

# Oadby & Wigston Borough Council

## Internal Audit Progress Report

March 2022



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internal audit services

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## 1. Introduction

This report summarises the work of Internal Audit for the period to the end of February 2022. The purpose of the report is to update the Audit Committee on progress made in delivering the 2021/22 audit plan. We have made good progress towards delivering the plan and we do not anticipate any difficulties in delivering our full programme of work. Section 4 provides a summary of the current status of all audits included on the 2021/22 plan.

## 2. Reviews completed since September 2021 Audit Committee

Review	Key issues	Level of assurance				
Performance Management	<ul style="list-style-type: none"> <li>Introduce a rolling programme of checks on data maintained by service areas in support of KPIs submitted for reporting to the Service Delivery Committee.</li> <li>Establish extent to which the Council has a documented Data Quality Policy and amend/produce as appropriate.</li> </ul>	<b>Significant</b>				
System control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
There is a robust performance management framework in place that is aligned with the Council's corporate and operational objectives.			✓			
Performance data reported is accurate, valid and timely.			✓			
Performance information is appropriately reported and acted on when applicable.		✓				

Review	Key issues	Level of assurance				
Risk Management	<ul style="list-style-type: none"> <li>No key issues raised. Three low level recommendations raised.</li> </ul>	<b>Significant</b>				
System control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
Risk management roles and responsibilities have been clearly defined.			✓			
There is a robust Risk Management Strategy and Policy that have been effectively communicated throughout the Council.		✓				
Risk management is embedded throughout the organisation.			✓			

Review	Key issues	Level of assurance				
Emergency Planning	<ul style="list-style-type: none"> <li>Review and update training summary record.</li> <li>Conduct a training gap analysis for all officers on the strategic and tactical list and address identified training needs.</li> <li>Review the process for preparing and disseminating debrief reports following training exercises.</li> </ul>	<b>Significant</b>				
System control objective		Level of Assurance				
		Full	Significant	Moderate	Limited	No
The Council's role as a Category 1 respondent is clearly understood and is fully delivered through active engagement with the LLR Prepared partnership.			✓			
Hazards that are specific to the Oadby and Wigston have been subject to a current risk assessment and appropriate mitigating plans.		✓				
Staff that have roles to play in the event of an emergency have been clearly identified and properly trained.				✓		
The Council plays an active role in testing the robustness of Emergency Plans.			✓			

Review	Key issues	Level of assurance
Business Restart Grants	<ul style="list-style-type: none"> <li>Head of Internal Audit certification provided in accordance with BEIS requirements.</li> </ul>	N/A

Review	Key issues	Level of assurance
Taxi Licensing	<ul style="list-style-type: none"> <li>Review and address gaps in evidence supporting licences issued.</li> <li>Review the taxi licence income budget.</li> <li>Address system functionality issues currently being experienced with the Uniform system.</li> </ul>	Significant

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
All income due in relation to taxi licensing and related services is promptly recognised, collected, and accounted for.		✓			
Licence applications are fully complete, supported by relevant documentation and subject to appropriate checks prior to being approved and issued.	✓				
Compliance with the terms and conditions for the issue of licences is subject to ongoing monitoring.			✓		
Complaints from members of the public or other sources relating to the provision of taxi services are properly addressed.		✓			

Review	Key issues	Level of assurance
Selective Licensing	<ul style="list-style-type: none"> <li>Review basis for setting income budget.</li> <li>Focus attention on outstanding applications and income due but not collected.</li> <li>Implement inspection programme.</li> </ul>	<b>Moderate</b>

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
All privately rented accommodation in the designated area is identified and all landlords apply to join the selective licensing scheme.			✓		
Applications to join the selective licensing scheme are supported by appropriate documentation and are processed in a complete and timely manner.			✓		
Licence fee and penalty notice income is collected in full.			✓		
Issues with properties that require remedial action are addressed in a timely and complete manner.			✓		

Review	Key issues	Level of assurance
Housing Repairs & Maintenance	<p>Audit testing undertaken during the course of this review has confirmed the self-assessment made by the Housing Manager in respect of the elements of the housing repairs and maintenance action plan that are deemed to have been implemented. The plan still includes a number of important actions that have longer lead times for implementation, and these are set out in section 4 of this report.</p> <p>Delivery of the action plan is an ongoing process that is assisting the housing repairs and maintenance function to address a number of underlying and long-standing weaknesses. This audit has confirmed that reasonable progress has been made on this programme of transformation and for this reason it is possible to provide a <b>Moderate Assurance</b> opinion the control systems and processes currently in place. This represents an improvement on the overall level of control observed by audit during the last audit conducted in 2019/20.</p>	<b>Moderate</b>

### 3. Recommendation tracking

We provide a system for tracking the implementation of agreed Internal Audit recommendations as a management assurance tool for the Council and this Committee. Managers are responsible for updating actions taken and other key information directly on the system. The first table below represents the status of agreed actions due to be implemented by 28/02/22 for all recommendations raised since 1<sup>st</sup> April 2019. The second table outlines the age of the outstanding recommendations (based on the original date due for implementation). The status shown is as advised by the relevant manager/Head of Service and does not imply that Internal Audit has verified the status in all cases.

<b>Summary</b>	<b>1 Critical</b>	<b>2 High</b>	<b>3 Medium</b>	<b>4 Low</b>	<b>Total</b>
Due by 28/02/22	-	22	95	37	<b>154</b>
Implemented / Closed	-	21	89	34	<b>144</b>
Still to be completed	-	1	6	3	<b>10</b>

<b>Time overdue for actions o/s or not complete</b>	<b>1 Critical</b>	<b>2 High</b>	<b>3 Medium</b>	<b>4 Low</b>	<b>Total</b>
Less than 3 months	-	1	0	0	<b>1</b>
3 – 6 months	-	0	3	3	<b>6</b>
Greater than 6 months	-	0	3	0	<b>3</b>
<b>Total</b>	-	<b>1</b>	<b>6</b>	<b>3</b>	<b>10</b>

The number of recommendations that remain unimplemented by their original target date recontinues to be relatively low at 10, which was the same number that were reported as unimplemented to the September 2021 Audit Committee meeting.

Further detail on the high level risk that currently remains as 'work in progress' is detailed in the first of the tables shown below. There are three medium risk issues outstanding for more than 6 months, which are included in more detail in the second table. The Committee will be advised in future progress reports if our follow up work finds that any such cases are not in fact fully implemented.

### **High risk issues**

<b>Review</b>	<b>Recommendation</b>	<b>Risk</b>	<b>Original target date</b>	<b>Revised target date</b>	<b>Current status</b>
Selective Licensing	Develop and deliver a formal inspection programme that addresses the delayed commencement of the Selective Licensing scheme by frontloading inspections at the start of the programme.	2	31 January 22	31 March 22	An inspection schedule is being developed ready for the end of March with the general outline being that we will prioritise properties where we have existing cases and with a lower EPC to target a worst first approach. Some pro-active visits have been made to large block properties within the designated area where there have been issues in the past and engaged with the owners and have an ongoing narrative with them.

**Medium risk issues overdue for more than six months from original implementation date**

Review	Recommendation	Risk	Original target date	Revised target date	Current status
Housing Rents	Undertake an in-depth review of the processes for recovering rent arrears, with specific attention paid to the rising level of current tenant arrears caused by the roll-out of Universal Credit and the need to strengthen former tenant arrears recovery performance.	3	30 Nov 20	31 Mar 22	The Income Management (Housing) Policy is to be circulated in March 2022 with internal stakeholders for comment. Final draft to be submitted to PFD Committee in June 2022.
Payroll	Receive reports of permanent amendments from the payroll provider (EMSS) once they have upgraded their system.	3	31 July 21	30 April 22	EMSS yet to upgrade system – due April 2022.
Payroll	Require payroll service provider to submit monitoring reports detailing performance against KPIs outlined in SLA.	3	31 July 21	31 Mar 22	Payroll provider to be written to regarding this recommendation.



## 4. 2021/22 Internal audit plan

Review	Scheduled	Status	Level of assurance
Performance Management	Quarter 1 / 2	Final report	<b>Significant</b>
Risk Management	Quarter 3	Final report	<b>Significant</b>
Emergency Planning	Quarter 1 / 2	Final report	<b>Significant</b>
Financial Management & Reporting	Quarter 4	In progress	
Creditors	Quarter 4	In progress	
Debtors	Quarter 4	In progress	
Treasury Management	Quarter 4	In progress	
IT Audit – Transition to In-House ICT	Throughout year	Ongoing advice & support	<b>N/A</b>
Payroll & Expenses	Quarter 4		
Homelessness & RSI Grants	Quarter 4	In progress	
Council Tax	Quarter 3	In progress	
Business Rates	Quarter 3	In progress	
Benefits / Council Tax Support	Quarter 3	In progress	
Community Safety	Quarter 2	Final report	<b>Moderate</b>
Business Restart Grants (Covid-19)	Quarter 2	Certification provided	<b>N/A</b>
Volunteer Programme	Quarter 1	Final report	<b>Moderate</b>
Taxi Licensing	Quarter 1 / 2	Final report	<b>Significant</b>
Selective Licensing	Quarter 1 / 2	Final report	<b>Moderate</b>
Housing Repairs & Maintenance	Quarter 4	Final report	<b>Moderate</b>