Business Rates	-	-	-	-
Total	1,405,337	570,918	190,575	288,746

3 Action Tracking

3.1 All high priority actions agreed with management as part of individual audit reviews are subject to action tracking. When high priority actions become due, we seek confirmation from service management that actions have been implemented. At the end of quarter 4, we can report that 97% of high priority actions due, have been confirmed as implemented by management.

3.2 A number of high priority actions have had their implementation deadlines extended, in agreement with management. Where the revised deadlines are not met, these will be reported to the next meeting of the Audit & Standards Committee.

4 Quarter 4 Amendments to the Audit Plan

4.1 In accordance with proper professional practice, the Internal Audit plan for the year has been kept under regular review to ensure that the service continues to focus its resources in the highest priority areas based on an assessment of risk. Through discussions with management the following audits have been added to the audit plan this quarter:

Planned Audit	Rationale for Addition
Accounts Receivable (Debtors)	To review the processes and key controls relating to the accounts receivable system. This audit was added to the plan following the earlier Partial Assurance opinion.

4.2 In order to allow these additional audits to take place, the following audits have been removed or deferred from the audit plan and, where appropriate, will be considered for inclusion in future audit plans as part of the overall risk assessment completed during the annual audit planning process. These changes have been made on the basis of risk prioritisation and/or as a result of developments within the service areas concerned requiring a rescheduling of audits:

Planned Audit	Rationale for Removal
Adult Social Care Joint Funding Arrangements	Removed from the plan for 2024/25 due to resource constraints delaying its progress and agreement that this was not a key risk area. This area of review will be considered for future audit plans.
Artificial Intelligence	This audit has been deferred to the 2025/26 audit plan to allow the Authority to introduce new policy, procedures and governance arrangements relating to the use of Artificial Intelligence.

IT Asset Records Management	Removed from the plan as it was superseded by higher priority audits. This area of review will be considered for future audit plans.
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Audit Opinions and Definitions

Opinion	Definition
Substantial Assurance	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Reasonable Assurance	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
Partial Assurance	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
Minimal Assurance	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

