

Report Title:	Internal Audit Progress Report Q1 2022/23
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Hilton, Cabinet Member for Asset Management & Commercialisation, Finance and Ascot
Meeting and Date:	Audit and Governance Committee – 28 July 2022
Responsible Officer(s):	Adele Taylor, Executive Director, Resources Andrew Vallance, Head of Finance
Wards affected:	All

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REPORT SUMMARY

The report is the first progress report on the internal audit plan for 2022/23 agreed at the May 2022 meeting. It will be presented by the Council's new internal auditors, South West Audit Partnership (SWAP).

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Audit and Governance Committee notes the report

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 To ensure that the internal audit programme for 2022/23 is progressing as planned.

Options

Table 1: Options arising from this report

Option	Comments
To agree the Internal Audit Progress report This is the recommended option	This is the preferred option for the reasons set out in the report

3 BACKGROUND

- 3.1 The October 2021 meeting of Audit and Governance Committee recommended to Cabinet that the Council should become a member of the South West Audit Partnership (SWAP). Cabinet ratified this decision in November 2021.
- 3.2 SWAP therefore took over the role of the Council's internal auditors from 1 April 2022.

- 3.3 SWAP's audit plan for April to June 2022 was approved at the February 2022 meeting of this committee. A plan for the whole of 2022/23 was agreed at the May 2022 meeting.
- 3.4 A progress report on Quarter 1 is attached as **Appendix 1**.
- 3.5 Key staff from SWAP will attend the meeting to present the report.

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 There are no direct financial consequences arising from this report.

5 LEGAL IMPLICATIONS

- 5.1 None.

6 RISK MANAGEMENT

- 6.1 SWAP have undertaken a review of current risk management arrangements as part of this report.

7 POTENTIAL IMPACTS

- 7.1 Equalities. An Equality Impact Assessment is attached as **Appendix 2**. A screening assessment has been completed which indicates the proposal does not have any equality impacts.
- 7.2 Climate change/sustainability. There are no impacts as a consequence of the decision.
- 7.3 Data Protection/GDPR. No personal data has been processed.

8 CONSULTATION

- 8.1 The Head of Paid Service, the Section 151 Officer, the Monitoring Officer and the Deputy Monitoring Officers have been consulted on the report.

9 TIMETABLE FOR IMPLEMENTATION

- 9.1 By 31 March 2023

10 APPENDICES

- 10.1 Appendix 1 - Internal Audit Progress Report Q1 2022/23
- 10.2 Appendix 2 - EQIA

11 BACKGROUND DOCUMENTS

11.1 None

12 CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	12/7/22	19/7/22
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	12/7/22	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	12/7/22	12/7/22
Elaine Browne	Head of Law (Deputy Monitoring Officer)	12/7/22	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	12/7/22	13/7/22
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	12/7/22	
Kevin McDaniel	Executive Director of Children's Services	12/7/22	
Andrew Durrant	Executive Director of Place	12/7/22	
<i>External (where relevant)</i>			
N/A			

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Asset Management & Commercialisation, Finance and Ascot	Yes
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REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Audit and Governance Committee for Noting	No	No

Report Author:

Andrew Vallance, Head of Finance andrew.vallance@rbwm.gov.uk






Royal Borough of Windsor and Maidenhead

Report of Internal Audit Activity

Progress Report- July 2022

Internal Audit Update – July 2022/23 ‘At a Glance’

The Headlines

	<p>Opinion based reviews completed in the period</p> <ul style="list-style-type: none"> Two assurance audits at draft stage.
	<p>Progress to date</p> <ul style="list-style-type: none"> Four grant certifications completed Three draft reports Eleven reviews in progress
	<p>Follow-ups in the period</p> <p>Two follow-up audits in progress</p>
	<p>Additions to the Plan</p> <p>Two new grant certifications added to the plan.</p>
	<p>Range of innovations and enhancements made to our internal audit process throughout the year</p> <p>Data analytics continues to drive/support reviews; comparative benchmarking exercises offer useful insight and suggested practices.</p>

Internal Audit Assurance Opinions 2022/23

	July	YTD
Substantial	0	0
Reasonable	0	0
Limited	0	0
No Assurance	0	0
Total	0	0

Internal Audit Agreed Actions 2022/23

	July	YTD
Priority 1	0	0
Priority 2	0	0
Priority 3	0	0
Total	0	0

Summary

As part of our rolling plan reports, we will detail progress against the approved plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

The contacts at SWAP in connection with this report are:

Lisa Fryer

Assistant Director

lisa.fryer@swapaudit.co.uk

David Hill

Chief Executive

david.hill@swapaudit.co.uk



Summary

Introduction

This is our first progress report for 2022/23 and reports against the plan agreed by this Committee in May 2022. The plan remains necessarily flexible and some new grant and advisory work, as well as some profiling adjustments have already been agreed. The schedule provided at **Appendix D** details progress made to date and new work agreed.

Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed at **Appendix A** of this document.

To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service risks, a summary of the key audit findings that have resulted in them receiving a ‘limited Assurance Opinion’ is given as part of this report in **Appendix B**. There were no finalised limited assurance audits during this period.

A follow-up review is performed in respect of all limited assurance opinion audits. This is important to provide evidence that recommendations have been implemented to reduce areas of risk identified. The results of follow-up reviews performed in the period can be found in **Appendix C**. There were no finalised follow-up audits during this period.

In circumstances where findings have been identified which are considered to represent significant corporate risks to the Council, due to their importance, these issues are separately summarised. There have been none to report this period.

Internal Audit Plan Update

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation’s risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.



SWAP audit plan coverage across strategic risks

The table below provides a summary of how our completed audits and work in progress to date this year provides assurance over key strategic risks areas in the Internal Audit Plan. As the year builds and more work is completed, coverage across the key risk areas will increase. ‘Adequate’ coverage reflects delivery of planned assurance levels.

Strategic Risk	Coverage
Maidenhead Regeneration	
Children’s to Adults Services Transition	
Covid	
Failure to protect residents in an emergency situation	
Threat of a terrorist act	
Effectiveness of Financial Strategy	
Failure of Council owned companies/major contractors	Contract Management
Data Protection/Data Security Breach	
IT Infrastructure Failure	ICT Governance Risk Review

	Good coverage complete
	Adequate coverage complete
	Coverage In progress
	No coverage to date

Internal Audit Plan Update

We will build our audit plan as the year progresses to ensure that we are auditing the right things at the right time.



Progress Year to Date

All of the audits scheduled for the first quarter of the year are at report stage or are in progress. In quarter one a number of grant audits have been undertaken, including two audits additional to the original plan. Four of these have already been certified.

We are now starting to schedule quarter 2 work and have indicated on Appendix D the initial meetings scheduled to date.

In relation to the National Fraud Initiative (NFI) we have assessed progress in relation to the last two data matching exercises made available. This has identified that little investigation has taken place. Subsequently, RBWM requested that SWAP support the council in developing an action plan to address this.

Assurance Definitions	
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Definition of Corporate Risks	
Risks	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Categorisation of Recommendations	
In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:	
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Name of Audit	Risks Reviewed		Priority Actions			
			1	2	3	Total
No audits reached final report stage in the period.						

No follow-up audits reached final report stage in the period.

Audit Type	Audit Area	Status	Opinion	No of Rec	1 =	↔	3 =
					Major		Medium
					Recommendation		
Complete							
Grant	Local Enterprise Partnership (LEP) Core Growth Hub	Final	Certified				
Grant	Local Enterprise Partnership (LEP) Peer Networks	Final	Certified				
Grant	New - Contain Outbreak Management Fund (COMF)	Final	Certified				
Grant	New - Test and Trace Support Payment Scheme Funding	Final	Certified				
Reporting							
Operational	Fleet Safety Compliance Checks	Draft					
Operational	Risk Management	Draft					
Advisory	New - NFI Advisory Report	Draft					
In progress							
Operational	Supporting Families Grant	Ongoing					
Governance	National Fraud Initiative (NFI)	Ongoing					
Governance	Baseline Assessment of Maturity in Relation to Fraud	In progress					
Governance	Contract Management	In progress					
Governance	ICT Governance Risk Review	In progress					

Audit Type	Audit Area	Status	Opinion	No of Rec	1 =	↔	3 =
					Major		Medium
					Recommendation		
					1	2	3
Operational	Schools Financial Management	In progress					
Operational	Adults Direct Payments	In progress					
Follow-up	Housing Income	In progress					
Follow-up	All Saints C of E Junior School Financial and Administration Framework	In progress					
Grant	Green Homes Grant	In progress					
Grant	Disabled Facilities Grant (DFG)	In progress					
Waiting to Start							
Governance	Climate Change - Governance Arrangements	Waiting to start	Initial meeting 14/07				
Governance	Delegated Decision Making	Waiting to start	Initial meeting 26/07				
Governance	Information Management	Waiting to start					
Governance	CyberSecurity Framework Review and Benchmarking	Waiting to start					
Financial	Pension Fund Investments	Waiting to start					
Operational	Adults – Financial Assessments	Waiting to start					
Operational	Children’s – Strategic Commissioning SEND	Waiting to start	Initial meeting 3/08				
Grant	Local Transport Capital Funding Grant	Waiting to start					

Audit Type	Audit Area	Status	Opinion	No of Rec	1 =	↔	3 =
					Major		Medium
					Recommendation		
					1	2	3
Grant	Bus Service Operator Grant (BSOG)	Waiting to start	Initial meeting 21/07				
Governance	Fraud Risk Assessment	Waiting to start					
Governance	Medium Term Financial Plan (MTFP)	Waiting to start					
Governance	Procurement	Waiting to start					
Financial	Corporate Debt Management	Waiting to start					
Operational	Homelessness Strategy	Waiting to start					
Operational	Infrastructure - Section 106/CIL	Waiting to start					
Operational	Homelessness Strategy	Waiting to start					
Operational	Economic Recovery Post Covid	Waiting to start					
Operational	Adults - Safeguarding	Waiting to start					
Operational	Children's to Adult's services transition. (Joint AfC audit).	Waiting to start					
Follow-up	Cash and Bank Reconciliation	Waiting to start					
Governance	Fraud Training	Waiting to start					
Governance	Business Continuity Planning	Waiting to start					
Finance	Management of the Capital Budget	Waiting to start					
Operational	Public Health – Drug and Alcohol Contract	Waiting to start					

Audit Type	Audit Area	Status	Opinion	No of Rec	1 =	↔	3 =
					Major		Medium
					Recommendation		
	1	2	3				
Operational	Children's - Strategic Review of Early Intervention	Waiting to start					
Operational	Public Health – Drug and Alcohol Contract	Waiting to start					
Operational	AfC/Optalis Contract Management	Waiting to start					

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Essential information

Items to be assessed: (please mark 'x')

Strategy		Plan		Project		Service procedure	x
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Responsible officer	Andrew Vallance	Service area	Finance	Directorate	Resources
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Stage 1: EqIA Screening (mandatory)	Date created: 19/07/2022	Stage 2 : Full assessment (if applicable)	Date created : NA
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Approved by Head of Service / Overseeing group/body / Project Sponsor:

"I am satisfied that an equality impact has been undertaken adequately."

Signed by (print): Andrew Vallance

Dated: 19/07/2022

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Guidance notes

What is an EqIA and why do we need to do it?

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqIAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqIA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

What are the "protected characteristics" under the law?

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

What's the process for conducting an EqIA?

The process for conducting an EqIA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

Openness and transparency

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Enforcement

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

Stage 1 : Screening (Mandatory)

1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?

The report is the first progress report on the internal audit plan for 2022/23 agreed at the May 2022 meeting. It will be presented by the Council's new internal auditors, South West Audit Partnership (SWAP).

DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Audit and Governance Committee notes the report

1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as "Not Relevant".

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Protected characteristics	Relevance	Level	Positive/negative	Evidence
Age	Not Relevant			Further EQIAs will be produced at later stages on detailed budget proposals and the overall budget
Disability	Not Relevant			
Gender re-assignment	Not Relevant			
Marriage/civil partnership	Not Relevant			
Pregnancy and maternity	Not Relevant			
Race	Not Relevant			
Religion and belief	Not Relevant			
Sex	Not Relevant			
Sexual orientation	Not Relevant			

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Outcome, action and public reporting

Screening Assessment Outcome	Yes / No / Not at this stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
Was a significant level of negative impact identified?	No	Not at this stage		
Does the strategy, policy, plan etc require amendment to have a positive impact?	No	Not at this stage		

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered “No” or “Not at this Stage” to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Stage 2 : Full assessment

2.1 : Scope and define

2.1.1 Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? List the groups who the work is targeting/aimed at.

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ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

2.1.2 Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? *List those groups who the work is targeting/aimed at.*

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2.2 : Information gathering/evidence

2.2.1 What secondary data have you used in this assessment? *Common sources of secondary data include: censuses, organisational records.*

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ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

2.2.2 What primary data have you used to inform this assessment? *Common sources of primary data include: consultation through interviews, focus groups, questionnaires.*

Eliminate discrimination, harassment, victimisation

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

Advance equality of opportunity

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

Foster good relations

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts? If so please summarise any updates.

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

EQUALITY IMPACT ASSESSMENT

EqIA : Internal Audit Progress Report Q1 2022/23

These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.