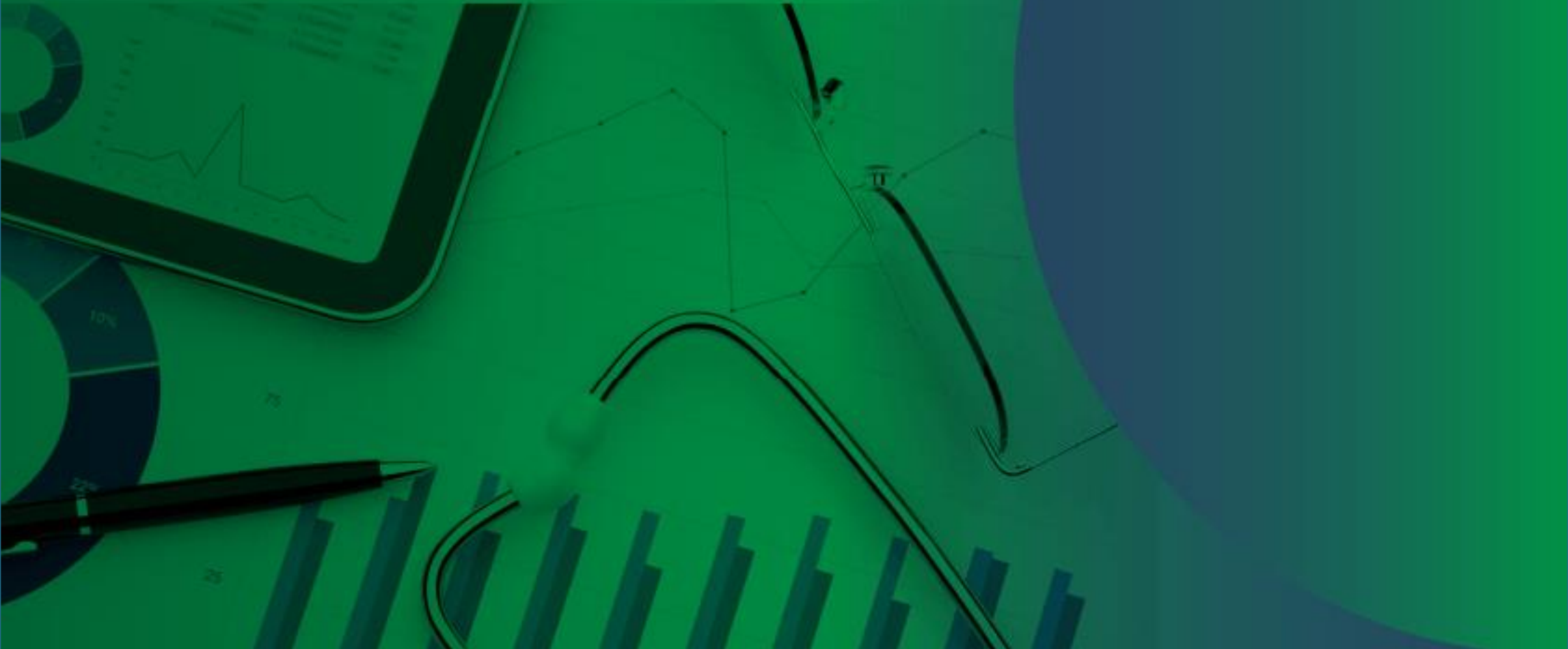




Oadby and Wigston Borough Council

Internal Audit Progress Report

Audit Committee: 2nd October 2024



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The matters reported are only those which have come to our attention during the course of our work and that we believe need to be brought to the attention of Oadby and Wigston Borough Council. They are not a comprehensive record of all matters arising and 360 Assurance is not responsible for reporting all risks or all internal control weaknesses to Oadby and Wigston Borough Council.

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This paper identifies progress made in relation to completion of work from the Council's 2024/25 Internal Audit Plan and brings to your attention matters relevant to your responsibilities as members of the Audit Committee.

This progress report provides a summary of Internal Audit activity in a format agreed with the Audit Committee and complies with the requirements of Public Sector Internal Audit Standards.

The Client Manager meet with the Chief Finance Officer / S151 Officer regularly to discuss progress against the plan and to monitor and evaluate the effectiveness of this work which informs the Council's plan.

This progress report covers the work carried out during the period 1st April to 30th September 2024.

Action required

The Audit Committee is asked to:

Note the key messages and progress made against the Internal Audit Plan since the last meeting.

Receive the information and guidance papers produced by 360 Assurance and seek assurance from the Council that the issues raised are being considered and, where necessary, addressed by the Council.

Members are invited to raise any questions.

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Key messages

Since the last Audit Committee we have:

- Issued 5 final reports relating to 2023/24 plan and HOIA opinion:
 - Payroll and Expenses
 - Procurement
 - Leisure Services Contract Management
 - Disabled Facilities Grant Contract Management
 - Accounts Receivable
- Issued 2 final reports relating to the 2023/24 plan:
 - Benefits
 - Revenues
- Issued 2 draft reports:
 - Housing Allocations (relating to 2023/24)
 - Waste Management project assurance (relating to 2024/25)
- Agreed 7 terms of reference:
 - Business Continuity
 - Food Safety
 - Housing Rents
 - Waste Management (project assurance)
 - Cash Flow and Treasury Management
 - Strategic Risk Management
 - Head of Internal Audit work programme
- Held planning meetings and undertaken fieldwork to progress the audit plan.

Contract performance

2024/25 Planned audits	Audits completed to report stage	% complete
13	1	8%
	Audits in progress	
	3	23%

The Internal Audit Plan in Appendix A provides a detailed breakdown of delivery.

We have provided at Appendix D a summary of our performance in relation to Key Performance Indicators detailed in our Service Level Agreement with the Council.

Service benefits and other matters



Events

Papers from our events are available on our website <https://www.360assurance.co.uk/events/>



Client briefing and other publications

We regularly publish articles and all of these are on our website.

Our publications and monthly briefings are available at: <https://www.360assurance.co.uk/news-publications/>

Head of Internal Audit Opinion

Internal Audit Outturn

The assurance levels provided for all reviews undertaken is summarised below:

Substantive Assurance	<ul style="list-style-type: none"> None
Significant Assurance	<ul style="list-style-type: none"> Benefits (2023-24) Revenues (2023-24)
Moderate Assurance	<ul style="list-style-type: none"> None
Limited Assurance	<ul style="list-style-type: none"> None
Weak Assurance	<ul style="list-style-type: none"> None
Other	<ul style="list-style-type: none"> None

Implementation of internal audit actions

The table below shows the current status of progress against internal audit actions:

2024/25 Implementation of internal audit actions	
High risks closed on time	(0/0)
First follow up rate – high and medium risks	67% (2/3)
First follow up rate – all risks	75% (3/4)
% of actions subject to revised due dates	11%
Overall implementation rate	75%
Historic Actions	
Historic actions (pre 1 April 2024) outstanding	10

Further details on action tracking are included in Appendix E.

The table below summarises progress against the 2024/25 Internal Audit Plan.

Ref.	Audit	Planned timing	Status	Assurance Level provided	Date reported to Audit Committee
Head of Finance – S151 Officer					
1	Head of Internal Audit Opinion (core)	Q1-4	ToR issued – ongoing during year	~	~
2	Strategic Risk Management (core)	Q3-4	ToR agreed	~	~
2	National Fraud Initiative	Q1-4	Ongoing	~	~
3	Financial Management and Reporting (core)	Q4	Planning	~	~
4	Financial Systems – Treasury Management (core)	Q4	ToR agreed	~	~
5	Procurement review	Q3	Planning	~	~
6	Grant Certifications	Q1-4	Ongoing throughout the year	Certifications	~
Head of Customer Services and Transformation					
7	Human Resources - Staff Lone Working (core)	Q3	Planning	~	~
8	Payroll and Expenses	Q3-4	ToR issued	~	~
9	IT Audit (IT governance health check)	Q3-4	Planning	~	~
10	Business Continuity	Q2	Fieldwork in progress	~	~
11	Waste Management (project assurance)	Q1-2	Draft report stage	~	~
12	Food Safety	Q2	Fieldwork in progress	~	~
Head of Built Environment					
13	Housing Rents	Q2	Fieldwork in progress	~	~
14	Homelessness	Q3	ToR issued	~	~
15	S106 Agreements	Q2-3	ToR issued	~	~

This section summarises the reports finalised relating to the 2023/24 internal audit plan.

2324/OWBC/08 Disabled Facilities Grant – Contract Management	
Objectives and scope	<p>The overall objective of our review was to ensure that Disabled Facilities Grants (DFG’S) are disbursed in a prompt, fair and transparent manner in accordance required terms and conditions. In order to achieve this objective, we have reviewed the following:</p> <p>The contract for delegating the delivery of the Disabled Facilities Grant scheme provides an effective service to end users and ensures that grants are disbursed in accordance with relevant terms and conditions.</p> <p><i>The scope of our work was limited to the areas identified in the agreed Terms of Reference. Where the services are provided externally by a third party, our review focused on those controls in operation within the Council’s internal boundary.</i></p>
Audit opinion	Significant Assurance
Summary findings	The audit confirmed that in overall terms, the Council has appropriate arrangements in place to deliver DFGs through the contract with Lightbulb. We did however note the need to improve the content of performance data provided to the Council.

2324/OWBC/11 Leisure Contract Monitoring	
Objectives and scope	<p>The overall objective of our review is to ensure that there are robust processes in place to ensure that the leisure service provider (SLM) delivers services at Parklands Leisure Centre and Wigston Pool & Fitness Centre in accordance with the contract and specification. In order to achieve this objective, we have reviewed the following (controls):</p> <ul style="list-style-type: none"> • There is a comprehensive contract document in place that was signed and sealed by both parties prior to the service delivery commencing. • Contract outcomes and objectives are clearly defined and effective governance and monitoring mechanisms are in place to report on and review contract performance. • Financial obligations and targets are laid down in the contract and these are monitored and reported upon. <p><i>The scope of our work was limited to the areas identified in the agreed Terms of Reference. The formulation of the contract was not reviewed in detail during this review and was included in a review undertaken by CW Audit in 2016 which confirmed that the contract had been appropriately signed and sealed.</i></p>
Audit opinion	Moderate Assurance
Summary findings	<p>There is a fully documented, signed and sealed contract in place with SLM for the running of the Council’s two Leisure Centres. An auditable process has been followed to amend the terms of this contract following the impact that the Covid-19 pandemic over a prolonged period of time.</p> <p>This audit has identified a number of areas where improvements can be made to the arrangements in place to manage the performance of SLM, including the introduction of regular site visit ‘audits’ to the leisure centres, receipt of relevant documentation in support of dashboard reporting provided by SLM, more timely provision of dashboard reports and improved detail on complaints management.</p>

2324/OWBC/12 Procurement	
Objectives and scope	<p>The overall objective of our review was to ensure that the Council’s procurement activities are in accordance with legislation, contract procedure rules and best practice so that financial probity and value for money is achieved on the procurement of products and services. In order to achieve this objective, we have reviewed the following controls:</p> <ul style="list-style-type: none"> • There is a formal framework in place that governs and regulates the Council's procurement activity. • Products and services are procured in accordance with legal requirements and Council Policy to ensure financial probity and value for money is achieved. <p><i>The scope of our work was limited to the areas identified in the agreed Terms of Reference. The audit did not cover the ongoing contract management arrangements once procurement processes have been completed and contractors appointed. The procurement processes and services provided by Welland Procurement (hosted by Melton Borough Council) on behalf of the Council were outside the scope of this review.</i></p>
Audit opinion	Significant Assurance
Summary findings	<p>The Council has a Corporate Procurement Strategy in place which at the time of the audit was dated 2014 and required review and update. In December 2023 the Council formally approved a revised Corporate Procurement Strategy. The Council’s Contract Procedure rules are included in the Constitution and were last reviewed in June 2023.</p> <p>Expert procurement advice is obtained through a contract with Welland Procurement (hosted by Melton Borough Council). This is a 3-year contract running from March 2021 until March 2024. This contract was not renewed, and specialist procurement advice will be sought on a case by case basis. Our review of the Council’s published payment and order listings highlighted a large number of individual payments to one contractor where no formal contract was in place.</p>

2324/OWBC/13 Revenues	
Objectives and scope	<p>The objective of our review was to provide assurance that business rate and council tax income is collected promptly and in full. In order to achieve this objective, we considered the following areas:</p> <ul style="list-style-type: none"> • Property records are accurately, comprehensively and efficiently maintained and updated. • Billing procedures are in accordance with statutory regulations and amounts due in respect of each chargeable property have been correctly calculated and promptly demanded from the person(s) liable. • The application of reliefs and exemptions is authorised in accordance with statute, the authority’s policy and is supported by documentary evidence. • Collection rates and other key performance indicators are regularly monitored and reported on. • Recovery and enforcement procedures are managed efficiently and in accordance with statutory requirements. • The security and integrity of the revenues system is properly maintained.
Audit opinion	Significant Assurance

2324/OWBC/13 Revenues	
Summary findings	Our audit concluded that systems and processes are in place to ensure property records for both homes and businesses are maintained and that bills are accurate and timely. Arrangements are being put into place to ensure that ongoing eligibility of council tax exemptions and a formal work programme is being developed. Whilst council tax and business rate collection performance is monitored, KPI statistics indicate that collection rates have dropped. The Collection Improvement Plan has been updated for 2024/25.

2324/OWBC/14 Benefits	
Objectives and scope	<p>The objective of our review was to provide assurance that HB payments and CTS are accurate, timely and in accordance with regulations and procedures. To achieve this objective, our audit has considered the following areas:</p> <ul style="list-style-type: none"> • HB and CTS claims are accurate, valid and processed promptly. • HB and CTS data is held securely and accurately recorded within relevant Council systems. • HB overpayments are identified and recovered promptly and effectively. • Processing times, accuracy, overpayment levels, and other key performance indicators are regularly monitored.
Audit opinion	Significant Assurance
Summary findings	Sample testing confirmed that controls in place to ensure that housing benefit and council tax reduction claims were processed accurately were found to be working effectively. We noted that the ongoing quality assurance claim testing process that the Council has in place was not fully operational during the 2023/24 year due to sickness absence. Controls to ensure that annual uprates are accurately processed were also found to be effective. It was confirmed that quarterly reconciliations had been completed between the benefits system, general ledger and Civica income system but had not been subject to management review. Review of the overpayments identified that aged debt in excess of 366 days old is around £325k and action has been agreed to review the oldest overpayments to ensure that all possible recovery action has been taken.

2324/OWBC/15 Payroll and Expenses	
Objectives and scope	<p>The objective of our review was to provide assurance that salaries and expenses are paid in an accurate, timely and complete manner.</p> <ul style="list-style-type: none"> • The purchase of payroll services is administered through a comprehensive and fully documented contract, which is used as an effective contract monitoring tool. • Individuals are employed within agreed establishment and where the post is either new or is a replacement for an existing member of staff. • All payroll data input locally is complete, accurate, timely, valid and authorised. • Output control procedures operate to ensure that all payments generated by the payroll provider are valid and accurate. <p><i>The scope of our work was limited to the areas identified in the agreed Terms of Reference. Our review did not include pre-employment checks undertaken for new starters, payroll processes relating to non-substantive (bank/temporary) staff, salary deductions, procedures and pay advances.</i></p>

2324/OWBC/15 Payroll and Expenses	
Audit opinion	Significant Assurance
Summary findings	<p>A contract is in place with the service provider which has been signed by both parties. The Council maintains a performance log of any issues that need raising with the provider at monthly performance monitoring meetings. We have raised a recommendation regarding the quality of the third party assurance received from the provider in respect of internal audit coverage.</p> <p>Sample testing undertaken in respect of starters, leavers, permanent variations and temporary variations (overtime and expenses) confirmed that controls operated by the Council were largely found to be working effectively, although one instance was noted where no evidence of authorisation had been received by the auditor for a grade change permanent variation.</p>

2324/OWBC/17 Accounts Receivable	
Objectives and scope	The overall objective of our review was to determine whether an efficient, effective and robust control environment is in place in relation to accounts receivable and to provide an independent assurance opinion.
Audit opinion	Significant Assurance
Summary findings	<p>Our review of the controls in place in respect of accounts receivable identified the following low risk issues:</p> <ul style="list-style-type: none"> • Invoice request forms should fully document the date of approval and approving officer. • Unallocated credits should be reviewed on a regular basis. • Actions to recover outstanding debts are undertaken and recorded appropriately. • An action plan to target long overdue debt should be developed and progress reported to senior management.

The following terms of reference have been issued and agreed by the Council.

ToR 1 Business Continuity	
Introduction	<p>The Council needs to be able to plan for and respond to a wide range of incidents and emergencies that could affect Council services. These could be anything from severe weather to a major transport incident. The Council has recently moved offices to Brocks Hill Country Park.</p> <p>The Council has an overarching Business Continuity Plan in place with individual service level business plans in place.</p>
Objectives and scope	<p>The overall objective of our review is to ensure that the Council has arrangements in place which would allow for business continuity in the event of an emergency. In order to achieve this objective, we will review the following controls:</p> <ul style="list-style-type: none"> • There is a governance structure in place setting out a clear framework for business continuity which allows for preparedness for emergency situations. • There are documented roles and responsibilities for committees, groups and key officers at corporate and service level in relation to business continuity. • There is a mechanism in place for confirming that service level plans are in place, with a systematic method for testing and updating plans. • Plans are communicated to staff, appropriately stored and can be accessed by staff. Staff are trained in how to enact plans where appropriate. • There is a mechanism for identifying learning from business continuity incidents and disseminating this learning across the Council as appropriate. <p><i>Limitations of scope: The scope of our work will be limited to the areas identified in the agreed Terms of Reference. The focus of our review will be the arrangements for business continuity, we will not undertake detailed review of individual business continuity plans. The systems and controls operated externally to the Council are excluded from this review.</i></p>
Methodology and approach	<p>To deliver this audit we will:</p> <ul style="list-style-type: none"> • interview key staff to determine and document the current controls and processes in operation. • undertake sample testing to confirm compliance with controls and processes as recorded.

ToR 2 Food Safety	
Introduction	<p>The Council has a statutory duty to maintain prescribed standards of food safety within the Borough. Food businesses need to be registered with the Council 28 days before they start to trade. The Environmental Health Team (Enforcement Services) is responsible for inspecting all food premises within the Borough (existing and new registrations) and for providing information, advice and training on food hygiene matters. This team also deals with complaints relating to food premises and food purchased or manufactured within the Borough and may have to follow up food alerts issued by the Food Standards Agency (FSA). The Council provides annual returns to the Food Standards Agency giving details of number of premises, risk ratings and inspections carried out and complaints handled.</p> <p>Restaurants, takeaways, cafés, pubs, hotels, supermarkets and other retail food outlets are given a hygiene rating under the Food Standards Agencies National Food Hygiene Rating Scheme. Ratings for food businesses within Oadby and Wigston can be found on the Food Standards Agency Website.</p> <p>The Council records details of inspections on the Uniform system. During 2023-24, 110 inspections were completed, 61 food related complaints were received and 92 new businesses were triaged and assessed. Environmental Health activity including food safety are reported as part of the quarterly operational updates to the Service Delivery Committee.</p>

ToR 2 Food Safety	
	The Food Safety Plan for 2024-25 was presented to the Licensing and Regulatory Committee in June 2024. The plan identifies 417 Food businesses registered with the authority. The plan includes the service delivery action plan and categories of food premises and frequencies of required inspections.
Objectives and scope	<p>The overall objective of our review is to ensure that the Council has arrangements in place to ensure that food standards are maintained across the borough. In order to achieve this objective, we will review the following controls:</p> <ul style="list-style-type: none"> • There are up to date policies and procedures in place and all food safety/enforcement officers have received appropriate training to enable them to carry out their duties. • There are processes in place to ensure that all food business operators are registered and approval is given prior to startup of the business for any approved premises. • Processes are in place to ensure all food businesses in the Borough are inspected on a regular basis and any issues are dealt with appropriately in line with the policies. • Advice and training is provided to business owners and any food alerts are issued promptly. • Any premises or food complaints are dealt with promptly by the Council and appropriate action is taken to protect public health. • A centralised system is used to record all food premises in the Borough, inspections undertaken and the results/actions taken. <p><i>Limitations of scope: The scope of our work will be limited to the areas identified in the agreed Terms of Reference.</i></p>
Methodology and approach	<p>To deliver this audit we will:</p> <ul style="list-style-type: none"> • interview key staff to determine and document the current controls and processes in operation. • undertake sample testing to confirm compliance with controls and processes as recorded.

ToR 3 Housing Rents	
Introduction	The Council uses the Orchard system for recording all information regarding housing properties, and the system acts as a rent management and rent recovery system. The Council currently has 1191 housing dwellings and has budgeted for rent receipts of £5.086m in the 2024/25 year.
Objectives and scope	<p>The overall objective of our review is to ensure that the Council has arrangements in place to ensure that housing rents are managed effectively. In order to achieve this objective, we will review the following controls:</p> <ul style="list-style-type: none"> • Rent is charged correctly on properties in accordance with the Housing Rents Policy, with documented calculations of gross/net rent for each property. • Arrangements are in place for timely and complete collection of rent payments and crediting these to the correct accounts. • Arrangements are in place to deal with arrears, comply with Debt Recovery Policies and ensure efficient recovery of outstanding sums. • Rent income, rent collection rates and arrears are reported to a nominated committee on a regular basis. • Access to system functions is restricted to authorised personnel and the security and integrity of the system is maintained. <p><i>Limitations of scope: The scope of our work will be limited to the areas identified in the agreed Terms of Reference and will focus on the systems and processes in place at OWBC.</i></p>

ToR 3 Housing Rents	
Methodology and approach	<p>To deliver this audit we will:</p> <ul style="list-style-type: none"> interview key staff to determine and document the current controls and processes in operation. undertake sample testing to confirm compliance with controls and processes as recorded.

ToR 4 Waste Management Project Assurance	
Introduction	The Council is currently running a project to manage the transition from weekly to fortnightly collection of refuse and recycling bins throughout the borough from the first week of September 2024 onwards. Delivery of this project is targeted to save the Council £250k per annum, which are to be delivered through a combination of reduced fleet and staffing requirements, savings on fuel and improved route optimisation.
Objectives and scope	<p>The overall objective of our review is to ensure that the Council applies a robust project management process to the transition from weekly to fortnightly bin collections. In order to achieve this objective, we will review the following controls:</p> <ul style="list-style-type: none"> Formal project management arrangements are in place, which have been designed to ensure that the project to move from weekly to fortnightly bin collections is delivered in a timely and cost effective manner that delivers the required outcomes/benefits in accordance with the Council’s Project Framework. <p><i>Limitations of scope: The scope of our work will be limited to the areas identified in the agreed Terms of Reference. The arrangements for project planning, project initiation documents (PIDs), resource plan, project governance and risk management, outcomes/benefits review and reporting will be reviewed. The audit will not include detailed review of the delivery of the project or cover other projects currently being managed by the Council.</i></p>
Methodology and approach	<p>To deliver this audit we will:</p> <ul style="list-style-type: none"> interview key staff to determine and document the current controls and processes in operation. undertake sample testing to confirm compliance with controls and processes as recorded. review of project documentation, project board agendas, minutes and papers.

ToR 5 Cash Flow and Treasury Management	
Introduction	Efficient, effective and robust key financial systems are fundamental to an organisation’s delivery of its services. They are also at the heart of managing organisational and financial performance – it is essential that they provide accurate, complete and timely data to support financial management and reporting. Our 2024/25 agreed Internal Audit Plan includes a review of the organisation’s treasury management system as part of our cyclical programme of key financial system audits.
Objectives and scope	<p>The overall objective of our review is to determine whether an efficient, effective and robust control environment is in place in relation to cash flow and treasury management and to provide an independent assurance opinion. To achieve this objective, we will review the following controls:</p> <ul style="list-style-type: none"> The organisation has an approved Treasury Management Policy The organisation has a cash flow forecast that is regularly reviewed/updated and subject to scrutiny

ToR 5 Cash Flow and Treasury Management	
	<ul style="list-style-type: none"> • The organisation monitors surplus funds and invests them in line with its Treasury Management Policy • Arrangements are in place to manage borrowing • The Council has arrangements in place to comply with the Prudential Code • Up-to-date bank mandates are in place with the organisation’s bankers • Cash/bank reconciliations are regularly and promptly prepared and reviewed with reconciling items cleared in a timely manner • There are effective processes in place to scrutinise treasury management activities. <p><i>Limitations of scope:</i> The scope of our work will be limited to the areas identified in the agreed Terms of Reference. Our review of treasury management will not validate the organisation’s investment strategy or assess its effectiveness.</p>
Methodology and approach	<p>To deliver this audit we will:</p> <ul style="list-style-type: none"> • document, via walk-through testing, our understanding of the system processes and controls • undertake risk-based sample testing to assess the effectiveness of the controls in place, identifying risks and any mitigating controls • supplement our sample testing with whole population testing using data analytics where possible • focus on 2024/25 transactions, ensuring a spread of coverage throughout the year up to the time of our audit.

ToR 6 Strategic Risk Register	
Introduction	An efficient and effective Risk Register (RR) is a fundamental component of good governance, providing a tool for the Council to identify risks to the achievement of its objectives and ensure that there is sufficient and reliable assurance regarding the effective management of risk.
Objectives and scope	<p>The overall objective of our review is to provide an independent assurance opinion on how strategic and corporate risks are managed by the Council and its committees. In order to achieve this objective, we will review the following controls:</p> <ul style="list-style-type: none"> • there is a fit for purpose Risk Register in place which has had been developed with appropriate engagement from the Council • there is a clear programme to report the Risk Register to the Council and its assurance committees during the year which is adhered to • the Risk Register is used as a live tool for managing risks and supports robust discussion at the Council and its assurance committees • the Audit Committee fulfils its responsibilities in relation to the Risk Register as set out within its Terms of Reference • risks in the Risk Register reflect those being faced by the organisation and are aligned to the organisation’s objectives • meaningful actions are taken to mitigate risks which impact on risk scores, controls and assurances. <p><i>Limitations of scope:</i> The scope of our work will be limited to the areas identified in the agreed Terms of Reference. The review will focus on the Strategic and Corporate Risk Registers; where they are considered satisfactory, we will not review the arrangements in place for operational risk management.</p>
Methodology and approach	<p>To deliver this audit we will:</p> <ul style="list-style-type: none"> • interview key staff • review agendas, papers and minutes of the Council, including its assurance committees • review the risk management framework (or equivalent) to confirm the expected arrangements for risk register reporting during the year

- review recordings for assurance committee meetings to observe how risks are discussed and managed

ToR 7		Head of Internal Audit work programme						
Introduction	<p>The Public Sector Internal Audit Standards (PSIAS) state that <i>‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’</i></p> <p>The annual internal audit opinion must conclude on the overall adequacy and effectiveness of an organisation’s framework of governance, risk management and control for the period for which it relates.</p> <p>Basis of our opinion</p> <p>The opinion will take the following into account:</p> <ul style="list-style-type: none"> • Outcomes from internal audit work (including a review of Strategic Risk Management (SRM)) • Implementation of internal audit actions • Third party/other assurances <p>Head of Internal Audit opinions are provided using the assurance levels on our website. We will provide regular updates throughout the year in progress reports to Audit Committees.</p>							
Objectives and scope	<p>Changes from prior year</p> <p>Having reflected on the methodology used to reach an internal audit opinion, we have made the following changes for 2024/25. We have considered feedback from clients, the new Global Internal Audit Standards effective from April 2025 and a review of approaches used by other providers.</p> <ul style="list-style-type: none"> • We will deliver a separate review on the Strategic Risk Management (SRM) and how strategic risks are managed by the Council and its committees; this will be completed in late Q3. The assurance opinion will be reflected in the internal audit plan outturn position. • We will give more consideration to the context and culture of action tracking; focussing on implementation of high and medium risk actions. • We will give one opinion covering all elements. 							
Methodology and approach	<p>The table provides an outline of our assessment within each of the component areas and how we will report our findings to you.</p> <table border="1"> <thead> <tr> <th>Key component</th> <th>Focus of our assessment</th> <th>How we will report our findings to you?</th> </tr> </thead> <tbody> <tr> <td>Outcomes from internal audit work</td> <td> <p>We consider all work completed as part of your internal audit plan in our year-end opinion, including all consultancy and advisory work, in line with the Public Sector Internal Audit Standards (PSIAS).</p> <p>We will consider the reasons for any reviews which are deferred or removed from the audit plan. Where the scope of a review is changed from that agreed in the internal audit plan, Audit Committee approval will be sought.</p> <p>During the year we will review whether any themes have been identified from our work which need to be highlighted to the Audit Committee in our progress reports and reflected in our year-end opinion. We will</p> </td> <td>Through regular progress reports to Audit Committee.</td> </tr> </tbody> </table>		Key component	Focus of our assessment	How we will report our findings to you?	Outcomes from internal audit work	<p>We consider all work completed as part of your internal audit plan in our year-end opinion, including all consultancy and advisory work, in line with the Public Sector Internal Audit Standards (PSIAS).</p> <p>We will consider the reasons for any reviews which are deferred or removed from the audit plan. Where the scope of a review is changed from that agreed in the internal audit plan, Audit Committee approval will be sought.</p> <p>During the year we will review whether any themes have been identified from our work which need to be highlighted to the Audit Committee in our progress reports and reflected in our year-end opinion. We will</p>	Through regular progress reports to Audit Committee.
Key component	Focus of our assessment	How we will report our findings to you?						
Outcomes from internal audit work	<p>We consider all work completed as part of your internal audit plan in our year-end opinion, including all consultancy and advisory work, in line with the Public Sector Internal Audit Standards (PSIAS).</p> <p>We will consider the reasons for any reviews which are deferred or removed from the audit plan. Where the scope of a review is changed from that agreed in the internal audit plan, Audit Committee approval will be sought.</p> <p>During the year we will review whether any themes have been identified from our work which need to be highlighted to the Audit Committee in our progress reports and reflected in our year-end opinion. We will</p>	Through regular progress reports to Audit Committee.						

ToR 7 Head of Internal Audit work programme		
	<p>highlight reviews we deem as core; core reviews are specifically related to key areas of governance, risk and control and are indicated in your audit plan. We will also consider where audit outcomes are significantly different to what was anticipated by the organisation at the outset of the review.</p> <p>We will keep our internal audit plan under review throughout the year to reflect any changes in the risk environment.</p> <p>The Strategic and Corporate Risk Registers and how strategic risks are managed by the Council and its committees will be reviewed in a separate audit assignment.</p>	<p>Assurance review on the SRM will be completed in Q3.</p>
Implementation of internal audit actions	<p>In forming an opinion, we will take into account:</p> <ul style="list-style-type: none"> • how the organisation takes ownership to ensure that actions are being implemented within the dates agreed • whether there are any actions still open from previous years and how these are progressed in 2024/25 • whether appropriate focus is given to high and medium risk actions so that they are closed at their original due date • what percentage of actions are implemented by their original due date – this is for all actions with an original due date 1 April 2024 to 31 March 2025. <p>We expect to see a robust process and proactive culture in the organisation on internal audit actions and a focus on high risks. At least 75% of all high and medium risk actions should be closed by their original due date and progress to have been made on historic actions.</p> <p>The opinion will be informed by the follow-up rate as at 4 April 2025.</p>	<p>Through regular progress reports to Audit Committee. We will report on:</p> <ul style="list-style-type: none"> • high risks closed on time • historic actions (pre 1 April 2024) outstanding • first follow-up rate (high and medium risks) • first follow-up rate (all risks)
Third party/other assurances	<p>As part of the PSIAS, we are required to consider relevant third party/other assurances.</p>	<p>We expect to issue an opinion in May/June 2025.</p>
<p>Any issues identified in year which may impact the opinion will be reported to you at the earliest opportunity.</p> <p><i>Limitations of scope:</i> The scope of our work will be limited to the areas identified above in the Terms of Reference. The work programme is not designed to give assurance on the entirety of the organisation’s governance and risk management arrangements.</p>		

As part of our contract with the Trust we agreed a number of Key Performance Indicators. Those that can be measured on a quarterly basis are included below; others will be reported in our Annual Report due in June 2025. Please note these are compiled on a cumulative basis.

So far in 2024/25 we have agreed seven Terms of Reference, issued one Terms of Reference and issued one draft report in respect of 2024/25 and 6 final reports in respect of 2023/24:

360 Assurance KPIs	Target	Q1	Q2	Q3	Q4
Issue a Client Satisfaction Questionnaire following completion of every audit.	100%	100%	Not yet applicable		
Terms of Reference issued before commencement of the audit.	100%	100%	100%		
Draft report issued within 10 working days of exit meeting.	100%	100%	Not yet applicable		
Final report issued within 5 working days of executive sign-off.	100%	100%	Not yet applicable		
Overall client satisfaction rating of satisfied or highly satisfied.	90%	No responses received in Q1	No responses received in Q2		
Client KPIs	Target	Q1	Q2	Q3	Q4
Terms of Reference to be agreed within 10 working days of being received.	100%	100%	100%		
Information has been provided and staff have been available to meet the timescales set out within the Terms of Reference.	100%	100%	100%		
Management response received within 10 working days of receiving the final draft report.	100%	100%	Not yet applicable		

The chart below summarises the progress against agreed actions (by risk rating) for Internal Audit for 2024/25:

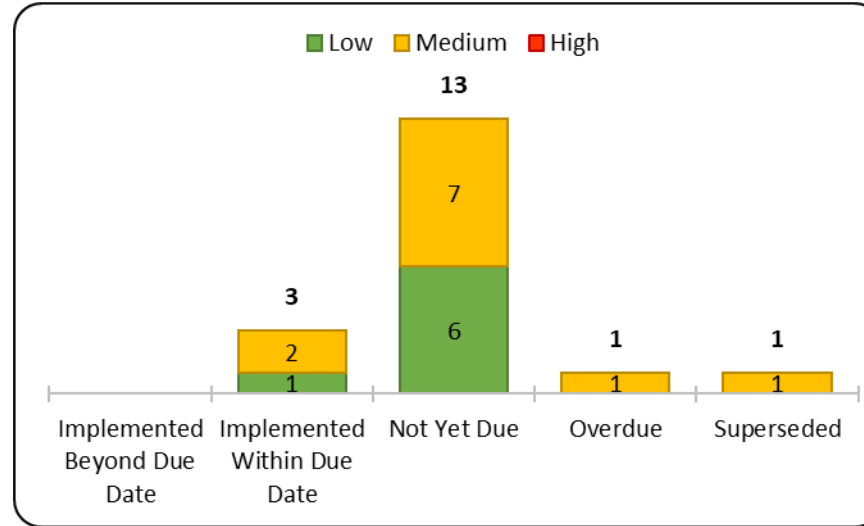


Table 1: below provides a summary of actions due on or by 1st September 2004 that have yet to be implemented (this includes actions where extensions to original implementation dates have been agreed).

Table 1

Audit reference/title by Executive Lead	Low	Medium	High	Total	Comments
Head of Built Environment	-	1	-	1	
Private Sector Housing – Enforcement	-	1	-	1	<p>Deadline for implementation has been moved to provide further capacity to explore viability of further Selective Licensing scheme, as a specific HMO policy is not a statutory requirement and there is already a process currently in place.</p> <p>Following the approval of consultation for a further Selective Licensing scheme within the Borough, amendments to HMO management and charges will be brought in to coincide with any new scheme with new policy and charging scheme to become live concurrently subject to relevant approvals.</p> <p><u>Original Due date:</u> 1st April 2024</p>

Audit reference/title by Executive Lead	Low	Medium	High	Total	Comments
					<u>Revised Implementation date:</u> 5 th December 2024
TOTAL	-	1	-	1	

Table 2 below provides details of all historic actions not yet fully implemented.

Table 2

Audit reference/title by Executive Lead	Low	Medium	High	Total	Comments
Chief Finance Officer / S151	1	-	-	1	
Financial Systems	1	-	-	1	Reports of aged debt levels being periodically provided to the PFD Committee. Updates have been received and are in the process of being validated. <u>Original Due Date:</u> 30 th September 2023 <u>Revised Due Date:</u> 30 th June 2024
Head of Law and Democracy	1	6	1	8	
Grounds Maintenance and Street Cleaning	1	6	1	8	Actions are currently in progress. Updates have been received and are in the process of being validated. Original Due Date: 3 due by 30 th June 2023 and 5 due by 30 th September 2023 <u>Revised Implementation date:</u> 31 st December 2024
Head of Customer Services and Transformation	1	-	-	1	
Payroll	1	-	-	1	Contract Documentation – decision on the provision of payroll services. Action Update: Due to organisational change priorities within 2023/24 it has only been possible to spend limited time on researching other payroll service options and this work will continue in 2024/25 with a view of a formal decision being made by the end of 2024/25 (target changed) We will review current contractual arrangements with EMSS during 2024/25 to more clearly set service delivery priorities.

Audit reference/title by Executive Lead	Low	Medium	High	Total	Comments
					<u>Original Due Date: 31st March 2024</u> <u>Revised implementation date: 31st March 2025</u>
TOTAL	3	6	1	10	