



Audit of Environmental Health.

Draft Report Issued: 1st March 2023
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Audit Report Distribution

Client Lead:	Senior Manager Tier 2 - Environmental Health & Housing Senior Manager - Housing Senior Manager - Environmental Health
Chief Officer:	Chief Officer – Place and Governance Chief Executive
Others:	Senior Specialist – Licensing & Compliance Manager – Housing Options
Audit Committee:	The Audit Committee, which is due to be held on 20 th March 2023, will receive a copy of this report.

Note: Audit reports should not be circulated wider than the above distribution without the consent of the Designated Head of Internal Audit.

1.0 Background

- 1.1. This report summarises the findings from the audit of Environmental Health. This was an internal audit review included in the 2022/23 risk-based audit plan agreed by the Audit Committee on 15th March 2022.
- 1.2. Environmental Health is a statutory function with services responsible for food safety and environmental protection. It includes noise exposure, housing conditions for housing association and private sector properties, homelessness, and licensing. Services are managed on an individual basis using policies, legislation and case law to support decision-making.

2.0 Audit Approach

Audit Objectives and Methodology

- 2.1 Compliance with the mandatory Public Sector Internal Audit Standards requires that internal audit activity evaluates the exposures to risks relating to the organisation's governance, operations and information systems.
- 2.2 A risk-based audit approach has been applied which aligns to the five key audit control objectives (see section 4). Detailed findings and recommendations are reported within section 5 of this report.

Audit Scope and Limitations.

- 2.3 The Client Lead for this review was Senior Manager Tier 2 - Environmental Health & Housing. The agreed scope was to provide independent assurance over management's arrangements for ensuring effective governance, risk management and internal controls of the following risks:
 - Failure to achieve business objectives due to insufficient governance and risk management.
 - Failure to achieve business objectives due to insufficient staffing resources.
 - Lack of business development and service delivery due to insufficient use of ICT systems.
 - Inadequate response to legislative changes.
- 2.4 There were no instances whereby the audit work undertaken was impaired by the availability of information.

3.0 Assurance Opinion

- 3.1 Each audit review is given an assurance opinion intended to assist Members and Officers in their assessment of the overall governance, risk management and internal control frameworks in place. There are four levels of assurance opinion which may be applied (See **Appendix C** for definitions).

3.2 From the areas examined and tested as part of this audit review, we consider the current controls operating within environmental health provides **reasonable assurance**.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

4.0 Summary of Recommendations, Audit Findings and Report Distribution

4.1 There are two levels of audit recommendation; the definition for each level is explained in **Appendix D**. Audit recommendations arising from this audit review are summarised below:

Control Objective	High	Medium
1. Management - achievement of the organisation’s strategic objectives achieved (see section 5.1)	-	1
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts (see section 5.2)	-	1
3. Information - reliability and integrity of financial and operational information (see section 5.3)	-	2
4. Value – effectiveness and efficiency of operations and programmes (see section 5.4)	-	-
5. Security - safeguarding of assets (N/A)	-	-
Total Number of Recommendations	-	4

4.2 Management response to the recommendations, including agreed actions, responsible manager and date of implementation are summarised in Appendix A. Advisory comments to improve efficiency and/or effectiveness of existing controls and process are summarised in Appendix B for management information.

4.3 Findings Summary (good practice / areas for improvement):

Following a Ministry of Housing, Communities and Local Government visit to review rough sleeping and reduce homelessness, services were praised.

The service adapts to changes at short notice following key national issues, providing relevant officer training.

Environmental Health management meet with Chief Officers on a regular basis.

Key performance indicators (KPI’s) are regularly monitored corporately.

Job descriptions are in place for all roles, with responsibilities around legislation appropriately defined.

Officers hold relevant qualifications and HR confirm validity following a robust recruitment process. Further training opportunities are available.

Current service plans are in place along with a combined departmental risk register.

Relevant, documented policies and procedures are available. There are regular staff meetings.

Budget monitoring is in place with monthly meetings held. Payments follow clear segregation of duties.

Robust access rights to sensitive legal documents will help prevent data breaches.

An arrangement to verify compliance with all relevant legislation on a continual basis will be beneficial.

Removing Arcus user access when Council employment ends will help maintain robust data security.

Completing all MyAllerdale reports on timely basis will further enhance Council reputation.

Comment from the Chief Officer – Place and Governance

To Follow

5.0 Audit Findings & Recommendations

5.1 Management – Achievement of the organisation’s strategic objectives

- 5.1.1** Job descriptions are in place for all roles, with responsibilities around legislation appropriately defined.
- 5.1.2** The service structure does not include Admin Support. Service managers have expressed concern with this arrangement following difficulties prioritising workloads. Service Management of Admin Support on a temporary basis was successful. Management may wish to consider making this arrangement permanent following Local Government Reorganisation (LGR).
- 5.1.3** A National shortage of qualified environmental health officers has impacted service delivery. There are vacancies across Environmental Health, with long-term agency cover for sickness and unsuccessful recruitment. HR advised that degree courses and other traineeship opportunities may be available now, with apprenticeships added to the framework in 2024. Further consideration of staff development and succession planning is advised.
- 5.1.4** Following a Ministry of Housing, Communities and Local Government visit to review rough sleeping and reduce homelessness, services were praised. Concerns over resilience and service delivery in the event of increased demand were acknowledged. A minimum of three full time equivalent (FTE) staff within a core structure was recommended. The current core structure, excluding Manager – Housing Options, is 2.4 FTE staff. A Homelessness Prevention Grant temporarily increases the core structure to 3 FTE staff. Other District Councils fund 3 FTE staff within the core structure, using grant funding for key services at the point of use. For example, local hostel placements. Management should further consider the impact on statutory service delivery if grant funding ceased.
- 5.1.5** Officers hold relevant qualifications and HR confirm validity as part of a robust recruitment process. All relevant officers can access detailed training and development records within Environmental Health and Housing Services. Management may wish to consider developing similar training records for all services.
- 5.1.6** Current service plans are in place for Housing Services, Homelessness, Environmental Health, and Licensing. A combined departmental risk register is in place, although some risks are not assigned to relevant officers.
- 5.1.7** Departmental risk registers have been reviewed informally. Regular review in line with the Integrated Assurance Strategy could not be demonstrated. Following LGR, it is advised that risks are regularly reviewed by the wider management team.

5.1.8 Relevant policies and procedures are in place. Some may benefit from further review and update, although this is not likely to add significant value prior to LGR. It is advised that following LGR, document management arrangements for all policies and procedures are further developed. For example: version, author, date of review and date of next review.

5.1.9 Most services store policies and procedures within individual OneDrive areas. Following restructure, Licensing documents have remained within Legal Services OneDrive. This increases the risk of Licensing officer access to sensitive legal documents.

Recommendation 1 – Put an arrangement in place to prevent unauthorised access to sensitive legal documents.

5.1.10 Regular staff team meetings are held. Audit testing identified some inconsistencies with officer 1:1's and appraisals across services. It is advised that 1:1's and appraisals are held of all officers on a regular basis, in line with corporate guidance.

5.1.11 Environmental Health key performance indicators (KPI's) are monitored corporately on a regular basis.

5.1.12 Budget monitoring is in place with monthly meetings held between the budget manager and relevant finance officer. All payments follow clear segregation of duties, are clearly signposted and allocated to correct accounts.

5.1.13 Environmental Health management meet with Chief Officers on a regular basis.

5.2 Regulatory – compliance with laws, regulations, policies, procedures, and contracts

5.2.1 Managers confirmed their responsibility for ensuring service compliance with all relevant legislation. A number of policies and procedures document legislation to be adhered to, although audit testing identified some exceptions. Following revision of existing legislation requiring a change in working practice, audit testing also identified some examples of non-compliance.

5.2.2 Senior Manager – Environmental Health confirmed a new process is to be introduced for Officers and Business Support where legislative changes will be discussed and documented on a regular basis.

Recommendation 2 – Put an arrangement in place to verify compliance with all relevant legislation on a continual basis.

5.2.3 Key national issues may require Environmental Health to adapt and change at short notice. Relevant officers have attended online workshops and worked collaboratively with Cumbria County Council on Ukrainian visa schemes. Officers have also received appropriate training following the recent fatal black mould incident in Rochdale.

5.3 Information – reliability and integrity of financial and operational information

5.3.1 Several Environmental Health IT systems are used: 'Arcus' for Housing Services and Environmental Health, 'Lalpac' for Licensing, 'Locata' for Homelessness and 'MyAllerdale' (case allocation) across services. Current framework agreements are in place with all suppliers. It is noted that the Arcus framework agreement expires in April 2023 and Locata in May. Access to IT systems is restricted by username and password.

5.3.2 There is some documented officer guidance and training in place for Environmental Health IT systems, although opportunities for improvement were noted. For example, some officers described Arcus training guides as incomplete and lacking the required knowledge. To maximise case management efficiency and effectiveness, it is advised that documented guidance and training requirements for all Environmental Health IT systems are regularly reviewed.

5.3.3 Arcus is a key Environmental Health and Housing Services operating system. It is fully customisable, allowing modification by specified users. Development began in 2018 and the system went live on 1st April 2022. Management noted that the end product did not fully replicate the test system, with insufficient time available to modify further.

5.3.4 Housing Services were not involved in Arcus development until late 2021 and disabled facility grants not fully considered from the outset. Consequently, service delivery delays were experienced.

5.3.5 Arcus notified the Council in 2022 that system updates will remove customisation, so historic modifications should be noted. Arcus has been incrementally customised since 2018 and system modifications not recorded.

5.3.6 Officers confirmed that Arcus is sufficient to complete the day-to-day job, with some work arounds where system difficulties are experienced. When these are reported to Arcus, push back is often experienced.

5.3.7 Prior to implementation, training for departmental Arcus 'super users' was planned but not implemented. Limited staff have the required skills to make system amendments. It is advised that training for departmental 'super users' is further considered, should Arcus be retained post LGR.

5.3.8 Specialist – Environmental Health Officer confirmed that following significant legislative changes, Arcus is updated. When minor changes occur, service portal user guides are updated. However, not all staff have the required access.

5.3.9 Case work is reassigned when officers leave the authority, but user access is not always removed in a timely manner. This in turn, prevents new users being added due to restricted licence numbers.

Recommendation 3 – Remove Arcus user access when Council employment ends.

5.3.10 Audit were advised that Lalpac (Licencing software) may be underutilised, with further automation being investigated. Evidence to support applications is held on a separate system 'Comino', although slow document uploads are causing significant issues. Work is ongoing with the IT department To find a solution.

5.3.11 Locata (homelessness software) records client conversations, meetings notes and complaints, creating a useful activity audit trail. Letters are also generated directly. The team are working to ensure that notes are entered by staff on a consistent basis.

5.3.12 MyAllerdale facilitates customer reporting to the Council prior to departmental allocation. The report is closed in MyAllerdale when raised in Arcus. A reference number is generated. There isn't an established process to assign tasks to officers in Arcus. Audit testing confirmed that some reports remain unallocated in MyAllerdale.

Recommendation 4 – Put an arrangement in place to ensure timely completion of all MyAllerdale reports.

5.3.13 It is noted that the accuracy of some Arcus Environmental Health reports could not be verified due to incorrect formulae and completed cases remaining open. Separate system login details for some statutory reports may cause reporting delays. Audit testing identified instances where only one officer had the required user access.

5.3.14 All IT systems are supported, backed up and updated regularly.

5.4 Value – effectiveness and efficiency of operations and programmes

5.4.1 Customer service standards are in place with documented expectations for dealing with customer queries in a timely manner. Difficulties in contacting Environmental Health officers and receiving call backs were previously reported. Work is taking place on improved processes to ensure customer service standards are met on a continual basis.

5.4.2 MyAllerdale is also used to record corporate complaints. When a complaint is received, Customer Services allocate to relevant managers. Audit testing identified some instances where complaints were assigned to incorrect managers, causing delay. Management may wish to consider issuing further guidance to Customer Services staff.

5.4.3 Five recent complaints were reviewed and all were resolved.

Appendix A – Management Action Plan

Summary of Recommendations and agreed actions					
Recommendations	Priority	Risk Exposure	Agreed Action	Responsible Manager	Implementation Date
Recommendation 1 – Put an arrangement in place to prevent unauthorised access to sensitive legal documents.	M	Possible sanctions/ legal action following data protection breach. Reputational damage.	Access to records to be regularly reviewed to ensure EH staff can only access relevant information	Senior Manager Tier 2 - Environmental Health & Housing	30.09.2023
Recommendation 2 – Put an arrangement in place to verify compliance with <u>all</u> relevant legislation on a continual basis.	M	Possible sanctions through non-compliance with relevant legislation. Reputational damage.	A process will be established ensuring legislative compliance.	Senior Manager Tier 2 - Environmental Health & Housing	30.09.2023
Recommendation 3 – Remove Arcus user access when Council employment ends.	M	Unauthorised access to IT systems leading to loss/ corrupt data.	Regular check of access rights to be performed.	Senior Manager Tier 2 - Environmental Health & Housing	30.09.2023
Recommendation 4 – Put an arrangement in place to ensure timely completion of all MyAllerdale reports.	M	Service standards not met Service delivery delay Reputational damage.	Arrangement to be put in place ensuring MyAllerdale enquiries are actioned on a timely basis.	Senior Manager Tier 2 - Environmental Health & Housing	30.09.2023

Appendix B – Advisory Comments

Ref	Advisory Comment
5.1.2	Consider making the arrangement for Service management of Admin Support permanent following Local Government Reorganisation (LGR).
5.1.3	Further consideration of staff development and succession planning.
5.1.4	Further consider the impact on statutory service delivery if grant funding ceased.
5.1.5	Consider access to detailed training and development records for all services.
5.1.7	It is advised that following LGR, the wider management team regularly reviews departmental risks, in line with the new risk management framework.
5.1.8	It is advised that following LGR, policy and procedure document management arrangements are further developed. For example: version, author, date of review and date of next review.
5.1.10	Hold 1:1's and appraisals for all officers on a regular basis, in line with corporate guidance.
5.3.2	Regularly review documented guidance and training requirements for <u>all</u> Environmental Health IT systems.
5.3.7	Training for departmental 'super users' to be further considered.
5.4.2	Issue further guidance to Customer Services staff, helping to improve complaint allocation.

Appendix C - Audit Assurance Opinions

There are four levels of assurance used; these are defined as follows:

	Definition:	Rating Reason
Substantial	There is a sound system of internal control designed to achieve the system objectives and this minimises risk.	<p>The control framework tested are suitable and complete are being consistently applied.</p> <p>Recommendations made relate to minor improvements or tightening of embedded control frameworks.</p>
Reasonable	There is a reasonable system of internal control in place which should ensure system objectives are generally achieved. Some issues have been raised that may result in a degree of unacceptable risk exposure.	<p>Generally good systems of internal control are found to be in place but there are some areas where controls are not effectively applied and/or not sufficiently embedded.</p> <p>Any high graded recommendations would only relate to a limited aspect of the control framework.</p>
Partial	The system of internal control designed to achieve the system objectives is not sufficient. Some areas are satisfactory but there are an unacceptable number of weaknesses that have been identified. The level of non-compliance and / or weaknesses in the system of internal control puts achievement of system objectives at risk.	<p>There is an unsatisfactory level of internal control in place. Controls are not being operated effectively and consistently; this is likely to be evidenced by a significant level of error being identified.</p> <p>High graded recommendations have been made that cover wide ranging aspects of the control environment.</p>
Limited/None	Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes the system objectives to an unacceptable level of risk.	<p>Significant non-existence or non-compliance with basic controls which leaves the system open to error and/or abuse.</p> <p>Control is generally weak/does not exist.</p>

Appendix D

Grading of Audit Recommendations

Audit recommendations are graded in terms of their priority and risk exposure if the issue identified was to remain unaddressed. There are two levels of audit recommendations; high and medium, the definitions of which are explained below.

	Definition:
High	Significant risk exposure identified arising from a fundamental weakness in the system of internal control
Medium	Some risk exposure identified from a weakness in the system of internal control

The implementation of agreed actions to Audit recommendations will be followed up at a later date (usually 6 months after the issue of the report).