

Matters arising from internal audit work completed during the period to 27 June 2023

1 Introduction

- 1.1 This report highlights key issues that the Audit, Risk and Governance Committee should be aware of in fulfilling its role of providing independent oversight of the adequacy of the council's governance, risk management and internal control framework. It highlights the issues arising from the work undertaken by the Internal Audit Service up to 27 June 2023.

2 Progress against the internal audit plan

- 2.1 The Audits detailed in the tables at section 3.1 have been completed since the last Audit Risk and Governance Committee meeting in April 2023.
- 2.2 Since the last update to the committee in April the service has been focused on completing the outstanding audits from the 2022/23 plan. As at the 27 March 2023, only 8 audits from this plan had not been completed or commenced this equates to only 7% of the plan. Work has commenced on the 2023/24 plan with two audits completed and eight progressing. The progress of audits from the 2022/23 and 2023/24 audit plans are reported below.

Stage of audit process	22/23 plan Number	%	23/24 plan Number	%
Complete and reported to committee	84	75%	2	2%
Draft report stage	0	0%	0	0%
Progressing	20	18%	8	8%
Not yet started	8	7%	90	90%
Total number of audits	112	100%	100	100%

- 2.3 Currently there is one audit (ICT External Assurances) that is at the draft reporting stage and is currently being discussed and agreed with managers.
- 2.4 The Internal Audit Service also provides an out-sourced internal audit function to the Office of the Police and Crime Commissioner and Lancashire Constabulary, Lancashire Fire and Rescue Service and Rossendale Borough Council.

3 The assurance available from completed audit work

- 3.1 A brief summary of the assurance provided can be found in the tables below. The matters arising from each of the completed audits are set out in the executive summaries provided at appendix B.

Control area	Assurance
0-19 Healthy Child Programme	● Substantial
On-Street Parking Enforcement and Appeals	● Substantial
Building Schools for the Future (BSF) - Contract Monitoring	● Substantial
Refugee resettlement from other countries	● Substantial
Legal Services - Outsourced Provision	● Substantial

Control area	Assurance
Pension Fund Treasury Management	● Substantial
Domestic abuse strategy	● Substantial
Absence Management	● Moderate
Workforce Wellbeing	● Moderate
Office 365 Review	● Limited
Premises compliance	● Limited
Older People Care Services Financial Management	● Limited

4 Grant certification and Consultancy reviews

- 4.1 In addition to providing assurance to the council some audit work is required by various central government departments, to provide them with assurance over the council's use of grant funding and attainment of funding conditions. The table below provides details of this completed review, with an executive summary for each of the reviews being provided at appendix C.

Control area
Liverpool Combined Authority Local Energy Hub – Q4 2022/23
Community Renewal Fund
Biodiversity Net Gain Grant
Woodhill House Care Home
Early Years Funding - Kirkland & Catterall St Helen's C of E Primary School
Programme Management Office

5 Follow up audit

- 5.1 The Internal Audit Service aims to follow up the action plans agreed by managers to address the risks identified through the audit process, to confirm that action has been taken. The plan for the year therefore includes an allocation of time for this work and the actions agreed to be reviewed with the responsible officers. The tables below detail the status of the agreed management actions, including the financial years that the Management Actions were agreed along with any actions that are incomplete.

- 5.2

Action status	As at 20 June 23					
	Total		Risk rating			
			Critical	High	Medium	Low
Complete	146	40%	0	3	71	72
Incomplete	19	5%	0	2	11	6
Follow up Scheduled	133	37%	0	29	73	31
Superseded	65	18%	0	11	37	17
Total	363	100%	0	45	192	126

Arising in:						
2019/20	161	44%	0	12	87	62
2020/21	12	3%	0	2	9	1
2021/22	111	31%	0	4	54	53
2022/23	79	22%	0	27	42	10
Total	363	100%	0	45	192	126
Incomplete by year						
2019/20	5	26%	0	0	2	3
2020/21	0	0%	0	0	0	0
2021/22	10	53%	0	1	7	2
2022/23	4	21%	0	1	2	1

- 5.3 Four follow up audits have been completed. As part of these follow up audits 19 management actions were reviewed. The table below provides as summary of the status of these actions and an executive summary of each review can be found at appendix D.

	Extreme	High	Medium	Low	Total
Number of actions	0	5	8	6	19
Implemented	0	0	4	3	7
Superseded	0	0	0	1	1
Progressing	0	2	3	2	7
Not implemented	0	3	1	0	4

6 Amendments to the audit plan for 2023/24

- 6.1 It is important that the audit plan is a flexible plan. The table below details Six grant audits which no longer need audit assurance providing and one audit that has been moved to 2024/25 in order to enable a review of Occupational Health to be included in this year's plan.

Service	Audit Title	Audit Scope
Public Health	Supplementary Substance Misuse Treatment and Recovery Funding 2022-2025	Compliance with grant conditions
Public Health	Housing Support Grant	Compliance with grant conditions
Public Health	Rough Sleeping Drug and Alcohol Treatment Grant Scheme 2022-2024	Compliance with grant conditions
Public Health	In Patient Detox Grant	Compliance with grant conditions
Public Health	Individual Placement Funding	Compliance with grant conditions
Public Health	Probation Grant	Compliance with grant conditions

Public Health	Lone Working	A review to ensure that the lone worker policy and supporting procedures are adequately and effectively applied across the council. This will include a review of the case management system to support lone workers.
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6.2 Since we last reported to this committee in April 2023, four audits have been requested and added to the plan. The table below details the additional audit work we have been requested to complete that was not originally included in the audit plan.

Control area
Highways - creditor payments controls
Governance and Resilience Framework
Early Years Funding - Kirkland & Catterall St Helen's C of E Primary School
Identification of potential duplicate payments - Creditor payments