Appendix 1

North Northamptonshire Council

Internal Audit Progress Report

April 2022

1. Introduction

The Public Sector Internal Audit Standards (the Standards) require the Audit and 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

The Internal Audit team has been working on the delivery of the planned audit assignments for 2021/22.

A full copy of the current audit plan is provided as Table 3, on pages 11 to 16 of this report. At the time of reporting, in April 2022, fieldwork is completed on 90% of audit assignments from the 2021/22 audit plan and reports have been produced in relation to 80% of the audits. The outcomes of all reports which are not finalised as at the time of reporting will be reflected in the Annual Internal Audit Report at the next meeting of the Audit and Governance Committee.

It should be noted that this delivery has been achieved despite the pressures on resourcing and impact of the pandemic in 2021/22. There has also been further pressure on resourcing during recent months to support the disaggregation of the Internal Audit service and all activity needed to achieve a start date of 1st April 2022 for the in house service.

3. Key findings

Since the March 2022 committee meeting, the Internal Audit service has finalised reports in respect of a further nine assignments from the 2021/22 Internal Audit Plan. The key findings arising from those audits are summarised as follows:

Spreadsheet interface payment files (SIPFs)

SIPFs are manually created spreadsheet files populated by a service / department with payment activity which are then imported into ERP Gold by Accounts Payable for processing. Between April and mid-November 2021, 183 spreadsheet interface payments had been processed (covering 16,857 transactions) with a total value of over £38 million.

Based on the audit findings, the following areas of good practice were noted:

- The control environments in place for administering purchases / payments in services and departments that use SIPFs were generally well designed with a clear audit trail in place to support such activity.
- In terms of processing SIPFs, there is comprehensive and easy to follow guidance in place to support the use of SIPFs. The template spreadsheet used to administer such activity has built in functionality to ensure that data submitted has met defined validation checks, transactions cannot be added once the SIPF has been submitted for approval and safeguards to avoid duplicate files being processed in error.
- A master record is maintained of all SIPFs received and processed by Accounts Payable including a reconciliation between the number and value of records in the SIPF and those created in ERP Gold.

It was noted that decisions to allow areas to use SIPFs were in most cases made by the County Council and this has not been reviewed since vesting day. Internal Audit's assessment of service / departments using this mechanism found, in several cases, there was no clear justification for why some areas were using a SIPF instead of ERP Gold and how all approval levels would be manually set up to align with the Scheme of Delegation.

In comparison with ERP Gold where the controls are automated and built into the design of the system, the control environment for SIPF is primarily based on manual controls. It was also noted that there were inconsistencies in the level of checks undertaken by services on the completeness and accuracy of data included in the SIPFs.

It has been agreed that a Task and Finish Group will be established to take forward the recommendations arising from the audit and ensure consistent and appropriate usage of SIPFs.

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

Internal Audit Assurance Opinion	
Control Environment	**Satisfactory**
Compliance	**Good**
Organisational Impact	**Minor**

Adult safeguarding referrals

The Council and the local Safeguarding Adults Board promote awareness of adult safeguarding and how to raise safeguarding concerns. Any individual, including practitioners, relatives and members of the public can make a safeguarding referral to the Council to raise any concerns about an individual considered to be at risk. The Council provides an online form which is automatically received by the Customer Services Team, who then send the referral on to the relevant social care team. The referral should be logged on the social care system, Eclipse, with the creation of a safeguarding concern worklist and enquiries made to inform a decision on whether a s42 enquiry, or other action, is required. A s42 enquiry, if appropriate, should then follow a prescribed process with outcomes reported as to the management of any identified risks. The timely and consistent handling of these referrals is key in ensuring that the Council is fulfilling its duties and protecting individuals.

During the 2021/22 year to date, there was an average of 248 safeguarding referrals received per month. A safeguarding team has been established within the Council's structure but this team does not currently have accountability and oversight of the handling of all such referrals – only those relating to provider services/medical institutions. The initial assessment and, effectively, triage of other referrals received is conducted by officers in the various social care teams (including community hubs, Learning Disability teams, inclusion teams). There is currently some inconsistency in the practices being applied across these teams, with areas of non-compliance on expected controls noted in audit testing on referrals handled outside of the safeguarding team. In sample testing, 26% of referrals had not been logged as safeguarding concerns on a worklist, in line with expected practice. This stage in the process results in a documented decision as to whether any further action is required, including a s42 enquiry, and the basis for this should be clearly evidenced on the concerns worklist and informed by evidenced, proportionate fact finding. Without a completed worklist, there is a failure to consistently log and capture all required details and informed decision making. Furthermore, these referrals will not be captured in data collated on the number of safeguarding concerns and the Council's performance in handling these.

Where concern worklists had been suitably completed, it was evident that those safeguarding referrals had generally been handled in a timely manner – with an average completion of fact finding enquiries and screening outcome achieved within 10 calendar days. The longest time that a concern worklist was open within the sample was 48 days and reasons for delays were clearly evidenced.

It is noted that in the sample of cases which were referred to a s42 enquiry, 100% had been suitably recorded, with associated outcomes, on the system.

There is currently a gap in controls in that there is no audit regime operating over the adult safeguarding referral process. Without a formal audit regime, there is a lack of assurance that can be given over the quality and basis for decisions reached by officers in assessing referrals against thresholds, and no means of consistently monitoring compliance with expected controls. The mechanism for subjecting decisions reached by officers on concerns worklists for independent, senior approval is not automated within the social care system and nor is there an audit trail to evidence independent reviews. The work of Principal officers is not subject to routine peer/independent review, with the exception of spot checks conducted within some areas, and this requires review and formalisation.

A number of performance indicators relating to the handling of safeguarding referrals are included in the dashboard for Adult Social Care and reported monthly. Performance measures do not, however, currently focus on outcomes and should be subject to review to ensure that these provide an informative overview of the service delivery, areas for improvement and quality and timeliness of support.

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

Internal Audit Assurance Opinion	
Control Environment	**Satisfactory**
Compliance	**Satisfactory**
Organisational Impact	**Moderate**

Adult safeguarding - Deprivation of Liberty Safeguards (DoLS)

Deprivation of Liberty Safeguards (DoLS) are part of the Mental Capacity Act 2005. The safeguards aim to make sure that people in care homes and hospitals are looked after in a way that does not inappropriately restrict their freedom. During 2021/22, NNC hosted this service for West Northamptonshire Council in addition to covering the North Northamptonshire region. This was flagged by management as a risk area in relation to adult safeguarding which would benefit from audit coverage to address areas for improvement. This is an area where there are pressures and backlogs nationally, reflected in statistics reported by the NHS – with the proportion of standard applications completed across the United Kingdom within the statutory timeframe of 21 days at just 24% in 2020/21.

At the time of audit, there was a backlog of 1,695 cases within North Northamptonshire requiring DoLS assessments. The Council received an average of approximately 365 new referrals per month during the year to date, covering both North and West Northamptonshire.

Work has been underway internally in recent months to benchmark DoLS processes against those at comparable authorities with a view to improving performance. There was acknowledgement that quality was good but there was scope for greater efficiency. This work

requires development to inform design of new process maps and procedures for the service and this should incorporate the clear roles and accountabilities of those involved.

There are resource pressures affecting a number of the key stages in the assessment process. The assessments must be completed by trained Best Interest Assessors (BIAs) of which the Council currently has 2.6 substantive FTEs, against an establishment of 6.5 FTEs, and limited access to non-substantive BIAs in other service areas. Further, it is noted that the substantive FTEs are also Approved Mental Health Professionals (AMHPs) and work associated with the AMHP role is prioritised over DoLS assessments. There have also been delays in obtaining the approval of s12 clinicians, with action taken to seek additional resource for this stage via the Council's agency worker framework. Audit testing highlighted that earlier in 2021 a significant source of delay had been a lack of signatories, who must sign off the assessment upon completion by the BIA. Cases were noted where the assessment had been completed urgently by the s12 clinician and BIA within ten days, but there had then been a delay of over nine months in allocating the case to a signatory for their sign off. Pressures earlier in the process, at the BIA assessor stage, during the latter half of the year appear to have since relieved the backlogs at the signatory stage.

The current backlog presents a high risk in failing to ensure safeguarding of the individuals involved and compliance with legal requirements. Furthermore, the audit has highlighted increased risks due to manual workarounds being applied outside of the social care system. This has arisen due to repeated, duplicate referrals being made by care and hospital settings in relation to the same individuals. The system does not allow more than one 'worklist' to be opened in relation to any one individual and, as such, all subsequent referrals are being recorded via a manual spreadsheet which is emailed to the service area.

The process is currently reliant on a number of BIAs and signatories who hold other roles and responsibilities across the Council. There is currently a lack of clear expectations, service standards and accountability in relation to the key roles in the DoLS assessment process and there is a need to formalise these going forward, to ensure an efficient, consistent process is adhered to by all involved and any non-compliance with expected standards is highlighted.

Management had unsuccessfully sought additional funding from Covid Contain Outbreak Management Funds. A business case to apply market supplements to the BIA roles was due to be reviewed at the time of audit. An action plan is required to set out how the backlog will be cleared and to instigate a compliant, suitably resourced framework.

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

Internal Audit Assurance Opinion	
Control Environment	**Limited**
Compliance	**Satisfactory**
Organisational Impact	**Major**

Housing Rents

Rent from social housing in the geographic locations formerly administered by two of the four legacy Councils, Kettering and Corby, is a key income stream for the recently established North Northamptonshire Council.

As at 31st March 2021, the former Kettering Borough Council and Corby Borough Council owned 3603 and 4673 social dwellings respectively, all of which was transferred to North Northamptonshire Council on 1st April 2021. The 2021/22 rent income budget for the Kettering

area is £15,066k and for Corby is £19,212k. The level of rent arrears at the end of February 2022 is as follows:

	Kettering	Corby*
Current tenant arrears	£599,670	£1,170,787
Former tenant arrears	£629,892	£668,055

*Corby arrears figures include court costs & recharges

In overall terms, the audit concluded that there are robust arrangements across the two localities to set accurate and timely rents and to post income received to the correct accounts. The Covid-19 pandemic has however had a significant impact on rent arrear levels.

Due to staff absences, it was not possible for Internal Audit to conduct detailed testing in relation to three control areas for Kettering (authorisation of arrears write offs, housing staff annual declarations and reconciliation of housing properties to the fixed asset register) and a formal recommendation has been made, and will be followed up, in relation to seeking these assurances. It was also noted that in house audits of arrears recovery and reconciliations of the rent system to the general ledger had not been taking place for Kettering properties at the time of audit.

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

Internal Audit Assurance Opinion	
Control Environment	**Satisfactory**
Compliance	**Satisfactory**
Organisational Impact	**Moderate**

Appointeeships and Deputyships

The Council's Client Fund Team offers an Appointeeship/Deputyship service for clients who lack the mental capacity to manage their own financial affairs and have no one else who is willing or able to undertake this role for them. At the time of the audit the Client Funds Team were managing 216 appointeeships and 49 deputyships. In the financial year to early March 2022, purchases and payments to the value of £521k (excluding direct debits / standing orders) had been made on behalf of clients.

Key aspects of the control framework covering the application process and external reporting requirements are overseen by the organisations (i.e. DWP, Court of Protection) responsible for overseeing appointeeships and deputyships.

Based on the audit findings, the assurance given over the system design is Good. The Council has systems in place to administer appointeeships / deputyships including:

- Training and procedural guidance in place to support officers involved in the administration of appointeeships and deputyships.
- Financial records for each client are maintained on the electronic system, detailing all income and expenditure activities.
- Appropriate checks are in place to oversee purchases made and to ensure client records are accurate and complete.

The level of assurance given to compliance is Satisfactory, as the review found the following:

- A small number of instances where regular payments were being made to care homes for a client's personal allowances which did not appear to be needed given that the care homes were already holding balances of over £1k for the client; and
- For all purchases over £1k, a best interest form should be completed. Testing identified two purchases over £1k and found that in one case, the purchase was processed on the receipt of an email rather than through the completion of a best interface form. For both purchases it was also noted that whilst the requests identified the need for the purchase, no evidence was provided that the relevant Client Fund Officer had approved the purchase.

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

Internal Audit Assurance Opinion	
Control Environment	**Good**
Compliance	**Satisfactory**
Organisational Impact	**Minor**

Taxi Licensing

Effective taxi and private hire vehicles licensing is vital to developing and maintaining strong and safe communities. Such vehicles are regularly used to transport children to school and are heavily relied upon by elderly and disabled users. It is therefore critical that effective arrangements are in place to ensure drivers meet expected standards. As part of the transition to the unitary Council, a decision was taken not to change existing arrangements for taxi licensing. As a result, taxi licensing is currently administered by four teams whose responsibilities are aligned to those in place in the legacy district / borough Councils.

The Council will be implementing a new harmonised Council Hackney Carriage and Private Hire Policy in 2022/23. In the meantime, it was agreed that a targeted review would be undertaken by Internal Audit, checking the effectiveness of operational arrangements in place for administering new and renewal applications for taxi driving licences. The objective of this review was to provide assurance that effective arrangements are in place to ensure only 'fit and proper persons' are licensed as drivers and focused on testing of 40 new / renewal applications.

The assurance given over the system design for the new / renewal application process is Good. Whilst different guidance is in place across the four legacy Council areas (which is in the process of being standardised through the implementation of the North Northamptonshire Council Hackney Carriage and Private Hire Policy), the assurance opinion reflects that current guidance to support the application process, as well as the application forms, clearly identify the key checks that are undertaken and the information that must be provided for a new / renewal application.

Overall, testing highlighted that evidence was found to support checks carried out in 99% (i.e. 198 out of 200 checks) of cases. It should be noted that for the checks which could not be evidenced, Internal Audit could not determine whether the check had not taken place or whether the lack of evidence was due to gaps in record keeping.

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

Internal Audit Assurance Opinion	
Control Environment	**Good**
Compliance	**Good**
Organisational Impact	**Minor**

HR and Health & Safety – home working

Over the last year, the majority of the Council's office-based staff have continued to work from home – either full or part time. This has enabled service delivery to continue throughout the various stages of national restrictions and has, in a number of ways, resulted in better use of technology and new ways of working. It is key, however, that the Council continues to exercise its duties under the Health and Safety at Work Act.

It is evident that the Council has taken a number of pro-active measures to support staff during this time and new processes and guidance have been developed in response to changing risks. Guidance from the Health and Safety Executive (HSE) in relation to home working focuses on Display Screen Equipment (DSE) assessments, managing stress/mental health and the need to include home working in risk assessments. The Council has taken steps to provide support to managers and staff in relation to all of these areas and new tools are currently being trialled to further embed a strong control framework and accountability for all risk assessments going forward. This includes a comprehensive self-audit tool which will enable Director oversight of risk assessments and any outstanding actions.

Various online training modules have been made available to staff, including specific sessions on DSE assessments and various forms of support with mental health and wellbeing. A means for tracking completion of training is yet to be fully established and new systems due to be rolled out should assist with this. The DSE training module is mandatory for all DSE users and links to the online assessment form. A clear procedure is documented and applied to managing the assessments and their outcomes, with line managers responsible for ensuring all actions are resolved satisfactorily. Monitoring of completion of the module by all DSE users must be picked up through the new self-audit tool.

A specific 'DSE Self-Assessment for exceptional Homeworking Periods (Covid-19)' and an 'Individual Risk Assessment Template for Covid-19', which was targeted at assessing risks posed to any member of staff identified as 'high risk', were made readily available on the Council's intranet pages in 2021.

The Health, Safety and Wellbeing team are currently engaging a working group, with employee representatives from various directorates, to prepare a Wellbeing Plan. This is intended to complement and inform the Future Ways of Working Strategy and People Plan. Wider staff feedback is sought via the Health, Safety and Wellbeing team and will be formalised in further staff surveys. The responses to the 2021/22 staff survey included elements relating to health, safety and wellbeing whilst home working and responses are being reviewed, with support from the working group.

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

Internal Audit Assurance Opinion	
Control Environment	**Good**
Compliance	**Good**
Organisational Impact	**Minor**

Partnership governance framework

Working in partnership can bring a wide range of benefits, but also produces particular risks and governance issues. It is therefore important that significant partnerships are identified, their purpose is clear, the costs and benefits of working in that way are understood, and there is assurance that partnerships' governance supports their operation - particularly in key areas such as making decisions, managing performance and accountability.

It is noted that a partnerships register is yet to be collated and work on reviewing the governance of the Council's partnerships remains in development stages. As such, this review focused upon gathering assurances over the direction of travel and the draft partnership governance framework ahead of implementation.

The Council's draft Partnership Governance Framework and Guidance document was reviewed by Internal Audit by benchmarking it against similar documents from three other local authorities. This exercise identified some further areas that could be considered for inclusion, or which could be expanded upon, in the Council's existing document. Areas for consideration include:

- Including coverage on shared services;
- Including reference to the need to consider insurance and indemnity arrangements when setting up partnerships; and
- Providing definitions for different types of partnerships.

This assignment was advisory in nature and an assurance opinion is not therefore applicable in this instance.

Customer Services

Customer Services is often the main point of contact that North Northamptonshire residents have with the Council when they make enquiries about services they need to access, or problems that need resolving. As such, the efficiency and effectiveness of Customer Services is seen as critical in fostering good relationships with residents and ensuring that the Council meets the needs of the local population.

Customer Services operates as part of the Transformation Directorate and is managed by the Assistant Director of Customer Services, who in turn reports to the Director of Transformation. There are currently five geographically separate teams in Customer Services, each operating different IT systems; with one in each of the sovereign Borough and District Councils and one at Angel Square that takes phone-calls for customers in relation to ex-County Council services that relate to the North Northants area. There is currently no single telephony system, although calls can be routed automatically from the Council's main 0300 number to each of the teams, but system constraints mean that each site is unable to answer another site's calls at present.

Four out of five sites currently have a Customer Relationship Management System (CRM); Wellingborough does not have a CRM. The depth and scope of enquiries dealt with by Customer Services varies considerably between the five teams, so that at present the Council does not have a single integrated function. As 2022 progresses, transformation of the service to move towards a single integrated team will start as projects to procure a single CRM system and single telephony system progress. It is planned that these will be live by the end of the 2022-23 financial year. At the same time a review of the service structure will take place to bring the current five physically separate teams into one integrated team that will be able to seamlessly provide first point of contact for a range of Council services.

In overall terms, the audit concluded that the Council has functioning Customer Services arrangements in place across the localities covered by the previous sovereign Councils, but these are not yet integrated, which means there is a lack of consistency on the arrangements in place to serve the public. The audit also noted some anomalies in the collection and presentation of statistics on contacts made by customers, which could impact on the overall monitoring of performance targets. Staff resourcing issues have been experienced, initially in Corby but more recently at Kettering, that are likely to have had an adverse impact on customer service performance.

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

Internal Audit Assurance Opinion	
Control Environment	**Satisfactory**
Compliance	**Satisfactory**
Organisational Impact	**Minor**

In addition to the planned audit assignments, the Internal Audit team have also been working on grant verification work in relation to a number of grants received by the Council in 2020/21 and 2021/22.

4. Implementation of recommended actions

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.

Since the last Audit and Governance committee meeting, 14 open actions have been confirmed as implemented – an overview is provided in Table 4 of this report. There are currently 17 recommendations which are overdue for implementation. There are currently no actions of 'High' priority which are over three months overdue.

Table 3: Progressing the Annual Internal Audit Plan

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
Governance											
Risk Management strategy	Q1							Strategy adopted and risk management workshop facilitated in June 2021.			
Key Governance Documents, Policies & Records	Q1							No assurance opinion given as no audit testing conducted – rather, gap analysis provided for prioritisation by management.			Reported at Sept 21 meeting
Assurance opinions and annual reporting for sovereign councils	Q1							Annual reports and opinions presented at July 2021 Audit and Governance Committee meeting			
Risk management – facilitation and coverage	Q1 - 4							Ongoing throughout financial year			
COVID-19 Restart grants	Q2							Grant certification provided to central government			
Financial Management Code	Q2										
Transformation	Q4										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Key Financial Systems - 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.											
Legacy bank accounts	Q1							**Limited**	**Limited**	**Moderate**	Reported at Sept 21 meeting
Bank reconciliations	Q1							**Good**	**Satisfactory**	**Moderate**	Reported at Sept 21 meeting
General ledger	Q1							**Satisfactory**	**N/A**	**Minor**	Reported at Nov 21 meeting
Government Procurement Cards (GPCs)	Q1							**Satisfactory**	**N/A**	**Minor**	Reported at Sept 21 meeting
Accounts payable	Q1							**Good**	**Good**	**Minor**	Reported at Nov 21 meeting
Manual interface payments	Q3							**Satisfactory**	**Good**	**Minor**	See section 3
Cashflow from sundry income	Q1							**Good**	**Good**	**Minor**	Reported at Jan 22 meeting
Debt recovery	Q1							**Satisfactory**	**Satisfactory**	**Minor**	Reported at Jan 22 meeting

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Payroll	Q1							**Good**	**Good**	**Minor**	Reported at Jan 22 meeting
Treasury management	Q1							**Good**	N/A	**Minor**	Reported at Nov 21 meeting
IT financial controls	Q1							**Good**	**Good**	**Minor**	Reported at Jan 22 meeting
Financial decision making	Q1							**Good**	N/A	**Minor**	Reported at Nov 21 meeting
Council tax	Q2							**Good**	**Good**	**Minor**	Reported at March 22 meeting
Housing benefits	Q2							**Satisfactory**	**Good**	**Minor**	Reported at March 22 meeting
Legacy debts	Q2							**Satisfactory**	**Satisfactory**	**Minor**	Reported at Jan 22 meeting
Business rates	Q4										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Adults, Communities and Wellbeing Services Priorities and Risks											
Adult Safeguarding– Safeguarding referrals	Q3							**Satisfactory**	**Satisfactory**	**Moderate**	See section 3
Adult Safeguarding– DoLS	Q3							**Limited**	**Satisfactory**	**Major**	See section 3
Financial assessments	Q3							**Good**	**Satisfactory**	**Minor**	Reported at Mar 22 meeting
Housing allocations	Q2							**Good**	**Satisfactory**	**Minor**	Reported at Jan 22 meeting
Housing rents	Q3/4							**Satisfactory**	**Satisfactory**	**Moderate**	See section 3
Landlord Health and Safety	Q3/4										
Homelessness and temporary accommodation	Q3/4										
Appointeeships and Deputyships	Q3/4							**Good**	**Satisfactory**	**Minor**	See section 3
Adult social care	Q4										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
Place & Economy Services Priorities and Risks											
S106 monitoring	Q2							**Limited**	**Limited**	**Moderate**	Reported at Jan 22 meeting
Asset / property management	Q2										
Parking income	Q2							**Satisfactory**	**Satisfactory**	**Minor**	Reported at Jan 22 meeting
Taxi licensing	Q3/4							**Good**	**Good**	**Minor**	See section 3
Procurement and contract management	Q3/4										
Children's services											
Schools thematic review / support	Q3/4										Ongoing into 2022/23 – with Finance and Schools forum
Children's Trust commissioning	Q3/4										
Home to School transport	Q4										Shared service audit
Corporate and cross cutting reviews											
Procurement compliance	Q3/4										

Assignment	Initial timing planned	Not started	Planning	Fieldwork underway	Fieldwork complete	Draft report	Final report / complete	Control Environment	Compliance	Org impact	Comments
ICT – Access controls	Q2										Delays in obtaining evidence
ICT – Cyber security	Q2										Delays in obtaining evidence
ICT – Disaster recovery	Q2										Shared service audit
Eclipse – social care system – user access	Q3/4										Awaiting responses from partners
Pensions	Q3/4										Shared service audit
Human Resources & Health and safety	Q3/4							**Good**	**Good**	**Minor**	See section 3
Information governance	Q3/4										
Partnership assurance framework	Q3/4							Not applicable - advisory			See section 3
Customer services	Q3/4							**Satisfactory**	**Satisfactory**	**Minor**	See section 3
Record keeping in relation to prosecution files	Q4										
Grant certifications	-										Completed as required

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**
Substantial 🟢	There are minimal control weaknesses that present very low risk to the control environment.	The control environment has substantially operated as intended either no, or only minor, errors have been detected.
Good 🟢	There are minor control weaknesses that present low risk to the control environment.	The control environment has largely operated as intended although some errors have been detected.
Satisfactory 🟡	There are some control weaknesses that present a medium risk to the control environment.	The control environment has mainly operated as intended although errors have been detected.
Limited 🔴	There are significant control weaknesses that present a high risk to the control environment.	The control environment has not operated as intended. Significant errors have been detected.
No 🔴	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact	
Level	**Definition**
Major 🔴	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate 🟡	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
Minor 🟢	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

Table 4: 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**
Actions due and implemented since last Committee meeting	1	33%	6	46%	7	47%	14	45%
Actions due within last 3 months, but not implemented	2	67%	5	38%	-		7	23%
Actions due over 3 months ago, but not implemented	-		2	15%	8	53%	10	32%
Totals	3	100%	13	100%	15	100%	31	100%

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.