



# ANNUAL REPORT OF INTERNAL AUDIT

## 2024/25

Date: June 2025

## 1. BACKGROUND

- 1.1 The Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement.
- 1.2 The Standards specify that the annual report must contain:
- An Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk management and control framework;
  - A summary of the audit work (including organisational knowledge) from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
  - A statement of the extent of conformance with the Standards including progress against the improvement plan arising from external assessments.

## 2. INTERNAL AUDIT OPINION 2024/25

- 2.1 The Head of Internal Audit's overall opinion on the Council's system of internal control is that:

**Reasonable assurance** can be given that there is an adequate and effective governance, risk and control framework in place, designed to meet the organisation's objectives.

Of the 13 graded assignments completed in 2024/25, 10 (77%) resulted in an opinion of either Substantial or Reasonable assurance.

The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has not highlighted any overdue High or Medium priority actions.

The Corporate risk register is regularly reviewed and updated, with trend analysis and good oversight by the Audit, Standards and Governance Committee. However, an internal audit review highlighted that the Risk Management Strategy requires updating and there is scope to improve monitoring of the system including mitigating actions.

The governance framework is deemed to be generally effective, although internal audit work highlighted scope to mandate compliance with Procurement rules, and a need to improve controls around the use and administration of General Purchasing Cards. Management action is in progress to address these issues.

- 2.2 A summary of Internal Audit assurance opinions issued in 2024/25 is shown in Table 1 below:

**Table 1 – Summary of Internal Audit Opinions in 2024/25**

<b>Assurance Area</b>	<b>Substantial</b>	<b>Reasonable</b>	<b>Limited</b>	<b>No</b>
Financial	1	2	1	0
Governance & Ethics	0	1	1	0
Strategic & Operational Risks	2	4	1	0
<b>Totals</b>	<b>3</b>	<b>7</b>	<b>3</b>	<b>0</b>

### 3. REVIEW OF AUDIT COVERAGE

- 3.1 The Auditor's Opinion for each assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The table below explains what the opinions mean:

**Table 2 – Assurance Categories**

<b>Opinion</b>	<b>Definition</b>
<b>Substantial Assurance</b>	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
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>No Assurance</b>	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.

The prioritisation of recommendations made by Internal Audit is based upon an assessment of the level of risk exposure. The Auditor's Opinion considers the likelihood of corporate/ service objectives not being achieved, and the impact of any failure to achieve objectives. In order that recommendations can be prioritised according to the potential severity of the risk, a traffic light system is used as follows:

**Table 3 - Definition of Priority of Recommendations**

Risk Level	Definition	Matrix																							
H (7-9)	<p>Immediate control improvement required.</p> <p>Fundamental control weaknesses that present a significant material risk to the function or system objectives and requires immediate attention by Senior Management.</p>	<div><p><b>RISK ASSESSMENT MATRIX</b></p><table><tr><td rowspan="3">LIKELIHOOD OF OCCURENCE</td><td>HIGH</td><td>4</td><td>7</td><td>9</td></tr><tr><td>MEDIUM</td><td>2</td><td>5</td><td>8</td></tr><tr><td>LOW</td><td>1</td><td>3</td><td>6</td></tr><tr><td></td><td></td><td>NOTICEABLE</td><td>SIGNIFICANT</td><td>CRITICAL</td></tr><tr><td></td><td></td><td colspan="3">IMPACT</td></tr></table></div>	LIKELIHOOD OF OCCURENCE	HIGH	4	7	9	MEDIUM	2	5	8	LOW	1	3	6			NOTICEABLE	SIGNIFICANT	CRITICAL			IMPACT		
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		IMPACT																							
M (4-6)	<p>To be monitored closely and cost-effective controls sought.</p> <p>Other control weaknesses where there are some controls in place but there are issues with parts of the control that need to be addressed by Management within the area of review.</p>																								
L (1-3)	<p>To be reviewed regularly and seek low-cost control improvements.</p> <p>Issues of best practise where some improvement can be made.</p>																								

### 3.2 Summary of Internal Audit Work

Table 4 details the assurance levels resulting from all audits completed during the year:

Audit Area	Assurance Opinion
<b>Financial</b>	
Accounts Payable	Limited
Council Tax	Reasonable
Benefits	Substantial
NNDR	Reasonable
<b>Governance &amp; Ethics</b>	
Risk Management	Reasonable
Procurement & Contract Management	Limited
<b>Strategic &amp; Operational Risks</b>	
Business Continuity & Emergency Planning	Reasonable
Cyber Security	Reasonable
Statutory Inspections	Reasonable
Corporate Credit Cards	Limited
Housing Revenue Account	Reasonable
Right to Buy	Substantial
Follow up reviews	Substantial

Outlined at pages 11 to 20 is a short summary of the findings of each of the audits completed. It should be noted that many of these findings have previously been reported as part of the defined cycle of progress update reports provided to the Committee.

### 3.3 Adding Value

Much internal audit work is carried out “behind the scenes” and is demand led but is not always the subject of a formal report. Examples include:

- Governance e.g. assisting with the Annual Governance Statement,
- Risk management.
- Completion of certification work for the Bus Operators’ Grant claim.
- Dissemination of information regarding potential fraud cases likely to affect the Council.
- Drawing managers’ attention to specific audit or risk issues.
- Internal audit recommendations: follow up review and advice.
- Day to day audit support and advice for example risk implications arising from proposed changes in controls.
- Networking with audit colleagues in other Councils on professional points of practice.

### 3.4 Service Performance in 2024/25

Description	Narrative	Target	Actual
Delivery	% of audit days delivered by Year End	90%	90% (55% last year)
Productivity	% of available time spent on productive audit work	80%	81% (66% last year)
Effectiveness	% of agreed recommendations implemented by the agreed date	75%	100%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as "Very Good" or "Good"	80%	100% (post audit questionnaires)  92% (result of client survey issued during External Quality Assessment)

## 4. QUALITY ASSURANCE AND COMPLIANCE WITH PROFESSIONAL STANDARDS

- 4.1 The Public Sector Internal Audit Standards (the Standards) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013. The Standards were intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.
- 4.2 The objectives of the Standards, which applied until 31<sup>st</sup> March 2025, were to:
- Define the nature of internal auditing within the public sector;
  - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
  - Establish the basis for evaluation of internal audit performance and to drive improvement planning.
- 4.3 The Standards required that an independent External Quality Assessment (EQA) of the service be completed every 5 years. An EQA was completed in the 2024/25 financial year, and the results confirmed that the service is operating **in General Conformance to the Standards**. This is the highest of the three available assessment grades. The findings of the external assessment were used to develop a continuous improvement action plan which

was presented with a new Quality Assurance policy at the Audit Governance and Standards Committee meeting in September 2024.

- 4.4 As part of the EQA a client satisfaction survey was issued and based upon a response from 15 senior client officers and members, there was a 92% positive satisfaction score. Further quality control measures embedded in the service include individual audit reviews and regular Client Officer feedback. All staff work to a given methodology and have access to the internal audit reference material and Charter which are updated regularly to reflect the requirements of the standards and the changing environment that Internal Audit operates in. On-going dialogue is maintained with the s151 Officer and the Client Officer Group which governs the shared service. The Client Officer Group for the Internal Audit Shared Service comprises all the partners' s151 Officers all whom actively encourage and support the on-going development of the service.
- 4.5 As noted at Paragraph 4.3 above, a new Quality Assurance policy was approved in September 2024. In accordance with the standards, the Head of Internal Audit is required to include a statement on compliance with the policy within this annual report. The Head of Internal Audit can confirm that the service operated in compliance with the policy from the date of its approval to the end of the financial year.

4.6 **Continuous Improvement in 2024/25**

In addition to implementation of the Quality Assurance policy, the following continuous improvements have been implemented by the Service during 2024/25:

- Introduction of a formal set of Key Performance Indicators for the service, with the results reported to the Audit Governance & Standards Committee.
- Completion of an auditor skills review.
- Development of the new internal audit 'universe', aligned with risk registers and corporate objectives. This meets the requirements of the new Standards outlined below and will enable a more strategic approach to audit planning.
- Documented evaluation of fraud risks as a standard requirement for all audits.
- Aligning the grading of internal audit recommendations with those impact definitions used within the Council's risk management process.
- Team training in environmental sustainability audit, and appointment of a service champion for this area.



#### 4.7 New Global Internal Audit Standards and 2025/26 Improvement Plan

There are new Global Internal Audit Standards which apply for the 2025/26 financial year onwards. The new Standards cover five key areas (domains):

- The purpose of internal auditing
- Ethics and Professionalism
- Governing the Internal Audit function
- Managing the Internal Audit function
- Performing Internal Audit services

4.8 The Head of Internal Audit has reviewed the new Standards with the team and the following actions are planned to ensure compliance with the additional requirements:

Improvement Action	Planned Implementation Date
Ensure all members of the team are reminded of the requirements of the Code of Ethics. This covers integrity, objectivity, confidentiality, due care, professional conduct, conflicts of interest, use of information, and professional development.	September 2025
Ensure that additional professional development over and above mandatory corporate training is recorded on individual learning plans.	September 2025
Update the Internal Audit Charter to incorporate a mandate. The mandate will define why internal audit exists within the organisation. It will also specify the authority, role and responsibilities.	October 2025. The document will be submitted to the Audit Governance & Standards Committee for approval.
Develop a formal Internal Audit Strategy setting out its vision, strategic objectives and supporting initiatives.	November 2025. The document will be submitted to the Audit Governance & Standards Committee for approval.
As part of audit planning, consider how data analytics and Artificial Intelligence may be used to create more efficient and effective workflows.	November 2025. This will be considered alongside development of the Internal Audit Strategy.
Review communications to ensure the Service adopts the use of conclusions rather than opinions.	August 2025



## 5. ORGANISATION INDEPENDENCE

If independence or objectivity is impaired in fact or appearance, the Head of Internal Audit is required to disclose this. The Head of Internal Audit can confirm that the Internal Audit service is independent and objective, and this is currently demonstrated in a number of ways:

- The Head of Internal Audit reports directly to the s151 officer at all partner organisations in the Shared Service and the equivalent Audit Committee. He also has direct unfettered access to the Heads of Paid Service, Monitoring Officers and Chairs of the Audit Committees.
- Any attempts to unduly influence the scope of audit reviews or the contents of reports will be reported by the Head of Internal Audit to the Head of Paid Service and the Chair of the Audit Committee.
- All officers responsible for internal audit work are required to complete an annual Declaration of Interests form, which is in turn reviewed by the Head of Internal Audit. In the case of the Head of Internal Audit, the form is reviewed by the Director of Finance & Resources (s151 officer) at Worcester City Council. Auditors are required to report any interests that might compromise the impartiality of their professional judgements – or give rise to a perception that this impartiality has been compromised. Any conflicts of interest are avoided when allocating assignments.
- The Audit Governance & Standards Committee approves any significant consultancy activity included in the Internal Audit Plan.

## 6. LIMITATIONS INHERENT TO THE WORK OF INTERNAL AUDIT

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit Governance & Standards Committee subject to the limitations outlined below.

### ***Opinion***

Each audit assignment undertaken addresses the control objectives agreed with the relevant responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work, were excluded from the scope of individual internal audit assignments or were not brought to the attention of Internal Audit. As a consequence, the Audit Governance & Standards Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

### ***Internal Control***

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees, management override of controls, and unforeseeable circumstances.

### ***Future Periods***

The assessment of each audit area is relevant to the time that the audit was completed. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

### ***Responsibilities of Management and Internal Auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance, and for the prevention or detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected, additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

## 7. SUMMARY OF INTERNAL AUDIT FINDINGS

Audit Area	Assurance Rating	Summary of Findings
Accounts Payable	Limited	<p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Review of policies and procedures from the initial ordering to payment authorisation.</li> <li>• System controls including segregation of duties and system access rights.</li> <li>• Accuracy of invoices/credit notes received, matching to orders, VAT (number and calculation), addressee etc., and payment in line with the prompt payment code.</li> <li>• New suppliers and amendment of supplier details.</li> </ul> <p>From a test of 90 invoices, we found 9 invoices where the VAT number had not clearly been displayed. Further research found that all 9 suppliers were VAT registered. The Council is unable to reclaim VAT if the supplier provides its registration number, so there is a risk of financial loss. Management has agreed to address this issue.</p> <p>Unfortunately, we were unable to complete this audit in full because some of the information requested was not provided due to capacity issues. It is acknowledged that officers have been working hard alongside the Assistant Director – Finance &amp; Customer Services to produce four sets of statutory accounts over the course of the last year, including completion of all the monthly reconciliations. We were unable to provide assurance in the following areas:</p> <ul style="list-style-type: none"> <li>• Registration of new suppliers, and processing of amendments to supplier details.</li> <li>• Authorisation of BACS payment runs</li> <li>• Arrangements for monitoring late payment of invoices</li> <li>• Testing to identify and assess any potential duplicate payments.</li> </ul> <p>Whilst the audit did not identify any major gaps in control, owing to the audit not being fully completed we were only able to provide Limited assurance.</p>

Audit Area	Assurance Rating	Summary of Findings
Council Tax	Reasonable	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Review of policies and procedures.</li> <li>• Assurance that there was an accurate database of taxable properties and liable persons.</li> <li>• Accuracy and completeness of annual billing for 2024/25.</li> <li>• Review of single persons discounts to ensure they are supported by signed declarations from the council taxpayer.</li> <li>• Review of refunds to ensure they are supported by documentary evidence and the refund has been correctly applied.</li> <li>• Debt Management, including the timeliness of debt raising and recovery action.</li> <li>• Review of arrears to ensure they are being pursued in accordance with Council policy.</li> <li>• Assurance that write offs are performed in accordance with the financial regulations.</li> <li>• Review of the void dwelling inspection programme.</li> <li>• Review of the quality assurance processes in place and performance information reporting.</li> </ul> <p>A generally sound system of internal control was found to be in place, which was supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The annual update of Council tax bands had been correctly applied by the Council. Furthermore, sample testing found that all bills had been raised for the correct amount in accordance with the property banding.</li> <li>• The reconciliation of the number of bills and amounts was successfully performed prior to the commencement of the 2024/25 financial year.</li> <li>• All write offs were authorised in accordance with the financial regulations.</li> <li>• Monthly performance reporting is well embedded.</li> </ul> <p>The audit also highlighted some areas for improvement in control as follows:</p> <ul style="list-style-type: none"> <li>• Authorisation of refunds.</li> <li>• Follow up of accounts in arrears was not consistent.</li> <li>• A formal review of households in receipt of Single Person Discount had not been completed for 8 years.</li> </ul>

Audit Area	Assurance Rating	Summary of Findings
Benefits	Substantial	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Review of applicable policies and procedures.</li> <li>• Review of the annual uprating exercise for the 2024/25 benefit rates.</li> <li>• Assessment of new claims ensuring that they are paid at the correct rate.</li> <li>• Review of the processing of a change in a claimant's circumstances.</li> <li>• Local Housing Allowance (LHA) rates are in accordance with Central Government limits.</li> <li>• Review of the classification and recovery of overpayments.</li> <li>• Review of write offs to ensure that they have been authorised in accordance with policy.</li> <li>• Assurance that BACS runs are correct and have been appropriately authorised.</li> <li>• Review of the quality assurance programme in place.</li> </ul> <p>The audit confirmed that a strong control environment was in place. In particular:</p> <ul style="list-style-type: none"> <li>• Central procedures are reviewed and updated on an annual basis, stored on a central drive and are accessible by all employees.</li> <li>• The annual update of benefit rates had been correctly applied by the Council, which was confirmed through agreement of a sample of national rates to the system.</li> <li>• A review of a sample of 50 new benefit claims found that all cases possessed the required evidence to accurately perform an assessment of benefit entitlement.</li> <li>• A review of a sample of 50 benefit claims subject to a change in circumstances found that all changes were supported by documentary evidence.</li> <li>• All write offs were authorised in accordance with the financial regulations.</li> <li>• All overpayments tested were correctly classified.</li> <li>• The procedures in place for chasing benefit arrears were robust and sample testing found that all arrears tested had been pursued in accordance with the policy.</li> <li>• The quality assurance programme ensures that there is coverage of all assessors work and feedback is provided to ensure continuous improvement.</li> </ul> <p>The audit did not identify any significant control weakness and, accordingly, Substantial assurance was provided.</p>

Audit Area	Assurance Rating	Summary of Findings
NNDR	Reasonable	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Review of policies and procedures.</li> <li>• Review of valuation records to ensure they were correctly updated.</li> <li>• Assurance that billing complies with legislation and that checks were performed prior to the billing run.</li> <li>• Assurance that liability and reliefs are determined in accordance with legislation.</li> <li>• Review of refunds to ensure they are supported by documentary evidence, that interest on the refund was correctly calculated, and that the refund was correctly applied.</li> <li>• Debt Management, including the timeliness of debt raising and recovery action.</li> <li>• Review of the empty premises inspection programme.</li> <li>• Review of the quality assurance processes and performance information reporting.</li> </ul> <p>The audit confirmed that a generally sound system of internal control was in place, supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The annual update of NNDR indices had been correctly applied by the Council. Furthermore, sample testing found that all bills had been raised for the correct amount in advance of the commencement of the financial year.</li> <li>• All refunds were agreed to documentary evidence and had been authorised in accordance with the financial regulations.</li> <li>• The reconciliation of the number of bills and amounts was successfully performed prior to the commencement of the 2024/25 financial year.</li> <li>• All write offs were authorised in accordance with the financial regulations.</li> <li>• We confirmed through sample testing that all cases tested of interest on refunds were calculated correctly.</li> <li>• Monthly performance reporting is well embedded.</li> </ul> <p>The audit also highlighted some areas for improvement in control as follows:</p> <ul style="list-style-type: none"> <li>• Follow up of accounts in arrears was not consistent.</li> <li>• There was no quality assurance programme in place at the time of the audit.</li> </ul>

Audit Area	Assurance Rating	Summary of Findings
Risk Management	Reasonable	<p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Use and management of the 4Risk system</li> <li>• Operating effectiveness of policies and procedures that support risk management</li> <li>• Monitoring and reporting of risks, and communicating risk information</li> </ul> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none"> <li>• The Audit, Standards and Governance Committee receives regular updates from officers.</li> <li>• There are links between corporate risks and departmental risks.</li> <li>• Views of Committee and Leadership Team receiving risk reports are passed to relevant risk owners and risk champions.</li> </ul> <p>The review also identified some areas for further development including:</p> <ul style="list-style-type: none"> <li>• Administration and monitoring of the 4Risk system. Some staff known to have ceased employment at the Council retained risk/action ownership. Risk and action ownership had not been assigned to some of the risks. Entries for risk control and action required were missing from numerous risks. Risk review and action implementation are not consistently carried out, meaning that action to mitigate risks might not be completed.</li> <li>• The risk management strategy has not been updated in the recent past and does not entirely reflect the current approach to risk management within the Council.</li> </ul>
Procurement & Contract Management	Limited	<p>The full report arising from this review was considered by members in November 2024. The audit found that there had been some improvements in this area, for example, the contracts register was found to be transparent and up to date and procurement was supporting services to achieve full compliance with the rules. However, no compliance deadline had been set, and the rules are not considered by internal audit to be optional. There were also issues with record retention meaning compliance with procurement rules couldn't be evidenced in some cases. None of the issues raised relate to the work of the procurement team or weaknesses in the design of the Council's policy and procedure framework in this area. Internal Audit will perform a follow up review in 2025/26 which will include compliance with new regulations.</p>



Audit Area	Assurance Rating	Summary of Findings
Business Continuity & Emergency Planning	Reasonable	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none"> <li>• Assurance that the Emergency Response Plan is updated annually.</li> <li>• Assurance that adequate Business continuity arrangements are in place.</li> <li>• A review of the collaborative agreement with Worcester County Council for the provision of Civil Protection Arrangements across Worcestershire.</li> <li>• A review of the membership of the West Mercia Local Resilience Forum, which ensures appropriate risk assessment and plans and frameworks are in place to respond to emergencies and provide coordination in multi-agency response and recovery.</li> <li>• A review Strategic lead arrangements at Senior Leadership Team level.</li> <li>• Review of Strategic Emergency Operational Management Team arrangements.</li> <li>• Assurance that appropriate training is provided to staff.</li> <li>• Assurance that an annual exercise carried out and post incident/exercise debrief conducted to identify lessons learnt and make improvements to our response.</li> <li>• A review of training arrangements for elected members.</li> </ul> <p>The audit confirmed that a generally sound system of internal control is in place, which was supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The Emergency plan was refreshed and updated in January 2025 and contains all the expected information that would be required. It is accessible by all stakeholders, including members of the public.</li> <li>• Incident Response training has been provided to Duty Incident Response Officers during the year.</li> <li>• There were 2 training exercises performed during the year. Members were also provided with training in September 2024.</li> </ul> <p>The audit also highlighted that four contact names in the Environmental Services Business Continuity Plan were no longer employed by the Council. In addition the Business Continuity Plan had not been reviewed and updated since July 2022 for four of the five service areas reviewed.</p>

Audit Area	Assurance Rating	Summary of Findings
Cyber Security	Reasonable	<p>This was a follow up of the audit completed in 2023/24. It was noted that since the previous audit Council Members and staff are receiving Cyber Security training and communication. Members and all staff have access to the Knowbe4 software training package, this system has a reporting facility. A Cyber Attack Response Plan is in place. A new Systems and Data Group has been established to help manage the procurement and implementation of all new systems; this will include the contract management for backups. A responsible Officer to manage this function is still to be appointed. 19 out of the 27 Councillors have completed the Knowbe4 training, and it has recently been agreed that participation in Cyber Security training by Councillors will be mandatory.</p>
Statutory Inspections	Reasonable	<p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Assurance that inspections and risk assessments are being conducted within statutory time frames and that, where remedial action is required, this is being promptly carried out.</li> <li>• An evaluation of emergency plans and assurance that drills are being conducted.</li> <li>• Assessment of the process for reporting and investigating incidents.</li> <li>• Review the completeness and clarity of health and safety policies.</li> </ul> <p>The audit confirmed that a generally sound system of risk management and control was in place. The review found the following areas were working well:</p> <ul style="list-style-type: none"> <li>• The majority of inspections are being carried out within statutory timescales.</li> <li>• Health and Safety Policy documents, not including Fire Safety discussed separately below, appear suitable for purpose and are readily available to staff.</li> <li>• Inspection deadlines are monitored using partially automated techniques to reduce risk of omissions.</li> </ul> <p>However, fire safety controls were found to be operating inconsistently with sporadic evidence of fire alarm and evacuation drill testing. Key contact details were missing from logbooks, and the Fire Safety Policy had not been reviewed since September 2020.</p>

Audit Area	Assurance Rating	Summary of Findings
Corporate Credit Cards	Limited	<p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Governance: Policy and procedures around the use of General Purchasing Cards</li> <li>• Distribution of cards, employee awareness of responsibilities</li> <li>• A review of purchases using the GPC's including Amazon purchases to ensure the process has been followed and that the purchase could not have been made through the purchasing system.</li> <li>• Assurance that purchases made with General Purchasing Cards are reasonable.</li> <li>• Review/monitoring of card usage.</li> <li>• Return of cards.</li> <li>• Analysis of expenditure to ensure that procurement rules are not breached</li> <li>• Assurance that expenses have been correctly recorded within the finance system.</li> </ul> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none"> <li>• There is a policy in place regarding who can have a GPC card and the approval process including the transactional and monthly spending limits.</li> <li>• The authorities hold an up-to-date definitive list of card holders.</li> <li>• Purchases of more than £500 have been recorded correctly and can be viewed on the respective websites.</li> <li>• The sample of purchases reviewed by Internal Audit were reasonable.</li> </ul> <p>The review highlighted that the current process is open for fraud and misuse especially as there are no authorisation controls in place. There is a lack of overall accountability for the process. The review also found lack of evidence supporting the reason for the chosen supplier, and no monitoring to see if any of this expenditure could have been purchased through an existing framework. The review identified that in 50% of transactions reviewed no receipts were available for inspection.</p> <p>Currently purchases and card limits are at the discretion of the service, so the service manager can request the limit on the card be increased in order to purchase an item. The review showed varying spending limits ranging from £500-£9,000. The current process does</p>

Audit Area	Assurance Rating	Summary of Findings
		<p>not require the budget holder to approve the expenditure; therefore, the council may wish to consider if further controls should be implemented.</p> <p>Management action is in progress to address these issues, including a review to reduce the number of cardholders, and requiring budget holders to approve expenditure in advance.</p>
Housing Revenue Account	Reasonable	<p>The scope of this review covered:</p> <ul style="list-style-type: none"> <li>• Assurance that rent arrears recovery action is taken in accordance with policy and procedures.</li> <li>• Billing processes.</li> <li>• HRA recharges such as debt and pensions for HRA employees.</li> </ul> <p>The audit confirmed that a generally sound system of internal control was in place, supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none"> <li>• The procedures that are in place for the chasing of rental arrears were deemed to be robust and sample testing performed found that all tenant arrears tested had been pursued in accordance with the policy.</li> <li>• The annual increase in rental charges had been correctly applied by the Council, which was confirmed through a sample test of properties rental charges.</li> <li>• New tenancies were added to the system on a timely basis; testing confirmed that the average time between the tenant receiving the keys and the tenancy details being uploaded was an average of 3.5 days.</li> <li>• Service charges and non-dwelling charges had been correctly applied to the dwellings tested at the correct rate.</li> </ul> <p>The audit also confirmed that the HRA recharging mechanism dated back to 2020/21 and as such required updating to reflect more up to date data.</p>

Audit Area	Assurance Rating	Summary of Findings
Right to Buy	Substantial	<p>The audit confirmed there were well controlled procedures in place for the sale of Council dwellings through the Right to Buy scheme.</p> <p>Sample testing of sales found that in all cases procedures had been followed, and all properties possessed the required documentation with no omissions to report.</p> <p>Accordingly, substantial assurance was provided.</p>
Follow up reviews	Substantial	<p>The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has not highlighted any overdue High or Medium priority actions. Implementation of agreed control improvement actions strengthens the organisation's framework of governance, risk management and control.</p>