Internal Audit Progress Report – November 2023

The Head of Internal Audit is required to provide a written status report to Senior Management and Members, summarising internal audit activity.

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Appendices:

Additional Report Limited Assurance – Control Account Reconciliation Final Report.

Role of Internal Audit

The requirement for an internal audit function in local governance is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.'

The standards for 'proper practices'; are laid down in the Public Sector Internal Audit Standards [the Standards -updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes'.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

The Purpose of the Report

In accordance with the proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter, the Head of Internal Audit is required to provide a written status report to Senior Management and Members summarising:

- the status of live internal audit reports.
- an update on progress against the internal audit plan.
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact of the Head of Internal Audits annual opinion.

From June 2023, internal audit reviews culminate in a revised opinion rating on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial   A reliable system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Adequate   There is a generally reliable system of governance, risk management and control in place. Some issues of non-compliance or scope for improvement were identified which may put at risk 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.

No   Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control are inadequate to effectively manage risks in the achievement of the objectives for the area audited.

This is a change to the assurance categorisation used during 2022/2023.

The revised ratings align with terminology widely used across the public sector. They also provide less subjective definitions and improve understanding for areas of non-compliance or in monitoring the work required for any fundamental deficiency identified.
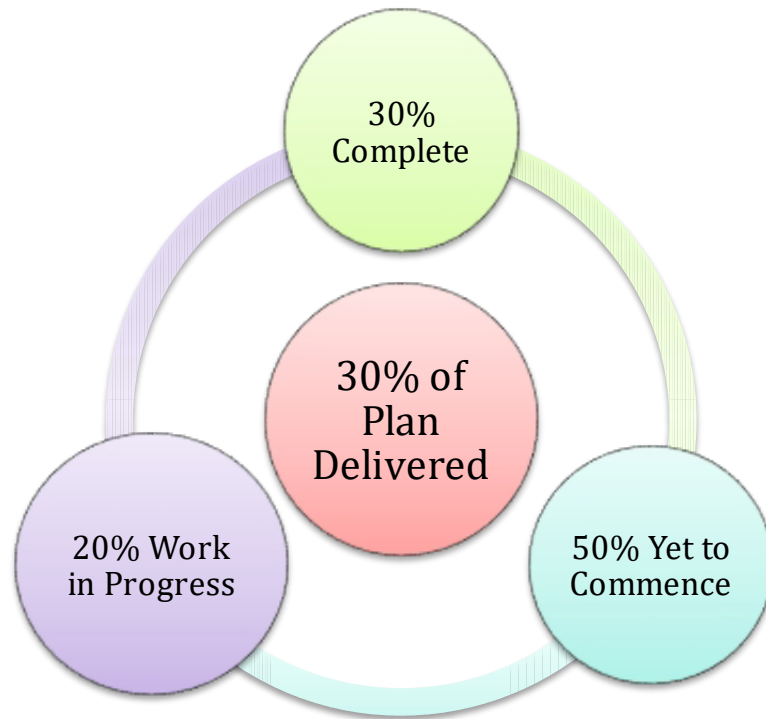
Performance Dashboard

Figure 1 shows the completion of the internal audit plan to date. The team has been introduced to individually planning audit reviews to support timely delivery and reporting. Line managers are involved in the oversight of delivery plans for each audit and responsible for delivery on milestone agreed during the planning stage. The audit managers are responsible for the effective and timely delivery of their audit plans across the service.

Figure 2 shows the feedback received from officers for work completed. There is an expectation that all clients will provide feedback on their audit experience with the team. The results of audit feedback will be used by managers in developing team and individual improvements as well as to inform training requirements and quality learning across the entire audit team.

We have received one feedback form, for the Peer Review Audit.

Figure 2

Update on Internal Audit Activity

Since the last progress report, one limited assurance review has been finalised.   This was for key control testing control account reconciliation review.

The full limited assurance report is attached as additional documents to be reported with the progress report to committee.

A further 15 reviews have been completed since our last progress report. Summary details of all work completed by audit is included in the report.

We have also supported the Council with training for new members of the Audit Committee.

We regularly report on whether agreed management actions from audits have been implemented by the agreed implementation date. There are seven high priority findings which are overdue. The oldest implementation date is 31/04/2023.

There are 22 medium priority findings which are overdue. The oldest implementation date is 31/03/2020.   Details of all overdue actions are recorded in Appendix 1 & 2.

Work in progress includes -

- Procurement card process review across SELCP.

- Decision Making.
- Budget Management & Monitoring.
- Precepts
- Financial Systems review
- Building Control
- Strategic Risk Register Review

Analysis of Audit Reviews

The table below shows the audits completed since January 2023 along with details of the position of actions as at 31 October 2023.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions	Not Accepted	Not Yet Due	Completed	Overdue			
								High	Medium	Low	Critical
Payroll	May-23	C. Marshall	Substantial / Adequate	4	0	2	2	0	0	0	0
ICT Cloud Hosted Services	Feb-23	J. Wright	Substantial / Adequate	16	0	6	10	0	0	0	0
Risk Management	Aug-23	J. Medler AD	Adequate / Substantial	8	0	3	5	0	0	0	0
ELDC Key Controls NNDR	May-23	S. Hammond	High / Substantial	0	0	0	0	0	0	0	0
ELDC Key Controls Council Tax	May-23	S. Hammond	Substantial/ Adequate	2	0	0	1	0	1	0	0
Anti-Virus & Malware	May-23	J. Wright & J. Gilbert	Substantial/ Adequate	5	0	2	0	0	3	0	0

Audit	Date	Officer	Opinion							
ICT Project Management	Aug-23	J. Wright & J. Gilbert	Adequate / Substantial	1	0	1	0	0	0	0	0
Key Controls - Journals	Aug-23	C. Marshall S151	Adequate / Substantial	1	0	0	0	0	1	0	0
Key Controls - Control Account Reconciliations	Aug-23	C. Marshall S151	Limited	10	0	0	2	3	5	0	0
ELDC Key Control testing Housing Benefits	Aug-23	C. Marshall S151	High / Substantial	0	0	0	0	0	0	0	0
SELCP - Peer Review	Jul-23	James Gilbert AD	Substantial/ Adequate	2	0	0	2	0	0	0	0
SELCP -ICT - High Risks Review	Aug-23	Jackie Wright & James Gilbert	Substantial/ Adequate	6	0	6	0	0	0	0	0
Invest EL	Sept - 23	C. Marshall S151	Consultancy	19	0	4	15	0	0	0	0
Procurement Follow Up	Mar - 23	C. Marshall S151 & R. James	Substantial / Adequate	8	0	1	7	0	0	0	0
SELCP - Recruitment & Retention	Aug-23	Aileen Watmore & James Gilbert	Substantial/ Adequate	3	0	2	0	0	1	0	0
ICT Systems Security	Jul-23	J. Wright & J. Gilbert	Substantial/ Adequate	4	0	2	1	0	1	0	0
TOTAL				89	0	29	45	3	12	0	0

Executive Summaries of 'Limited' or 'No' Assurance Opinions

The table below provides a summary of the limited or no assurance reports published since the last progress report. It also contains any management updates and progress made since the report was issued.

Audit Review Title: Key Control testing – Control Account Reconciliation				
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**		
Section 151 officer	Limited	Low 0	Medium 6	High 6	Critical 0

Summary of Key Observations:

Key controls for reconciliation of the Accounts Receivable and Accounts Payable control accounts were found to be operating effectively, however due to issues identified in respect of the payroll control account reconciliation i.e. lack of regular reconciliation, significant variances identified, timeliness of corrections, we have only been able to award a Limited assurance opinion in this area.

- Payroll control account reconciliations have not been completed on a regular monthly basis. Reconciliations did not commence until September 2022, furthermore, only one reconciliation was undertaken in January 2023 and none in February 2023.

- Review of reconciliations identified variances due to coding errors i.e., payroll system codes were mapped to incorrect account codes within the finance system. Whilst errors were identified and explanations recorded during the year, most were not corrected until the year end.

- Senior management at PSPS and SELCP were not formally advised of delays in reconciliations during 22/23 or the key issues being identified i.e., mapping/coding errors, no formal escalation process exists.

- Queries raised with the Payroll Team remained outstanding for significant periods of time, i.e. 3 – 6 months. There were also queries raised by HALO ticket that were closed before being resolved. Whilst 'chase' e-mails on occasion were sent to the Payroll Team, there has been no escalation of outstanding queries to senior officers.

- Reconciliations have not been signed or dated by the officer preparing, or by the reviewer.

- The PSPS Finance Officer responsible for carrying out reconciliations was on maternity leave until August 2022 and has now left the employ of PSPS (May 23). Responsibility for payroll reconciliations in future has yet to be assigned.

The final report was issued in July 2023, the full report is attached as Appendix 3.

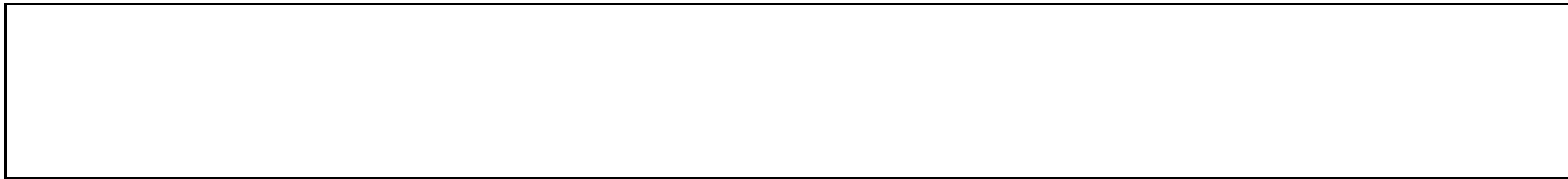# Executive Summaries of 'Substantial' or 'Adequate' Assurance Opinions

The table below provides a summary of the substantial or adequate assurance reports published since the last progress report.

Audit Review Title: Payroll					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
C. Marshall S151	Substantial / Adequate	Low 0	Medium 2	High 1	Critical 0

Summary of Key Observations:

Overall, we can provide a substantial level of assurance that the payroll system is appropriately set up, that it is operating effectively and that appropriate controls are in place throughout the payroll process.

A clear payroll structure is in place, which ensures segregation of duties within the payroll process. Roles and responsibilities of payroll staff are clearly defined, our review confirming staff have a good understanding of financial procedures and payroll processes.

Access to the payroll system, Accord, is appropriate with adequate password protections in place. Access permissions/restrictions are set up ensuring approvals/authorisations are in line with the Council's Schemes of Delegation.

Our key finding from the review is that a full independent reconciliation between the Councils' payroll records, personnel records and finance system has not been completed; this exercise being 'work in progress'. Whilst it has been explained that Service Area Managers undertake a general review of payroll information, as part of their budget monitoring processes, no detailed checks have been carried out to confirm establishment posts, names, salaries, allowances, and financial coding. These reconciliations/checks are important to ensure payments are correct, and only paid to employees in authorised posts.

An audit of payroll reconciliations is planned for quarter three of 2023/24.

Audit Review Title: ICT Cloud Hosted Services					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
J. Wright & J. Gilbert	Substantial / Adequate	Low 0	Medium 16	High 0	Critical 0

Summary of Key Observations:

We have concluded that substantial assurance can be given for the adequacy of security measures in place to protect key Council services against the threat of virus and malware infection.

We identified a number of areas of good practice covering policies and processes; the substantial assurance level reflects the identification of areas where vulnerabilities exist, or existing arrangements could be improved or fall below recognised good practice levels. The improvements are outlined below:

- Where possible and feasible, implement multi factor authentication on cloud hosted systems to minimise the risk of denial of service attack.
- Implement consistent and robust password policies across all applications and restrict failed logins to prevent unauthorised access attempts.
- Ensure that commercial contracts in place for each cloud hosted provider, are consistent between providers and contain expected content.
- Confirm with all Cloud Service providers that annual IT Disaster Recovery tests and annual external penetration tests have been undertaken and maintain evidence of this.

Audit Review Title: Risk Management					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
AD Governance and Monitoring Officer.	Substantial/ Adequate	Low 0	Medium 8	High 0	Critical 0

Summary of Key Observations:

We identified a number of areas of good practice covering risk management processes and activities. The substantial assurance level reflects the identification of areas where vulnerabilities exist, or existing arrangements could be improved or fall below recognised good practice levels. which support the assurance opinion.

At the time of the audit, two systems were operational because a new, dedicated system, Pentana, had been recently introduced. Data in the previous (Excel spreadsheet) system had been only partially migrated to the new system. The data migration should be completed – including data cleansing - as soon as practicable to ensure that benefits (reporting etc) of the new system can be realised as soon as possible.

Examination of the risk registers revealed that some key fields were not populated, including some of the 'risk owner' fields. Similarly in the operational risk registers there are some empty data fields, such as risk appetite, risk treatment and also a number of the risk mitigation data fields which is where the controls bring a risk score down from its gross (inherent) score to its net (residual) score.

Risks registers currently still in the Excel spreadsheet (operational risk registers) are not necessarily being checked as current and confirmed as being accurately stated as they will be when they are migrated into the Pentana system, when this will become an automated procedure.

Review of the risk mitigations (that are intended to describe how the control(s) applied to a risk work) showed that some are general and high level, rather than specific. This lack of precision, whilst not uncommon, makes it more difficult to establish how the controls are to be properly applied to manage the risk.

The (draft) Risk Management Policy provided to the audit requires updating, approving at the appropriate level and formally adopting.

Audit Review Title: Key Controls – National Non-Domestic Rates and Council Tax				
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**		
Head of Department Revenues and Benefits	High/ Substantial	Low 0	Medium 1	High 0	Critical 0

Summary of Key Observations:

For Revenues as a whole, the key controls tested are operating effectively and are well controlled. For all three of the SELCP councils we are therefore able to give a high assurance opinion for Non Domestic Rates (NDR). Due to one finding specific to Council Tax (highlighted below), a substantial opinion has been awarded for Council Tax.

The signed and counter-signed records evidencing the independent accuracy checks and senior officer sign-off performed on the SELCP councils' 2022/23 council tax system parameters and precepts could not be located or verified.

Audit Review Title: Anti-Virus and Malware					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Head of ICT and AD Corporate	Substantial/ Adequate	Low 0	Medium 5	High 0	Critical 0

Summary of Key Observations:

We have concluded that substantial assurance can be given for the adequacy of security measures in place to protect key Council services against the threat of virus and malware infection.

We identified several areas of good practice covering policies and processes; We have made the following recommendations to strengthen controls and align to best practice.

- Rename and/or disable the default Administrator account across all Active Directory domains;
- Review and disable auto play and auto run to prevent the installation of unlicensed software or malware infected executable files;
- Protect data backup media from ransomware infection by storing backup media in a minimum of 3 separate locations;
- Review Active Directory security settings to disable by default macros on Microsoft Office files; and
- The need to implement a programme of annual phishing security tests across Boston Borough, East Lindsey District, and South Holland District Councils.

Audit Review Title: ICT Project Management					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Head of ICT and AD Corporate	Substantial/ Adequate	Low 0	Medium 0	High 0	Critical 0

Summary of Key Observations:

We identified a number of areas of good practice covering elements of the project management system, as follows.

- The ICT project management framework documentation is up to date and comprehensive and sits within an overarching SELCP project management framework.
- ICT projects are now being monitored via the Digital Strategy Delivery Tracker (new for 2023/24) ensuring that projects are aligned to corporate strategies / objectives.
- The digital tracker also identifies project size and scale thus, the project management techniques and approach can be determined; i.e. large project having a full project management approach, whilst a project described as 'business as usual' will have a cut down version as deemed appropriate to the project size.
- Project expenditure is monitored, and evidence was seen during the site visit or obtained that confirmed that project budget and expenditure monitoring is taking place.
- •Highlight Reports have been completed to provide evidence of continuing monitoring of progress and delivery of projects against agreed milestones.

There was one area for improvement identified - ICT project management is a key enabler of effective Council services. ICT Project Management is not included in the SLA with the partnership and PSPS confirmed that they do not have dedicated ICT project managers. ICT project management will increase in importance as system renewal and system alignment within the partnership progresses at pace.

Audit Review Title: Key Controls Journals					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Section 151 officer	Substantial/ Adequate	Low 0	Medium 1	High 0	Critical 0

Summary of Key Observations:

Overall, key controls for the input and authorisation of manual journals are operating effectively, we are therefore able to give a substantial assurance opinion in this area.

- Manual journals are processed through Workflow within Unit 4. Clear guidance is available to confirm how to enter/approve journals within the finance system.
- Journals are appropriately approved in a timely manner. Approval groups set up within workflow, ensure journals are reviewed/approved by an appropriate line manager and segregation of duties (between input and approval) is enforced.
- In 2/15 cases evidence was not available to support the journal. Whether the journal had been accurately input could therefore not be confirmed. A facility within Unit 4 that allows journal documentation to be attached is not being fully utilised.

Audit Review Title: Peer Review SELCP					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
AD Corporate	Substantial/ Adequate	Low 1	Medium 1	High 0	Critical 0

Summary of Key Observations:

Our work has found that most recommendations highlighted following the SELCP Peer Review have been addressed or are on track to be completed in the timely manner. A significant number of areas have been strengthened in relation to organisational and place leadership, governance and culture, financial planning and management and local priorities and outcomes. Work has been put into the development of strategies and procedures leading to improvements in partnership working and a clearly defined strategic vision.

Areas where we noted improvements in line with the recommendations highlighted in the review included:

- The clear development and implementation of a communications strategy, and narrative which is in the process of being embedded throughout the partnership both internally and externally.
- The successful merger of SLT across the 3 authorities, resulting in synergy and cohesion within collaboration between the senior leadership, in turn creating consistency and alignment on structures, governance and adopting best practice to realise the efficiency and productivity benefits of the Partnership.
- Increased focus on staff support, particularly surrounding mental health, with the implementation of mental health first aiders, mental health awareness week, desktop icons, media refresh and the launch of Maximus Mental Health Support.

Audit Review Title: ICT High Risks Review					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Senior Management Team & the Head of ICT.	Substantial/ Adequate	Low 0	Medium 2	High 1	Critical 0

Summary of Key Observations:

Overall management of the ICT high risks is good with responsibility for approving current risks sitting with the Assistant Director - Corporate and the ICT Management Board maintaining oversight in line with their terms of reference. The Board meet monthly and is comprised of both PSPSL ICT and SELCP officers. Senior management oversight is provided by the Governance Board where the progress of mitigating action taken to reduce the identified risks is regularly reported.

To further strengthen the management and review of high risks we have identified the following recommendations:

- Uptake of cyber awareness training by officers is low with 20% of staff having completed the mandatory training in the last 12 months. The users of the Councils systems are a significant threat to cyber security, and it is essential they undertake cyber awareness training regularly to remain informed of the latest threats. The Senior Leadership Team in SELCP should take accountability of this risk and drive the importance of this training through to staff to ensure all staff have completed by December 2023.
- Boston Borough Council was recently refused cyber insurance which means they are not currently insured against the financial impact resulting from an attack on the network. Another application has been submitted and at the time of producing this report the outcome was unknown. Cyber insurance is important in protecting the Council against the effects of cybercrimes. The large number of applications and devices the council deploy increases their vulnerability to attacks and obtaining suitable insurance should continue to be actively pursued.
- The current ICT risk register does not have a responsible risk owner or review dates. The allocation of a risk owner supports ownership of the risk and ensures there is an accountable officer responsible for managing the risk and mitigating actions. Review dates ensure risks are regularly reported and assessed.

Audit Review Title: Recruitment & Retention					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
AD Corporate	Substantial/ Adequate	Low 0	Medium 3	High 0	Critical 0

Summary of Key Observations:

Our review confirmed that there are insightful and robust strategies to improve the retention of staff either in place or in the process of being fully embedded. However, as some of these procedures are still in the early stages it is difficult to ascertain their effectiveness.

Strategies that have been implemented so far align with the local government association's recommendations for addressing the workforce capacity crisis in local government and have resulted in the following positive outcomes:

- The utilisation of apprenticeship levies : There are currently 4 members of staff in the second year of their apprenticeship and 21 either in their first year or about to begin. This is three times the number of staff that were previously studying for qualifications across the partnership.
- Committing £250,000 to training and development across the partnership for 2023/24.
- Positive exposure for the partnership has been provided by the success of the Future Leaders Programme (FLP) in local schools and career fares resulting in encouraging feedback.
- •Embedding proactive succession planning to identify gaps in service, potential apprenticeship applicants and develop clear career plans – changing the culture to prioritise future planning over reactive team management.

The following areas where included in the action plan –

- The percentage of leavers has been consistent or increased throughout the 3 authorities for quarter one this year. Currently, there is a low uptake on exit interviews, and those that are completed are broad in their reasons for employees leaving.
- There is an opportunity to collate more data to strengthen the recruitment process. The partnership currently has limited data to support what makes a recruitment drive successful. There is little benchmarking and while the partnership does collect some data from new starters, this could be more detailed, and a more integral part of the induction process.

- Certain projects have been successful in retaining employees by offering development and career mapping. However, the overall implementation of all the strategies is a long-term project, that will take several months or years to be fully embedded and implemented consistently throughout the partnership. It will also take long term detailed data collection to confirm the impact these strategies have had.

Audit Review Title: ICT System Security					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Head of ICT & Digital	Substantial/ Adequate	Low 0	Medium 4	High 0	Critical 0

Summary of Key Observations:

We reviewed the arrangements for adding and removing users, as well as the security measures for preventing unauthorised access to both the Bartec and Scuba systems. Overall, arrangements were sound and we have provided a Substantial Assurance opinion.

As part of our review we examined:

• The management of users of the system, looking at how new users are added and how persons no longer requiring access are removed.

• The security arrangements that help ensure only authorised persons can access the applications that we reviewed.

• How permissions are allocated to users of the system, i.e., users are only able to see the data and use elements of the system that are necessary for their role.

• What key parameters/standing data may be present in the system (data that is used by the system to perform calculations and inform outputs, e.g., VAT rates, prices, etc.) and how this information is protected.

The areas we examined were on the whole found to be adequately controlled. We have we have made four recommendations relating to ensuring that applications are secure. We identified that the password construction arrangements for Bartec were deficient and not consistent with the PSPS Information Security Policy relating to Access. We have recommended that this is brought up to the corporate standard.

Audit Review Title: Housing Benefit Key Control Testing					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Head of Revenues and Benefits	Substantial/ Adequate	Low 0	Medium 4	High 0	Critical 0

Summary of Key Observations:

Our testing, using CIPFA key controls testing programme for ELDC Housing Benefits resulted in a high level of assurance for the service. No findings were raised as a result of testing and this work and opinion aligns to the housing benefit subsidy testing we did last year. Which was also high assurance and identified minimal errors from cases tested.

Audit Review Title: Procurement Follow Up Review	
Audit Sponsor	**Assurance Opinion/ Equivalent**

Head of Procurement	Substantial/ Adequate	Low 0	Medium 5	High 3	Critical 0

Summary of Key Observations:

We have carried out a follow-up review of procurement at ELDC following our previous review in 2020/21 which provided a low assurance. We are pleased to report that good progress has been made to implement the agreed actions from the previous review.

Eight of the twelve management agreed actions have been implemented. Two are outstanding, and a revised implementation dates of 30th April 23 and 30th June 23 have has been agreed and two are considered to be partially implemented.

Further updates and follow ups on overdue actions have been reported to the audit committee since our last progress report. There are now ……….. actions overdue.

These include………

Audit Review Title: Lessons Learned - Invest East Lindsey					
Audit Sponsor	**Assurance Opinion/ Equivalent**	**Management Actions**			
Section 151 Officer	Consultancy	Low 0	Medium 19	High 0	Critical 0

Summary of Key Observations:

We have reviewed the effectiveness of the set up and governance arrangements for the company – INVEST East Lindsey. This followed best practice - seeking to support the delivery of expected results and outcomes of the Company and early learning as it matures and expands.

We approached this review with a strong emphasis on governance and this includes consideration of the following:

- Effective decision-making process – ensuring that there is a clear rationale for setting up the new company, including a robust business case.
- Set up of the company – ensuring good practice followed on governance, processes, and financial management.
- Kingfisher Park – insofar as it impacts on the company set up and operations.

Our review made multiple recommendations to the Council, to strengthen the effective management and monitoring of the company's governance, financial controls and performance. A detailed action plan was shared with the committee reporting that 15 of the 19 actions reported, had been implemented.

Planning and Resourcing

Quarter 1 and 2 work is largely complete, with only two audits from quarter two currently still in progress. This is a significant improvement on delivery and reflects the new audit approach and engagement of Council officers to get work completed. Quarter three work is underway with all audits planned in with council and PSPSL colleagues.

Section 7 shares an update on the delivery programme for the Council audits. The report holds a maximum of two years of internal audit work to allow the progress and delivery to be monitored. As there has been a change to the assurance ratings applied to assurance work from 2023/2024, the equivalent updated rating has been included in blue for clarity.

Work Plan

Audit Review	Audit Sponsor	Scoping	Audit Objective	Fieldwork	Draft Report	Final Report	Assurance Opinion or Equivalent
ASSURANCE WORK 2023/2024							
Peer Review	Senior Leadership Team (SLT)	✓	✓	✓	✓	✓	Not Applicable
ICT High Risks Review	SLT	✓	✓	✓	✓	N/A	Not Applicable
Recruitment & Retention	SLT	✓	✓	✓	✓	✓	Adequate
Procurement Card Review	SLT	✓	✓	✓	✓		
Precepts	SLT	✓					
Budget Management Budget Monitoring	SLT	✓	✓	✓			

Strategic Risk Register Review	SLT	✓					
Decision Making	SLT	✓	✓				
Building Control	SLT	✓					
Follow-Ups	SLT						
Combined Assurance	SLT	✓					
Uniform System Implementation	SLT						
Management Time	SLT	✓					
Financial Systems review – Banking, Treasury Management & Payroll Reconciliations.	SLT	✓	✓	✓			
Towns Fund	SLT						
Financial Resilience	SLT						

Overdue High priority actions

Audit Review	Audit Sponsor	Agreed Action	Owner	Original Due Date	Current Due Date	Comments
SELCP 2022/23-01 - Key Controls - covers all three Councils and PSPS	S. Knowles	The CIPHR report will be reviewed by the Payroll Manager and Finance Business Partner as part of the reconciliation process and corrective action taken as necessary	S. Knowles	30/09/23	30/09/23	6.1 Review of CIPHR report complete. 6.2 - Nicole Hayes Update (Nov 23) Julie Rhodes was appointed as Finance Business Partner for the Corporate team in September and has been tasked with completing the payroll reconciliations and liaising with both Unit 4 Systems and Payroll to identify, resolve and mitigate variances. Julie has completed the reconciliations for April – August for the 3 Councils and PSPS identifying the variances to be resolved. Over the last month, Finance have had various meetings with Payroll to understand and correct the variances with anticipation the reconciliations up to and including October will be completed by the end of November and going forward it will be a

Audit Review	Audit Sponsor	Agreed Action	Owner	Original Due Date	Current Due Date	Comments
						monthly task completed in a timely manner.
SELCP 2023/24-04 - ICT High Risk review	J. Gilbert	SLT to mandate the completion of Cybsafe and the tracking of completion by AD's by Oct 2023.	J. Gilbert	31/10/23	31/10/23	Cyber training has been issued to all colleagues that use ICT and its completion is being monitored following SLT's mandate it be completed. At Oct 31 we will escalate any non-completions to the relevant Assistant Directors with a short window for completion.

Overdue Medium and Low priority actions

Audit Review	Audit Sponsor	Priority	Agreed Action	Owner	Original Due Date	Current Due Date	Comments
ELDC 2021/22-04 - Section 106 Agreements	Mike Gildersleeves	Medium	Work is already underway to improve the working relationship and process with PSPS. Data has been provided to PSPS in April 2022 for work to begin on a financial monitoring spreadsheet. A direct point of contact has also now been provided. However the responsibility for providing accurate financial data to us lies solely with PSPS Finance. This is out of our direct control. This will be managed through the appropriate internal channels to ensure that the service provision is as expected in the SLA and is appropriate to ensure financial monitoring is robust.	PSPS Finance Manager/Planning Policy Service Manager	Nov 2022	April 2024	This is ongoing but much of this work has now been completed with the assistance of PSPS. PSPS has undergone a number of staff changes but there now seems to be some consistency. PSPS are finalising their spreadsheet ready for the S151 Officer

Audit Review	Audit Sponsor	Priority	Agreed Action	Owner	Original Due Date	Current Due Date	Comments
SELCP 2022/23-01 - Key Controls - covers all three Councils and PSPS	S. Knowles	Medium	Corrections will be made to the subscription's issues highlighted.	S. Hammond / S. Knowles	31/08/23	31/08/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.
SELCP 2022/23-01 - Key Controls - covers all three Councils and PSPS	S. Knowles	Medium	Formal sign off will be undertaken each month by the Deputy Chief Finance Officer Corporate to confirm they have been reviewed.	S. Knowles	31/08/23	31/08/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.
Audit Review	Audit Sponsor	Priority	Agreed Action	Owner	Original Due Date	Current Due Date	Comments
SELCP 2022/23-01 - Key Controls - covers all three Councils and PSPS	S. Knowles	Medium	Accounts Receivable reconciliations will include a download of the balances once resolved.	S. Knowles	30/09/23	30/09/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.
Strategic Alliance 2021/22-08 - Carbon	S. Baker	Medium	A Carbon Impact Assessment tool to be developed and embedded into all project initiation documents and	S. Baker	31/03/23	31/03/23	No not done. Business case around Investors in Environment (IOE) currently being

Reduction & the Natural Environment			Committee Reports which must be completed before SLT sign off is given.				developed having explored options being used by other authorities.
ELDC 2019/20 - 2019/20 Audits	S. Knowles	Medium	Appropriate VAT KPIs will be introduced to monitor against.	S. Knowles	01/04/20	31/07/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.
ELDC 2019/20 - 2019/20 Audits	S. Knowles	Medium	P Card VAT adjustments will be reviewed on a quarterly basis.	S. Knowles	31/03/20	31/07/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.
SELCP 2022/23-01 - Key Controls - covers all three Councils and PSPS	S. Knowles	Medium	Communications will be sent to the Finance Team to ask them to consider attaching evidence to Unit4 where appropriate, and where this doesn't involve complex spreadsheets or multiple attachments, or sensitive information. Better consideration will also be given to journal descriptions/narrative.	S. Knowles	31/07/23	30/09/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.

ELDC 2020/21-16 - Health & Safety Magna Vitae	P. Perry	Medium	"We will review and ensure that the assurances required are incorporated into the Management Agreement including: -Review over obligations and expectations of the Council in regard to monitoring and reporting. -Updating and review what Health and Safety information is required and ensuring full information is received Considering the requirement for active confirmation of reportable events."	P. Perry	28/02/22	31/03/23	October 23 - updated Funding Management Agreement finalised, due to be signed by both parties by end of November.
BBC 2019/20-02 - Values & Behaviours	J. Medler	Medium	The Monitoring Officer will request/remind members that have not undertaken Code of Conduct training to complete this as soon as possible.	J. Medler	31/03/22	31/03/23	None received.

BBC & ELDC 2022/23-09 - Virus Protection and Malware	J. Wright	Medium	Accepted. PSPS ICT will disable the Administrator account across BBC, ELDC and SHDC AD Domains initially and use this to review implications of a rename	J. Wright	30/09/23	31/12/23	After an internal discussion we have decided not to disable or rename of the domain admin account. Renaming the account is old advice as the account can still be easily identified via its SID so this is a pointless exercise. However, we agree that further measures to protect the account are necessary. Subject to no major issues in implementation this will be completed by the end of December 23
ELDC 2021/22-06 - Key Controls testing	C. Warren	Medium	A process will be established for the reporting and monitoring of all invoices received without a purchase order having been raised in advance, including a process for feedback to the Budget Managers.	C. Warren	28/02/23	31/07/23	PSPS CFO actively reviewing Finance audit actions. Due to limitations with team capacity, time frames will form part of this review and feedback will be provided accordingly.

			As part of this process: - review the PO exemption list to confirm complete and appropriate to the needs of the Council. - establish a date and approach for the launch of the 'No PO, no Pay' policy.				
Strategic Alliance 2021/22-05 - Flood Management	C. Allen	Medium	Engage relevant members at both Councils and propose options for improving information sharing between the various flood risk management forums attended by Officers/Members at district county and regional level and the mechanisms, if any, considered appropriate and necessary to facilitate the effective exchange of information.	C. Allen	31/03/23	31/03/23	Dialogue is taking place with LCC/LLFA about re-establishment of member/officer working arrangements across districts and the county which fell by the wayside during the Pandemic. Once these arrangements are re-established, officer and Member representation will be identified at Partnership level and will supersede the previous operational and strategic information sharing arrangements in place under the Alliance. Re-establishing county wide arrangements will also re-introduce mechanisms that

							facilitate Regional exchange of information concerning flood risk management.