# Rotherham Metropolitan Borough Council

# Internal Audit Progress Report

# 1st August – 31st October 2024

1. **Internal Audit Annual Plan**

   1.1   Internal Audit produced a risk-based Audit Plan for 2024/25 and presented it to the Audit Committee at its meeting on 12th March 2024.  The plan is included at **Appendix A**.

   1.2   As the year progresses, changes are made to the plan to reflect emerging risks and changing priorities.  Additional work requested is added to the plan and is resourced either through contingency or through the removal or deferral of lower risk audits.  The amendments made during the period are summarised below:-
   - Deferral of the Temporary Accommodation audit to 2025-26 due to several factors, including the update of the Temporary Accommodation Policy, and changes to the operational processes within this area.
   - Deferral of the Looked After Children Sufficiency audit to 2025-26 as an external consultant is undertaking an imminent review in this area
   - Deferral of the Purchasing Card audit to 2025-26, Internal Audit will undertake data analytics to give some assurance in this area this year
   - Removal of the Reprographics audit – this was a lower priority audit. Routine budget monitoring arrangements give sufficient assurance in this area.
   - Addition of a Contract (key performance indicators) audit– to confirm KPI's are being correctly reported.

2. **Audit work undertaken during the period resulting in an assurance opinion**

   2.1   Internal Audit provides an opinion on the control environment for systems or services which are subject to audit review. These are taken into consideration when forming our overall annual opinion on the Council's control environment. There are four possible levels of assurance for any area under examination, these being "substantial assurance", "reasonable assurance" "partial assurance" and "no assurance".  Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix B**. Eight audits have been finalised since the last Audit Committee.

3. **Details of other Internal Audit activities undertaken not resulting in an assurance opinion**

   3.1   The table below sets out the work undertaken where we have not issued an audit report with an opinion. This highlights the range of activities that we have also undertaken in the period.

| Audit Work Completed | Details of Work Undertaken, and Assurance Provided |
|---|---|
| Supporting Families July-Sept grant | Testing on a representative sample of 10% of results to verify:-<br>(i)    Families' eligibility for the programme, and that<br>(ii)   Progress measures have been achieved.<br><br>In each case tested, appropriate supporting evidence has been verified with reference to the Department for Levelling Up, Housing & Communities National Supporting Families Outcome Framework. |

| Disabled Facilities Grant | Grant claim validation to give assurance that the funds have been spent in accordance with those intended. |
|---|---|
| Customer Services Efficiency Group | Participation in this group helps to ensure audit are informed of the latest areas the Group are working on, and where audit may wish to focus on at an early stage before changes to systems or ways of working are implemented. |
| Corporate Information Governance Group | Audit participation as a check and challenge member of the group which has an information assurance role on behalf of the Council. |
| Audit Queries and Advice | We have received and responded to a number of queries and requests for advice from directorates and service areas, including a school who had been the victim of a fraudulent payment request. |

## 4. Anti-fraud and corruption work and investigations

4.1 In addition to the planned audit assurance work, Internal Audit also carries out unplanned responsive work and investigations into any allegations of fraud, corruption or other irregularity. There is currently one investigation ongoing.

4.2 The Anti-Money Laundering Policy has been reviewed and minor changes have been made to the content. This is covered as a separate agenda item.

4.3 The National Fraud Initiative (NFI) is a biannual data matching exercise conducted by the Cabinet Office. Internal Audit has quality checked the authority's data and uploaded to the NFI portal in accordance with the deadline. The matches are expected to be released in late December 2024.

## 5. Data analytics

5.1 Internal Audit are starting the journey with enhanced data analytics. This work will allow the introduction of an agile form of auditing, in conjunction with the audit plan. The potential benefits that data analytics will bring will be a wider scope of assurance within defined audits in the audit plan, use in proactive counter fraud work, and with development, continuous auditing in some areas.

5.2 A menu of approaches and software will be required. The starting point is with a level of skills and expertise on MS Excel which will be enhanced.

5.3 Detailed specifications will be developed to enable access to data in the most efficient and complete way, following assistance from colleagues in Digital Services. The aim wherever possible is to use any existing reports and data sets after the completion of independent verification and quality checks.

5.4 Two areas are currently being trialled, one linked to an audit within the audit plan, and another as part of the counter fraud proactive work. One of these areas is almost complete. Further areas for review are currently being explored. An update on this work will be provided in the next Audit Committee Progress Report.

**6. Internal Audit Performance Indicators, Post Audit Questionnaires and the Quality Improvement and Performance Plan (QAIP)**

6.1 The performance indicator results for the period are highlighted in Appendix D. These demonstrate good performance over all three indicators. Progress against the audit plan has been slightly delayed due to the finalisation of audits in the 2023/24 audit plan. Revisions to the audit plan highlighted in this report should help to ensure the deliverability of the plan in time for the Head of Audit Opinion in June 2025.

6.3 The results from the post audit questionnaires received over the period have been positive (Appendix E). Work continues to increase the return rate of the questionnaires received.

6.4 The updated QAIP is attached at Appendix F. A number of new actions have been added from the self assessment exercise that was conducted against the Fighting Fraud and Corruption Locally Checklist. This was reported at the last meeting. The major focus during this period and looking forward is ensuring readiness for the new audit standards in April 2025.

**7. Management Response to Audit Reports**

7.1 Following the completion of audit work, draft reports are sent to or discussed with the responsible managers to obtain their agreement to the report and commitment to the implementation of recommendations. This results in the production of agreed action plans, containing details of implementation dates and the officers responsible for delivery. Draft reports are copied to the relevant Head of Service and Assistant Director and final reports are also sent to the Strategic Director, Chief Executive and the Leader.

7.2 Confirmation of implementation of audit recommendations is sought from service managers when the implementation date is reached. This is an automated reminder from the audit system, with alerts being sent out a week before the due date to the responsible manager and Head of Service. Overdue alerts are sent out weekly, copied into the Assistant and Strategic Director. Managers should access the audit system and provide an update on the action – either implemented (with evidence) or deferred.

7.3 Summary reports of outstanding actions are produced monthly and distributed to Strategic Directors. The status of all open recommendations is tabulated below:

| | Open Recommendations & Priority | | | Total as of 31 October 2024 | Total Deferred |
|---|---|---|---|---|---|
| **Directorate** | **High** | **Medium** | **Low** | | |
| Adults, Housing and Public Health | 4 | 15 | 15 | 34 | |
| Assistant Chief Executive | | | 1 | 1 | |
| Children and Young People | | | | 0 | |
| Finance and Customer Services | 5 | 7 | 12 | 24 | 1 |
| Regeneration and Environment | 2 | 2 | 16 | 20 | |
| **Total** | **11** | **24** | **44** | **79** | **1** |

7.4 The following table shows the movement between periods.

| **Directorate** | **Total as of July 2024** | **Recommendations opened in period** | **Recommendations closed in period** | **Total as of October 2024** |
|---|---|---|---|---|
| Adults, Housing and Public Health | 7 | 37 | 10 | 34 |
| Assistant Chief Executive | 5 | 53[1] | 57 | 1 |
| Children and Young People | 2 | 6 | 8 | 0 |
| Finance and Customer Services | 16 | 15 | 7 | 24 |
| Regeneration and Environment | 23 | 12 | 15 | 20 |
| **Total** | **53** | **123** | **97** | **79** |

## 8. Internal Audit Standards Update

8.1 On the 9 January 2024 new Global Internal Audit Standards (GIAS) were issued, which the Institute of Internal Auditors (IIA) has determined will become globally effective from 9 January 2025. They will then replace the International Professional Practice Framework, the mandatory elements of which are the basis for the current UK Public Sector Internal Auditing Standards (the PSIAS).

8.2 The PSIAS are issued under the authority of the Relevant Internal Audit Standard Setters (RIASS) and determine what standards or other requirements are applicable to the practice of internal auditing in central government, local government and the health sector across the UK.

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[1] This number is high due to the way the actions were allocated on the audit system to managers for accountability purposes (each action was allocated to 6 members of staff)

8.3 The RIASS have agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector and have asked the UK Public Sector Internal Auditing Standards Advisory Board (IASAB) to carry out a review of the new standards with a view to identifying and producing any sector specific interpretations or other material needed to make them suitable for UK public sector use.

8.4 The IASAB has considered the content of the GIAS and has determined that it is applicable to the internal audit of UK public sector bodies, subject to a small number of additional requirements and interpretations, including one case where a GIAS requirement is replaced by a UK public sector requirement. In order to support the consistent implementation of the GIAS in the public sector, the IASAB has developed the *Application Note: Global Internal Audit Standards in the UK public sector.* This applies the unamended text of the GIAS together with interpretations of GIAS requirements in the specific circumstances which are expected to apply across the UK public sector, and also some additional requirements which are essential for the practice of internal audit in the UK public sector but are not set out in the GIAS. These mainly have the effect of preserving those interpretations and additional requirements in the current UK PSIAS which are not already encompassed in the main text of the GIAS. They include specific mention of requirements for annual opinions and governance statements, and a presumption that chief audit executives will be both professionally qualified and have appropriate public sector skills and knowledge. The new GIAS requirement in relation to the qualifications to be considered when selecting independent assessors is replaced by a requirement for at least one assessor to have the characteristics required of a chief audit executive in the UK public sector.

8.5 As the Relevant Internal Audit Standard Setter (RIASS) for UK local government, CIPFA is consulting on a Code of Practice for the Governance of Internal Audit from the perspective of the organisation (i.e. local government body) responsible for internal audit. The Code complements the standards which apply to the practice of internal audit from the perspective of the head of internal audit (or 'chief audit executive').

8.6 GIAS (UK public sector) do not add any UK public sector requirements in relation to governance but to achieve conformance the internal audit function must demonstrate that there are adequate and appropriate arrangements for its governance. Domain III of the GIAS sets out baseline 'essential conditions' for governance, but these require adjustment to reflect the operation of governance within the UK local government sector. The CIPFA code sets out the basis for suitably adjusted essential conditions, and when the code is applied, the objectives of the GIAS conditions will be achieved. The code will apply to all local government bodies whether their internal audit function is delivered in-house, through a shared service, or outsourced.

8.7 The effective date of the new material developed by IASAB will be 1 April 2025, to align with requirements for annual opinions and other relevant aspects of UK public sector governance which line up with the financial year. Until then, the existing PSIAS based on the old International Professional Practices Framework will continue to apply.

8.8 In accordance with PSIAS and new Global Internal Audit Standards (UK Public Sector), Internal Audit Services will require an external assessment against the standards every five years.  For Rotherham this falls due during the 2025-26 financial year.  A report will be brought to a future Audit Committee setting out the options available, and the preferred option for discussion and agreement by the Audit Committee.

**Internal Audit Plan 2024/25**

| No. | Risk Register Ref | Title | Brief Description | Current Position/ Outcome | Days |
|-----|-------------------|-------|-------------------|---------------------------|------|
| Adult Care, Housing and Public Health | | | | | |

| No. | Risk Register Ref | Title | Brief Description | Current Position/ Outcome | Days |
|-----|-------------------|-------|-------------------|---------------------------|------|
| A | ACHPH R9 H R12 | 2023-24 Health and Safety legislation and corporate responsibilities for Council Homes | To review compliance with Health and Safety regulations with regard to smoke and carbon monoxide alarms. | Partial | 1 |
| B | | 2023-24 Homes England | Review of grant funding drawdowns after new processes have been implemented. | Reasonable | 1 |
| 1 | ACHPH-R33 H-R18  HR25 | Review of legionella compliance in council tenanted properties | Cyclical review of key areas of health and safety compliance to give assurance on the Consumer Standards 2023. | Fieldwork | 10 |
| 2 | ACHPH-R33 H-R18  HR25 | Review of lift servicing compliance in council tenanted properties | Cyclical review of key areas of health and safety compliance to give assurance on the Consumer Standards 2023. | Q4 | 10 |
| 3 | ACHPH-R31 H-R11 | Temporary Accommodation Management | This will include reviewing controls over the initial triage and acceptance into temporary accommodation and 'move on' actions.<br>Deferred to 2025/26 due to changes being made to the Temporary Accommodation Policy and subsequent processes and procedures. | **2025/26** | 15 |
| 4 | ACHPH-R36 H-R21 | Repairs and Maintenance Contract | Assurance on the performance monitoring of the contract including identification and escalation of issues. | Fieldwork | 20 |
| 5 | ACI-R4 | Safeguarding | A review of the processes for the receipt, triage and investigation of safeguarding enquiries from all sources including home care support. | Q4 | 20 |
| 6 | ACSC-R18 &19 | Contract monitoring including contract concerns. | Contract monitoring processes including the contract concerns processes and visits to care homes by staff. Effective liaison with the CQC regarding any adverse inspections. | Q4 | 20 |
| 7 | ACSC – R21 | Customer Pathway audit | Decision making pathways for care package approval. Review to assess whether they are clear & applied consistently. | Scoping | 20 |
| 8 | ACI-R4 | Waiting Lists | This will include a review of the use of triage tools. | Fieldwork | 15 |

| 9 | ACI-R22 | Community Dols | To provide assurance on the management of DoLS cases following the increase in demand. | Scoping | 15 |
|---|---|---|---|---|---|
| 10 | | Drug and Alcohol partnership working arrangements | Review of drug and alcohol working partnerships including needs assessment and plans. | Q3 | 10 |
| **Total number of days** | | | | | **157** |

| **Assistant Chief Executive** | | | | | |
|---|---|---|---|---|---|
| **No.** | **Risk Register Ref** | **Title** | **Brief Description** | **Current Position/ Outcome** | **Days** |
| 1 | ACX 32<br><br>HR07 | Workforce plan (including a focus on workforce engagement) | Review the council's response to the 2023 employee opinion survey including the communication, support and challenge given to services.<br><br>A wider review of workforce priorities will also be included. | Q4 | 15 |
| 2 | ACX20 HR01  HR05 | Payroll | Specific coverage to be agreed. | Q4 | 20 |
| 3 | HR12 | HR Policies - Recruitment (pre-employment checks including DBS) | Review compliance across the council with the pre-employment checks.<br><br>Assurance that all staff requiring a DBS check have been identified and renewals are completed in accordance with the policy. Disclosures are appropriately reviewed and actioned. | Draft | 20 |
| 4 | ACX 33 | Equalities Standard | Compliance with Equalities Framework. | Q3 | 10 |
| **Total number of days** | | | | | **65** |

| **Childrens and Young People's Service** | | | | | |
|---|---|---|---|---|---|
| **No.** | **Risk Register Ref** | **Title** | **Brief Description** | **Current Position/ Outcome** | **Days** |
| C | CYPS03 | 2023-24 Special Education Needs and Disability (SEND) | Review of Education, Health and Care Plans (EHCP) across all the domains, including Health and Social Care Partners. | Fieldwork | 3 |

| | | | | | |
|---|---|---|---|---|---|
| 1 | CYPS06<br><br>CPQ42 | Looked After Children (LAC) Sufficiency | A review of progress with the LAC Sufficiency Strategy.  This would include specific areas where management have requested assurance (TBC).<br>Deferred to 2025/26 as an external consultant is imminently undertaking a review in this area. | Q4 | 20 |
| 2 | | S17 payments and reduction in cash payments project | Review of the need, authorisation and delivery of the S17 funds to clients and compliance with the policy. | Q3 | 15 |
| 3 | CSC 06 | Unaccompanied Asylum Seeking Children Follow Up | Follow up of partial assurance review. | Q3 | 5 |
| 4 | CSC 08 | Joint Funding of Care Packages Follow Up | Follow up of partial assurance review. | Fieldwork | 5 |
| 5 | EI16 | SEND Sufficiency | A review of the progress with the SEND sufficiency Strategy.  This would include specific areas where management have requested assurance (TBC). | Scoping | 20 |
| 6 | | Schools Assurance | Approach to be determined but will include at least one audit visit to a school. | Scoping | 30 |
| **Total number of days** | | | | | **98** |

| Finance and Customer Services | | | | | |
|---|---|---|---|---|---|
| No. | Risk Register Ref | Title | Brief Description | Current Position Outcome | Days |
| D | | 2023-24 Procurement Governance & Contract Renewals and Expiry | Review procurement procedures and assess Directorate adherence to them. To include, where applicable, a review of Directorate procedures and compliance with procedures for planning for renewing contracts, in line with Cabinet Office Best Practice. | 5 x Final | 2 |
| E | | 2023-24 Capital Programme | Review the updated capital procedures and provide assurance that they are being complied with and that expenditure is appropriately approved, controlled and monitored. | Fieldwork | 3 |
| F | | 2023-24 Land Terrier | Review of the registration of Council land. | Reasonable | 1 |
| G | | 2023-24 Governance | Review of the operation of processes around decision-making within the Council. | Draft | 2 |

| H | | 2023-24 Asset management - Acquisitions | Provide assurance on the end to end management of properties once acquired by the Council. | Fieldwork | 4 |
|---|---|---|---|---|---|
| 1 | | Cash and banking system and reconciliations | Review the timeliness and accuracy of cash and bank reconciliations and key controls. Review the effectiveness of the project management of the switchover of the banking provider. | Q3/Q4 | 15 |
| 2 | | <span style="color:red">Purchasing Cards</span> | <span style="color:red">Assurance regarding compliance with the system controls and confirmation regarding appropriateness of expenditure and that this is supported with receipts.<br>Deferred to 2025-26.  This was a lower priority audit.  Some assurance will be gained through data analytics work.</span> | <span style="color:red">Q4</span> | <span style="color:red">10</span> |
| 3 | | <span style="color:red">Revenues and Benefits Business Continuity and Disaster Recovery Plan</span> | <span style="color:red">Review of the robustness of the business continuity arrangements and the disaster recovery plan in the event of an IT failure. Deferred to 2025-26.  Due to an imminent staffing change the audit will be best placed to be undertaken in the new financial year.</span> | <span style="color:red">Q3/Q4</span> | <span style="color:red">15</span> |
| 4 | FCS 6 | Litigation Service | Review of the Legal support provided to Adult Care and Child Protection. | Q4 | 15 |
| 5 | FCS15 | Record of Processing Activities | Assurance on the arrangements for information security and management (specifically ROPA). | Q3 | 15 |
| 6 | | Information Governance Strategies & Policies | Governance arrangements surrounding the IG strategies & policies. | Q3/4 | 15 |
| 7 | | <span style="color:red">Reprographics</span> | <span style="color:red">Review of reprographics expenditure and assurances regarding value for money.<br>Removed from the plan – this is a lower priority audit.  Assurance gained through routine budget monitoring arrangements.</span> | <span style="color:red">Q4</span> | <span style="color:red">5</span> |
| 8 | Salford ANA | IT Business Continuity / Disaster Recovery | Assurance on IT business continuity and disaster recovery arrangements. | Draft | 10 |
| 9 | Salford ANA | Application Management (HR/iTrent) | Review of maintenance & support controls, access control management, system availability etc. | Q4 | 10 |
| 10 | PRT 38 RE 25 | Fire Safety Follow Up | Follow up of partial audit opinion. | Fieldwork | 5 |
| 11 | PRT 39 RE 26 | Building Security Follow Up | Follow up of partial audit opinion. This will also include a review of ID card issuing / cancelling and the building security arrangements once the NHS have moved into Riverside House. | Q3/4 | 15 |

| 12 | PRT 10 | Review of lift servicing compliance across corporate landlord properties (and any LEA schools if applicable) | Cyclical review of key areas of health and safety to give assurance on compliance with health and safety legislation. | Q4 | 10 |
|----|--------|------------|-----------------|------|------|
| 13 | PRT 10 | Review of legionella compliance across corporate landlord properties (and LEA schools) | Cyclical review of key areas of health and safety to give assurance on compliance with health and safety legislation. | Fieldwork | 10 |
| 14 | PRT 44 | Catering | Traded services and contract management review. Scope to be confirmed. | Q3-4 | 20 |
| 15 | PRT 10 | Health and Safety property compliance (Deferral from the 2023/24 Audit Plan) | Review key aspects of statutory compliance with the Council's operational property estate managed by Facilities Management. | Q4 | 10 |
| 16 | | Asset Management Estimates and Capital Programme Follow Up | Follow up of partial audit opinion. Deferred to 2025/26. Some of the actions identified as a result of this audit will not fall due until April 2025. | Q4 | 10 |
| **Total number of days** | | | | | **202** |

| Regeneration and Environment | | | | | |
|------|------|-------|-----------------|-----------|------|
| No. | Risk Register Ref | Title | Brief Description | Current Position/ Outcome | Days |
| I | | 2023-24 Childrens Capital of Culture | To provide assurance on the governance arrangements and compliance with FPPR's for expenditure incurred to date on the Children's Capital of Culture. | Draft | 1 |
| 1 | RE52 CST9 | Tree Service Review | Review of the implementation of the actions following the 2023-24 audit, to ensure that controls are embedded and they are being complied with. | Q4 | 10 |
| 2 | | Trading Standards Follow Up | Follow up of no assurance audit opinion. | Fieldwork | 5 |
| 3 | RE56 | Hellaby Stores Follow Up | Follow up of partial audit opinion. | Substantial | 5 |
| 4 | | CCTV Review | Follow up of recommendations. | Fieldwork | 15 |
| 5 | R&E 9 CSS28 | Home to school transport | Provide assurance on the effectiveness of the home to school transport service. | Fieldwork | 15 |

| 6 | | Music Service | Review of financial controls including receipt, recording and reconciliation. | Q3 | 5 |
|---|---|---|---|---|---|
| 7 | CSS 24 | Hand Arm Vibration Follow up review | Follow up review to determine implementation of actions. | Substantial | 5 |
| 8 | CSS 14 | Waste operations health and safety | Compliance of vehicle crews with health and safety requirements. | Scoping | 10 |
| 9 | | Building Control (Deferred from 2023-34 audit plan) | Provide assurance after changes in regulations around payments and inspection visits. | Q4 | 10 |
| 10 | RE51 PRT53 | Highway structures | Assurance regarding compliance with the inspection regime and a review of the adequacy of the follow up process where issues have been identified. | Q4 | 15 |
| **Total number of days** | | | | | **96** |

| Corporate Coverage | | | |
|---|---|---|---|
| No. | Title | Brief Description | Current Position/ Outcome | Days |
| 1 | Cash Controls | Review to identify the controls in place over the use of cash authority wide, to include the receipting, recording and the value being held, including a review of the safe limits. | Q4 | 15 |
| 2 | Sundry Debtors | Cross directorate review of implementation of recommendations. This will identify if authority wide debt has reduced and confirm if action is being taken to proactively reduce debt. | Q4 | 15 |
| 3 | Health and Safety | Review directorates implementation of the Council's Health and Safety policy and the support provided by Health and Safety. | Scoping | 15 |
| 4 | Social Value | Compliance with the Social Value Policy regarding obtaining quotes from suppliers. | Scoping | 10 |
| 5 | Independent review of grants | Independent examination of accounts and / or assurance that the grant claim has been spent in accordance with the grant determination. | Q1-4 | 52 |
| 6 | Follow Ups | Time set aside for the follow up of any partial or no assurance opinions completed within the year. | | 10 |

| 7 | Project Boards and groups | Internal Audit attendance at project boards or groups to give advice on internal controls. Initially this will include the new financial system project group, Customer Services Efficiency Board and EDRMS Governance Group (Housing). | Q1-4 | 20 |
|---|---|---|---|---|
| 8 | Data analytics development | Time set aside to develop a Data Analytics Strategy and introduce a workplan. | Q1-4 | 20 |
| 9 | Contingency | Time set aside for audit review of any new and emerging risks, unplanned work identified as being required during the year. | | 40 |
| 10 | Contracts Key Performance Indicators | Addition to the plan requested to review key performance indicators being measured in contracts. | Q4 | |
| | | | | |

| Anti-Fraud and Corruption and Anti Money Laundering | | | | |
|---|---|---|---|---|
| **No.** | **Title** | **Brief Description** | **Current Position** | **Days** |
| 1 | Investigations | Time set aside for investigation of whistleblowing and other referrals received. | Q1-4 | 140 |
| 2 | Anti-Fraud and Corruption Policy Updates | Review and update of Anti Fraud and Corruption Policies<br>• Anti-Money Laundering (AML) Policy<br>• Anti-Fraud and Corruption Policy and assessment against best practice | Complete | 15 |
| 3 | Anti-Fraud and Corruption Proactive Work | Risk-based work to prevent and detect fraud including:-<br>• Review and investigation of NFI matches<br>• Awareness raising and communication of fraud risks and internal reporting arrangements<br>• Proactive exercise using data analytics to identify/detect fraud | Q1-4 | 40 |
| 4 | Anti Money Laundering Assurances | Testing on key systems/controls to gain assurance on Anti Money Laundering arrangements (Right to Buy, land and property and refunds to customers). | Scoping | 15 |
| **Total number of days** | | | | **425** |
| **Overall Plan Total** | | | | **1045 days** |

**Summary of Audit Work Completed since the last meeting.**

Note:- Internal Audit uses an Executive Summary and reporting structure which gives four levels of overall assurance for areas under examination. Within each area audited an overall assurance opinion is assessed as being either "Substantial Assurance", Reasonable Assurance", "Partial Assurance" or "No Assurance", taking into account the results of all the risks assessed.

| Audit Area | Assurance Objective | Final Report Issued | Overall Audit Opinion | Summary of Significant Issues Identified / Recommendations |
|---|---|---|---|---|
| **Adult Care, Housing and Public Health** | | | | |
| Homes England Grant Compliance | To undertake a compliance review of the Homes England grant funding drawdowns for any Council schemes that would fall into the auditable category for 2024/25. | September | Reasonable | The compliance actions highlighted in the report were agreed to be implemented so the audit files (of the service) reflect the requirements of the Homes England Compliance Audit checklist questions. Any annual updates to the Homes England Compliance Audit Checklist questions should be reflected for future audit scheme files. |
| Health & Safety Legislation and Corporate Responsibilities for Council Homes: Smoke and CO Alarms | To review compliance with the Health and Safety Regulations regarding smoke and carbon monoxide alarms. | September | Partial | Where possible, Housing should prioritise the known no access properties to ensure that visits are carried out by the service to obtain access, to ensure smoke and CO alarms are fitted and tested. A no access procedure was also recommended to be introduced. Where audit testing identified that there were no CO alarms in place, these were recommended to be fitted as soon as possible. |
| Procurement Governance | To provide assurance that procurement activity within Directorates is robust, complies with current Financial Procurement Procedure Rules and will ensure readiness for the | October | Partial | Please see note below. |

| Audit Area | Assurance Objective | Final Report Issued | Overall Audit Opinion | Summary of Significant Issues Identified / Recommendations |
|---|---|---|---|---|
| | upcoming procurement legislation. | | <span style="background-color:orange"></span> | |
| **Assistant Chief Executive** | | | | |
| Procurement Governance | To provide assurance that procurement activity within Directorates is robust, complies with current Financial Procurement Procedure Rules and will ensure readiness for the upcoming procurement legislation | September | Reasonable | Please see note below. |
| **Children and Young Peoples Services** | | | | |
| Procurement Governance | To provide assurance that procurement activity within Directorates is robust, complies with current Financial Procurement Procedure Rules and will ensure readiness for the upcoming procurement legislation | September | Reasonable | Please see note below. |
| **Finance and Customer Services** | | | | |
| Land Terrier | To ensure the Land Terrier is accurately maintained and updated on a timely basis | August | Reasonable | A process was recommended to be put in place to record and monitor the receipt of each instruction, the officer dealing with it, and the date the Completion Form is issued to the Land Terrier team. This will be put in place, in addition a quarterly |

| Audit Area | Assurance Objective | Final Report Issued | Overall Audit Opinion | Summary of Significant Issues Identified / Recommendations |
|---|---|---|---|---|
| | | | | reconciliation of relevant properties will be undertaken between Land Terrier and Legal Services. |
| Procurement Governance | To provide assurance that procurement activity within Directorates is robust, complies with current Financial Procurement Procedure Rules and will ensure readiness for the upcoming procurement legislation. | October | Partial | Please see note below. |
| **Regeneration and Environment** | | | | |
| Procurement Governance | To provide assurance that procurement activity within Directorates is robust, complies with current Financial Procurement Procedure Rules and will ensure readiness for the upcoming procurement legislation. | October | Partial | Please see note below. |

A procurement governance audit was undertaken across all directorates.  This was to provide assurance that procurement activity within Directorates (from initial pre-procurement planning to management and expiry of established contracts) is robust and complies with Financial Procurement Procedure Rules (FPPR's). Previous procurement audits have been carried out that specifically reviewed processes undertaken within the Procurement Services team. This audit specifically examines the work undertaken by Contract Managers across the Council's Directorates. With the introduction of the Procurement Act it is important that directorates hold concise meaningful information about existing contracts, including those due to expire within 18 to 24 months as well as information of proposed

new projects which Procurement Services may not have knowledge of.  The following key areas were identified as areas for improvement:-

- Directorates should include 'procurement pipeline planning' as a regular SMT agenda item in order to monitor progress and review contracts 18 to 24 months in advance of expiry in order to fulfil the new procurement forward planning requirements.
- The published Contract Register should be used to monitor and plan for contract expiry within their services to avoid the necessity for any emergency extensions with unfavourable contract terms.
- Directorates should ensure that Contract Managers have the required knowledge and/or experience required to manage their assigned contracts effectively, and that the Contract Managers listed in the current Contract Register are aware and accepting of their contract management obligations. Any details of Contract Managers that need to be changed should be forwarded to Procurement Services by the Assistant Director concerned.
- Contract Managers should be reminded that social value must be considered as part of the tender bid. If this has not occurred (due to the initial estimated value) then retrospective social value commitments should be sought before the Contract is awarded to suppliers.

| Rating | Definition |
|---|---|
| Substantial Assurance | Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk. The controls tested are being consistently and effectively applied. Recommendations, if any, are of an advisory nature to further strengthen control arrangements. |
| Reasonable Assurance | Reasonable assurance that the system of internal control is designed to achieve the service's objectives and minimise risk. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at low risk. There are some areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations are no greater than medium priority. |
| Partial Assurance | Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at a medium risk in a significant proportion of the areas reviewed. There are significant numbers of areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations may include high priority and medium priority matters. |
| No Assurance | Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable high level of risk. There is significant non-compliance with basic controls which leaves the system open to error and / or abuse. Recommendations will include high priority matters and may also include medium priority matters. |

**Internal Audit Performance Dashboard**
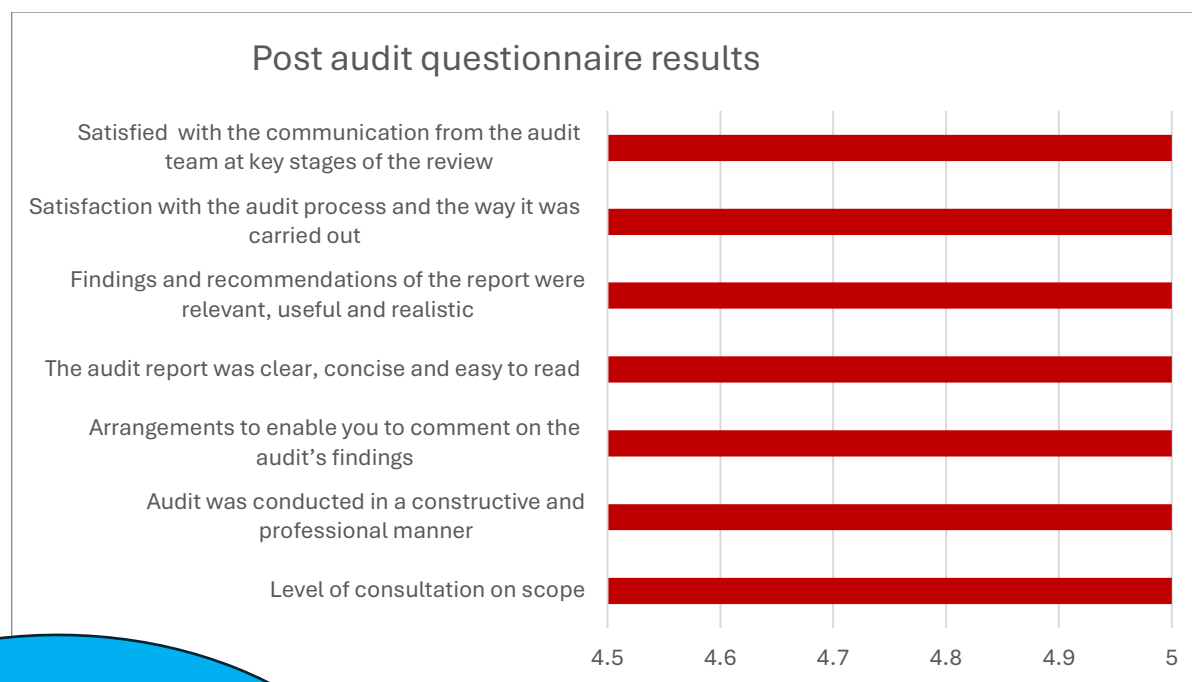**Key performance indicators**

| Performance Indicator | Target | April - July | Aug - Oct |
|---|---|---|---|
| Draft reports issued within 15 working days of field work being completed | 90% | 100% | 88% |
| Final reports issued within 5 working days of customer response to the draft report | 90% | 94% | 100% |
| Audits completed within planned time | 90% | 67% | 100% |

**Audit plan progress**

| Assurance Type | 2024/25 Plan assignments | Completed | In progress | Not started |
|---|---|---|---|---|
| Adult Care, Housing and Public Health | 9 | 0 | 5 | 4 |
| Assistant Chief Executive | 4 | 0 | 1 | 3 |
| Childrens and Young People | 5 | 0 | 3 | 2 |
| Finance, Customer Services | 12 | 0 | 3 | 9 |
| Regeneration and Environment | 10 | 2 | 4 | 4 |
| Crosscutting | 5 | 0 | 2 | 3 |
| Grants | 11 | 5 | 1 | 5 |

**Post Audit Questionnaires**

3 questionnaires were received during the period.  The graph below illustrates the average responses to each question on a scale of 1-5, 5 being the highest level of satisfaction.

## Post audit questionnaire results

| Question | Value |
|---|---|
| Satisfied with the communication from the audit team at key stages of the review | 5 |
| Satisfaction with the audit process and the way it was carried out | 5 |
| Findings and recommendations of the report were relevant, useful and realistic | 5 |
| The audit report was clear, concise and easy to read | 5 |
| Arrangements to enable you to comment on the audit's findings | 5 |
| Audit was conducted in a constructive and professional manner | 5 |
| Level of consultation on scope | 5 |

Scale: 4.5, 4.6, 4.7, 4.8, 4.9, 5

The issues and recommendations were on point. The action plan has helped the service to understand and identify the areas for improvement. The auditor was a pleasure to work with, she kept the service informed and was open to discuss the final report and recommendations.

"I think the process was fair and had the required rigor without feeling intimidating."

"The review has confirmed our own understanding of where weakness lay within the systems we were using and has helped focus improvements."

| Quality Assurance and Improvement Programme Action Plan | | |
|---|---|---|
| **Action** | **Position statement** | **Target completion date** |
| Further enhance the use of data analytics. | This action is underway with a review of alternative sources of data analytics software and training sessions planned.<br><br>2 areas are being trialled. | Strategy in place by March 2025.<br><br>Completion of 2 trial areas by March 2025.<br><br>Further ongoing development of the strategy to continue in 2025-26. |
| Complete skills and competency assessments as part of the PDR process. | A training and development plan for the Internal Audit Service will be produced which will identify any audit specific training needs and how these will be addressed. | March 2025 although this will be an annual/rolling plan.<br><br>The 2024/25 plan will be updated throughout 2024 to ensure that any service wide training identified as part of the revised annual performance development review process can be identified and included. |
| Review the need for assurance mapping, to improve audit planning. | This will be reviewed in 2024-25 where Cipfa's detailed assurance framework guide 2024 (yet to be issued) will be used to take forwards this development. | March 2025 to link in with submission of Audit Plan to the March Audit Committee. |
| Undertake a self-assessment against the new Global Internal Audit Standards and develop an action plan to capture any areas that need to be enhanced. | This has been undertaken in addition to an assessment against the Local Government Application Note and the Cipfa Code of Practice for the Governance of Internal Audit.<br><br>An action plan is being produced and work will commence to prepare for the new standards coming into force in April 2025.<br><br>To undertake an options appraisal to present to the Audit Committee for the required External | Options appraisal to be presented to a future Audit Committee (March 2025). |

| | Assessment which is due in November 2025. | |
|---|---|---|
| *Action from the self assessment against fraud checklist*<br>Update the directorate and corporate wide fraud risk assessment and examine the results as part of the annual internal audit planning exercise. | To undertake as part of the audit planning process. | March 2025. |
| *Action from the self assessment against fraud checklist*<br>Conduct an annual comparison against the checklist and where necessary, implement actions to ensure compliance with it. | This will be undertaken alongside the review of the Anti Fraud and Corruption Policy and Strategy. | September 2025. |
| *Action from the self assessment against fraud checklist*<br>The reporting of the fraud risks and mitigation will be strengthened over the year and a more comprehensive report will be brought to the September 2025 Audit Committee. | To be reviewed during 2025/26. | September 2025. |
| *Action from the self assessment against fraud checklist*<br>Remind staff of the Anti-Fraud and Corruption Strategy and Policy annually via the Chief Executives weekly Bulletins, to coincide with Fraud Awareness week. | Proposed communications have been developed and will be discussed with management and the communications team prior to publication. | Fraud awareness week 17th - 24th November 2024. |