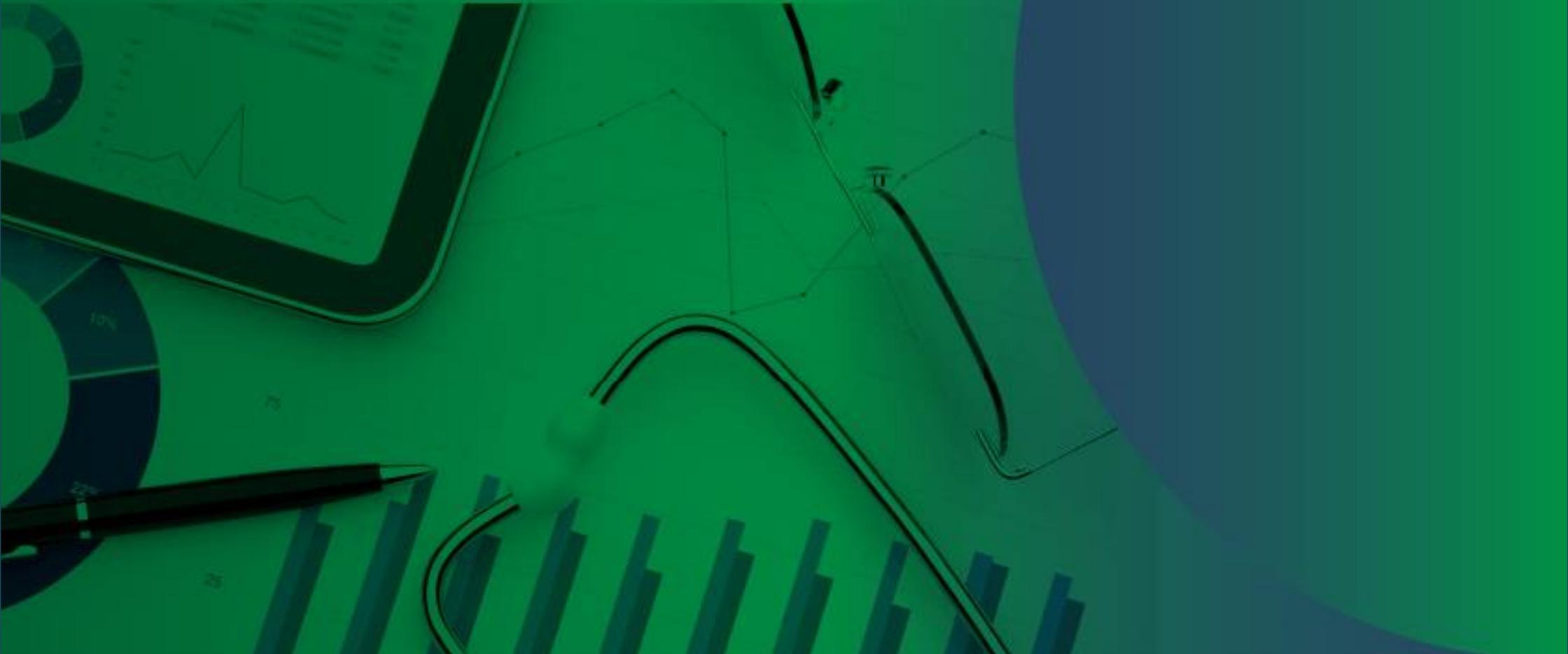




Oadby and Wigston Borough Council

Internal Audit Progress Report

April 2024



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

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This report has been prepared solely for your use in accordance with the terms of the aforementioned agreement (including the limitations of liability set out therein) and must not be quoted in whole or in part without the prior written consent of 360 Assurance.

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. Details 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 February to March 2024.

Action required

The Audit Committee is asked to:

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

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

Key contacts

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Key messages

Since the last Audit Committee in January 2024 we have:

- Issued 1 final report relating to Asset Disposals.
- Issued 1 draft report relating to Leisure Contract Services.
- Completed our stage one work for the HOIA opinion.
- Undertaken fieldwork in order to progress the audit plan.
- Liaised with Council officers to discuss draft report findings, obtain management responses and agree action plans.

We draw Audit Committee’s attention to the following:

- The overall implementation of recommendations with original completion dates between 1st April 2023 to 31st March 2024 (2023/24) so far is **57%**.
- There are **20** overdue actions relating to 2023/24 at the time of writing. See page 4 and Appendix D for more details.
- There is 1 historic action originally due prior to 1 April 2023 that remains open. These are detailed in Appendix D.

2024/25 audit planning

We have commenced planning conversations for 2024/25 with the Council officers and have liaised with the Heads of Service to discuss possible areas of coverage to be included in the 2024/25 audit plan.

We will share a set of planning slides with Council officers which set out the core reviews proposed for 2024/25 together with consideration of other risk-based work and audits included in the three-year strategic plan.

Contract performance

Planned audits	Audit completed to report stage	% complete
20	7	35%

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 C 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/>



New Internal Audit Standards

In January 2024, the new [Global Internal Audit Standards](#) were published to become effective from 9 January 2025.

The standards consist of 5 domains;

- purpose of internal auditing,
- ethics and professionalism,
- governing the internal audit function,
- managing the internal audit function, and
- performing internal audit services.

Our services align to the principles outlined in these standards but, as the year develops, we will be reviewing our arrangements to ensure we fully align to the new requirements.

Our own quality monitoring programme will continue throughout the year and will consider the changing requirements. We will provide further updates as the year progresses.

The standards continue to require an external quality assessment (EQA) and our next one is due in October 2027.

Work completed

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

Audit	Opinion	High	Medium	Low	Advisory
Asset Disposals	Significant	-	-	-	-

The above report is detailed at Appendix B and is available in full upon request.

We are in the process of discussing our findings and obtaining management responses from Council officers for draft reports issued.

Once management responses have been received and audit reports agreed they will be reported to the Audit Committee.

Terms of Reference issued

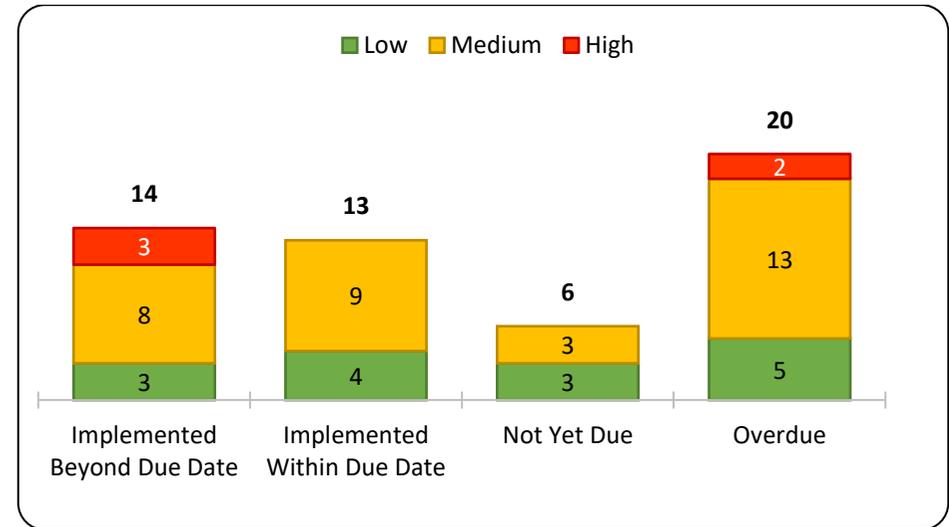
Since our last report to you in January 2024, there have been no Terms of Reference issued.

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 overall implementation rate is currently **57%** (27/47)
- The first follow up rate (implemented by original due date) for 2023/24 is **28%** (13/47).
- There are **20** actions still open that have not been implemented within their due date. These include 2 high risk actions.
- There is 1 historic action originally due prior to 1 April 2023 that remains open; we will continue to track it to completion.

The chart below summarises the progress against agreed actions in-year to 27th March 2024, 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 asked to receive the report for assurance and 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, stage 1 completed	Advisory	-
2	Governance Arrangements (core)	Q2	Completed	Significant	24 January 2024
3	National Fraud Initiative	Q1 - 4	In progress	-	-
Finance					
4	Financial Management and Reporting (core)	Q4	In progress	-	-
5	Financial Systems (core)	Q4	In progress	-	-
6	Revenues (council tax and business rates) (core)	Q3/4	In progress	-	-
7	Benefits and Council Tax Support (core)	Q4	In progress	-	-
8	Business Rates Grant Income	Q1	Completed	Advisory	4 October 2023
Customer Services and Transformation					
9	Payroll and Expenses	Q3/4	In progress	-	-
10	Procurement (core)	Q2/3	In progress	-	-
Law and Democracy					
11	Licensing	Q3/4	In progress	-	-
12	Private Sector Housing Enforcement	Q1	Completed	Significant	4 October 2023
13	Complaints	Q2	Completed	Significant	24 January 2024
14	Leisure Services Contract Management	Q3	Draft report issued	-	-
15	Asset Disposals	Q2/3	Completed	Significant	10 April 2024
Built Environment					
16	Housing Allocations	Q3/4	In progress	-	-
17	Housing Maintenance, Repairs and Voids	Q2	Completed	Advisory	4 October 2023
18	Disabled Facilities Grant (contract management)	Q1	Fieldwork complete	-	-
19	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 certifications provided	4 October 2023
Refuse and Recycling					
20	Fleet Management	Q2	Completed	Significant	24 January 2024

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

Report 4	Asset Disposals
Objectives and scope	<p>The overall objective of our review was to ensure that the Council has a robust process in place to dispose of Bushloe House and the former Oadby pool. In order to achieve this objective, we have reviewed the following controls:</p> <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.
Audit opinion	Significant Assurance
Summary findings	<p>This review found that the sales of Bushloe House and Oadby Swimming Pool to have been conducted following approval by members and using delegated authority where relevant. The properties were appropriately marketed to a wide range of potentially interested developers and bids evaluated independently of Council officers, achieving sales offers significantly in excess of the original valuations. At the time of the review contracts have not yet been exchanged on either property, however the sales processes are proceeding satisfactorily subject to planning consents. Our review did not highlight any control weaknesses and therefore no recommendations have been raised. We have provided a ‘significant assurance’ opinion on the basis that both sales remain subject to contract at the current time and we cannot therefore fully test the final control objective that ‘sale receipts are received in full and are coded/utilised in accordance with required purpose’.</p>

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 18 Terms of Reference and issued seven reports.

360 Assurance KPIs	Target	Q1	Q2	Q3	Q4
Issue a Client Satisfaction Questionnaire following completion of every audit.	100%	100%	100%	100%	100%
Terms of Reference issued before commencement of the audit.	100%	100%	100%	100%	100%
Draft report issued within 10 working days of exit meeting.	100%	100%	100%	100%	100%
Final report issued within 5 working days of executive sign-off.	100%	100%	100%	100%	100%
Overall client satisfaction rating of satisfied or highly satisfied.	90%	No responses yet received	No responses yet received	100% (1 response received)	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%	100%	100%	100%
Information has been provided and staff have been available to meet the timescales set out within the Terms of Reference.	100%	100%	100%	100%	100%
Management response received within 10 working days of receiving the final draft report.	100%	100%	100%	100%	100%

The tables below provides a summary of actions due on or by 31st March 2024 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).

Historical Actions

Audit reference	Low	Medium	High	Total	Comments / Latest Status Update
2022/23 Safeguarding	0	1	0	1	Safeguarding related grants. Original implementation date: 31.03.2023 Revised implementation dates: 31.05.2023
<p><u>Latest Status Update:</u> 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. No further updates have been received.</p>					

Overdue Actions

Audit reference	Low	Medium	High	Total	Comments / Latest Status Update
2022/23 Key Financial Systems	4	4	0	8	4.1 Financial management reporting and virements Original due date: 31.07.2023 Revised Implementation date: 07.02.2024 4.2 System Access Original due date: 30.09.2023 Revised Implementation date: 07.02.2024 4.3 Creditors – Non Purchase Order invoices Original due date: 30.09.2023 Revised Implementation date: 31.03.2024 4.5 Creditors – Masterfile Amendments Original due date: 31.07.2023 Revised Implementation date: 07.02.2024 4.6 Debtors – Credit Notes Original due date: 31.07.2023 Revised Implementation date: 07.02.2024 4.7 Debtors – Recovery Action Original due date: 31.12.2023 Revised Implementation date: 28.02.2024

Audit reference	Low	Medium	High	Total	Comments / Latest Status Update
					4.8 Debtors Long Term Overdue Debts Original due date: 31.12.2023 Revised Implementation date: 28.02.2024 4.9 Debtors – reporting of aged debt Original due date: 30.09.2023 Revised Implementation date: 31.03.2024
<u>Latest Status Update:</u> We have been provided with documentary evidence to support completion of the actions and are in the process validating the information provided.					
2022/23 Alcohol and Entertainment Licensing	0	1	1	2	Recording evidence Original implementation date: 30.04.2023 Revised Implementation date: 30.04.2024 Performance Information Original implementation date: 31.07.2023 Revised Implementation date: 31.01.2024
<u>Latest Status Update:</u> Recording evidence: Work is still underway. Problems accessing Granicus to configure the necessary changes. Likely that timescale will now shift. Performance information: Benchmarking is taking place across the County. Measures to be introduced following system updates. Many measures are statutory. Performance measures will be introduced following work with NWLDC to digitised our systems and integrate forms.					
2022/23 Anti Fraud and Corruption	0	1	0	1	Annual Report on Fraud and Corruption. Original implementation date: 31.07.2023 Revised implementation date: 31.07.2024
<u>Latest Status Update:</u> The item has been added to the agenda for the July 2024 Audit Committee.					
2022/23 Grounds Maintenance and Street Cleaning	1	7	1	9	4 actions due by 30.06.2023 (4 medium risk actions in relation to Street cleaning, Employee health and safety training, health and safety risk assessments and grounds maintenance specifications) Revised implementation dates: none received. 4 actions due by 30.09.2023 (2 medium, 1 low and 1 high risk actions in relation to monitoring cleanliness, parks and open spaces strategy, KPI reporting on street cleaning and maintenance documentation). Revised implementation dates: none received.

Audit reference	Low	Medium	High	Total	Comments / Latest Status Update
					1 action due by 31.12.2023 (medium risk in relation grounds maintenance and performance monitoring)
<u>Latest Status Update:</u> None received. We held a meeting with the lead office and requested formal updates on 23 rd February 2024 and no further updates have been received.					

Actions not yet validated

There are a further six actions due for completion by 31st March 2024 (reported as 6 not yet due in the Action Tracking section above).

Audit reference	Low	Medium	High	Total	Comments / Latest Status Update
2022/23 Payroll	2	3	0	5	Payroll Contract documentation, Independent assurance, Payroll service charges, Payroll output reports and temporary variations. Original implementation date: 31.03.2024
<u>Latest Status Update:</u> We have been advised that the actions have been completed and are waiting for documentary evidence to confirm implementation.					
2022/23 Risk Management	1	0	0	1	Risk Management Responsibilities. Original implementation date: 31.03.2024
<u>Latest Status Update:</u> We have been provided with documentary evidence to support completion of the action and are in the process validating the information provided.					