

In partnership with



Appendix A

Herefordshire Council

Internal Audit Update Report

As @ 5th July 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.

No Priority 2 Findings identified.

No Limited Assurances identified.

Summary of this reporting period

	<p>Ongoing coverage of internal audit work is 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>Links to corporate risks remain limited at present due to the influx of new corporate risks identified in March 2024.</p>
	<p>Six assignments have been completed since our last progress report.</p> <p>Seven assignments are currently in progress. Two of these are at draft report stage.</p>
	<p>An update on the tracking of internal audit actions has been included in this report. There are currently 88 live actions pending remediation.</p> <p>Further detail of the status of internal audit actions, as well as additional functionality, is available through AuditBoard. This will be made available to Committee Members in July.</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.</p> <p>This is based on a 75% return rate (21 of 28 post audit questionnaires completed and returned).</p>

Assurance Opinions

Substantial	1
Reasonable/Certified	3
Limited	0
No Assurance	0
Advisory	1
Follow Up	1
Investigations	0

Internal Audit Agreed Actions this period

Priority 1	0
Priority 2	0
Priority 3	0

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. Please note as future proposed audits are not scoped yet there is potential for coverage to increase.

Coverage against the Councils Corporate Risks is limited at present as there was an influx of new risks to the risk register in March 2024. As part of the rolling plan, we hope to see coverage increase over the year.

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

* Right click on any line in the table above and "Drill through" to see details of the audits that make up the coverage

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

Internal Audit Progress Report 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
Good	Good audit coverage completed
Adequate	Adequate audit coverage completed
Some	Some aspects of audit coverage completed
In Progress	Some aspects of audit coverage 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

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.

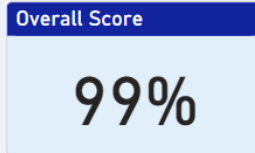
There have been no limited assurance reports issued in this period of reporting.

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.

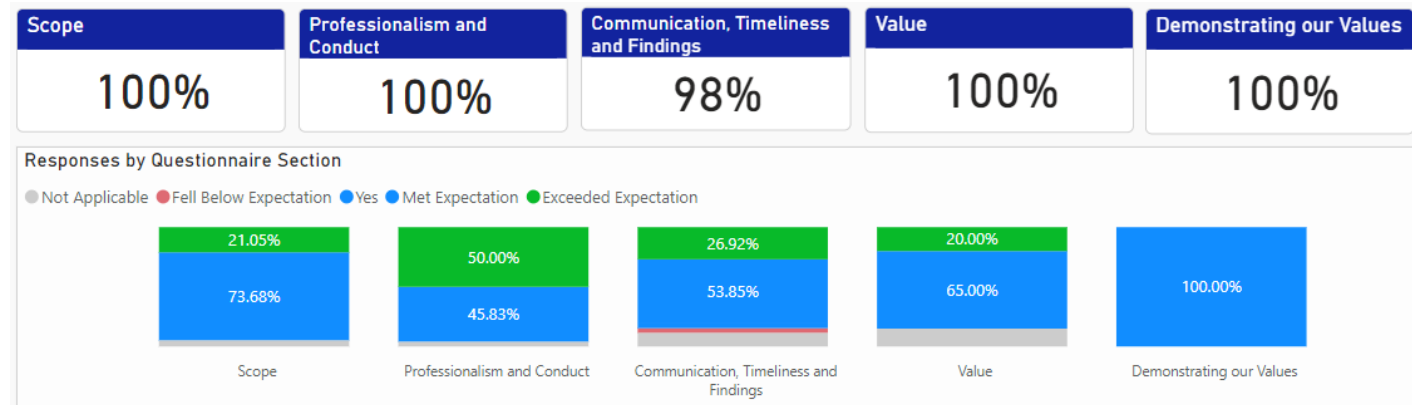
The overall customer satisfaction level for Herefordshire Council is:



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 21 returned questionnaires (a return rate of 75%, from the 28 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

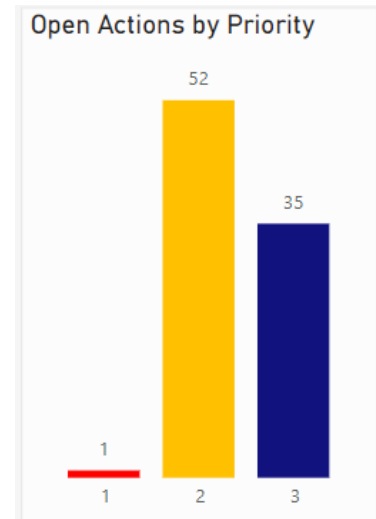


Action Tracking

Historically, the Council's Corporate Performance team have reported an update of the agreed audit actions to the Audit and Governance Committee. Since April 2024 SWAP Internal Audit Services have taken over this reporting function. The progress of audit actions will now be included in the regular progress reports to this committee. The Council and its officers remain responsible for implementing the actions.

A data cleanse has been completed as part of the action tracking to refine and reduce the number of actions to provide an up-to-date record of current actions.

There are currently 88 actions for Herefordshire Council pending remediation. A breakdown of these actions and their priority is shown here.



Work will now commence 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:

Not yet due	Due within 30 days	1-30 days overdue	31-60 days overdue	61-90 days overdue	91+ days overdue	Total Actions
12	4	1	6	5	60	88

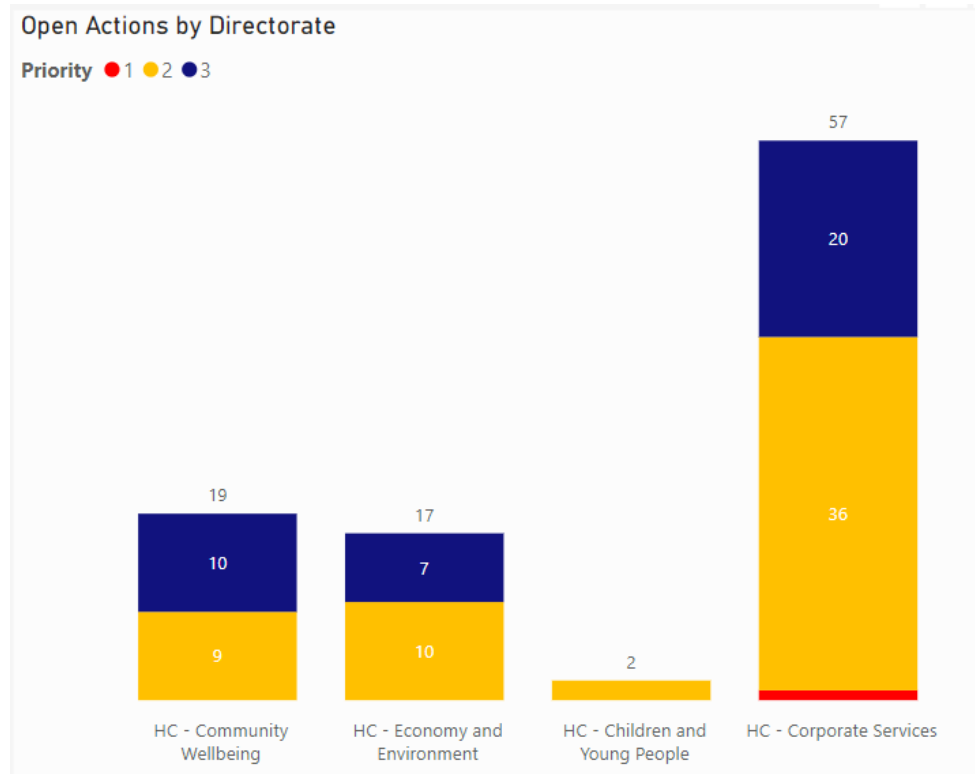
Internal Audit Plan Progress Q1 2024/25

Action Tracking



Action Tracking

Within July we will provide the committee and senior management with access to the Action Tracker – Management Actions Dashboard to allow a full overview of progress against actions. This will also have the ability to drill down further to specific actions and display actions in different formats e.g., per directorate.



Internal Audit Progress Report 2024/25 - In Progress and Waiting to go Live 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%					
HC ICT Security Assurance Framework Review (SAFR)	█	█	█	█	01/07/2024		ICT	08/04/2024	
HC Foster Care Placements	█	█	█	█	25/04/2024		Assurance	13/04/2023	Awaiting client meeting to agree report.
HC Action Tracking	█						Assurance	01/07/2024	Tracking of agreed audit actions with an update provided to Audit & Governance Committee in progress reports.
HC Court of Protection	█						Assurance	01/05/2024	
HC Planning Benchmarking	█	█					Advisory	18/01/2024	
HC Safeguarding in Recruitment Processes	█	█	█				Assurance	28/05/2024	
HC Waste Contract Mobilisation							Assurance	04/07/2024	

Filter by Directorate

All

All 'WAITING TO GO LIVE' audits



Audit Title	Type of Work	Notes
HC All Ages Commissioning - Use of Spot Purchasing Non Placement Activity	Assurance	Waiting for brief to be agreed with Corporate and Service Director.
HC CIFAS Support of Implementation	Proactive fraud work	
HC Local Authority Designated Officer (LADO) and Referrals to the DBS	Assurance	Audit brief agreed 21/06/24.
HC Supporting Families Q2 24/25	Grant Certification	
Hereford Enterprise Zone Follow Up of Actions (including extended review of sales)	Assurance	Request from Chief Executive, Chief Finance Officer to follow up on previous audit actions with an extended specific scope of sales of the plots. Brief to be drafted and agreed.

Internal Audit Progress Report 2024/25 – Completed Audits

Filter by Audit Period		Filter by Directorate			All 'COMPLETED' Audits		
2024/25		All			Number of Actions & Priority		
Audit Title	Assurance Opinion	1	2	3	Organisational Risk Assessments	Completed Date	Link to Final Report
HC Home Upgrade Grant - HUG 2	Substantial (Low)				Low	04 July 2024	🔗
HC Risk Management Consultancy	Advisory				N/A	03 July 2024	🔗
HC Planning Enforcement	Reasonable (Medium)				Low	26 June 2024	🔗
HC Rough Sleeping Accommodation Programme (RSAP) – Statement of Grant Usa...	Grant Certification				N/A	25 June 2024	🔗
HC Supporting Families Q1 24/25	Grant Certification				N/A	25 June 2024	🔗
HC Registration Service Follow Up	Follow Up				N/A	12 June 2024	🔗