Appendix 2c: Audit Opinion and Themes

Assurance

High	Satisfactory	**Partial**	Minimal

Contract Management System

Objective

To assess the implementation and embedding of the contract management system, including key stakeholder engagement throughout the project, the system's contribution to, and development of, the control framework surrounding contract management and system utilisation for oversight and onward reporting.

Themes

The Proactis Source to Contract Electronic Contract Management System became operational in March 2023. We noted areas where controls appeared to be operating effectively. The Council (SCC) has a process for onboarding new contract managers with supporting training to use the electronic contract management system (ECMS). Additionally, within the ECMS, there is built-in functionality to alert SCC to situations of potential financial risk.

We observed that the ECMS has functionality that could create a stronger control environment but needs accompanying processes and controls to require staff engagement in respect of overdue contract management activities and contract renewal tasks. These are currently at the discretion of the contract manager to both set and complete. The ECMS includes a set of system tasks, which the Contract managers should update with applicable dates and responsible officer(s). If the pre-applied tasks are not applicable to a contract the contract manager should add new tasks to manage the lifecycle of the contract. An automated alert can be set up to notify users when a task has been completed.

Contracts are 'pushed' from the e-tendering portal to the ECMS and the contract manager receives ECMS training. At the time of the audit all level one and some level two contracts were being managed using the ECMS. Once the remaining level two contracts have been onboarded the ECMS system based contracts will account for around 80% of the Council's contract spend.

Number of actions agreed: 6

Appendix 2c: Audit Opinion and Themes

Assurance

High	Satisfactory	**Partial**	Minimal

Rough Sleepers

Objective

To review the robustness of arrangements and assess whether effective support is given to vulnerable people to achieve the outcomes within the Housing, Homelessness and Rough Sleeping Strategy while achieving value for money.

Themes

The Council relies on skilled and experienced staff who have an in-depth understanding of rough sleeping, but do not have clearly documented formal procedures that outline the processes that should be followed.

There is a lack of a control framework concerning the management of rough sleepers at the Council. We noted areas for improvement in respect of the design of the Housing Service Plan, as it only provides a view of issues at a point in time rather than acting as an action tracker that allows for ongoing performance monitoring.

We also noted gaps in the process of identifying rough sleepers. Alongside this, we noted that the roles and responsibilities of the Council, Homeless Action Review Project (HARP), and other partners are not formally stated. HARP is a charitable partner procured via a contract to deliver the front-line management of Rough Sleepers; they are the leading Southend charity helping local people overcome homelessness.

Finally, there is no formal performance reporting within the Council nor clear operational performance reporting.

Number of actions agreed: 5

Appendix 2c: Audit Opinion and Themes

Assurance

High	Satisfactory	**Partial**	Minimal

Corporate Asset Management

Objective

To assess the adequacy of Corporate Asset Management arrangements in place to ensure that the commercial and operational estate assets continue to deliver value and meet stakeholder needs, while supporting organisational objectives.

Themes

Effective and strategic management of the Council's commercial and operating portfolios is crucial to meeting the Council's ongoing business objectives and supporting the Council's Corporate Plan.

In this audit, we assessed: the governance arrangements to monitor, review and assess the existing Corporate Asset Management Strategy (CAMS); a sample of commercial initiatives run for both portfolios to confirm whether the commercial team has effectively applied the rent and lease uplifts as expected and, when applicable, the initiatives were supported by a completion statement of work; the reviews of both the commercial and operational portfolio performance and finances; processes to identify and understand resourcing needs; and management information (MI).

We noted a number of areas of good practice in relation to the adequacy of the most recent CAMS, which is fit for purpose and provides a clear link to the Corporate Plan. Additionally, in relation to the commercial assets, we noted that the initiatives run in the year are adequately recorded and regularly reviewed by the Team Lead for Corporate Property and Asset Management. We also noted that the approval process is robust, as all the approvals were in line with the Council Constitution and sufficient evidence of approvals was retained.

However, we have identified a lack of adequate controls in a number of areas, particularly in relation to the timely collection, reporting and strategic use of MI for both portfolios, and the lack of regular review of the wider estate portfolio performance and finances for the operational portfolio.

We acknowledge that the Council is aware of the current gaps and has future plans to collect MI in relation to overall costs and carbon emissions. This data will then be used to rationalise the wider portfolio and inform strategic decision making around the development, commercialisation, property acquisitions and disposals of assets. Our meetings with the Executive Director (Growth & Housing) confirmed that the project has begun with the first being the categorisation of the assets through a cost analysis exercise.

Number of actions agreed: 7

Appendix 2c: Audit Opinion and Themes

Assurance

High	Satisfactory	**Partial**	Minimal

Housing Allocations

Objective

To assess the robustness of the arrangements that ensure available housing is allocated appropriately following Council Policies.

Themes

The Council has a ten-year Housing, Homelessness and Rough Sleeping Strategy in place covering the period 2018-2028. It considers the future challenges and requirements of residents and the stock required to meet housing needs. Included within the Strategy are a number of commitments, which had not been updated since adopting the Strategy. There is no formal monitoring framework to report the progress being made on the delivery of the commitments.

The audit identified outstanding appeals dating back to July 2022, with approximately 57 outstanding appeals as of December 2022. The audit also identified that appeals had been incorrectly indexed, therefore, a true reflection of appeals completed could not be provided. Testing identified that for some appeals the review response exceeded the eight-week response time stated in the Allocations Policy.

The audit identified 16 Registered Providers with over 20 properties operating within Southend's boundaries, but SCC currently have nomination agreements with four of them. A review of the four nomination agreements identified that all were signed and dated at the point of creation. In all cases, the information contained within the agreements had not been updated in line with the stated review procedures.

Reporting of allocations performance information had not been completed prior to November 2022. Additional KPI reporting would improve the provision of key allocation information to the Performance Board and Councillors.

Some areas relating to counter-fraud controls were noted as requiring improvement, including the need to complete a counter-fraud risk assessment, to utilise the information provided on potential fraud cases via the National Fraud Initiative and the formalisation of procedures surrounding applicant declarations of interests, staff declarations of interest and suspected fraudulent applications.

Number of actions agreed: 11