Royal Borough of Windsor and Maidenhead

Report of Internal Audit Activity

Progress Report- November 2023

Internal Audit – November 2023/24 'At a Glance'

The Headlines

23/24 Reviews completed in the period
- Seven audits finalised
- Three grants certified
- Fourteen reviews in progress

Progress to date
On track to deliver plan:
- Over half of the plan has been started

Follow-ups in the period

One follow-up audit completed.

Plan Changes in the period

- Two audits deferred to 24/25 at the request of Senior Management

Range of innovations and enhancements made to our internal audit process throughout the year
Benchmarking exercise carried out to compare RBWM lease approval process at other authorities in the SWAP partnership.

Internal Audit Assurance Opinions 2023/24

	Nov	YTD
Substantial	0	0
Reasonable	3	3
Limited	4	4
No Assurance	0	0
Total	**7**	**7**

Internal Audit Agreed Actions 2023/24

	Nov	YTD
Priority 1	6	6
Priority 2	18	18
Priority 3	13	13
Total	**37**	**37**

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.

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Summary

Introduction

This 2023/24 progress report allows monitoring against the plan agreed by this Committee in February 2023. The plan remains necessarily flexible and some changes have taken place. 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.**

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**.

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. A significant corporate risk was reported in the period in respect of Premises Health and Safety. Refer to Appendix B for further details.

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Internal Audit Progress 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 internal audit plan agreed is based on our risk based approach to help ensure that resources are focused where internal audit can offer the most value and insight. A key source of information is the Council's strategic risk register.

The strategic risk register has been reviewed and updated for this financial year by the Council. The table that follows on the next page is a summary of how our completed audits and work in progress to date provide assurance in relation to these strategic risks. 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.

Key

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

Internal Audit Progress Update

Continued:

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.

Strategic Risk	Coverage
Impact of winter flu/other pathogens	
Climate change – decarbonization to net zero	(Climate change governance covered in 22/23)
Adults and children's safeguarding	Children's safeguarding, Adults Assessments and Care Plans
Best value not delivered from contractors and council owned companies	Contract Management follow-up, contract register, grounds maintenance contract management, Governance and oversight of Optalis
IT Infrastructure failure, cyber-crime, technological change	User access and account management, on premises hosting, software asset management
Workforce stability	Healthy Organisation review – human resources
Demand changes arising from cost of living crisis	Children's early intervention
Increased mental health demands	Adults mental health
Uncertainty around major schemes and Commercial Projects.	Property Leases
Effectiveness of the financial strategy	Management of the revenue budget, Adult debt management, corporate debt management follow-up
Fraud and Corruption leads to loss of council resources	NFI oversight, Fraud Baseline Assessment follow-up, Council Tax investigations
Legislation not responded to effectively leads to external intervention	Tree Safety, Health & Safety Premises Management

Summary

Given a risk based approach is followed, it is important to demonstrate that agreed actions are implemented to reduce risks reported.

Action Plan Monitoring

It is important that the agreed action is taken to reduce the risks reported within our limited assurance audits. To help ensure that this is the case, implementation of these actions is regularly monitored and below is a summary of the latest monitoring exercise. Those audits with high corporate risks are also now reported to Cabinet as part of the quarterly assurance report.

Name of Audit	Implementation Status (Priority 1s)
Cash and Bank Reconciliation	Service assessed as complete
Delegated Decision Making	Follow-up audit complete - good progress made
Corporate Debt Management	Follow-up audit in progress
Fleet Safety Compliance	Follow-up audit in progress
Risk Management	Follow-up audit in progress
Adults Direct Payments	Follow-up work by service in progress
Homelessness Strategy	Follow-up work by service in progress
Records Management	Follow-up work by service in progress
Economic Resilience	Follow-up work by service in progress
Business Continuity Planning*	Follow-up work by service in progress
Contract Management*	Follow-up work by service in progress
S106 Agreements*	Follow-up work by service in progress
AfC Governance and Oversight	Implementation date not yet due
Property Lease Governance	Implementation date not yet due

*High Corporate Risks

Internal Audit Progress Update

Adequate audit coverage is needed to support the annual opinion.

Plan Progress

- Completed
- In Progress
- Not started
- Deferred

Progress is reasonable with over half of the audit plan at least in progress. Although 40% of the plan is showing as not started, we remain confident of delivering the plan agreed. Initial meetings have already been scheduled for some of the audits and 30% are follow-up reviews, these take less time to deliver compared to a fully scoped audit.

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.

Health and Safety Premises Risks	Risks Reviewed		Priority Actions			
	• Premises management roles and responsibilities are not clearly defined or assigned. • Routine inspections are not carried out in line with statutory requirements. • Assessments for the management of premises risks are not completed or not subject to periodic review.	Limited	**1**	**2**	**3**	Total
			2	7		9

A high corporate risk has been reported. The main reason for this is the absence of Service Level Agreements in place for premises that are not solely occupied by RBWM staff to define expectations and responsibilities and to confirm the health and safety policies that should be followed. This applies to all properties where there are lease and partnership arrangements. The Council will conduct a review of premises not solely occupied by RBWM staff, to cover all legal agreements and partner policies, and to implement Service Level Agreements where required.

The other Priority 1 finding relates to the contract for fire extinguisher inspections not being managed centrally. As a result, certificates are not provided and there is no corporate oversight that these inspections are up to date. Moving forwards it will be ensured that all certificates are stored on the Council's system for this, Technology Forge, so monitoring can take place.

Governance of Property Leases 5	Risks Reviewed		Limited	Priority Actions			
	Inconsistent or protracted decision-making processes leading to missed income opportunities for the council.			**1**	**2**	**3**	Total
				1	4		5

The key findings from this audit are as follows:

- Property Services do not have a definitive record of all council-owned properties including those leased out to a third party. As a result of this audit the Council will now create one definitive record of properties.
- The delegation arrangements within the council's property procedure rules do not currently allow officers within Property Services to make decisions in relation to the day-to-day management of the property leases. This means that there are often delays with these decisions being made. A list of all standard matters, together with suggested delegation thresholds will now be established to allow some property related transactions to be delegated to officers under the council's scheme of delegation.

	Risks Reviewed		Priority Actions			
Children's – Early Intervention	1. The effectiveness and timeliness of intervention may be reduced due to delays in receiving referrals, or a lack of quality information from partners.		**1**	**2**	**3**	Total
	2. Professionals and families experience of the referral process may be negatively impacted due to inefficiencies in the collection and recording of information.	Limited	1	3	0	4

The feedback from the schools interviewed and the survey carried out was that they were very happy with the support and help they receive from the Early Help Advisors.

The main finding from this audit is that Achieving for Children (AfC) does not currently hold the data necessary to evidence and monitor the effectiveness of the Early Intervention Strategy to determine whether it is meeting its objectives. AfC will now look to collate information held on referrals and also develop a database on other relevant information relating to schools.

	Risks Reviewed		Priority Actions			
Adults Assessments and Care Plans	Weaknesses or inconsistencies in the needs assessment and support planning processes contribute to: • Client needs not being identified or met in a personalised way • Poor inspection outcomes, leading to reputational damage.	Limited	**1**	**2**	**3**	Total
			2	0	1	3

The main findings from this audit are:

- The current operational guidance in place does not cover several Care Act requirements. The operational guidance does not address recording or explain how staff should evidence their compliance with the Care Act. A new practice model is being developed which will hold most of the information needed.
- The evidence within the majority of the needs assessments and support plans reviewed did not fully meet the criteria of statutory requirements within our scope. A new case management system Optalis is being implemented and the improvements needed will form part of the new system.

Delegated Decision Making	Scope and Objective	Progress Summary			
	To provide assurance that the agreed actions to mitigate against risk exposure, identified within the 2021/22 audit of Housing Income, have been implemented.		Completed	In progress	Not Started	Total
		Priority 1	3	2	0	5
		Priority 2	2	2	0	4
		Priority 3	1	0	0	1
		Total	6	4	0	10

The objective of the audit was to provide assurance that decisions are taken in line with the requirements of the Council's Constitution. All agreed actions are at least now in progress. In terms of actions completed, the guidance has now been updated to make the consequences of non-compliance clear. The revised criteria are documented, available on the intranet and incorporated into the revised delegation form.

Further improvements are scheduled for the Autumn when a review of the Council's Constitution is scheduled to take place, this will include a review and update of the Scheme of Delegation addendums. We will complete further follow-up work to confirm the completion of these improvements using our action tracking monitoring arrangements.

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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.

Audit Type	Audit Area	Status	Opinion	No of Rec	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Complete							
Grant	LEP Core Growth	Final	**Certified**				
Grant	Local Transport Capital Funding Grant	Final	**Certified**				
Grant	Bus Service Operator Grant (BSOG)	Final	**Certified**				
Grant	Disabled Facilities Grant (DFG)	Final	**Certified**				
Governance	Health and Safety Premises risks	Final	**Limited**	9	2	7	
Governance	Governance of Property Leases	Final	**Limited**	5	1	4	
Financial	Pension Fund – Risk Management	Final	**Reasonable**	7		2	5
Financial	Payroll	Final	**Reasonable**	3		1	2
Financial	Treasury Management	Final	**Reasonable**	6		1	5
Operational	Children's – Strategic Review of Early Intervention	Final	**Limited**	4	1	3	
Operational	**NEW** Adults – Assessments and Care Plans	Final	**Limited**	3	2		1
Follow-up	Delegated Decision Making	Final	N/A	Good progress made – will continue to monitor through action tracking			
Reporting							
Operational	Safety of Tree Stock	Draft					
In progress							
Grant	Supporting Families Grant	Ongoing					

Audit Type	Audit Area	Status	Opinion	No of Rec	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Advisory	National Fraud Initiative (NFI)	Ongoing					
Advisory	Council Tax Investigations	Ongoing					
Advisory	General Fraud Advice	Ongoing					
Financial	Schools Financial Management – SFVS Assurance work	In progress					
Follow-up	Risk Management	In progress					
Operational	**NEW** Housing Rents	In progress					
Follow-up	Fleet Safety Compliance Checks	In progress					
Operational	Children's Short-break Care	In progress					
ICT	User access and account management	In progress					
Governance	Contract Register	In progress					
Governance	Information Management – Data Transparency	In progress					
Governance	Emergency Planning	In progress					
Follow-up	Corporate Debt Management	In progress					
Waiting to Start							
Operational	Grounds Maintenance Contract Management (Tivoli)	Waiting to start	Request to delay start				
Financial	Management of the Revenue Budget	Waiting to start					
Financial	Adults Debt Management	Waiting to start					

Audit Type	Audit Area	Status	Opinion	No of Rec	1 = Major	⟷	3 = Medium
					Recommendation		
					1	2	3
ICT	On premises hosting	Waiting to start					
ICT	Software asset management	Waiting to start					
Governance	Healthy Organisation Review	Waiting to start					
Operational	Management of Parking Income	Waiting to start					
Grant	Initial Teacher Training (ITT) Bursary	Waiting to start					
Financial	Council Tax	Waiting to start					
Operational	**NEW** Adults – Performance and Statutory Return reporting	Waiting to start					
Operational	Infrastructure Section 106	Waiting to start					
Operational	**NEW** Disabled Facilities Grant Process	Waiting to start	Request to delay start to Q4				
Operational	Adults – Mental Health Services	Waiting to start					
Operational	Childrens Safeguarding Arrangements	Waiting to start					
Follow-up	Adults Direct Payments	Waiting to start					
Follow-up	Adults Financial Assessments	Waiting to start					
Follow-up	Fraud Baseline Assessment of Maturity in Relation to Fraud	Waiting to start					
Follow-up	Contract Management	Waiting to start					
Follow-up	Records Management	Waiting to start					

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Audit Type	Audit Area	Status	Opinion	No of Rec	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Follow-up	**NEW** Business Continuity	Waiting to start					
Deferred							
Operational	Temporary Accommodation	Deferred	Deferred until 24/25. Request to replace with Disabled Facilities Grant Process				
Operational	Strategic Commissioning SEND	Deferred	Deferred until 24/25. Request to replace with Children's to Adult's services transition				
Grants	LEP – Peer Networks	Deferred	Certification not required in 23/24				
Operational	**NEW** Children's to Adult's services transition	Deferred	Deferred until 24/25.				
Governance	Optalis – Governance and Oversight	Deferred	Deferred until 24/25 and replaced with Adults – Performance and Statutory Return reporting				