



Internal Audit Progress Report  
November 2023

# 1. Introduction

- 1.1 The Public Sector Internal Audit Standards (the Standards) require the Audit & Governance Committee to oversee the performance of the Internal Audit Team and to satisfy itself that it is receiving appropriate assurance that the controls put in place by management address the identified risks to the Council. This report aims to provide the Committee with details on progress made in delivering planned work, the key findings of audit assignments completed since the last Committee meeting, updates on the implementation of actions arising from audit reports and an overview of the performance of the Internal Audit service.

# 2. Performance

- 2.1 Since the last meeting of the Audit and Governance Committee, the Internal Audit team has been progressing work on delivery of the 2023/24 audit plan.
- 2.2 A full copy of the 2023/24 audit plan is provided as Table 1, on pages 10 to 17 of this report.
- 2.3 At the time of reporting, 43% of the audit plan in Table 1 has been delivered to at least draft report stages and a further 33% is in planning or fieldwork stages. This reflects that delivery is on track for this stage in the year.

# 3. Key findings

- 3.1 Since the last meeting of the Audit and Governance Committee, finalised reports have been issued in respect of five audit assignments. The key findings arising from those audits are summarised as follows:

## Starters and leavers

The purpose of this review was to provide assurance over the processes and controls in place for new starters and leavers at the Council. Through these processes, the aim is to ensure that all salary payments to employees made are accurate and on agreed pay dates; new starters' initial impressions of the Council are positive; and for officers leaving the Council, arrangements are in place to avoid overpayment of salary and ensure recovery of equipment and revoking of access to Council premises.

The review found that an overarching framework is in place to support managers in dealing with the starter and leaver processes. This is underpinned by a range of Human Resources procedures / policies to support key activities including recruitment and selection (i.e. new starter process), induction and administration of the leaver process, including exit interviews / questionnaires. Additionally, arrangements (e.g. automated forms, helpdesks) exist in Payroll, Information Technology and Facilities Management to support managers with all aspects of the starter and leaver process.

The following areas have been identified, where further action is required to manage associated risks:




- Whilst acknowledging the number of overpayments to leavers are relatively low, with approximately 3% of leavers affected during the last year, any delays in notification by managers pose a financial risk. The leaver notification should be a standard process to

prevent any overpayments which require recovery activity. Human Resources have recently started to receive information on overpayments and will use this to identify trends or causes which require focus in order to minimise such activity;

- There is a lack of clearly defined guidance to support what managers should do with (a) IT equipment when an employee leaves the Council, especially given the prevalence of remote working, and (b) to ensure that access to Council buildings is removed by Facilities Management when an employee leaves;
- Internal Audit testing highlighted weaknesses in the accuracy of both the Council’s IT asset register and Facilities building access records; and
- Due to the self-service approach of the Council, no monitoring takes place for the completion of inductions for new employees undertaken by line managers.

On this basis, actions have been agreed in relation to formalising arrangements for the return of IT equipment by leavers and verifying IT asset records; conducting analysis and reporting on payroll emergency payments/overpayments; documenting processes for setting up/revoking access to Council buildings; and reviewing current access for Council properties to ensure all leavers’ access is revoked.

Based upon the fieldwork completed, the following assurance opinions have been given:

Internal Audit Assurance Opinion		
Control Environment		Moderate
Compliance		Good
Organisational Impact		Low

### IT strategy and governance

The Information and Communications Technology (ICT) service has created a ‘Technology, Digital and Data Strategy’ (‘Strategy’) for a period of five years (2021 – 2026), highlighting 13 underlying strategies to support its delivery. The Strategy includes a high-level timeline for the five-year period and the Strategy has been shared with Council employees via virtual presentation and via the Intranet.

This audit sought to provide assurance over the governance and strategy for the ICT service, determining priority workloads, management of risk and the policy framework; and the alignment with the Council’s objectives and risk appetite.

The Strategy was presented to the Corporate Leadership Team (CLT) in 2022. It is understood that CLT agreed to the overall themes and direction as outlined within the Strategy, but further work needed to be undertaken regarding the financial costs before it could be taken further. Additional resource was requested to support the delivery of the Strategy but, from the paper presented, it was not clear how such additional resource would be funded for the long-term. Further work has been undertaken to seek to progress these issues and the current position, along with the strategic options and the challenges, was recently presented to CLT.

Although the Strategy has not yet been fully approved and there is limited resource within the ICT service, it is evident that a great deal of ICT work and projects continue to be

delivered. There is a 'Demand Life Cycle' process and various monitoring and oversight of the ICT project work being undertaken.

Although there is various monitoring over the project work, it is not clear where the Strategy and the overall progress made on the strategic direction is being monitored and overseen. Current arrangements should be reviewed to ensure a monitoring and oversight body is in place to oversee this with success measures, as outlined in the Strategy, being monitored.

The 13 underlying strategies referenced within the Strategy are at different states of completeness with only 11 shared with Internal Audit at the time of testing. Formalising these, along with the Demand Life Cycle process, will help to clarify the link between the Strategy and underlying strategies so there is a clear "thread", ensuring that the direction of ICT can be understood by all stakeholders.

Actions have been agreed in relation to update and seek approval of the Strategy and the underlying strategies; reviewing governance and reporting arrangements; and updating the Demand Life Cycle.

Based upon the fieldwork completed, the following assurance opinions have been given:

Internal Audit Assurance Opinion		
Control Environment	●	Moderate
Compliance	●	Moderate
Organisational Impact	●	Medium

### External placements

The Adults, Communities and Wellbeing Service accounts for nearly 40% of Council spend and provides services to some of the most vulnerable residents. A significant proportion of these services are delivered by external providers, where the Council aims to ensure that individual social care placements are provided through current contracts / frameworks, demonstrating value for money and ensuring service users receive a quality and safe service.

The audit has confirmed that a range of contracts, frameworks and Dynamic Purchasing Systems (DPS) are in place to support social care placements. Several developments took place in 2022/23 aimed at enhancing the number and quality of providers used by the Council, including a focus on extending use of DPS and utilising available funding to maintain / improve the current market and reduce the number of spot purchases.

Based on a national requirement, the Council has recently produced a Market Sustainability Plan to assess the current sustainability of the key social care markets, as well as setting out the actions planned by the council to address the issues identified.




A revised Contract Management Framework has recently been implemented and a Quality Board has also been set up to oversee the quality aspect of services provided by independent care services.

The following areas were noted, where further action is required to manage associated risks:

- Gaps in procedures within the Brokerage Team around the consistent sourcing of placements;
- Working practices for the use of spot providers in terms of (a) not always demonstrating that an exhaustive process has been followed in attempting to source a placement from a contract provider before using a spot provider, and (b) complying with the requirements of the Contract Procedure Rules around spot purchases for care placements with regards to approval and reporting requirements; and
- Internal Audit was also unable to gain assurance that Eclipse system reports in respect of new placements and placements on the waiting list were a true and accurate reflection of all such activity.

On this basis, actions have been agreed in relation to reviewing practices around use of spot providers (including approval mechanisms and monitoring of scale of use); reviewing procedures / guidance to provide clarity on the process that should be followed in sourcing a placement; review of waiting lists; and implementing performance reporting.

Based upon the fieldwork completed, the following assurance opinions have been given:

Internal Audit Assurance Opinion		
Control Environment		Limited
Compliance		Moderate
Organisational Impact		Medium

### UK Shared Prosperity Fund

The Council will receive £4.8m from the UK Shared Prosperity Fund (UKSPF) over three financials years 2022/23 to 2024/25 with the aim of improving pride in place and increasing life chances across North Northamptonshire and investing in communities and place; thereby supporting local business, as well as people and skills. Based on the financial return for 2022/23 submitted by the Council in May 2023, spend of approximately £445k had been incurred by the Council through UKSPF, split between the following areas – community grants, greenway feasibility study, the creation of a tourist hub and management and administration. Additionally, at the time of the audit, applications were being considered for business grants.

The review found the following arrangements are in place to support UKSPF:

- Officers with dedicated responsibility for administering and monitoring UKPSF funding; and
- A robust application and approval process to support the award of community and business grants.

The following areas have been identified, where further action is required to manage associated risks:

- In respect of business grants, the review found that the Council does not undertake checks on directors of companies applying for funding even though such a mechanism is available to the Council;

- Whilst dedicated cost centres had been set up oversee the financial aspects of UKSPF, only £125k of the £445k spend in 2022/23 could be traced to a UKSPF cost centre. Additionally, the UKSPF Project Manager highlighted that whilst they are provided with figures for inclusion in the finance return, they are not provided with supporting documents that underpin the value of spend included; and
- Records were provided to Internal Audit in order to validate that all expenditure incurred was in line with the requirements of UKSPF. Internal Audit has, however, concluded that costs of approximately £144k were incorrectly included in the 2022/23 financial return, as the activity and / or payments were incurred in 2023/24 and not accrued for in 2022/23. UKSPF guidance states ‘Spend’ includes expenditure invoiced and paid, as well as accrued, in line with financial accounting standards.

Actions have been agreed to ensure that actual spend will only be journalled to project cost centres once a fully evidenced claim and monitoring form has been submitted; Directors checks will be undertaken as part of the Gateway checks; and officers will be working with Finance colleagues to clarify/correct year end accruals.

Based upon the fieldwork completed, the following assurance opinions have been given:

Internal Audit Assurance Opinion	
Control Environment	● Good
Compliance	● Moderate
Organisational Impact	● Low

### Payments to social care providers

The Council relies on external providers to deliver social care to some of the most vulnerable residents of North Northamptonshire. In terms of the payment process, whilst most Council services process purchases through ERP Gold, this is not the case for adult social care. Social care activity is initially administered through the Eclipse system and once agreed, the activity is replicated in the Carefirst system for payments to be processed, as the Eclipse system does not have financial functionality. Payments are then extracted from the Carefirst system and transferred to ERP Gold for payments to be made to providers. Based on analysis of transactions transferred from Carefirst to ERP Gold via the automated interface, this has highlighted that for the financial year 2022/23, over 43,000 transactions were processed, and the value of payments made was approximately £98 million. Additionally, a further 5,000 transactions valued at £5.15 million have been paid through Spreadsheet Import Payment Files during the same period.




The review has found robust working practices in place to support key stages of the payment process (i.e. setting up care packages on Carefirst and checks to ensure planned payments are complete and accurate), including oversight of these areas by the Payments Team Leader. However, the following key areas have been identified, where further action is required to manage associated risks:

- Whilst the Payments Team have defined working practices in place to support key tasks, there are no formal documented procedures in place.

- In addition to a standard payment process, a separate process is in place to specifically administer homecare activity with spot providers. From an audit perspective, there is no clear rationale for having two approaches when the standard approach could be used for all payments, and the process for homecare activity with spot providers is considered a less efficient process as it requires more resource from the Payments Team to process such payments. Officers have advised that a new framework contract is due to commence in early October 2023 which several current spot providers will be joining. This will result in such providers moving to the automated payment process.
- For payments generated in Carefirst, there is a process for providers to confirm changes between activity planned and delivered. However, current processes do not provide a robust means for ensuring that all changes are notified by providers. Furthermore, sample testing identified change notifications which were not actioned as changes in payments to suppliers (value of approx. £2,700 overpayment). Due to a lack of audit trail, it remains unclear as to whether these relate to human error / oversights or decisions taken by officers to not amend the payments. Decisions to not amend these payments should not be taken by the Payments Team without an appropriate, evidenced approval mechanism with full audit trail to demonstrate rationale and authorisation.

On this basis, actions have been agreed including documenting operating procedures; introducing a key performance indicator to the new provider framework contract around the need for providers to submit variance returns on a timely basis or risk payments being withheld; reviewing processes for notifying of changes in activity and management approval to amend/not amend payments; and ensuring improvements are made on the timeliness of packages being set up on Eclipse.

Based upon the fieldwork completed, the following assurance opinions have been given:

Internal Audit Assurance Opinion		
Control Environment		Good
Compliance		Moderate
Organisational Impact		Medium

## 4. Implementation of recommended actions

- 4.1 Where any weaknesses or opportunities for improvement are identified by audit testing, recommendations are made and an action plan agreed with management. These actions are subject to agreed timeframes and owners and implementation is followed up by Internal Audit on a monthly basis.
- 4.2 Since the last Audit and Governance committee meeting, 17 open actions have been confirmed as implemented – an overview is provided in Table 2 of this report. There were 109 recommendations overdue for implementation as at 31<sup>st</sup> October 2023.
- 4.3 To provide the Committee with further detail on high risk actions which remain overdue by more than three months, full details are provided in Table 3, with latest updates from officers. There are four such actions at this time.

## 5. Review of audit plan coverage

- 5.1 The Internal Audit plan should remain subject to ongoing review throughout the financial year to ensure it remains focused on key risks and will add value to the organisation. During the last month, it has been agreed that the auditing of the key financial systems hosted under the lead authority model will be rotated. In 2022/23, the audits of the financial systems were conducted by the internal auditors for the respective authorities i.e. Cambridgeshire County Council for Creditors and West Northamptonshire Council for Payroll. It has been agreed that in 2023/24 the audit teams will conduct audits of systems hosted by other partners and, as such, it has been agreed that North Northamptonshire Council's Internal Audit team will conduct the audit of the Creditors system. As none of the financial systems are hosted by North Northamptonshire Council, there had previously been no allowance for such audit activity in the audit plan, so this requires an amendment to the plan.
- 5.2 The audit of the Creditors system has an allocation of 60 days. The addition of this audit to the 2023/24 audit plan requires the removal of other audits of an equivalent resourcing requirement. The following amendments (totalling 59 days) are proposed to provide for this coverage and, in most cases, had already been identified as potential assignments which would add greater value in 2024/25:
- **Disaster recovery audit:** planning work on this audit commenced in October 2023 and it is evident that further work is ongoing and an audit would not deliver best value at this time. It is proposed that the disaster recovery audit be postponed to 2024/25 and the scope of the Business Continuity Management audit be expanded in Q4 of 2023/24, to include a high level follow up around disaster recovery activity, given the interdependencies. This would provide for 11 days;
  - **Recruitment and retention of social workers audit:** planning work on this audit commenced in August 2023. However, management requested a delay in the audit work following the introduction of market supplements in April 2023. Assurance is sought over the effectiveness of this, as part of the wider control environment, and this requires time to see evidence of any impact on recruitment and retention. As such, this was postponed to the last quarter of the 2023/24 financial year – but if postponed to the first quarter of 2024/25, would provide a year's worth of evidence following the changes implemented. This would provide for 11 days;
  - **SEND Action Plan audit:** this audit had been included in the 2023/24 audit plan as an Ofsted inspection on SEND was expected and this was set aside as audit time to follow up on any action plan arising. No inspection has taken place to date, so this time has not been needed and could now be postponed to 2024/25. This would provide for 12 days;
  - **IT software licensing:** this audit had been included in the 2023/24 audit plan to provide assurance over the Council's management of its software applications to manage the risks of over/under licensing and patching regimes. This had been a limitation on the scope of the IT asset management audit in 2022/23 due to a lack of software registers and actions had been agreed in relation to the expected controls. These actions remain open and revised implementation dates of December 2024



have been set. As such, there may be limited scope for audit testing during 2023/24 and postponing to 2024/25 may add greater value. This would provide for 10 days; and

- **Cygnum project:** this audit was due to provide assurance over the implementation of this software used in some areas of adult social care. This has since been amalgamated into a larger programme of work on adult social care related software which will progress later in the financial year. As such, there would be greater value in conducting audit assurance work over this wider programme and this could be scheduled for 2024/25. This would provide for 15 days.

## Table 1: Progressing the Annual Internal Audit Plan

2023/24

### Key

Current status of assignments is shown by shading

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
<b>Governance</b>											
Ethical governance	Q2										
<b>Corporate compliance with key controls and policies</b>											
Agency staff and consultants	2022/23							Moderate	Limited	Medium	Reported in August 2023
Information governance	Q1							Moderate	Good	Low	Reported in September 2023
Starters and leavers	Q1							Moderate	Good	Low	See section 3.1
Staff recruitment	Q2										
Procurement compliance	Six monthly										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Partnerships and hosted services	Q2										Postponed to Q4
Budgetary control and savings plans	Q3										
Business continuity management	Q3										
Agency workers and consultants (follow up)	Q4										
<b>IT risks</b>											
Cyber security – training and awareness	Q1							Moderate	Moderate	Medium	Reported in September 2023
Cyber security – vulnerability management	Q2										
IT strategy and governance	Q1							Moderate	Moderate	Medium	See section 3.1
Disaster recovery	Q3										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
IT software licensing	Q4										
<b>Corporate objective – Modern Public Services</b>											
New Customer Relationship Management system – phase 1	Q1							Good	Good	Low	Reported in August 2023
Management of capital projects	2022/23							Moderate	Moderate	Medium	Reported in September 2023
New revenues and benefits system (embedded assurance)	All year										
New income management solution (embedded assurance)	All year										
Hospital discharge invoicing	Q1										
Right to buy applications	Q1							Moderate	Moderate	Low	Reported in September 2023

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Complaints and compliments management	Q2										
Agile working	Q2										
Housing repair stores (advisory)	Q2							Consultancy			Reported in September 2023
Asset management – leased assets (follow up)	Q3										
Capital project management – Kettering library roof	Q4										
<b>Corporate objective – Safe and Thriving Places</b>											
Homelessness and temporary accommodation	2022/23							<b>Good</b>	<b>Moderate</b>	<b>Medium</b>	Reported in August 2023
External placements	2022/23							<b>Limited</b>	<b>Moderate</b>	<b>Medium</b>	See section 3.1
Landlord health and safety	Q2										
Home to school transport (follow up)	Q2										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Highways maintenance contracts	Q3										
Private sector housing enforcement and empty homes	Q3										
Housing repairs (follow up)	Q4										
Planning service transformation	Q4										
UK Shared Prosperity Fund	Q1							<b>Good</b>	<b>Moderate</b>	<b>Low</b>	See section 3.1
<b>Corporate objective – Greener, Sustainable Environment</b>											
Climate change strategy	Q4										
<b>Corporate objective – Better, Brighter Futures</b>											
SEND	Q2										
SEND action plan	TBC										Subject to Ofsted inspection
Early years providers	Q2										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Schools – thematic review (safer recruitment and payroll)	Q3										
Ad-hoc support and school audits	As required										One Safer Recruitment audit completed at management request in June 2023.
Governance of the Children's Trust	Q4										
<b>Corporate objective – Active, Fulfilled Lives</b>											
Payments to social care providers	Q1							<b>Good</b>	<b>Moderate</b>	<b>Medium</b>	See section 3.1
Continuing health care (CHC) funding	Q1										Linked to coverage in other audits – on hold
Adult social care data quality	Q2										
Specialist care centres	Q3										
Health and Social Care Act 2022 (advisory)	Q3										
Public health contract	Q3										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments	
management (follow up)												
Cygnum project (embedded assurance)	Q3											
Recruitment and retention of social workers	Q4											
Adult safeguarding	Q4											
<b>Key financial systems</b> - Providing assurance that the Council has made arrangements for the proper administration of its financial affairs, these system audits focus on the systems with the highest financial risk.												
Payroll	Q4	Being delivered under lead authority model										
Pensions	Q4	Being delivered under lead authority model										
Creditors	Q4	Being delivered under lead authority model										
Debtors and debt recovery	Q4	Being delivered under lead authority model										
Main accounting system – year end	Q1							<b>Moderate</b>	<b>Moderate</b>	<b>Medium</b>	Reported in August 2023	
Main accounting system	Q4											
Treasury management	Q4											






Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Government procurement cards	Q1							Moderate	Limited	Low	Reported in September 2023
Local taxation 2022/23	Q1							Moderate	Moderate	Medium	Reported in August 2023
Local taxation 2023/24	Q4										
Housing benefit 2022/23	Q1							Good	Good	Low	Reported in August 2023
Housing benefit 2023/24	Q4										
<b>Public Health</b>											
Public health grant	Q2										
<b>Grant claims</b>											
Supporting families	Quarterly							Quarterly audits and sign off			
Family Hubs	Q1 and Q3							Complete			
Contain Outbreak Management Fund (COMF)	Q1							Complete			
Disabled Facilities Grants	Q2							Complete			

### The Auditor's Opinion

At the completion of each assignment the Auditor will report on the level of assurance that can be taken from the work undertaken and the findings of that work. The table below provides an explanation of the various assurance statements that Members might expect to receive.

Compliance Assurances		
Level	Control environment assurance	Compliance assurance
<b>Substantial</b> ●	There is a sound system of internal control to support delivery of the objectives.	The control environment is operating as intended with no exceptions noted which pose risk to delivery of the objectives.
<b>Good</b> ●	There is generally a sound system of internal control, with some gaps which pose a low risk to delivery of the objectives.	The control environment is generally operating as intended with some exceptions which pose a low risk to delivery of the objectives.
<b>Moderate</b> ●	There are gaps in the internal control framework which pose a medium risk to delivery of the objectives.	Controls are not consistently operating as intended, which poses a medium risk to the delivery of the objectives.
<b>Limited</b> ●	There are gaps in the internal control framework which pose a high risk to delivery of the objectives.	Key controls are not consistently operating as intended, which poses a high risk to the delivery of the objectives.
<b>No</b> ●	Internal Audit is unable to provide any assurance that a suitable internal control framework has been designed.	Internal Audit is unable to provide any assurance that controls have been effectively applied in practice.

<b>Organisational Impact</b>		
<b>Level</b>		<b>Definition</b>
<b>High</b>		The weaknesses identified during the review have left the Council open to a high level of risk. If the risk materialises it would have a high impact upon the organisation as a whole.
<b>Medium</b>		The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a medium impact upon the organisation as a whole.
<b>Low</b>		The weaknesses identified during the review have left the Council open to low risk. This may have a low impact on the organisation as a whole.

**Table 2: Implementation of Audit Recommendations**

	'High' priority recommendations		'Medium' priority recommendations		'Low' priority recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
<b>Actions due and implemented since last Committee meeting</b>	3	18%	11	12%	3	14%	17	13%
<b>Actions due within last 3 months, but not implemented</b>	10	59%	25	29%	9	41%	44	35%
<b>Actions due over 3 months ago, but not implemented</b>	4	23%	51	59%	10	45%	65	52%
<b>Totals</b>	17	100%	87	100%	22	100%	126	100%

**Table 3: ‘High’ priority actions overdue for more than three months**

Audit Title and Year	Service Area	Outstanding Action	Status Update	Officer Responsible	Original Date	Revised Date (if provided)
Governance of Children’s Trust 2021-22	Children’s Services	Intelligent Client Function  To develop a framework for assessing the effectiveness of the Client Function	Working jointly with WNC to develop an Interface Agreement setting out the arrangements for managing the Trust including an annual review of the effectiveness of the Intelligent Client Function. This will be led by the Monitoring Officers in consultation with the DCS’s with support provided by the ICF as required.	Director of Children’s Services / Assistant Director Commissioning and Partnership	31/08/2022	31/01/2024
ICT Asset management 2022-23	Chief Executives Office	Central record/register for software applications and licenses assets.  A corporate central register for all software applications and licenses is to be developed and implemented.	Initial NNC Build has been created. The build will need to go through rigorous testing by the various test groups to ensure it meets our requirements.	ICT Manager & Interim Service Delivery Lead and Interim IT Applications Lead	30/06/2023	31/12/2024
ICT Asset management 2022-23	Chief Executives Office	Software Assets – Role and Responsibility clarification  Engagement across services will be required (via communications) to establish the current roles and responsibilities held by ICT and/or services for the management of software assets.	This is linked to the software asset management system action, above, as roles and responsibilities would be directly related. The work relating to this is planned to go ahead next year with the required resource allocation.	ICT Manager & Interim Service Delivery Lead and Interim IT Applications Lead	30/06/2023	31/12/2024

Audit Title and Year	Service Area	Outstanding Action	Status Update	Officer Responsible	Original Date	Revised Date (if provided)
Public health contract management 2022-23	Public Health	<p>To review contractual obligations to ensure that going forward (i.e. variation to current contract or a requirement of the new contract) that the Council can gain assurance of how funding is being used.</p> <p>It is recommended that the following options are considered to achieve this aim for the ISHH and 0-19 service contracts:</p> <p>Changes to the payment mechanism to achieve a better balance / split between fixed payments and those based on either activity or payment by results.</p> <p>An explicit requirement around (a) the provision of routine financial information around how funding is being utilised by the contractors and (b) the right to review relevant financial records using open book accounting.</p>	<p>The Children and Young People's Joint Strategic Needs Assessment was drafted in August 2023 and was presented to NNC Health and Well-being Board on 29th September 2023. This generated lots of discussion and interest from board members. The final report will be presented to the board once completed. Commissioners have approached providers for activity based spend information and this has been provided for the 0-19 service. This information is currently being reviewed. We are awaiting information for the sexual health service; it is with the NHS contracts team and will be reviewed at the next QTR2 meeting.</p>	Public Health Consultant / Principal	30/06/2023	<p>Activity based spend will be scheduled to be completed by December 2024.</p> <p>Regular review of spend will be collated from January 2024</p> <p>Agenda for change figures for 24/25 will be collated from the provider by December 2024.</p>

## ***Limitations and Responsibilities***

### ***Limitations inherent to the internal auditor's work***

Internal Audit is undertaking a programme of work agreed by the council's senior managers and approved by the Audit & Governance Committee subject to the limitations outlined below.

### ***Opinion***

Each audit assignment undertaken addresses the control objectives agreed with the relevant, responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work; were excluded from the scope of individual internal assignments; or were not brought to Internal Audit's attention. As a consequence, the Audit & Governance Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

### ***Internal control***

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and unforeseeable circumstances.

### ***Future periods***

The assessment of each audit area is relevant to the time that the audit was completed in. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

### ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management; internal control and governance; and for the prevention or detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.