

In partnership with



## Appendix A

# Herefordshire Council

## Internal Audit Update Report

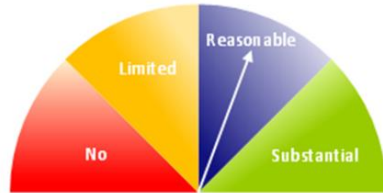
As @ 10<sup>th</sup> October 2024

**Internal Audit ■ Risk ■ Special Investigations ■ Consultancy**

Unrestricted

# Internal Audit Progress Report 2024/25

## Indicative Rolling Opinion



Our work highlighted there is generally a sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives.

### Summary of high corporate risks, limited or no assurance opinions and high priority actions agreed.

No High organisational risks identified this period.

6 Priority 2 Findings identified.

No Limited Assurances identified.

## Summary of this reporting period

	<p>Ongoing coverage of internal audit work continues to be aligned to the corporate priorities, the Council's corporate risks, SWAPS sector wide top 10 risk areas and the 8 strands of our 'Healthy Organisation' framework to demonstrate coverage across these key areas.</p> <p>Coverage of internal audit work has been developed to demonstrate coverage against not only complete and in progress audits but also those future proposed audits.</p> <p>Links to corporate risks has improved since the last progress update and we would expect this to increase as part of the rolling plan process.</p>
	<p>Nine assignments have been completed since our last progress report.</p> <p>Five assignments are currently in progress. One of these is at draft report stage.</p>
	<p>An update on the tracking of internal audit actions has been included in this report. There are currently 60 live actions pending remediation. Further detail of the status of internal audit actions, as well as additional functionality, is available through AuditBoard and is now available to Committee Members.</p>
	<p>Our Internal Audit Rolling Plan dashboard provides further oversight on the internal audit activity and can be accessed at any time to show live information.</p>
	<p>Internal Audit work either met or exceeded expectation in 99% of audits where a post audit questionnaire was completed. This is based on a 73% return rate (24 of 33 post audit questionnaires completed and returned).</p>

## Assurance Opinions

Substantial	0
Reasonable/Certified	4
Limited	0
No Assurance	0
Advisory	5
Follow Up	0
Investigations	0

## Internal Audit Agreed Actions

Priority 1	0
Priority 2	6
Priority 3	8

# Internal Audit Progress Report 2024/25

A risk assessment for 2024/25 has been undertaken which maps internal audit work to the Councils Corporate risks and SWAPs Top 10 Organisation Risks. This will ensure that internal audit coverage is focused into key areas.

A continuous risk assessment will be undertaken throughout 2024/25 which will inform the internal audit work programme for 2024/25.

Full coverage of internal audits can be seen in the Rolling Plan Dashboard within AuditBoard.



## Internal Audit Work Programme and Coverage

We have assessed internal audit coverage for 2024/25 based on the corporate risks taken from Herefordshire Council's Corporate Risk Register presented to committee in March 2024 and SWAPs top 10 risks. The risk coverage will be updated as and when the risk register and SWAP Top 10 risks are updated as part of rolling plan approach.

Previous coverage showed complete and in progress audits only, we have since developed our dashboard to include future proposed audits.

The table below shows coverage to the Councils Corporate Risks for audits that are complete, in progress and future proposed. However, it is noted the dashboard has the functionality to filter between complete and in progress audits and future proposed audits as shown on the next page of this report.

Strategic Risk	Coverage	Average Opinion
R64 - Inability to recruitment and retain social care staff and other ...	Some	
R74 - School Assets	None	
R75 - SEND Inspection - Risk of adverse inspection	Some	Non Opinion Audits
R77 - Increase in out of county educational placements	Some	Non Opinion Audits
R80 - Supply chain capacity	None	
R81 - Reviews - capacity, timeliness and statutory duty of care	Some	
R82 - Contract Fleet Lease Expiry	None	
R83 - BBLP Payment Mechanism Value for Money	Some	
R84 - Contract Management Software	None	
R85 - Waste Management services contract	Adequate	Non Opinion Audits
R86 - Insufficient range and quantity of placements for children in ...	Some	Non Opinion Audits
R87 - Lack of pace in development of Performance	None	
R88 - Lack of pace in development of Mosaic	None	
R89 - Business Support	None	
R90 - EYFS Sufficiency	None	
R91 - Secondary School Places	None	
R92 - Special School Demand	Some	

# Internal Audit Plan Progress Q1 2024/25

A risk assessment for 2024/25 has been undertaken which maps internal audit work to the Councils Corporate risks and SWAPs Top 10 Organisation Risks. This will ensure that internal audit coverage is focused into key areas.

A continuous risk assessment will be undertaken throughout 2024/25 which will inform the internal audit work programme for 2024/25.

Full coverage of internal audits can be seen in the Rolling Plan Dashboard within AuditBoard.

## Internal Audit Work Programme and Coverage

Coverage against the Councils Corporate Risks for Complete and In Progress Audits.

Strategic Risk	Coverage	Average Opinion
R64 - Inability to recruitment and retain social care staff and other ...	None	
R74 - School Assets	None	
R75 - SEND Inspection - Risk of adverse inspection	Some	Non Opinion Audits
R77 - Increase in out of county educational placements	Some	Non Opinion Audits
R80 - Supply chain capacity	None	
R81 - Reviews - capacity, timeliness and statutory duty of care	None	
R82 - Contract Fleet Lease Expiry	None	
R83 - BBLP Payment Mechanism Value for Money	None	
R84 - Contract Management Software	None	
R85 - Waste Management services contract	Some	Non Opinion Audits
R86 - Insufficient range and quantity of placements for children in ...	Some	Non Opinion Audits
R87 - Lack of pace in development of Performance	None	
R88 - Lack of pace in development of Mosaic	None	
R89 - Business Support	None	
R90 - EYFS Sufficiency	None	
R91 - Secondary School Places	None	
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# Internal Audit Plan Progress Q1 2024/25

A risk assessment for 2024/25 has been undertaken which maps internal audit work to the Councils Corporate risks and SWAPs Top 10 Organisation Risks. This will ensure that internal audit coverage is focused into key areas.

A continuous risk assessment will be undertaken throughout 2024/25 which will inform the internal audit work programme for 2024/25.

Full coverage of internal audits can be seen in the Rolling Plan Dashboard within AuditBoard.



## Internal Audit Work Programme and Coverage

Coverage against SWAPs Top 10 Risks can also be shown across complete and in progress audits and future proposed as shown below.

Coverage against SWAP Top 10 risks for complete, in progress and future proposed audits.

Top 10 Risks	Coverage	Average Opinion
Planning, Housing, Environment and the Local Economy	Good	Reasonable
Governance	Good	Reasonable
Sustaining Care	Good	Reasonable
Finance	Good	Limited
Health & Safety	Some	Non Opinion Audits
Education	None	
Contracts, Procurement and Commissioning	Good	Reasonable
Workforce	Good	Limited
Technology, Digital and Security	Adequate	Reasonable
Strategic Asset Management	Some	Limited

Top 10 Risks	Coverage	Average Opinion
Planning, Housing, Environment and the Local Economy	Good	Reasonable
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Sustaining Care	Good	Reasonable
Finance	Good	Limited
Health & Safety	Some	Non Opinion Audits
Education	None	
Contracts, Procurement and Commissioning	Good	Reasonable
Workforce	Adequate	Limited
Technology, Digital and Security	Adequate	Reasonable
Strategic Asset Management	Some	Limited

Coverage against SWAP Top 10 risks for complete and in progress audits only.

# Internal Audit Plan Progress Q1 2024/25

Definitions of coverage and average opinion are shown here.

The assessment of none, some, and good is based on the number of audits in these areas and the scope of the audits.

This gives the Committee oversight as to whether internal audit is aligned to the corporate priorities and risks, although we would not expect all audits to align to all corporate risks.

## Internal Audit Work Programme and Coverage

Description of coverage and the assurance are outlined here.

Coverage	Description
<b>Good</b>	Good audit coverage completed
<b>Adequate</b>	Adequate audit coverage completed
<b>Some</b>	Some aspects of audit coverage completed
<b>In Progress</b>	Some aspects of audit coverage in progress
<b>None</b>	No audit coverage to date

Assurance	Description
<b>Substantial</b>	Sound system of governance, risk management and controls exist
<b>Reasonable</b>	Generally sound system of governance, risk management and control in place
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified
<b>No Assurance</b>	Fundamental gaps, weaknesses or non-compliance identified

High organisational risks are brought to the Committee's attention.

Limited Assurance Audits are brought to the Committee's attention.

## High Organisational Risks 2024/25 and Limited Assurance Opinions

There have been no high organisational risks identified in this period of reporting.

There have been no limited assurance reports issued in this period of reporting.

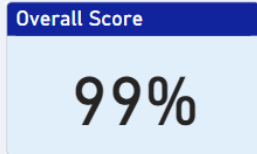


# Internal Audit Plan Progress Q1 2024/25

One of the roles of the Audit & Governance Committee is to oversee the independence, objectivity, performance and professionalism of internal audit.

SWAP promote a range of performance areas and indicators to assess our effectiveness and professionalism.

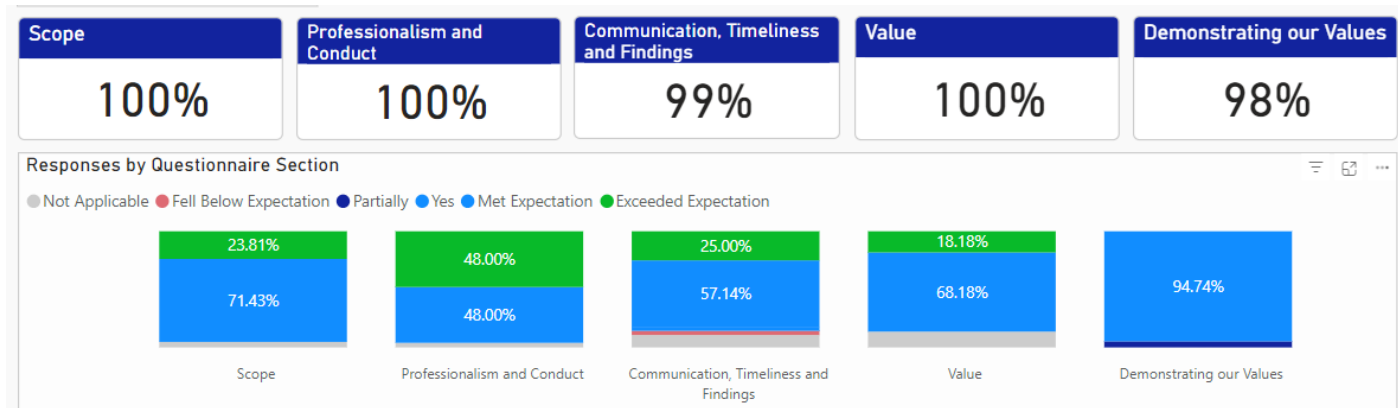
The overall customer satisfaction level for Herefordshire Council is:



## Quality Assurance

Following the conclusion of internal audit work, a customer satisfaction questionnaire is issued to the key audit contact to complete. This asks a range of questions; including the value that the audit delivered, the professionalism and conduct of the auditor, and the communication and timeliness of the review.

From the 24 returned questionnaires (a return rate of 73%, from the 33 issued), feedback was strong; especially in relation to our professionalism and conduct. The below visual summarises this feedback across five themes:



# Internal Audit Progress Report 2024/25

## Action Tracking



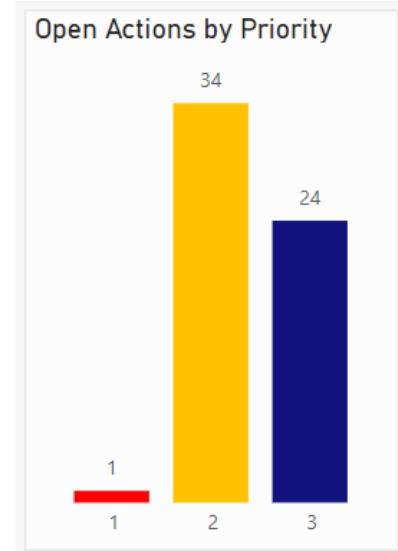
## Action Tracking

In the July progress report there were 88 actions for Herefordshire Council pending remediation.

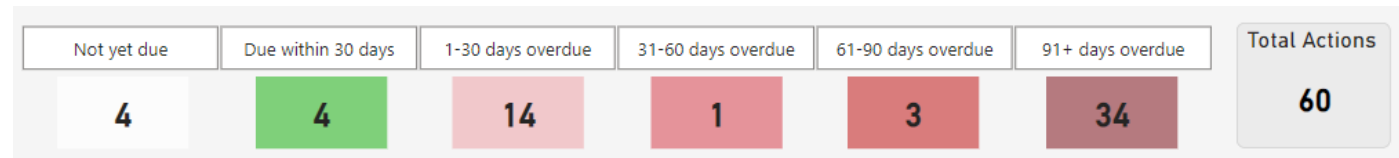
Since the Q1 progress report action tracking processes in place have closed off 42 actions and a further 14 actions have been agreed with Council officers.

There are now 60 actions pending remediation. A breakdown of the current actions pending remediation, and their priority is shown here.

Work will continue to gain an update from the responsible officers allocated to the actions and report this progress to committee. This work will concentrate on those that are most overdue. Those actions that have not been remediated will have updated due dates agreed with officers.



Pending Remediation Actions by due date are shown below:



Committee and senior management now have access to the Action Tracker – Management Actions Dashboard to allow a full overview of progress against actions. This dashboard allows the user to drill down further to specific actions and display actions in different formats e.g., per directorate.



# Internal Audit Progress Report 2024/25 – Completed Audits

Filter by Directorate

All

All 'IN PROGRESS' audits



Audit Title	Fieldwork Complete				Draft Report Issued	Final Report Issued	Type of Work	Fieldwork Start Date	Notes
	25%	50%	75%	100%					
Action Tracking	█	█					Follow up	01/04/2024	Tracking of agreed audit actions with an upd...
Court of Protection 24-25	█	█	█	█			Assurance	01/05/2024	
CIFAS Support of Implementation	█	█					Proactive fraud work	23/05/2024	
All Ages Commissioning - Use of Spot Purc...	█						Assurance	12/08/2024	
Local Authority Designated Officer (LADO) ...	█	█	█	█	25/09/2024		Assurance	19/08/2024	Close out meeting scheduled 10th October.
Debtors (Accounts Receivable) Processes (A...							Assurance	14/10/2024	Kick off meeting scheduled for 14.10. Meetin...

Filter by Directorate

All

All 'WAITING TO GO LIVE' audits

Audit Title	Type of Work	Notes
Hereford Enterprise Zone Follow Up of Actions (including extended review of sales)	Advisory	Request to follow up on previous audit actions with an extended specific scope of sales of the plots. Brief to be drafted and agreed.
Mutual Employment Resignation Scheme (MERS)	Assurance	Initial meeting scheduled October 2024
Supporting Families Introduction of New Processes	Advisory	
Supporting Families Q3 24/25	Grant Certification	As required by DfE Supporting Families Programme Guidance 2022-25 review to ensure that the payment-by-results claims to be submitted by the Council from April 2024 to March 2025 are legitimate.
VfM Assessment Public Realm	Advisory	Initial meeting held, audit brief in process of being drafted.



# Internal Audit Plan Progress Q1 2024/25



ROLLING AUDIT PLAN as at:

02/10/2024



All 'COMPLETED' Audits

Filter by Audit Period		Filter by Directorate		Number of Actions & Priority					
2024/25		All		1	2	3	Organisational Risk Assessments	Completed Date	Link to Final Report
HC Changing Places Fund Grant Determination (2023-2024): No 31/6864, No 31/7...	Advisory						N/A	27 September 2024	
HC Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determinat...	Grant Certification						N/A	27 September 2024	<a href="#">🔗</a>
HC Local Authority Bus Subsidy (Revenue) Grant: Determination 2023/24: No 31/6...	Grant Certification						N/A	24 September 2024	<a href="#">🔗</a>
HC Supporting Families Q2 24/25	Grant Certification						N/A	24 September 2024	<a href="#">🔗</a>
HC Planning Benchmarking	Advisory						N/A	12 September 2024	<a href="#">🔗</a>
HC Foster Care Placements	Advisory		6	8			Medium	06 September 2024	<a href="#">🔗</a>
HC Waste Contract Mobilisation	Advisory						N/A	03 September 2024	<a href="#">🔗</a>
HC Safeguarding in Recruitment Processes	Reasonable (Medium)						Low	23 August 2024	<a href="#">🔗</a>
HC ICT Security Assurance Framework Review (SAFR)	Advisory						N/A	12 July 2024	<a href="#">🔗</a>
HC Home Upgrade Grant - HUG 2	Substantial (Low)						Low	04 July 2024	<a href="#">🔗</a>
HC Risk Management Consultancy	Advisory						N/A	03 July 2024	<a href="#">🔗</a>
HC Planning Enforcement	Reasonable (Medium)						Low	26 June 2024	<a href="#">🔗</a>
HC Rough Sleeping Accommodation Programme (RSAP) – Statement of Grant Usa...	Grant Certification						N/A	25 June 2024	<a href="#">🔗</a>
HC Supporting Families Q1 24/25	Grant Certification						N/A	25 June 2024	<a href="#">🔗</a>
HC Registration Service Follow Up	Follow Up						N/A	12 June 2024	<a href="#">🔗</a>



Our SWAP assurance framework and definitions can be found here ([www.swapaudit.co.uk/audit-framework-and-definitions](http://www.swapaudit.co.uk/audit-framework-and-definitions)). SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.