Limited Assurance Reports Introduction

This report provides the Audit Committee with an overview of the limited assurance internal audit reviews that have been completed since the Committee last met. It summarises the key findings, the assurance ratings provided, and the management actions that have been agreed to strengthen the control environment. The purpose of this report is to support the Committee in its oversight responsibilities by highlighting areas where improvement is required and ensuring that progress is monitored.

A summary of the limited assurance audit reports issued during this period are set out below. Further detail on each audit is provided in the sections that follow.

Temporary Accommodation Additional Overspend Follow Up
The follow-up confirmed that although some progress has been made, most notably through the introduction of the ARA system and improvements to data quality and role clarity, key weaknesses remain, particularly in data management, forecasting, and supplier arrangements. Reporting functions, end-to-end procedures, and formal agreements for nightly lets are still incomplete, meaning the overall assurance rating remains Limited. Whilst three of the twelve high-risk recommendations have been fully implemented, most recommendations remain in progress and are not expected to be completed until mid-2026. Significant work is still required to finalise service budgeting processes, clarify Finance and service responsibilities, and formalise supplier documentation, before risks can be fully mitigated.

Final Internal Audit Follow Up Report – Temporary Accommodation Additional Overspend

Background

In May 2025, Internal Audit issued a memo outlining the key findings relating to the overspend within the 2024/25 Temporary Accommodation budget. The review identified significant weaknesses across three core areas:

- Data Management and Data Protection
- Budgeting and Forecasting
- Suppliers, Contracts and Rates

To address the issues and associated risks highlighted in that review, a formal Improvement Action Plan was developed. This plan sets out the required actions for both the service and the Finance Team to strengthen controls, enhance oversight, and improve overall governance.

This follow-up report provides an update on the progress made to date in implementing the agreed actions and highlights any areas where further work remains outstanding. At this stage, the overall audit opinion remains Limited. While some progress has been made, a significant amount of work is still required to fully deliver the expected improvements and ensure that the key risks identified are effectively mitigated.

Temporary Accommodation Improvement Action Plan

Recommendations		Progress Update
1.1	Review the data from the Temporary Accommodation spreadsheet for accuracy before transfer to ARA	Data from the Temporary Accommodation spreadsheet has been entered into the Jigsaw Accommodation module (ARA) and checked for accuracy and completeness. A full reconciliation of individuals and addresses was undertaken to ensure accuracy and remove duplication, and rates have been verified. **Planned Completion Date: Complete**
1.2	Implement the Housing Management system ARA	The Jigsaw Accommodation module ARA went live in October 2025. **Planned Completion Date: Complete**
1.3	Populate ARA with accommodation and people data	Accommodation and people data has been entered into ARA, and procedures supporting data entry have been developed and approved. **Planned Completion Date: Complete**

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Recommendations		Progress Update
1.4	Decommission the Temporary Accommodation spreadsheet	The spreadsheet remains in use as a compensating control until assurance is obtained that all data has been accurately migrated to the new system and validation checks confirm compliance with documented procedures. While the service is keen to decommission the spreadsheet at the earliest opportunity, Finance has indicated a preference to retain it until they are satisfied that these assurances have been fully met. The spreadsheet remains available; however, it is retained solely as a parallel control during the transition to the new system. It is not utilised by the service for the management of people or property. On this basis, the action is assessed as complete and is now considered closed. **Planned Completion Date: Complete**
1.5	Finalise the Housing Benefit interface	MRI is the supplier of the Jigsaw system. Phase 1 testing has been completed. During testing, it was identified that the automated interface did not include the 'number of bedrooms' field. In response, MRI implemented an alternative interface solution, and a single manual intervention step has been introduced to address this gap. A project request has been raised to automate the full process, and a procedure guide has been produced and approved. Phase 2 testing, intended to achieve full automation, remains dependent on MRI and internal IT resource availability. Current timelines indicate that this phase is expected to be completed by April 2026. **Planned Completion Date: Partially complete –April 2026**
2.1	Assess and define the management information necessary for effective strategic and operational control	The transition from the Temporary Accommodation spreadsheet to ARA has enabled system-generated reporting. Although completion has been delayed due to system implementation, reporting training is complete and work continues to build and refine reports for business needs. A breakdown of management information expectations, detailing the required categories and associated data fields, has now been documented and agreed. **Planned Completion Date: Complete**
2.2	Evaluate ARA's reporting functionality to ensure it aligns with the necessary management information needs	Although the expectations for management information requirements have been fully defined, further work is needed to identify, build, and configure the reports within ARA to generate this information in the required format. This includes ongoing development activity to ensure reporting outputs meet the agreed categories and detailed information specifications. In the interim, reporting is underway and the service are exploring the use of tools to enable management information in ARA to interface with Power BI, which will further strengthen access to reliable service-delivery information and enhance the overall quality, accessibility, and consistency of performance reporting. **Planned Completion Date: June 2026**

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Recommendations		Progress Update
2.3	Define roles and responsibilities for reporting functions	A document has been produced that clearly defines the roles and responsibilities across the Temporary Accommodation service, including Rents, Placements, and related functions. This ensures staff understand their operational duties and where accountability sits within the service. **Planned Completion Date: Complete**
3.1	Define roles and responsibilities: - Data Management - Financial Management - Property Management - People Management	This is addressed in section 2.3 above. **Planned Completion Date: Complete**
4.1	Develop comprehensive set of procedures to address all aspects of the process including the transition of cases from ARA to Open Housing	Procedures covering key system activities such as updating the accommodation database and setting up rent accounts within ARA, have been documented and approved. However, these procedures primarily focus on system-based tasks and do not yet provide full coverage of end-to-end processes, including activities that take place outside the system. As the service has transitioned away from off-system working practices, system-based procedures have been developed as a priority. Work will continue to review and update off-system procedures to ensure alignment and to identify any gaps requiring further procedural development. **Planned Completion Date: June 2026**
4.2	Agree acceptable placement standards for inclusion to documented procedures.	Work is underway to ensure the Placement policy guidance adequate reflects acceptable standards for placements. **Planned Completion Date: March 2026**
5.1	Robust use and monitoring of the existing spreadsheet (until decommissioned)	The original spreadsheet remains in place as a compensating control during the transition to ARA, pending assurance that all data has been accurately migrated and validated against documented procedures. While Finance has requested its retention until these assurances are met, the spreadsheet is no longer used by the service for managing people or property and serves only as a parallel control. **Planned Completion Date: Complete**
5.2	Staff training on the use of the Housing Management system ARA.	Training completed by staff in July 2025 for data entry into the system. Reporting training was completed by MRI and system user guides have been provided to support staff. Jigsaw also offers help guide videos. **Planned Completion Date: Complete**

Recommendations		Progress Update
6.1	Assess and define the management information necessary for effective budget management	This is addressed in section 2.1 above. **Planned Completion Date: Complete**
6.2	Look for an effective tool to assist Budget Managers in managing the budget. - Smartview excel add in from PBCS - Actuals and Budget report - Management budget dashboard	ARA is fully functioning and can support budget management via PBCS. Work is now underway to develop the management information and this will also feed into the budget management and forecasting process. Couple this with the work that will be done by Finance (Council wide) after the Finance restructure is complete. **Planned Completion Date: July 2026**
6.3	Updated and reconcile forecasts using the new system	Forecasts are currently prepared by the Finance Business Partner using data provided by the service, applying forecast assumptions and trend analysis. These forecasts are ultimately approved by the Assistant Director of Housing Demand. This is a complex service area that involves analysing large volumes of data through formulae, spreadsheets, and reconciliations. To improve understanding of the factors driving forecasts, the service needs to play a more active role in their production. Moving forward, the service and the Finance Business Partner will continue to work collaboratively, leveraging newly available system data to enhance the forecasting process and increase the service's involvement. The Service Level Agreement to be implemented post Finance Review will also confirm responsibilities for budget management processes. **Planned Completion Date: Complete**
6.4	Training for Budget Managers (including generating reports)	ARA is fully operational and supports budget management through PBCS. Work is progressing on improved management information to strengthen budgeting and forecasting. Organisation-wide training will be delivered after the Finance restructure, with interim support offered by the Finance team and experienced system users. **Planned Completion Date: July 2026**
6.5	Build dedicated time into work schedules to support proactive budget monitoring and control.	The Finance Business Partner assigned to this service spends a significant proportion of their part-time hours each month supporting budget management and retains full responsibility for forecasting. Although the cycle is monthly, the work involved is substantial and already forms a core part of their role. **Planned Completion Date: Complete**

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Recommendations		Progress Update
7.1	Define and document the scope of responsibilities and accountabilities of both services and Finance in relation to budget management in a self-service model including: - Reconciliation of the system (ARA and Open Housing) against the general ledger; and - Failure to promote forecasts within PBCS.	Service Level Agreement to be implemented post Finance Review. **Planned Completion Date: July 2026**
7.2	Integrate the documented roles into relevant procedures, policies or service level agreements – This is reliant on wholescale programme for the Finance Offer and Budget Holder Responsibility Definition.	Service Level Agreement to be implemented post Finance Review. **Planned Completion Date: July 2026**
7.3	For high complex budgets review the capacity of resources available to meet sharp deadlines	Action has been taken to understand the needs of the service and temporary resource identified for Housing Demand, however this will be addressed across the wider organisation as part of the Finance Review. **Planned Completion Date: July 2026**
8.1	Review the intranet guidance and procedures to ensure it is up to date, accurate and accessible	A review has been undertaken, and improvements have been identified. Action will be taken to strengthen the guidance and procedures once the Finance Review has been completed. **Planned Completion Date: July 2026**

	Recommendations	Progress Update
9.1	Include budget management (including but separate to PBCS) as part of essential training requirements for all existing staff and as part of the on boarding of new starters	The Council is currently planning to deliver a program of training across the organisation This will be delivered following a Finance restructure. Staff who have immediate needs are offered support by finance and experienced system user colleagues. **Planned Completion Date: July 2026**
9.2	Provision of comprehensive, mandatory and ongoing training	The Council is currently planning to deliver a program of training across the organisation This will be delivered following a Finance restructure. Staff who have immediate needs are offered support by finance and experienced system user colleagues. **Planned Completion Date: July 2026**
9.3	Issue a formal reminder to staff that comprehensive training materials and guidance on budget management and use of PBCS is available via Fusion. Encourage all relevant personnel to review these resources to ensure consistency, accuracy, and compliance in budgeting practices.	An email was issued to all PBCS budget holders which included links to materials. Finance have partnered to deliver PO training courses. **Planned Completion Date: Complete**
10.1	Review of existing rates within the Temporary Accommodation spreadsheet to ensure accuracy	All rates have now been reviewed and verified (see 1.1 above). **Planned Completion Date: Complete**
10.2	Record all negotiations with suppliers and formalise agreements	A PIN Form in Teams is used to record details of nightly rates, which the Placements Team then enters into ARA. However, there is no formal document outlining the agreed Terms and Conditions for the use of nightly lets. This gap exposes the Council to potential liability risks. As part of implementing this action, the service should review the current arrangements for nightly lets, considering the Council's risk exposure in the absence of agreed Terms and Conditions. **Planned Completion Date: March 2026**

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Recommendations		Progress Update
10.3	Robust recording and monitoring of all rates within the system	Work is underway to audit and upload relevant documents and agreements into the accommodation section of the system. An audit monitoring period is in place to ensure data is clean and accurate, and this will continue until sufficient assurance is achieved to confirm compliance with expectations. Reports generated from ARA are being used to support the monitoring of data accuracy. **Planned Completion Date: April 2026**
11.1	Develop a comprehensive set of procedures to address all aspects of service delivery including the recording and formalising negotiation practices	See 4.1 above. **Planned Completion Date: June 2026**
11.2	Produce a pro forma to ensure all necessary information is being collected and recorded consistently	See 10.2 above. **Planned Completion Date: Complete**
12.1	Staff to be robustly trained in on boarding properties and their rates	Staff have completed negotiation testing, and step-by-step guidance has been developed to ensure clarity of expectations. **Planned Completion Date: Complete**