



Oadby and Wigston Borough Council

Internal Audit Progress Report

4th October 2023



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This paper identifies progress made in relation to completion of work from the Council's 2023/24 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. Copies of any reports issued since the last Audit Committee meeting are included within our papers.

This progress report covers the work carried out during the period April to September 2023.

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.

Key contacts

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Key messages

Since the last Audit Committee we have:

- Issued 2 final reports:
 - Business Rates Grant Income Investigation
 - Private Sector Housing Enforcement
- Issued 4 grant certifications
 - Midlands Net Zero Hub – Home Upgrade Grant Phase 1
 - Midlands Net Zero Hub – Home Upgrade Grant Phase 2
 - Energy Bill Support Scheme
 - Alternative Fuel Payment
- Issued 1 draft report for comment.
 - Complaints
- Provided independent assessment of the draft contract specification’s content in respect of Housing Repairs.
- Held planning meetings with Council officers and issued 13 Terms of Reference. See Appendix C for details.
- We have liaised with the Corporate Management Team and a review of the 2023/24 Internal Audit Plan has been completed. The revised plan is presented to the Audit Committee as a separate paper for information.

Contract performance

Planned audits	Audit completed	% complete
20	3	15%

Planned grant certifications	Grant certifications completed	% complete
9	4	44%

A summary of internal audit plan progress to date can be seen at Appendix A.

A summary of audits completed is provided at Appendix B.

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/>

Work completed

Since our last report to you we have published the following reports:

Audit	Opinion	High	Medium	Low	Advisory
Business Rates Grant Income Investigation	Not Applicable	-	-	-	-
Private Sector Housing Enforcement	Significant	-	1	-	-
Housing Repairs	Advisory	-	-	-	-

Terms of Reference issued

Since our last report to you, the following Terms of Reference have been developed with Council Officers:

- Asset Disposals
- Complaints
- Leisure Services Contract Management
- Staff Development
- Disabled Facilities Grants Contract Management
- Fleet Management
- Licensing
- Governance Arrangements
- Head of Internal Audit Opinion: Annual work programme
- Private Sector Housing Enforcement
- Housing Repairs
- Housing Allocations
- Procurement

These are detailed for the Audit Committee information in Appendix C.

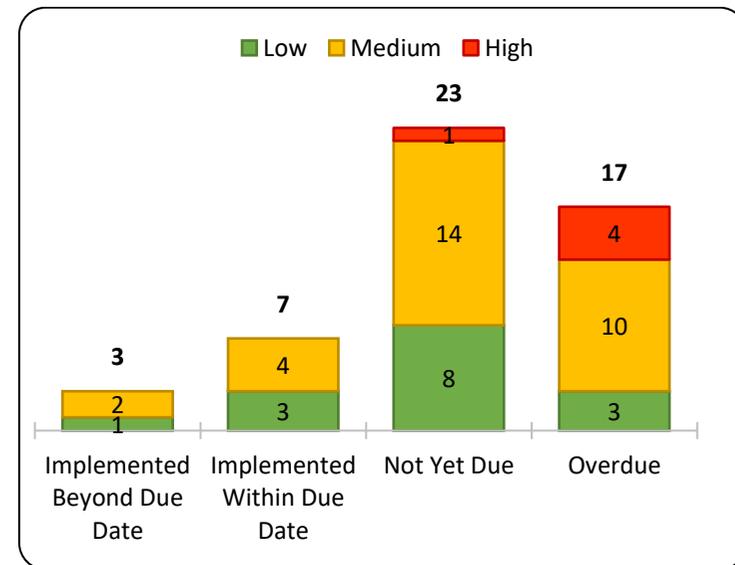
Planning meetings with Council Officers to discuss and agree the scope and coverage of planned work in quarter three are in progress.

Status of agreed actions

The implementation of actions is undertaken using a 'live' follow up system. A summary of the current status of all follow up activity is attached at Appendix E, however, we would draw the committee's attention to the following:

- For a significant opinion on this element we would expect to see a robust process and proactive culture in the organisation on internal audit actions, high risks to be closed at their original due date, over 75% of actions to be implemented by 31 March 2024 and progress to have been made on historic actions.
- The first follow up rate for 2023/24 is 26% (7/27) and the overall implementation rate is 37% (10/27).
- There are 17 actions still open that have not been implemented within their due date.
- There are 5 historic actions originally due prior to 1 April 2023 that remain open; we will continue to track them to completion.

The chart below summarises the progress against agreed actions in-year to 30th September 2023, for Internal Audit.



This report summarises the work in the reporting period in respect of Internal Audit, at the Council. The Client Manager meets with the Interim 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 and local fraud risk assessment.

Members are invited to raise any questions.

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The table below summarises progress against the 2023/24 Internal Audit Plan (**bold** denotes core area to support HOIA opinion):

Ref.	Audit	Planned timing	Status	Assurance level provided	Date reported to Audit Committee
Corporate					
1	Head of Internal Audit Opinion (core)	Q1 -4	ToR issued	-	-
2	Governance Arrangements (core)	Q21	In progress	-	-
3	National Fraud Initiative	Q1 - 4	In progress	-	-
Finance					
4	Financial Management and Reporting (core)	Q4	Planning	-	-
5	Financial Systems (core)	Q4	Planning	-	-
6	Revenues (council tax and business rates) (core)	Q3	Planning	-	-
7	Benefits and Council Tax Support (core)	Q4	Planning	-	-
8	Business Rates Grant Income	Q1	Complete	Advisory	4 October 2023
Customer Services and Transformation					
9	HR Staff Development (core)	Q2	ToR issued	-	-
10	Payroll and Expenses	Q3	Planning	-	-
11	Procurement (core)	Q2	In progress	-	-
Law and Democracy					
12	Licensing	Q2	In progress	-	-
13	Private Sector Housing Enforcement	Q1	Complete	Significant	4 October 2023
14	Complaints	Q2	Draft report issued	-	-
15	Leisure Services Contract Management	Q3	ToR issued	-	-
16	Asset Disposals	Q2	In progress	-	-
Built Environment					
17	Housing Allocations	Q1	In progress	-	-
18	Housing Maintenance, Repairs and Voids	Q2	Advisory	-	4 October 2023
19	Disabled Facilities Grant (contract management)	Q1	In progress	-	-
20	Grant Certifications To date Certifications have been issued for the following areas: – Midlands Net Zero Hub – Home Upgrade Grant Phase 1 – Midlands Net Zero Hub – Home Upgrade Grant Phase 2 – Energy Bill Support Scheme – Alternative Fuel Payment	Q1-4	Ongoing throughout the year	Grant certification provided	4 October 2023
Refuse and Recycling					
21	Fleet Management	Q2	In progress	-	-

The following audit reports have been issued and agreed with Council Officers since the last committee meeting.

Report 1 Business Rates Grant Income Investigation Report	
Objectives and scope	<p>The s151 Officer has requested a review to be undertaken by Internal Audit to provide assurance in the following areas:</p> <ul style="list-style-type: none"> • Independent review of the investigation undertaken by the finance team to provide an independent conclusion on the causes of the apparent shortfall in 2022/23 business rate income. • Necessary action has been identified and taken to correct the error and prevent future similar occurrences. • Reliance can be placed on the overall accuracy of the process for setting and monitoring the budget for business rate income, including identification and treatment of any underlying deficit.* • Business rate income received into the Council’s bank account is subject to a robust reconciliation process. • Controls are in place to prevent/detect fraudulent misrepresentation or manipulation of business rate income. • Appropriate controls are in place to ensure the accuracy of returns sent to central government. <p>* CW Audit will undertake an overview of the process for setting and managing the budget for business rate income, but the Council should seek expert advice where necessary on the application of technical accounting rules for the Collection Fund.</p>
Audit opinion	Not Applicable
Summary findings	The internal investigation concluded that the cause of the apparent £660,000 deficit in the Q3 2022/23 outturn for business rates was caused by a series of coding errors in the treatment of a s31 Grant received in 2021/22 but which applies to the 2022/23 year. Our review confirmed that there is sufficient evidence available to support the conclusions of the internal investigation into the apparent £660,000 deficit in the forecast outturn for business rates, subject to the pending review of the external auditors. The audit further concluded that there are sufficient controls in place to ensure that business rates income is properly accounted for and cannot be misappropriated.

Report 2 Private Sector Housing Enforcement	
Objectives and scope	<p>The overall objective of our review is to ensure that the Council has a robust process in place to investigate and respond to complaints in a timely manner, including making improvements to working practices where deemed necessary.</p> <ul style="list-style-type: none"> • There is an effective strategy in place to improve the condition of private rented accommodation in the borough. • Tenant complaints about private rented accommodation are dealt with in a prompt and efficient manner. • Housing inspections and subsequent improvements (where identified as necessary) are undertaken in line with the requirements of the Housing Health & Safety Rating System (HHSRS) as described by the Housing Act 2004. • Houses in multiple occupation (HMO) are registered and regulated in accordance with the requirements of the Housing Act 2004. <p>The audit will not cover privately rented dwellings that are regulated under the Council’s Selective Licensing scheme.</p>
Audit opinion	Significant

Summary findings	<p>The Council has an up-to-date housing strategy. Although there is no specific action plan to improve the condition of private rented accommodation across the borough, there is a selective licencing scheme currently operating in South Wigston that is due to be expanded to include a new area. A key objective of the selective licensing scheme is to improve the condition of private rented accommodation.</p> <p>The Private Sector Housing team undertake full HHSRS inspections during visits and have adopted use of RH Environmental’s Housing App to ensure that reports are produced in a consistent manner.</p>
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Advisory	Housing Repairs
Objectives and scope	<p>The objective of our review is to provide an independent assessment of the draft contract specification’s content, specifically to ensure that it provides an effective framework for subsequent management of the contract.</p> <p><i>Limitations of scope:</i> The scope of our work will be limited to the areas identified in this Terms of Reference. In particular, this audit is advisory only; to provide advice on the content of the draft contract specification and the subsequent contract management controls that need to put in place. An assurance opinion on the overall housing repairs system will not therefore be provided.</p>
Audit opinion	Not Applicable
Summary findings	<p>The Council is in the process of drawing up a specification to appoint an external contractor to deliver the responsive repairs and maintenance service for the Council’s social housing stock. We have therefore undertaken an advisory piece of work to review the content of the draft specification that has been prepared by the Housing Manager. Our comments, which have been shared with the Housing Manager and the Head of The Built Environment, focus on the following themes:</p> <ul style="list-style-type: none"> • areas where contract deliverables should be more clearly defined in the specification so that they are fully measurable. • advice on the format, content and frequency of performance reports that should be submitted by the contractor. • Identification of processes and controls that will need to be developed by the Council in order to ensure that effective contract management arrangements are in place once the contract becomes operational.”

The following TORs have been issued and agreed with Council Officers since the last committee meeting.

ToR 1 Asset Disposals	
Introduction	Oadby and Wigston Borough Council is currently in the process of selling the following properties: <u>Bushloe House</u> – which is under offer at a price of £3.01m subject to planning permission for a care home and elder person living accommodation. <u>Oadby Swimming Pool</u> - The pool site has been sold subject to contract and planning permission for £1.7m for retirement living accommodation.
Objectives and scope	<ul style="list-style-type: none"> • All required approvals have been obtained for the sales. • A robust process was demonstrably followed to market the properties. • A robust process was demonstrably followed to obtain and fairly evaluate competitive bids and make a correct recommendation for sale. • Sale receipts are received in full and are coded /utilised in accordance with required purpose.
Methodology and approach	<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 Complaints	
Introduction	The Council’s website includes a page that provides guidance on how to raise a complaint and includes a link to the Compliments, Comments & Complaints Policy. The Compliance and Data Protection Officer is responsible for the day-to-day administration of the process for managing complaints, whilst the Customer Service Improvement Manager is responsible for managing any improvements required to working practices processes identified by the complaints investigation process.
Objectives and scope	<ul style="list-style-type: none"> • There is an established Complaints Policy and means for customers to give feedback about the Council’s services. • Complaints are thoroughly investigated in accordance with policy and to an agreed timeframe. • The results of complaints investigations are used to make improvements to the services offered by the Council where applicable. • Operation of the complaints management system is subject to regular reporting and monitoring.
Methodology and approach	<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 Leisure Contract Management	
Introduction	Facilities and activities at Parklands Leisure Centre and Wigston Pool & Fitness Centre have been delivered through a 25 year contract with Sports & Leisure Management Limited (SLM) that has been in place since 2014. The contract allows for periodic review of terms and a renegotiation exercise is currently ongoing. SLM retain the income for facilities provided but pay the Council an annual management fee.
Objectives and scope	There is a comprehensive contract document in place which 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.
Methodology and approach	<ul style="list-style-type: none"> interview key staff to determine the current controls and processes in operation to manage the contract with SLM. review and comment on the adequacy of contract and performance reporting documentation. undertake sample testing to confirm that controls and processes are operating in practice.

ToR 4 Staff Development	
Introduction	The Council’s processes for reviewing staff performance and development have recently undergone a review led by the Strategic Director. The aim of the review was to refine current documentation used in the staff development process in line with the new Corporate Plan and Corporate Objectives and also to assess whether the same documentation can be adapted for all staff groups, including manual worker roles such as cleaners.
Objectives and scope	<ul style="list-style-type: none"> New starters receive comprehensive induction training. Formal probation reviews are completed for new starters in accordance with the required frequency and documentation to be completed. Documented one to one meetings take place between line managers and staff on a bi-monthly basis. Formal staff appraisals are completed and documented every six months in accordance with prescribed procedures. Staff receive appropriate training as identified during the appraisal process.
Methodology and approach	<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 5 Disabled Facilities Grants Contract Management	
Introduction	Adults and children that have a disability may qualify for a Disabled Facilities Grant (DFG) to adapt the property they reside in to enable continued home living. The annual DFG allocation is passported to Oadby and Wigston Council by Leicestershire County Council (LCC) from the Better Care Fund. Individual grants are provided by the Council to go towards the cost of providing the adaptations and facilities and are available for owner/occupiers, private tenants, Council tenants and housing association tenants.
Objectives and scope	<ul style="list-style-type: none"> The overall objective of our review is to ensure that contract with Lightbulb is managed effectively to ensure that DFGs are disbursed in a prompt, fair and transparent manner in accordance required terms and conditions.
Methodology and approach	<ul style="list-style-type: none"> interview key staff. review contract documentation, monitoring reports and committee minutes.

ToR 6 Fleet Management	
Introduction	The Council owns and maintains a fleet of vehicles to facilitate waste collection, street cleansing and grounds maintenance services. There is a five year programme in place that regulates the purchase of new vehicles and refurbishment of existing vehicles, which is kept under regular review.

	Discussions are currently ongoing with Blaby District Council to deliver fleet management through a shared service arrangement that would be provided by Blaby District Council. This would include purchase of new vehicles, refurbishment of existing vehicles and all servicing and maintenance requirements.
Objectives and scope	<ul style="list-style-type: none"> Fleet vehicles are maintained in a safe and usable condition that complies with relevant legislation. Appropriate controls are developed to ensure that the proposed shared arrangements for fleet management delivers an effective service that meets legislative requirements and the needs of service users.
Methodology and approach	<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 7 Licensing	
Introduction	<p>The Council has a number of licensing duties in relation to the regulation of businesses operating in the Borough. There a number of business activities requiring regulation through licensing that have not been subject to recent internal audit review. These are summarised as follows:</p> <ul style="list-style-type: none"> Leisure & personal treatment (includes hairdressers, tattooists & hypnotists). Animal welfare (includes boarding, day care, riding establishments and pet shops). Business & street trading (includes scrap metal dealers, motor salvage operators and street traders).
Objectives and scope	All businesses operating in the leisure & personal treatment, animal welfare and business & street trading categories are identified and licensed in accordance with legislation and the Council’s policies.
Methodology and approach	<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 8 Private Sector Enforcement	
Introduction	<p>Oadby and Wigston Borough Council has a number of enforcement duties in relation to private sector housing. These include:</p> <ul style="list-style-type: none"> addressing health or safety hazards in dwellings. regulation of houses in multiple occupation. bringing empty homes back into use. working with landlords to promote good standards in rented dwellings. addressing public health problems associated with premises that cause statutory nuisance.
Objectives and scope	<p>The overall objective of our review is to ensure that the Council has a robust process in place to investigate and respond to complaints in a timely manner, including making improvements to working practices where deemed necessary.</p> <ul style="list-style-type: none"> There is an effective strategy in place to improve the condition of private rented accommodation in the borough. Tenant complaints about private rented accommodation are dealt with in a prompt and efficient manner. Housing inspections and subsequent improvements (where identified as necessary) are undertaken in line with the requirements of the Housing Health & Safety Rating System (HHSRS) as described by the Housing Act 2004.

	<ul style="list-style-type: none"> Houses in multiple occupation (HMO) are registered and regulated in accordance with the requirements of the Housing Act 2004. <p><i>Limitations of scope:</i> The scope of our work will be limited to the areas identified in this Terms of Reference. The audit will not cover privately rented dwellings that are regulated under the Council’s Selective Licensing scheme.</p>
Methodology and approach	<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 9 Procurement	
Introduction	<p>The Council’s Contract Procedure Rules are included as part 4, section 7 of the Constitution. In summary, formal tendering rules apply for contracts worth more than £50,000 and three written quotations are required for contracts worth between £3,000 and £50,000. The Council also has a Procurement Strategy, although it is acknowledged by management that this requires review and update. Expert procurement advice is obtained through a contract with Welland Procurement (hosted by Melton Borough Council).</p>
Objectives and scope	<p>The overall objective of our review is 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 will review 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, Council Policy and best practice to ensure financial probity and value for money is achieved. <p><i>Limitations of scope:</i> The scope of our work will be limited to the areas identified in this Terms of Reference. The audit does not cover the ongoing contract management arrangements once procurement processes have been completed and contractors have been appointed.</p>
Methodology and approach	<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 10 Governance Arrangements	
Introduction	<p>The AGS for the 2022/23 financial year includes a table of actions being taken in cases where the review against the Local Government Governance Framework has identified the need for further control improvements.</p>
Objectives and scope	<p>The overall objective of our review is to provide independent assurance that actions to improve controls, as identified in the 2022/23 AGS, have been completed in accordance with agreed timescales, and that satisfactory progress is being made to implement actions that remain as work in progress. There are a number of actions that are identified as being due for completion by the end of July 2023. The audit will therefore be delivered during August/September 2023 to allow time for these actions to be fully implemented. Limitations of scope: The scope of our work will be limited to the areas identified in this Terms of Reference. This review only covers delivery of the improvement actions identified in the 2022/23 AGS and does therefore include an overall opinion on the full content of the AGS.</p>
Methodology and approach	<ul style="list-style-type: none"> interview key staff to determine and document the actions taken to address control improvements identified as necessary in the AGS. obtain and test evidence in support of action taken to address control improvements identified as necessary in the AGS.

ToR 11 Housing Allocations	
Introduction	The Housing Act 1996 (Part 6), as amended by the Homelessness Act 2002 and Localism Act 2011, requires local authorities to have an allocations policy for determining priorities and for defining the procedure to be followed in allocating housing accommodation. The Council has a Housing Allocations Policy (approved in 2023) that takes into account all legal requirements and gives due regard to the Government’s ‘Allocation of Accommodation; guidance for local authorities in England’.
Objectives and scope	<p>The overall objective of our review is to review the systems and processes in place for managing housing allocations.</p> <p>The housing allocations system is operated in accordance with legislation and appropriate controls are in place to ensure that access is restricted and updates are prompt and accurate.</p> <ul style="list-style-type: none"> • Applications to join the housing register to bid for properties are processed promptly and accurately in accordance with policy. • The bidding process for properties is run in a fair and consistent manner and offers are made promptly to winning bidders on the basis of a fully validated bid. • The housing allocations system is subject to appropriate levels of management review and monitoring and information is regularly reported to senior management and committee.
Methodology and approach	<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 12 Housing Repairs	
Introduction	<p>Over the last two years, Oadby & Wigston borough Council has been progressively implementing a comprehensive action plan to improve controls operating within the systems and processes to administer housing repairs. Internal Audit has been tasked during this time period with providing independent assurance on the progress made in delivering this action plan.</p> <p>The final element of the action plan to be addressed is the development and implementation of a formal contract for the provision of day to day housing repairs, as well as a monitoring system to ensure that delivery of this service is in accordance with contract terms and conditions.</p>
Objectives and scope	<p>The objective of our review is to provide an independent assessment of the draft contract specification’s content, specifically to ensure that it provides an effective framework for subsequent management of the contract.</p> <p><i>Limitations of scope:</i> In particular, this audit is advisory only; to provide advice on the content of the draft contract specification and the subsequent contract management controls that need to put in place. An assurance opinion on the overall housing repairs system will not therefore be provided.</p>
Methodology and approach	<p>Review draft contract specification and comment on robustness of clauses that allow for appropriate level of contract management controls.</p> <p>Hold discussions with Housing Manager on content of draft contract specification.</p> <p>Provide advice on the design of contract management controls.</p>

ToR 13 Head of Internal Audit Opinion: Annual 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>’ 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>Our year-end Head of Internal Audit Opinion will be based on the following areas:</p> <ul style="list-style-type: none"> • Internal audit plan outturn • Strategic risk management and board assurance framework • Implementation of internal audit actions • Third party assurances 																
Objectives and scope	<p>The table below provides details on what will be assessed within each of the component areas.</p> <table border="1"> <thead> <tr> <th>Key component</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td>Internal audit plan outturn</td> <td>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). We will consider the reasons for any reviews which are deferred or removed from the audit plan. 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 also identify where audit outcomes are significantly different to what was anticipated at the outset of the review.</td> </tr> <tr> <td>Implementation of internal audit actions</td> <td> <p>As part of the PSIAS, we are required to consider the appropriateness of the Council’s response to internal audit recommendations made and actions subsequently implemented. From 2023/24 we will be verifying evidence of all action implementation; in previous years this has been self-assessed by the organisation. More detailed follow up reviews may be completed where an in-depth review is required; this will be agreed in the planning process. In forming our opinion for this element we will take into account:</p> <ul style="list-style-type: none"> • how the Council 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 2023/24 • whether appropriate focus is given to high and medium risk actions so that they are closed at their original due date • whether actions are implemented by their original due date (first follow up rate) – this is for all actions with an original due date 1 April 2023 to 31 March 2024 • the percentage of actions implemented by 31 March 2024. <p>As this is the first year of a new process, we will allow some time for embedding of arrangements. For a significant opinion on this element we would expect to see a robust process and proactive culture in the Council on internal audit actions, high risks to be closed at their original due date, over 75% of actions to be implemented by 31 March 2024 and progress to have been made on historic actions. Whilst we consider all factors above when providing this opinion, as a guide we will use the table to support our overall rating:</p> <table border="1"> <thead> <tr> <th>Implementation rate</th> <th>Guide</th> </tr> </thead> <tbody> <tr> <td>75–100%</td> <td>Significant assurance</td> </tr> <tr> <td>60–74%</td> <td>Moderate assurance</td> </tr> <tr> <td>40–59%</td> <td>Limited assurance</td> </tr> <tr> <td>0–39%</td> <td>Weak assurance</td> </tr> </tbody> </table> </td> </tr> </tbody> </table>	Key component	Explanation	Internal audit plan outturn	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). We will consider the reasons for any reviews which are deferred or removed from the audit plan. 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 also identify where audit outcomes are significantly different to what was anticipated at the outset of the review.	Implementation of internal audit actions	<p>As part of the PSIAS, we are required to consider the appropriateness of the Council’s response to internal audit recommendations made and actions subsequently implemented. From 2023/24 we will be verifying evidence of all action implementation; in previous years this has been self-assessed by the organisation. More detailed follow up reviews may be completed where an in-depth review is required; this will be agreed in the planning process. In forming our opinion for this element we will take into account:</p> <ul style="list-style-type: none"> • how the Council 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 2023/24 • whether appropriate focus is given to high and medium risk actions so that they are closed at their original due date • whether actions are implemented by their original due date (first follow up rate) – this is for all actions with an original due date 1 April 2023 to 31 March 2024 • the percentage of actions implemented by 31 March 2024. <p>As this is the first year of a new process, we will allow some time for embedding of arrangements. For a significant opinion on this element we would expect to see a robust process and proactive culture in the Council on internal audit actions, high risks to be closed at their original due date, over 75% of actions to be implemented by 31 March 2024 and progress to have been made on historic actions. Whilst we consider all factors above when providing this opinion, as a guide we will use the table to support our overall rating:</p> <table border="1"> <thead> <tr> <th>Implementation rate</th> <th>Guide</th> </tr> </thead> <tbody> <tr> <td>75–100%</td> <td>Significant assurance</td> </tr> <tr> <td>60–74%</td> <td>Moderate assurance</td> </tr> <tr> <td>40–59%</td> <td>Limited assurance</td> </tr> <tr> <td>0–39%</td> <td>Weak assurance</td> </tr> </tbody> </table>	Implementation rate	Guide	75–100%	Significant assurance	60–74%	Moderate assurance	40–59%	Limited assurance	0–39%	Weak assurance
Key component	Explanation																
Internal audit plan outturn	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). We will consider the reasons for any reviews which are deferred or removed from the audit plan. 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 also identify where audit outcomes are significantly different to what was anticipated at the outset of the review.																
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	In future years, this guide will be used to assess the completion of actions using the first follow up rate.						
Strategic risk management	Our definition of risk management is the management of risk to the achievement of the organisation’s corporate objectives. We will consider whether the Council has a robust risk management strategy or policy in place that clearly sets out how strategic risks will be managed. The Council is currently in the process of reviewing its Risk Management Strategy and Policy and progress will be reflected within our review. As part of our assessment, we will review how the Council and/or a committee discuss and evidence strategic risk management. We will review how the Audit Committee fulfils its responsibilities in relation to strategic risk management, specifically how it is assured that the design and operation of the strategic risk management arrangements are fit for purpose. We will assess whether principal risks are clearly identified against the organisation’s corporate objectives, whether controls are adequately described within the strategic risk register, and assurances are identified, as well any associated actions. Through the year we will review whether actions identified to mitigate risks are progressed and closed. We will also consider how the organisation’s risk appetite is used. We will review whether the strategic risk register is subject to regular scrutiny and challenge, in accordance with the reporting arrangements set out in the risk management strategy or policy.						
Third party assurances	As part of the PSIAS, we are required to consider assurance given by other third parties. We do not give an assurance rating to this element. CIPFA guidance states ‘to build a robust opinion on the adequacy of the governance, risk and control framework the Head of Internal Audit will need to review and, if appropriate place reliance on the work of others’.						
<p>Progress in relation to our HOIA Opinion work programme will be reported during the course of the year to the Audit Committee and will be discussed with relevant lead officers. The element of the work programme relating to your Assurance Framework will be delivered as follows:</p> <table border="1"> <thead> <tr> <th>Stage of work</th> <th>Summary of testing</th> </tr> </thead> <tbody> <tr> <td>Stage 1</td> <td>We will review whether the organisation has a robust risk management strategy or policy in place which clearly sets out the programme of review for strategic risks. We will review the current strategic risk register and consider whether the format and content is appropriate to support the scrutiny and challenge of risk management.</td> </tr> <tr> <td>Stage 2 – interim opinion</td> <td>We will review implementation of any actions agreed at stage 1. We will consider how the strategic risk register has been used since our stage 1 work to confirm this is regularly reviewed, updated and considered by full Council and/or committees, as appropriate.</td> </tr> </tbody> </table> <p>Limitations of scope: The scope of our work will be limited to the areas identified above in the TOR. This work programme is not designed to give assurance on the entirety of the organisation’s governance and risk management arrangements.</p>		Stage of work	Summary of testing	Stage 1	We will review whether the organisation has a robust risk management strategy or policy in place which clearly sets out the programme of review for strategic risks. We will review the current strategic risk register and consider whether the format and content is appropriate to support the scrutiny and challenge of risk management.	Stage 2 – interim opinion	We will review implementation of any actions agreed at stage 1. We will consider how the strategic risk register has been used since our stage 1 work to confirm this is regularly reviewed, updated and considered by full Council and/or committees, as appropriate.
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As part of our contract with the Council 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 later in the year. Please note these are compiled on a cumulative basis.

So far in 2023/24 we have issued 13 Terms of Reference and issued two final reports.

360 Assurance KPIs	Target	Q1	Q2	Q3	Q4
Issue a Client Satisfaction Questionnaire following completion of every audit.	100%	100%			
Terms of Reference issued before commencement of the audit.	100%	100%			
Draft report issued within 10 working days of exit meeting.	100%	100%			
Final report issued within 5 working days of executive sign-off.	100%	100%			
Overall client satisfaction rating of satisfied or highly satisfied.	90%	No responses yet received			
Client KPIs	Target	Q1	Q2	Q3	Q4
Terms of Reference to be agreed within 10 working days of being received.	100%	100%			
Information has been provided and staff have been available to meet the timescales set out within the Terms of Reference.	100%	100%			
Management response received within 10 working days of receiving the final draft report.	100%	100%			

The table below provides a summary of actions due on or by 30th September 2023 that have yet to be implemented (this includes actions where extensions to original implementation dates have been agreed and historical actions originally due prior to 1 April 2023 that remain open).

Audit reference / title by Executive Lead	Low	Medium	High	Total	Comments / Latest Status Update
Corporate	1	0	0	1	
2022/23 Anti-Fraud and Corruption	1	0	0	1	Service Level Agreement covering investigation services. Original due date: 31.03.2023 Revised Implementation date: 31.03.2023
<u>Latest Status Update</u> None provided					
Finance	1	0	0	1	
2021/22 Council Tax	1	0	0	1	Documents and Resources. Original due date: 30.09.2022 Revised Implementation date: 31.03.2024
<u>Latest Status Update</u> The functionality of IDOX has been reviewed and it cannot provide a workflow system. A wider project to appraise alternatives to IDOX is needed. Benchmarking has commenced with 150 responses to a FOI request made being reviewed to date. Further data and alternative systems will be appraised to inform a business case to support the need for change. The wider project means significant investment of time and resource is needed to prepare the business case and implement changes, this has been reflected in the revised timescale.					
Built Environment	1	0	0	1	
2022/23 Homelessness	1	0	0	1	Temporary Accommodation debts Original implementation date: 31.03.2023 Revised implementation date: 31.05.2023
<u>Latest Status Update:</u> Policy has been drafted and includes template letters for the officer. Need to consult with Housing Options Officers.					
2022/23 Safeguarding	0	2	0	2	Safeguarding related grants and Feedback on outcomes. Original implementation date: 31.03.2023 (both actions) Revised implementation dates: 31.04.2023 (grants) and none identified (feedback)
<u>Latest Status Update:</u> <i>Safeguarding related grants</i> - Training for managers and officers responsible for grants is to be developed in April 2023, and a list of those who require the training procured. <i>Feedback on outcomes</i> - This item could not be raised in March's County DSO meeting due to a lack of attendance from Social Care. A letter on behalf of the districts will be drafted by Mark Smith addressed to the two safeguarding boards to escalate this matter. The wording will need to be agreed by County DSO meeting attendees before it is sent.					