

Supplement to the agenda for

Audit and Governance Committee

Tuesday 25 March 2025

2.00 pm

**Conference Room 2, Herefordshire Council Offices, Plough
Lane, Hereford, HR4 0LE**

8. INTERNAL AUDIT UPDATE REPORT QUARTER 4 2024/25

Pages

3 - 16

Appendix A

Herefordshire Council

Internal Audit Update Report

As @ 21st March 2025

3

AGENDA ITEM 8

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.

0 Priority 2 Findings identified.

No Limited Assurances Identified

Summary of this reporting period



The Council are currently in the process of revising the Risk Management Strategy and the Corporate Risk Register. SWAP completed a risk appetite and corporate risk register workshop with CLT in January 2025.

Once the Corporate Risk Register is updated coverage against these and the Council's priorities will be reported to committee.



Two assignments have been completed since our last progress report.

Fifteen assignments are currently in progress. Two of these are at report stage.



An update on the tracking of internal audit actions has been included in this report. A further 5 actions have been closed. No revised timescales have been agreed. Further detail of the status of internal audit actions, is available through AuditBoard.



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.



Internal Audit work either met or exceeded expectation in 100% of audits where a post audit questionnaire was completed. This is based on a 58% return rate (17 of 29 post audit questionnaires completed and returned).

Assurance Opinions

Substantial	0
Reasonable/Certified	1
Limited	0
No Assurance	0
Advisory	1
Investigations	0

Internal Audit Agreed Actions

Priority 1	0
Priority 2	0
Priority 3	2

Internal Audit Progress Report Q4 2024/25 – Completed Audits



ROLLING AUDIT PLAN as at:

21/03/2025



All 'COMPLETED' audits

Filter by Directorate		Filter by Audit Period		All 'COMPLETED' audits				
All		2024/25		Number of Actions & Priority				
Audit Title	Assurance Opinion	1	2	3	Organisational Risk Assessment	Completed Date	Report Link	
Risk Management Workshop (Risk Appetite and Corporate Risk Re...	Advisory				N/A	28/01/2025		
Hereford Enterprise Zone Follow Up of Actions (including extended...	Reasonable (Medium)			2	N/A	18/01/2025		
All Ages Commissioning - Use of Spot Purchasing Non Accommod...	Limited (Low)		4	2	Medium	08/01/2025		
Court of Protection 24-25	Limited (Medium)		3	1	Medium	08/01/2025		
Supporting Families Q3 24/25	Grant Certification				N/A	06/01/2025		
Local Authority Designated Officer (LADO) and Referrals to the DBS	Substantial (Low)			1	Low	01/11/2024		
Changing Places Fund Grant Determination (2023-2024): No 31/68...	Advisory				N/A	27/09/2024		
Local Transport Capital Block Funding (Pothole Fund) Specific Grant...	Grant Certification				N/A	27/09/2024		
Local Authority Bus Subsidy (Revenue) Grant: Determination 2023/...	Grant Certification				N/A	24/09/2024		
Supporting Families Q2 24/25	Grant Certification				N/A	24/09/2024		
Planning Benchmarking	Advisory				N/A	12/09/2024		
Foster Care Placements	Advisory		6	8	Medium	06/09/2024		
Waste Contract Mobilisation	Advisory				N/A	03/09/2024		
Safeguarding in Recruitment Processes	Reasonable (Medium)				Low	23/08/2024		
ICT Security Assurance Framework Review (SAFR)	Advisory				N/A	12/07/2024		
Home Upgrade Grant - HUG 2	Substantial (Low)				Low	04/07/2024		
Risk Management Consultancy	Advisory				N/A	03/07/2024		
Planning Enforcement	Reasonable (Medium)				Low	26/06/2024		
Rough Sleeping Accommodation Programme (RSAP) – Statement o...	Grant Certification				N/A	25/06/2024		
Supporting Families Q1 24/25	Grant Certification				N/A	25/06/2024		
Registration Service Follow Up	Follow Up				N/A	12/06/2024		



Our SWAP assurance framework and definitions can be found here (www.swapaudit.co.uk/audit-framework-and-definitions).

SWAP work is completed to comply with the Global Internal Audit Standards in the UK Public Sector.

Internal Audit Plan Progress Q4 2024/25 – In Progress Audits



ROLLING AUDIT PLAN as at:

21/03/2025



Filter by Directorate

All

Audit Progress

'IN PROGRESS' audits

Audit Title	25% Fieldwork Complete	50%	75%	100%	Draft Report Issued	Final Report Issued	Type of Work	Fieldwork Start Date	Notes <small>Hover over text to view whole note</small>
Power BI Support (HR & Mandatory Trainin...							Advisory		Advisory work to support development of Po...
Action Tracking							Follow up	01/04/2024	Tracking of agreed audit actions with an upda...
CIFAS Support of Implementation							Proactive fraud work	23/05/2024	
Debtors (Accounts Receivable) Processes (...)					16/12/2024		Assurance	14/10/2024	From meeting with RS 15.01, revised timescal...
VfM Assessment Public Realm							Assurance	08/11/2024	
Audit #3772							Investigation	26/11/2024	
Audit #3749					07/02/2025	14/02/2025	Investigation	03/12/2024	
Mutual Employment Resignation Scheme (...)							Assurance	05/12/2024	
Waste Contract - Lessons Learnt (Follow U...							Assurance	17/12/2024	
Dedicated Schools Grant (DSG) - High Nee...							Assurance	20/12/2024	
Housing Benefit and Council Tax Reduction							Assurance	09/01/2025	
Polygamous/Dual Employment (Follow Up ...)							Assurance	13/01/2025	
Fraud Baseline Assessment Follow Up							Proactive fraud work	16/01/2025	Fraud Team Work
Supporting Families Q4 24/25							Grant Certification	24/01/2025	List 1 (January) audit complete. List 2 (Februar...
Public Rights of Way (PROW)							Assurance	17/02/2025	



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Internal Audit Progress Report Q4 2024/25 – Waiting to go Live



ROLLING AUDIT PLAN as at:

11/03/2025



Filter by Directorate

'WAITING TO GO LIVE' audits

All

Audit Title	Type of Work	Notes (i) Hover over text to view whole note
Council Tax	Assurance	Initial meeting scheduled 20th March
Direct Payments Self Assessment	Advisory	
Performance Indicators - Data Quality	Assurance	Audit scoped and brief drafted - audit paused pending discussion with S151 Officer.
Temporary Accommodation	Assurance	Scoped with Hayley Crane 13/02/205. Start date pushed back to April 25 due to key staff absence and ...

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Internal Audit Progress Report Q4 2024/25 – Future Proposed Audits



ROLLING AUDIT PLAN as at:

11/03/2025



Filter by Directorate

All

'FUTURE PROPOSED' audits

Audit Title	Type of Work	Risk Priority	Notes ⓘ Hover over text to view whole note
Health and Wellbeing Strategy - Achievement of Priorities	Assurance	Higher priority	Attending Public Health Leadership Team Meeting 27/01/2025.
Transport Hub	Assurance	Higher priority	
Accounts Payable	Assurance	Medium priority	
Accounts Receivable (Debtors) Continuous Assurance Q1	Continuous Audit	Medium priority	
Bus Subsidy Grant	Grant Certification	Medium priority	
Care Quality Commission Inspection Readiness	Assurance	Medium priority	Directorate Risk. Attending DLT 31/01/2025
Council assurances relating to Schools	Assurance	Medium priority	
Local Block Transport Funding Grant	Grant Certification	Medium priority	
Major Projects (specific project tbc)	Assurance	Medium priority	
Project Management Office (PMO) Processes	Assurance	Medium priority	
Risk Management	Assurance	Medium priority	On hold until Risk Management Strategy has had chance to embed - estimate Sept...
SLA Hoople - ICT Contract Arrangements	Advisory	Medium priority	
Active Travel Plans - Public Transport	Assurance	Lower priority	Links to previous corporate risks now deescalated CR63, 97 and 70
Adult Social Care Charging and Debt Collection (Adult Soci...	Assurance	Lower priority	Link to previous corporate risk now deescalated CR72
Adult Social Care Reviews (Timeliness and Statutory Duty o...	Assurance	Lower priority	Link to Corporate Risk CR81
Business Rates (NNDR)	Assurance	Lower priority	
Capital Accounting	Assurance	Lower priority	
Childcare Expansion Capital Grant Funding No 31/6960	Grant Certification	Lower priority	The Chief Executive and Chief Internal Auditor of each of the recipient authorities a...
Contract Management	Assurance	Lower priority	
Data Maturity Assessment	Assurance	Lower priority	
Economy and Environment Themed Self Assessment Review	Assurance	Lower priority	Agreed to lower priority of audit due to internal processes taking place within the ...
Health & Safety	Assurance	Lower priority	
Housing Benefits and Council Tax Reduction Continuous A...	Continuous Audit	Lower priority	



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Internal Audit Plan Progress Q4 2024/25 – Future Proposed Audits



ROLLING AUDIT PLAN as at:

11/03/2025



Filter by Directorate

All

'FUTURE PROPOSED' audits

Audit Title	Type of Work	Risk Priority	Notes
Local Plan	Assurance	Lower priority	<i>Hover over text to view whole note</i>
Main Accounting	Assurance	Lower priority	
Payroll	Assurance	Lower priority	
Procurement Processes	Assurance	Lower priority	
Public Health Commissioned Services	Assurance	Lower priority	
Public Health Funding - Re Badged/ Re Invested Monies	Assurance	Lower priority	
Recruitment and Retention (Community and Wellbeing)	Assurance	Lower priority	
Schools Audits	Assurance	Lower priority	
Treasury Management	Assurance	Lower priority	
Workforce Development	Assurance	Lower priority	

Internal Audit Progress Report Q4 2024/25 – Audit Coverage

A risk assessment for 2024/25 has been undertaken which maps internal audit work to the Council's 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

Audit coverage against the Council's Corporate Risks has not been presented in this report as we are currently awaiting an updated Corporate Risk Register to be presented to committee. Coverage against the risks presented to committee in March 2024 remains fairly static and can be viewed in our Internal Audit Rolling Plan dashboard. Once the Council has updated the Corporate Risk Register the rolling plan will be mapped to these and the Council's Corporate Priorities.

Coverage against SWAPs Top 10 Risks has been included here to provide committee assurance that audits are aligned to key areas. This coverage can be shown across complete and in progress audits and future proposed as shown below.

Coverage against SWAPs 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	Reasonable
Health & Safety	Some	Non Opinion Audits
Education	Some	Non Opinion Audits
Contracts, Procurement and Commissioning	Good	Reasonable
Workforce	Good	Reasonable
Technology, Digital and Security	Good	Reasonable
Strategic Asset Management	Some	Limited

Top 10 Risks	Coverage	Average Opinion
Planning, Housing, Environment and the Local Economy	Good	
Governance	Good	
Sustaining Care	Good	
Finance	Good	
Health & Safety	Adequate	
Education	Some	
Contracts, Procurement and Commissioning	Adequate	
Workforce	Some	
Technology, Digital and Security	Some	
Strategic Asset Management	Some	
No link	None	

Coverage against SWAPs Top 10 Risks for future proposed audits.

Internal Audit Plan Progress Q4 2024/25 – Audit Coverage

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
Good	5 or more audits
Adequate	3 or 4 audits
Some	1 or 2 audits
In Progress	No completed audits but audits are 'in progress'
None	No audit coverage to date

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

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Internal Audit Progress Report Q4 2024/25

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 Progress Report Q4 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:

Overall Score

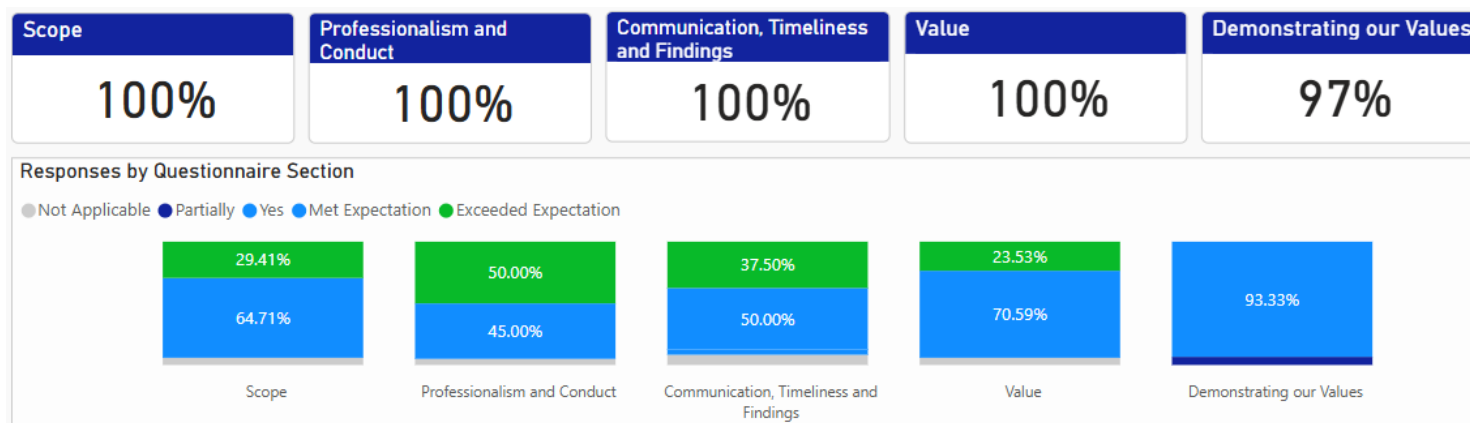
100%



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 17 returned questionnaires (a return rate of 59%, from the 29 issued), feedback was strong; especially in relation to our professionalism and conduct. The below visual summarises this feedback across five themes:



* These figures are based on a 12-month rolling plan.

Action Tracking



Action Tracking

In the January (Q3) progress report there were 37 actions for Herefordshire Council pending remediation.

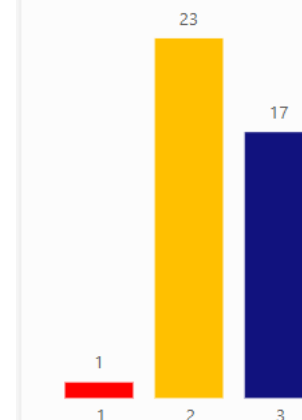
Since the Q3 progress report action tracking processes in place have closed off 5 actions, and a further 9 actions have been agreed with Council officers.

There are now 41 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 continue to concentrate on those that are most overdue.

Those actions that have not been remediated will have updated due dates agreed with officers.

Open Actions by Priority



Pending Remediation Actions by due date are shown below:

Not yet due	Due within 30 days	1-30 days overdue	31-60 days overdue	61-90 days overdue	91+ days overdue	Total Actions
13	5	2	13	(Blank)	8	41

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.

Action Tracking

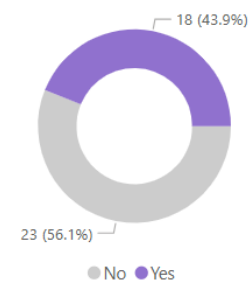


Action Tracking – Revised Timescales

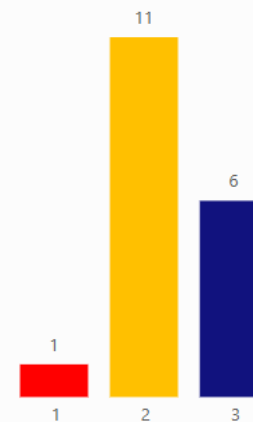
Actions with revised timescales is now at 18, two actions with revised timescales have been closed since the previous committee report.

No further actions have had a revised timescale agreed.

Open Actions with Extended Dates



Open Actions by Priority



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