

Final Internal Audit Report

Disabled Facilities Grant Certification

Issued by the Head of Internal Audit, October 2019

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|--------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Audit Assurance Opinion | Effective | Evaluated controls are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives are being met. |
| | Reasonable | 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. |
| | Limited | Evaluated controls are unlikely to provide reasonable assurance that risks are being managed and objectives should be met. |
| | Ineffective | Evaluated controls are not adequate, appropriate, or effective. Internal Audit cannot provide reasonable assurance that risks are being managed. |

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| Distribution List | Responsible Officers: | Head of Housing Services Principal Environmental Health Officer |
| | For Information: | Strategic Management Team Leader of the Council, Cllr S Gallant Cabinet Member for Housing, Cllr R Kerry Audit and Governance Committee Chief Finance Officer and Section 151 Officer Ernst & Young (External Auditor) |

Adequacy of Individual Control Areas

| Audit Scope by Control Area | Findings with a Potential Corporate Risk Level of: | | | Control Adequacy |
|------------------------------------|----------------------------------------------------|--------|-----|------------------|
| | High | Medium | Low | |
| Compliance with funding conditions | 0 | 0 | 0 | Effective |
| Receipt of funds | 0 | 0 | 0 | Effective |
| OVERALL | | | | Effective |

1. Executive Summary

- 1.1 The objective of the audit was to verify that Disabled Facilities Grants (DFGs) for 2018/19 were administered in accordance with grant conditions determined by central government.
- 1.2 The overall assurance of **Effective** has been made on the basis of the control framework observed during testing.
- 1.3 DFGs are means tested grants which are paid to disabled residents for adaptations to their homes, and funded for 2018/19 via Suffolk County Council (SCC).
- 1.4 Suffolk Coastal and Waveney District Councils received £1,590,240 of funding from SCC. Grant payments paid during the year totalled £1,678,672, and as at 2 September 2019, committed funds totalled £252,584. Whilst this appears to be an overspend, this is covered by the funding carried forward from previous years.
- 1.5 All grants reviewed had been administered in accordance with the grant conditions, and the correct grant allocation was received by Suffolk Coastal and Waveney District Councils. Therefore, no recommendations have been raised as part of this review.
- 1.6 Suffolk County Council's Chief Executive and Head of Audit Services are required to provide an assurance declaration to the Ministry of Housing, Communities and Local Government that DFG grant conditions have been met. The Head of Internal Audit will use the results of this audit to provide assurance to SCC in support of their declaration.

2. Supporting Details

2.1 Links to Council Service Delivery

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

- Business Objective – to ensure Disabled Facilities Grants are administered in accordance with the grant conditions.
- East Suffolk Business Plan – Enabling Communities and Housing.

2.2 Scope of Internal Audit Activity

Internal Audit will seek to enhance and protect organisational value by providing risk based and objective assurance. The work performed by Internal Audit provides an opportunity to make significant improvements to governance arrangements, risk management and control processes.

This report is being issued by East Suffolk Council, and relates to the activities of Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC) in 2018/2019. This audit has been undertaken as part of the Annual Audit Plan 2019/20, approved by the Audit and Governance Committees of SCDC on 12 March 2019 and WDC on 7 March 2019.

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.

This audit assessed systems and records held by the relevant Private Sector Housing team from 1 April 2018 to 31 March 2019.

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.”

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:

- Grants reviewed were administered in line with the grant conditions, and were supported by sufficient documentation.
- SCDC and WDC received the grant in the correct time period, and received the correct amount as agreed by the Suffolk Housing Board.

2.5 Audit Team

The audit team for this review comprised

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|---------------|----------|
| Audit Manager | L Fuller |
| Auditor | S Potter |

2.6 Acknowledgements

We would like to thank the management and staff of Private Sector Housing 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.