

Internal Audit Progress Report

Audit Committee (30 July 2024)

Pendle Borough Council

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Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

1 Introduction

This report provides an update to the Accounts & Audit Committee in respect of closure of the 2023/24 Internal Audit Plan and progress against the 2024/25 Internal Audit Plan and brings to your attention matters relevant to your responsibilities as members of the Accounts & Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition, a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period 8th March 2024 to 22nd July 2024.

2 Key messages for Accounts & Audit Committee

Since the last meeting of the Accounts & Audit Committee, there has been the focus on the following areas:

Audit Reviews

The following reviews have been finalised:

- **Budget setting & monitoring – Substantial Assurance**
- **Third party suppliers (Liberata) – Substantial Assurance**
- **IT Information Security – Limited Assurance**
- **Staff Performance Management Review – Limited Assurance**

Refer to Appendix C for details of Key Areas and Actions to be delivered.

The following reviews are at draft report stage:

- **IT Cyber Security**
- **Colne Muni project briefing note** (this was work was undertaken following a request received from the Interim Director of Resources to review the Colne Muni project and whether appropriate processes were followed in the management of the programme and if there were any lessons learnt that can be applied to any future projects. We have utilised the full contingency days in the audit plan to undertake this work).

The following reviews are currently in progress:

- **Finance deep dives** (fieldwork)
- **Revenue & Benefits** (fieldwork)
- **Homelessness** (fieldwork)
- **Sickness Absence** (fieldwork)
- **Complaints & Learning** (planning)
- **Performance reporting & data quality** (planning)
- **Customer Care** (planning, was rescheduled for Q3, review moved to Q2 at request of Council)

Follow up of previous internal audit recommendations

A summary of the current status of follow-up activity is included in Appendix D, however, we would draw the committee's attention to the following:

Of the 72 recommendations set out in Appendix D, 46 of these have either been fully actioned or are in progress/partially addressed. The remaining 26 recommendations are not yet due for action. There are no critical and 5 high priority recommendations outstanding in relation to Staff appraisals and Information Governance, however these are not yet due.

Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process. There are no proposed changes to the Audit Plan.

Food Safety (Response to previous Accounts & Audit Committee query)

At the previous Accounts & Audit Committee there was a query regarding our Food Safety audit report in relation to the Enforcement Policy.

A high priority issue had been raised relating to one business which has not been compliant with the standards since October 2022 but no enforcement action had been taken by the Council. The query raised by the Accounts & Audit Committee was in relation to what testing we undertook around this.

The relevant audit objective that this finding was reported under as that “All food businesses in the Borough are inspected on a regular basis and any issues are dealt with appropriately. Follow up visits are undertaken where appropriate to ensure the appropriate actions have been taken”.

To test this audit objective, we reviewed the Council’s inspection programme and compared it to a list of food premises for completeness. We checked to ensure that all had been inspected on a regular basis in line with the Council’s inspection programme and priorities.

We reviewed a sample of 15 out of 70 completed inspections to ensure:

- checklist/inspection sheets had been fully completed,
- a written report was produced,
- follow up action taken if problems were identified as part of the inspection and review of food hygiene ratings and
- where establishments were rated ‘2’ or less appropriate follow up action had been taken

We also discussed with management how they ensure they follow up any non-compliance.

We have since undertaken a full follow up of the recommendations made in our Food Safety report and all have now been satisfactorily addressed by management.

Public Sector Internal Audit Standards

In January the Institute of Internal Auditors issued revised Global Internal Audit Standards (GIAS).

The Relevant Internal Audit Standard Setters (RIASS) for the UK Public Sector have agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector and have asked the UK Public Sector Internal Auditing Standards Advisory Board (IASAB) to carry out a review of the new standards with a view to identifying and producing any sector specific interpretations or other material needed to make them suitable for UK public sector use.

The implementation date for the new standards in the UK public sector will be 1st April 2025. Until then, the existing Public Sector Internal Audit Standards will continue to apply.

When the IASAB issues material for application in the UK public sector MIAA will review this and amend our processes if required to continue to ensure full compliance with standards.

The latest updates from the IASAB can be accessed via the following link: <https://www.iasab.org/latest-news>

MIAA Quality of Service Indicators

MIAA operate systems to ISO Quality Standards. Public Sector Internal Audit Standards (PSIAS) require MIAA to ‘develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.’ This programme must include internal and external assessments.

External assessments must be conducted at least once every five years. Our last external assessment was completed in 2020 and concluded MIAA fully complies with PSIAS (as previously reported to Audit Committee).

We also undertake regular internal assessments to ensure our ongoing compliance with requirements. We have recently completed our annual self-assessment of compliance with PSIAS and can confirm full compliance with PSIAS.


Added Value






Events

- [How to Lead in a Hybrid World 16 Oct 2024](#) This Masterclass explores the ways in which organisations can help generate team spirit /culture and support leaders to effectively lead a team with people who aren't in the room.
- [Evidence Based Working \(22 Nov 2024\)](#) How Can a Better Evidence-Based Approach Support Local Government to Meet its Challenges? Rob Brinan, a Professor of Organisational Psychology in the School of Business and Management. will be joining us to explore what we know in relation to how local government responds to situations, and how a more evidence-based approach may improve practice.

Appendix A: 2024/25 Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that '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. Below sets out the overview of delivery for your Head of Internal Audit Opinion for 24/25:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Core/Mandated Assurances				
Performance Reporting & Data Quality		Q2 - Planning		
Finance Systems Deep Dive		Q4		
Revenue & Benefits		Q4		
Risk Based Assurances				
External Governance Review Response		Q2 & Q4		
Complaints & Learning		Q2 - Planning		
Customer Care		Q3 – to commence Q2 (planning)		
Homelessness		Q1 - Fieldwork		
Joint Ventures		Q2		
Building Control		Q4		

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Sickness Absence		Q1 - Fieldwork		
IT Critical Application: IDOX System		Q2 & Q3		
2023/24 reviews not included in 2023/24 HOIAO				
IT Cyber Security / IT resilience		Draft report issued		
Performance Reviews Staff		Final Report	Limited	July 2024
Finance Deep Dives		Fieldwork		
Revenue and Benefits		Fieldwork		
Follow Up				
Qtr 1	N/A	Complete	N/A	July 2024
Qtr 2	N/A			
Qtr 3	N/A			
Qtr 4	N/A			

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	We are on track to be able to provide the Council with a Head of Internal Audit Opinion in line with the required timescales.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Each Audit Assignment	Green	Questionnaire issued with each audit report.
Percentage of recommendations raised which are agreed	Each Audit Committee	Green	Actions agreed by the Council on all recommendations raised.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service to the Council are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA's compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title (Assurance Level)	Budget Setting and Monitoring (Substantial Assurance)			
Executive Sponsor	Director of Resources			
Objective	The overall objective of the review was to provide assurance that the systems for budgetary control are adequate and being consistently applied.			
Recommendations	0 x Critical	0 x High	4 x Medium	4 x Low
Summary	<p>The economic climate and associated pressures have increased the demands on local authority budgets. The 2023/24 budgets were set in February 2023 and the budget proposals for 24/25 were presented to the Special Budget Council meeting on February 26th 2024. The Council had processes in place to set, monitor and report against the budget and any changes with engagement of the members. However, our review identified some areas for improvement.</p> <p>No formal finance related training is provided for Service Heads or the Council Members. However, support is provided by the finance team to help with the understanding of any issues and to understand any variances to the budget. (Low priority)</p> <p>Annual budgets are not formally communicated to, or acknowledged by, the budget holder. (Medium priority)</p> <p>The agreed budgets are not checked for accuracy after they have been input to the ledger. (Medium priority)</p> <p>A procedure should be documented setting out the timetable for setting and agreeing annual budgets, detailing the key milestones and dates. No evidence of a budget setting procedure could be identified. (Low priority)</p> <p>The Council undertake quarterly financial reporting through the Revenue and Capital Budget monitoring reports to the Executive Committee and the Council. This could result in adverse financial performance not being subject to member scrutiny for up to three months. (Low priority)</p>			

	<p>The minutes of the Executive Committee recorded the approval of a supplementary revenue estimate of £0.377 rather than £0.377m. This typing error was also repeated in the Council minutes of December 14th 2023. (Low priority)</p> <p>There have been a limited number of virements between budgets, but seven virements were not evidenced as being authorised and three exceeded the Corporate Management Team virement limit of £100,000. (Medium priority) The Financial Procedure Rules do not contain guidance on actioning/approving virements greater than £100,000. (Medium priority)</p>
Key Areas Agreed for Action	<ul style="list-style-type: none"> • Agreed, the 2024/25 budgets will be checked when loaded onto CIVICA for accuracy. (Medium priority, actioned by 30th April 2024) • Formal communication with Budget Holders currently underway. (Medium priority, actioned by 30th April 2024) • Corrections in 2023/24 due to budget issues in other recommendations, once implemented no such corrections should be needed. (Medium priority, action by 31st March 2025) • Agreed to update Financial Procedure Rules (FPR). (Medium priority, action by 30th September 2024) • Training needs to be reviewed and program pulled together. (Low priority, action by 31st December 2024) • 2025/26 budget to be built through a set timetable. (Low priority, action by 31st August 2024) • The minutes of the Executive and Council for December 2023 should be revised to ensure the correct figure of £0.377m is recorded. (Low priority, action by 30th April 2024) • Review of agenda planning to assess if this is possible. (Low priority, action by 31st May 2024)
Key Risks Highlighted with No Agreed Action	N/A

Report Title (Assurance Level)	Third Party Suppliers - Liberata (Substantial Assurance)			
Executive Sponsor	Director of Resources			
Objective	The overall objective was to identify and evaluate the controls in place to manage key risks which would affect the effective operation of the organisation's system for the management and oversight of third-party suppliers. Our review focused on the Council's main third-party supplier, Liberata. A more detailed review of Customer Care is planned in the 2024/25 audit plan to evaluate processes and controls in place to handle, collate & respond to customer telephone requests and queries.			
Recommendations	0 x Critical	0 x High	2 x Medium	2 x Low
Summary	<p>The Council entered into the original contract with Liberata in February 2005. In 2017 this contract was reviewed and extended to February 2030. The value of the contract in the financial year is £5.098m plus VAT.</p> <p>The Council has recently been negotiating an update to the contract with Liberata.</p> <p>Performance data is supplied by Liberata in monthly and quarterly reports which are reviewed by the Partnership Steering Group and Joint Partnership Board. There were anomalies between the information reported in the Partnership Steering Group regarding the number of calls reported as having been answered and the number of calls dealt with by the call handlers on the Resolution Capture Tool.</p> <p>The data supplied regarding call handling does not include the number of Full Time Equivalent (FTE) call handling staff or provide more detailed breakdown by day and reasons for customer contacts, so the Council are unable to assess the performance of the call centre effectively and whether the contract requirements are being fulfilled. (Medium priority) Additionally, there is no reporting of customer complaints in the Performance Steering Group reports.</p> <p>The Performance Management Framework and incentive model was mutually suspended during COVID and has yet to be reinstated. A new Performance Management Framework and KPIs have been</p>			

	<p>developed which focus on the satisfaction of the customer and successful resolution of the queries at first contact. At the time of the audit these had yet to be agreed with Liberata. (Medium priority)</p> <p>The Council reports the former KPIs as a measurement of performance to the Executive and Quarterly Joint Partnership Board.</p> <p>The Joint Partnership Board Terms of Reference do not state the number of attendees required for quoracy. (Low priority)</p> <p>Reporting of current performance to the Executive and the Joint Partnership Board in respect of two red rated KPIs, identified that the reported figures were not consistent. (Low priority)</p>
Key Areas Agreed for Action	<ul style="list-style-type: none"> • Work is underway to develop the Council's Customer Contact and Digital Strategy. Part of this involves the development of baselines and the subsequent action planning process which will involve further data being required. The 'art of the possible' and the most appropriate data available is under discussion between the Council and Liberata. The Council have also advised Liberata that they need to take a more pro-active approach to business intelligence and data sharing. (Medium priority, actioned by 31st August 2024) • As at the 15th April all but one performance indicator, relating to Customer Services, have been agreed. The methodology on another agreed KPI is also still requiring further discussion. Discussions are underway on both of these, and it is anticipated that these will be agreed within the next few weeks. However, there is a wider review of the customer journey being undertaken so there is an expectation that these will be subject to regular review (annual at least) to ensure they remain relevant to the Council's aspirations in this respect. (Medium priority, action by 31st August 2024) • The ToR are currently under revision and the quoracy requirements are currently being given due consideration. The agreed revised ToR will contain the quoracy requirements as agreed. The ToR will then require approval at the Joint Partnership Board currently being scheduled for August 2024. (Low priority, action by 31st August 2024) • The inconsistency occurred due to the timeliness of reporting to the Executive and was an administrative error, which we will ensure will not occur again. The data reported is subject to many checks and unfortunately this slipped through the net. More stringent checking processes

	will be built into the finalising of the reports prior to submission to ensure consistency. (Low priority, action by 30th June 2024)
Key Risks Highlighted with No Agreed Action	N/A

Report Title (Assurance Level)	Information Governance Review (Limited Assurance)			
Executive Sponsor	Director of Resources			
Objective	To review and provide an assessment of the effectiveness of the controls being exercised by management regards information governance (IG). Taking into consideration the legal framework governing the use of personal confidential data (PID) and the fundamental principles of General Data Protection Regulations (GDPR) and the Data Protection Act 2018 (DPA 2018).			
Recommendations	0 x Critical	3 x High	2 x Medium	0 x Low
Summary	<p>Whilst the review identified some areas of good practice, fundamental weaknesses were identified in the council's information governance processes to maintain the confidentiality, integrity and availability of personal identifiable data that the council processes and holds. Key areas of concern are summarised as follows:</p> <ul style="list-style-type: none"> • Lack of direct and dedicated resources designated to manage Information Governance across the council. (High priority) • Record of Processing Activity (ROPA) had not been reviewed since 2020. In addition, the council had not compiled an Information Asset Register with designated Information Asset Owners (IAO) and Information Asset Administrators (IAA) particularly for key business systems that hold PID data. This has resulted in a lack of understanding of the council's overall data and information landscape. (High priority) • Lack of robust processes for identification and management of third parties with access to council data, or processing council data including due diligence processes for engaging 			

	<p>suppliers, ensuring GDPR compliant contracts and robust contract compliance arrangements. (High priority)</p> <ul style="list-style-type: none"> Although Data Protection Impact Assessments had been undertaken, the council did not keep a register of completed DPIAs and they had not been subject to any review process. In addition, the DPIA did not include a risk assessment. (Medium priority) Risk Management around information governance risk identification, assessment and analysis is not mature and embedded. (Medium priority)
Key Areas Agreed for Action	<ul style="list-style-type: none"> As matters stand there is a form of dedicated resource allocated, such as from the DPO and Corporate Client & Governance Manager generally, the Council's Events Officer administers the FOL requests, etc. However, it is questionable if this an adequate, joined up resource. Governance duties / tasks are spread across the Council and are in addition to officers' other roles which is not ideal for such an important area. The suggestion is for the Council to consider either provision of external assistance to provide the necessary support to enable compliance with the findings and recommendations of this review or to take a view of the Council structure and its other governance strands to assess the need for a dedicated member of staff to fulfil this and other governance requirement, e.g. Fols, etc. With regards to acquiring external assistance the council will consider approaching Liberata UK for some support from their Information Governance professionals if it is available and possible via use of Development Days. Additionally, the Council would like to enquire how MIAA might be able to assist. Support would also be required on developing and completing a training needs analysis and documenting an appropriate training plan. The post of Learning & Organisational Development Officer is still vacant and so not sure how we would progress with this. However, this could be something external support, if accessed, would be able to assist with. (High priority, actioned by 31st August 2024) Please refer to the comments provided in response to Recommendation 1 and we re-iterate the point that existing resources do not have the requisite knowledge and capacity to carry out this piece of work. (High priority, actioned by 31st August 2024)

	<ul style="list-style-type: none"> • This represents a significant amount of work and will involve IT reps and the Council Procurement Lead and is linked to the ROPA / IAR work. We would also suggest that we consider approaching Liberata UK for some support from their Information Governance professionals if it is available and possible via use of Development Days. (High priority, actioned by 31st August 2024) • The DPIA Screening Checklist and template were developed based on ICO procedures and templates. We believe the documents are sufficiently self-explanatory and do not require separate documented procedures. The existing documentation does not include all steps in the ICO template (Steps 3, 5 and 6) and we accept that this is due to the template having been updated subsequently. Therefore, this documentation will need to be reviewed. A register of DPIAs can be developed and a review schedule agreed by the Corporate Governance Steering Group. (Medium priority, actioned by 31st August 2024) • The Pendle Council Strategic Risk Register (SRR) includes the following risk: 'Effective ICT Systems and Cyber Security and Information Governance' Corporate Risk Theme. However, it is conceded that whilst none of the causes, consequences, current mitigations or linked actions appear to cross reference to third party/supplier risks. Corporate Management Team have recently agreed that this is too broad an area and that this risk theme needs to be separated out. Therefore, this work will be undertaken in the coming weeks / months and the findings / recommendations raised here considered and incorporated as deemed appropriate. The IT Risk Register is discussed at the IT Programme Board and any significant risks would be escalated via that route; however, it is accepted that this may not get adequate analysis and needs to have more focus placed on it, with notes / minutes from the meeting detailing discussions around this item. More formal risk assessments for all risks may be required as this will address a number of issues, if not at least in ownership, accountability and understanding from Risk Owners. (Medium priority, actioned by 31st August 2024)
Key Risks Highlighted with No Agreed Action	N/A

Report Title (Assurance Level)	Staff Performance Management Review (Limited Assurance)			
Executive Sponsor	Director of Resources			
Objective	The overall objective was to review the systems and processes in place to manage staff performance specifically relating to appraisals/personal development reviews.			
Recommendations	0 x Critical	2 x High	4 x Medium	0 x Low
Summary	<p>Our review found a number of areas where the control design in relation to staff performance reviews could be strengthened, this includes the introduction of a more formalised process accompanied by a policy and the introduction of central monitoring and reporting arrangements to ensure that staff performance reviews are completed consistently across the Council, regardless of staff group or grade. Our review of a sample of staff one to one documentation noted inconsistency in the completion of forms and frequency of completion. As such, an overall limited assurance opinion has been provided.</p> <p>The key findings arising from our review were:</p> <ul style="list-style-type: none"> • Review of the most recent performance review/one to one discussion documents for a sample of 20 employees noted a number of discrepancies in consistency of completion, frequency of review and quality of discussions held. (High priority) • Central monitoring arrangements are not in place to ensure performance reviews are completed for all staff in a timely manner and performance is reported. (High priority) • Guidance documents are available to support the one to one review process, however a formal policy/framework is not in place. (Medium priority) • The current objective setting and one to one review process does not require the standardised competencies and behaviours for each role to be referred to and to form part of the discussion (with a risk that this therefore may not occur). (Medium priority) 			

	<ul style="list-style-type: none"> Improvements have been recommended to the one to one discussion template to ensure that all discussion is evidenced in a way to support follow up and to contribute to the overall staff support and management processes. (Medium priority) We have recommended that the reporting arrangements be considered in line with the monitoring/oversight arrangements (recommendation 1). The percentage compliance should be reported at key committees/groups against a target for completion. (Medium priority)
Key Areas Agreed for Action	<ul style="list-style-type: none"> PDR form to be reviewed to ensure consistency and effectiveness, alongside regular 1:1's. A learning session for managers at Extended Management Team would be preferable to communicate the process clearly, alongside issuing guidance and discussion at team meetings (High priority, actioned by 31st March 2025) L&OD Officer (once in post) to maintain records of annual PDRs; I don't feel this is necessary for regular 1:1's as these are intended to be informal and fluid. Each HoS/AD to collate a L&D plan for their service, based on L&D requests made in PDRs. Feed intelligence/feedback from PDRs into service planning; it is not realistic to always incorporate this into overall council objective planning as the process is: Corporate Plan actions – K/PIs – service planning – PDRs. Equally, it would be difficult to feed this into sickness absence, staff turnover and staff surveys due to capacity and resourcing; also because the L&OD Officer post now sits outside of the HR function which is delivered by Lliberata.(High priority, actioned by 31st March 2025) A PDR policy/framework can be developed and good practice can be sought. I would suggest that this is simple and concise document. The Workforce Development Strategy is currently under review and includes areas such as competency/values based recruitment processes so this can pick up standardised role competencies, behaviour framework. (Medium priority, actioned by 31st March 2025) Job role key competencies and behaviour framework to be considered as part of the developing Workforce Development Strategy. (Medium priority, actioned by 31st March 2025) PDR form to be reviewed in line with good practice, to ensure consistency and effectiveness, alongside regular 1:1's. (Medium priority, actioned by 31st March 2025)

	<ul style="list-style-type: none"> This links to recommendation 2 – once this has been achieved, monitoring can more effectively take place via service performance clinics. (Medium priority, actioned by 31st March 2025)
Key Risks Highlighted with No Agreed Action	N/A

Appendix D: Follow up of previous audit recommendations

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due/ FUIP	C	H	M	L	
Client Function (2020/21)	6	Substantial	6	-	-	-	-	-	-	-	All recommendations have been actioned.
Client Function – Liberata (2021/22)	4	Substantial	4	-	-	-	-	-	-	-	All recommendations have been actioned.
Joint Ventures (2021/22)	5	Substantial	3	2	-	-	-	-	2	-	Outstanding recommendations expected to be implemented by 30/6/24. Awaiting further update from Council. The two outstanding recommendations relate to ensuring there are terms of reference in place for any JV working groups and defining the performance information the Council requires from the JV as well as formalising role of executive officers involved in JV and handling of conflicts of interest.
Key Financial Controls (2021/22)	7	Moderate	6	1	-	-	-	-	1	-	The final recommendation involves the development of instructions and guidance in respect of finance processes. Progress has been made on this with a list of required instructions identified and staff have been tasked to update these. There is a revised deadline of 30/9/24.
Council Tax and NNDR (2022/23)	3	Substantial	2	1	-	-	-	-	1	-	One recommendation is in progress in regard to production of debt write off policy with a revised implementation date of 30/6/24. Awaiting update from Council.
Housing Benefits (2022/23)	4	Substantial	3	1	-	-	-	-	-	1	One low priority recommendation in progress in regard to checking of high value payments on payment runs which has been discussed with Liberata. Awaiting confirmation that this has now been actioned.

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due/ FUIP	C	H	M	L	
Key Financial Systems (2022/23)	2	Substantial	1	1	-	-	-	-	-	1	One low priority recommendation in progress regarding request that Liberata review the documents in relation to system backup and recovery to ensure they accurately reflect current process. Review dates should be included on the documents to ensure that these are appropriately reviewed.
Food Safety (2023/24)	5	Moderate	5	-	-	-	-	-	-	-	All recommendations have been actioned.
Mandatory Training (2023/24)	5	Substantial	-	-	-	5	-	-	5	-	Recommendations not due for follow up.
Risk Management (2023/24)	2	Substantial	2	-	-	-	-	-	-	-	All recommendations have been actioned.
Housing Inspections (2023/24)	6	Moderate	5	1	-	-	-	-	1	-	The outstanding recommendation relates to the update of the Enforcement Policy which is due by 31/7/24 and is in progress.
Budget setting & monitoring (2023/24)	8	Substantial	2	-	-	6	-	-	3	3	Follow up in progress for recommendations due.
Third Party Suppliers – Liberata (2023/24)	4	Substantial	-	-	-	4	-	-	2	2	Recommendations not due for follow up.
Information Governance (2023/24)	5	Limited	-	-	-	5	-	3	2	-	Recommendations not due for follow up.

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due/ FUIP	C	H	M	L	
Staff Appraisals (20234/24)	6	Limited	-	-	-	6	-	2	4	-	Recommendations not due for follow up.
Totals	72	-	39	7	-	26	-	5	21	7	

Key to recommendations:

✓/S Implemented or Superseded
 P Partially implemented/recommendation in progress
 X Recommendation not implemented
 ND/FUIP Not due for follow up

C Critical priority recommendation
 H High priority recommendation
 M Medium priority recommendation
 L Low priority recommendation

Appendix E: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function or process objectives; has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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