



# Internal Audit Report

## Disabled Facilities Grant Certification 2023/24 (relating to the 2022/23 Financial Year)

Issued by the Head of Internal Audit, December 2023

<b>Audit Assurance Opinion</b>	<b>Effective</b>	<b>Evaluated controls are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives are being met.</b>
	<b>Reasonable</b>	Some specific control weaknesses were noted, and some improvement is needed; evaluated controls are generally adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
	<b>Limited</b>	Evaluated controls are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
	<b>Ineffective</b>	Evaluated controls are not adequate, appropriate, or effective. Internal Audit cannot provide reasonable assurance that risks are being managed.

<b>Distribution List</b>	<b>Accountable Officers:</b>	Head of Housing, H Fisk Strategic Lead – Private Sector Housing, T Howarth
	<b>For Information:</b>	Chief Executive, C Bally Strategic Directors, K Blakemore, A Jarvis, N Khan Deputy Leader with responsibility for Housing, Cllr D Beavan Chief Finance Officer and S151 Officer, L Rogers Audit and Governance Committee External Auditor, M Russell

## Grant Compliance

Grant Condition Summary	Opinion
(1) Grants may only be used for capital expenditure.	Full compliance
(2) Grants are required to be spent in accordance with the Better Care Fund spending plan.	Full compliance
(3) The amount paid by Suffolk County Council (£2,721,389) must be passed in full to East Suffolk Council no later than 30 <sup>th</sup> June 2022.	Partial compliance <sup>1</sup>
(4) Suffolk County Council (SCC) may retain part of the grant allocation, with the express permission of East Suffolk Council.	Not applicable <sup>2</sup>
(5) Grants must only be used for the purpose of providing adaptations for disabled people who qualify under the scheme.	Full compliance
(6) Chief Executive or Chief Internal Auditor of SCC to complete a declaration	Not applicable <sup>3</sup>
(7) and (8) Repayment of grant to the Minister of State if notified	Not applicable <sup>4</sup>

### 1. Executive Summary

- 1.1 The objective of the audit was to provide assurance, following appropriate investigations and checks, that the Council has complied in all significant respects with the conditions attached to the grant funding received and paid out.
- 1.2 The overall assurance of **Effective** has been made on the basis of the control framework in place and supporting risk management. Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives are being met.
- 1.3 East Suffolk Council received £2,721,389 from Suffolk County Council (SCC) for 2022/23.
- 1.4 Suffolk County Council is required to provide an assurance declaration to the Department for Levelling Up, Housing and Communities (DLUHC) that Disabled Facilities Grant conditions have been met as per Grant Determination Letter 2022-23 [31/6092]. The Head of Internal Audit has used the results of this audit to provide assurance to SCC in support of their declaration.

<sup>1</sup> The payment of grant allocation was received from Suffolk County Council 7 July 2022, in exception to the grant determination condition that the Tier 1 authority must pay the grant amount to the Tier 2 authorities no later than 30 June 2022.

<sup>2</sup> The full grant allocation was paid to East Suffolk Council by Suffolk County Council.

<sup>3</sup> Suffolk County Council are required to submit the declaration. The Head of Internal Audit has used the results of this audit to provide an assurance statement in support of their declaration.

<sup>4</sup> At the time of review, no request for repayment of funds from East Suffolk Council has been received.

## **2. Supporting Details**

### **2.1 Links to Council Service Delivery**

This review considered achievement of the organisation's strategic objectives and risks, specifically this audit contributes towards:

- Business Objective - To administer Disabled Facilities Grants in accordance with grant conditions.
- East Suffolk Business Plan – Growing our economy, enabling our communities and remaining financially stable.
- Corporate Risk Register – Failure to produce and deliver sustainable Medium Term Financial Strategy (MTFS) including delivery of balances Annual Budget due to uncertainty over Government funding.

### **2.2 Scope of Internal Audit Activity**

Internal Audit assessed the following control areas during the course of the audit:

- Compliance with funding conditions
- Receipt of funds

This audit assessed systems and records in place from 1 April 2022 to 31 March 2023.

Internal Audit seeks to enhance and protect organisational value by providing risk based and objective assurance. Internal Audit assurance is a professional service focusing on functions, processes and controls. It does not replace professional advice from other key services such as the financial or legal functions. The work performed by Internal Audit provides an opportunity to make significant improvements to governance arrangements, risk management and control processes.

This audit has been undertaken as part of the Annual Audit Plan 2023/24, approved by the East Suffolk Council Audit and Governance Committee on 13 March 2023.

This audit has been conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, and the UK's current Public Sector Internal Audit Standards.

### **2.3 Definitions of Risk and Control**

This audit uses the definition of Risk set out in the Council's Risk Management Strategy.

The definition of Control is taken from the Chartered Institute of Internal Audit:

“Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.”

In addition to a risk assessment using the corporate risk matrix, each agreed action is allocated a priority level for use within the service area. The allocation of each priority level is based on:

<b>Priority 1</b>	Findings indicate a significant control weakness that could mean objectives fundamental to the operation of the service may not be met. Urgent attention is required from strategic management.
<b>Priority 2</b>	Findings indicate an important control weakness could mean that objectives central to the operation of the service may not be met. Prompt management attention is required.
<b>Priority 3</b>	Findings indicate a control weakness that could mean service objectives may not be met. Management attention is required.
<b>Priority 4</b>	Findings indicate a minor control weakness that, although not essential to an effective control framework, would benefit from low-cost improvements. Any Priority 4 issues identified during the course of this audit have been reported to the relevant Service team prior to the issue of this report, and are available from the Internal Audit team upon request.

## 2.4 Effectively Functioning Controls

We would like to draw management attention to the controls in operation over processes and procedures that were confirmed via audit testing as operating effectively and efficiently:

- Funds were spent in line with grant conditions 1, 2, and 5.

## 2.5 Audit Team

The audit team for this review comprised:

Audit Manager	L Fuller
Senior Auditor	J Metcalfe
Assistant Auditor	L Maton

## 2.6 Acknowledgements

We would like to thank the management and staff of the Housing team contacted for their co-operation and time during the course of this audit.



This audit has been undertaken in accordance with the Internal Audit Partnership arrangements between East Suffolk Council and Ipswich Borough Council.