

Matters arising from internal audit work completed during the period to 25 September 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 25 September 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 on 24 July 2023.

2.2 As at the 25 September 2023, 32% of the audit plan is either progressing or has been completed. Since the last committee thirteen audit assignments have been completed. These include 11 systems audits, 2 grant audits and 2 follow up audits.

Stage of audit process	23/24 plan Number	%
Complete and reported to committee	13	13%
Draft report stage	5	5%
Progressing	14	14%
Not yet started	68	68%
Total number of audits	100	100%

2.3 Currently there are currently five audits that are at the draft reporting stage, which are currently being discussed and agreed with managers.

Control area
DWP Searchlight System
Effectiveness of the Safeguarding Board
Compliance with procurement rules – Digital Services
Safeguarding's Service redesign and implementation
Governance Risk and Resilience Framework

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
Declarations of Interest	● Moderate
Pension Payroll Processing	● Moderate
ICT External Assurances Report	● Moderate
Older Peoples Finances – Cravenside Home	● Limited
Older Peoples Finances – Broadfield House	● Limited
Direct Payments	● Limited
Accounts Payable Central Controls	● Moderate
Accounts Receivable	● Moderate
Becon - Building Maintenance Repairs	● Moderate

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 these completed reviews, with an executive summary for each of the reviews being provided at appendix C.

Control area
Bus Service Operators Grant 2022/23
Core Growth Hub Grant Funding to Local Enterprise Partnerships

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.

Action status	As at 25 Sept 23					
	Total		Risk rating			
			Critical	High	Medium	Low
Complete	149	38%	0	3	73	73
Incomplete	22	6%	0	2	13	7
Superseded	45	11%	0	11	17	17
Follow up Scheduled	179	45%	0	31	115	33
Total	395	100%	0	47	218	130
Arising in:						
2019/20	161	41%	0	12	87	62
2020/21	12	3%	0	2	9	1
2021/22	111	28%	0	4	54	53

2022/23	92	23%	0	28	51	13
2023/24	19	5%	0	1	17	1
Total	395	100%	0	47	218	130
Incomplete by year:						
2019/20	5	23%	0	0	2	3
2020/21	0	0%	0	0	0	0
2021/22	10	45%	0	1	7	2
2022/23	5	23%	0	0	3	2
2023/24	2	9%	0	1	1	0

- 5.2 Two follow up audits have been completed. As part of these follow up audits three 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	0	1	2	3
Implemented	0	0	1	1	2
Superseded	0	0	0	0	0
Progressing	0	0	0	1	1
Not implemented	0	0	0	0	3

6 Amendments to the audit plan for 2022/23

- 6.1 There have been no amendments to the audit plan since we last reported to the committee on 24 July 2023.