



City of Westminster Committee Report

Meeting:	Audit and Performance Committee
Date:	24 July 2023
Classification:	General Release
Title:	Annual Report on Internal Audit and Internal Control - 2022/23
Wards Affected:	All
Policy Context	Internal audit provides assurance to the Council that it has robust systems and controls in place to support the ambitions contained within the Fairer Westminster Strategy
Cabinet Member:	Councillor David Boothroyd, Finance and Council Reform
Key Decision:	No
Financial Summary:	There are no financial implications arising from this report
Report of:	Gerald Almeroth, Executive Director of Finance and Resources

1. Executive Summary

- 1.1 This report summarises the work of Internal Audit in 2022/23, including an update on work completed since the previous report to the Committee, and provides the audit opinion of the Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion is provided for the use of Westminster City Council and is used to support its Annual Governance Statement.
- 1.2 From the Internal Audit work undertaken in the financial year 2022/23, reasonable assurance can be provided that systems of internal control in place are effective with the majority of the finalised audit work receiving a positive (substantial or satisfactory)

assurance opinion. Given the way in which the Audit Plan is constructed, it is not unusual for some reviews to be given a Limited Assurance rating and this does not indicate that there are any pervasive issues with the Council's control environment but that there are actions required in specific areas to improve control.

- 1.3 In all areas where control improvements are required and compliance with agreed systems could be improved, action plans are either in place, or have already been implemented, to remedy the weaknesses identified. The Council was found to be effective at implementing recommendations, where concerns in respect of controls were identified, with 69% of recommendations fully implemented and 31% partly implemented. These will be followed up by the internal audit team until they are completed.
- 1.4 Appendices to this report are as follows:
 - Appendix 1 Audits completed with assurance opinions, audits still in progress and changes made to the 2022/23 Internal Audit Plan.
 - Appendix 2 A summary of Internal Audit outcomes since the last report to Committee.

2. Recommendation

- 2.1 The Committee to note the Head of Internal Audit's opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control environment (para 5) and to consider whether there are any areas the Committee would like to explore further.

3. Reasons for Decision

- 3.1 The work undertaken by the Internal Audit Service is reported to the Committee during the financial year. The outcomes of completed audits are considered as part of the Annual Assurance opinion provided by the Head of Internal Audit.

4. Background, including Policy Context

- 4.1 The Audit and Accounts Regulations 2015 require the Council to conduct a review of effectiveness of the system of internal control. The in-house internal audit team is supplemented by resources from Mazars LLP under a Framework arrangement with the London Borough of Croydon and PwC under a Framework arrangement with the London Borough of Barnet.
- 4.2 Detailed reports on the performance and outcomes of the internal Audit work undertaken, have been presented to the Audit & Performance Committee during 2022/23, with a further update provided in Appendix 2 for recently completed reviews.
- 4.3 Wherever possible, when planned audits are postponed, alternative audit work is identified or alternative sources of assurance are sought. Some of the audits could not be started until late in the final quarter of the year and these are shown as in

progress in Appendix 1 and some audits were no longer appropriate or deferred until a future year, by agreement with the service, which are also detailed in Appendix 1. The Internal Audit service has also liaised closely with the Council's senior managers to prioritise the audit work undertaken and to assist them in identifying other sources of assurance including the Director's Assurance Statements which were completed at the end of the financial year.

- 4.4 The internal audit service has been provided in accordance with the UK Public Sector Internal Audit Standards (PSIAS). One of the requirements of the PSIAS is that the Head of Audit confirms to the Committee, at least annually, the organisational independence of the internal audit activity. The [Internal Audit Charter](#) reinforces this requirement.

Declaration of independence and objectivity

The reporting and management arrangements in place are appropriate to ensure the organisational independence of the Internal Audit activity. Robust arrangements are in place to ensure that any threats to objectivity are managed at the individual auditor, engagement, functional and organisational levels. Nothing has occurred during the year that has impaired my personal independence or objectivity.

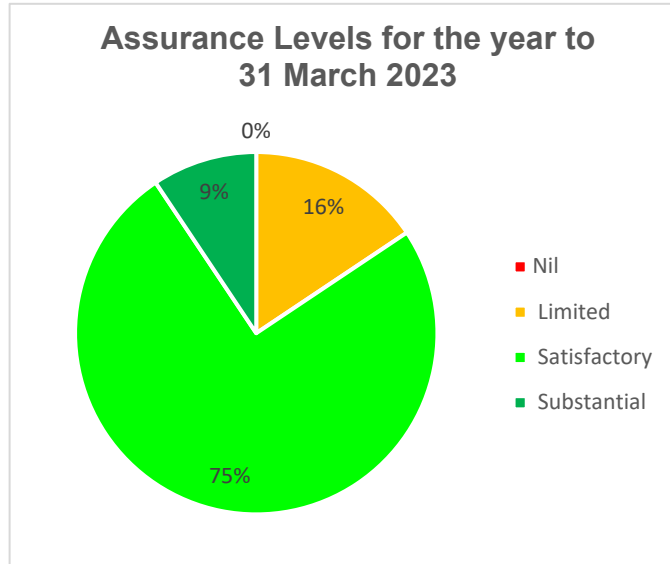
Head of Internal Audit

- 4.5 During 2022/23 the Internal Audit Service undertook a self-assessment to verify PSIAS compliance which has identified general compliance with the Standards. A peer review of compliance was deferred from 2022/23 and is now due to take place during 2023/24.

5. Internal Audit Opinion

- 5.1 As the provider of the internal audit service to Westminster City Council, the Director for Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance.
- 5.2 The opinion is that, at the time of preparing this report and based upon the work completed this year, the Council's governance, risk management and internal control systems in the areas audited were adequate. This is a positive opinion which means that the Council generally has effective internal control systems with the majority of audits receiving a positive (substantial or satisfactory) assurance opinion.

Chart showing assurance levels:



5.3 In the above context it should be noted that:

- This opinion is based solely upon the areas reviewed and the progress made by the Council to action internal audit recommendations.
- Assurance can never be absolute neither can internal audit work be designed to identify or address all weaknesses that might exist.
- Responsibility for maintaining adequate and appropriate. systems of internal control resides with Council management, not internal audit.

5.4 Issues arising from Internal Audit work which have significant implications for the Council’s control assurance framework have been included in the Annual Governance Statement which is reported separately to this Committee. The monitoring process in respect of the Annual Governance Statement also ensures that follow up action is taken to remedy the key control weaknesses found.

Substantial Assurance Reviews

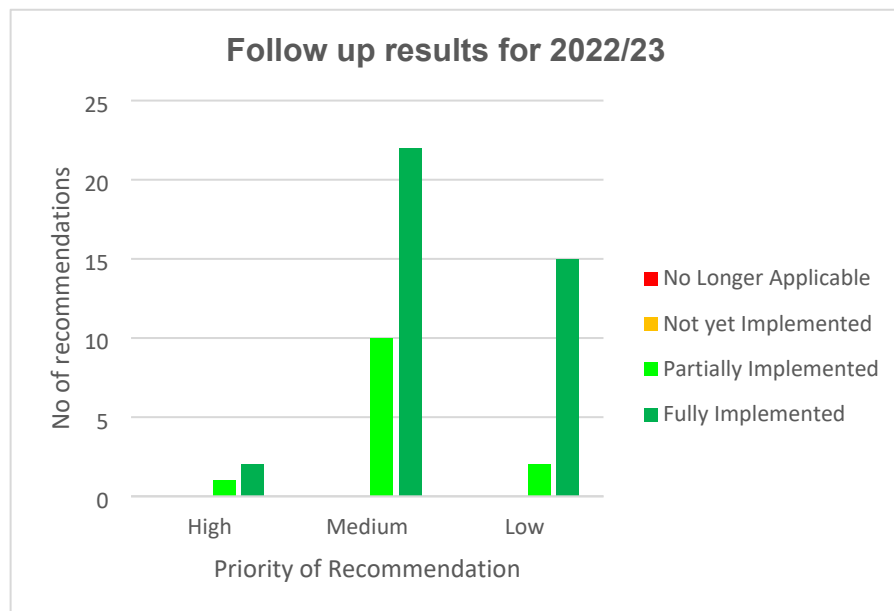
5.5 Three Substantial Assurance reviews, all in the Finance & Resources Directorate, were issued in 2022/23:

Service Area	Audited Area	Reported to Audit Committee
Finance & Resources	NNDR	July 2023
Finance & Resources	Housing Benefit	July 2023
Finance & Resources	Pension Investments	July 2023

5.6 Follow ups

- 5.6.1 The implementation of audit recommendations is reported regularly to the Audit & Performance Committee. Follow up work is undertaken when the majority of the recommendations made are expected to have been implemented as indicated in an agreed management action plan. Sometimes recommendations cannot be fully implemented in the anticipated timescales. In these cases, where appropriate progress is being made to implement the recommendations, these are identified as partly implemented. Recommendations will be followed up until all high and medium priority recommendations are implemented or good progress in implementing them can be demonstrated. Where appropriate, the follow up is included in the next full audit of the area.
- 5.6.2 Fifty-two recommendations were followed up in 2022/23 and the implementation of medium and high priority recommendations had been consistently effective with 69% of recommendations fully implemented and the remaining 31% partly implemented (62% and 38% respectively in 2021/22).

Chart showing follow up outcomes:



5.7 **Managed Services - Finance, HR & Payroll Systems**

5.7.1 The Council's Finance, HR and Payroll systems are provided by the Integrated Business Centre (IBC) within Hampshire County Council (HCC). During 2022/23, HCC commissioned a Type 2 Report on the suitability of the design and operating effectiveness of service organisation controls which was prepared in accordance with the International Standard on Assurance Engagements (ISAE) 3402. The Report covered a sample of business processes in the following areas:

- General Ledger
- Order to Cash
- Purchase to Pay
- Cash and Bank
- HR and Payroll
- IT General Controls.

The report was provided by HCC to the Executive Director of Finance and Resources and provided reasonable assurance that the control objectives would be achieved.

5.7.2 In addition to the assurances provided by HCC, the Council is required to apply complementary controls and a sample of these controls are tested during the year.

5.8 **Additional Sources of Assurance**

5.8.1 In addition to assurance audits undertaken during the year, the service has provided support and guidance in a number of areas including:

- Digital & Innovation Audit Needs Assessment
- Pensions Administration
- Contain Outbreak Management Fund
- Children's Services new case management system
- Libraries cash handling
- Financial procedures at two schools (QEII and College Park)
- Protect and Vaccinate grant claim
- LAD2 (Green Home) grant claim
- Contract extension and management (ECM)

5.8.2 This type of engagement with the services is taken into account when considering the overall opinion of the Council's governance, risk management and internal control systems together with outcomes provided from internal compliance checks and assessments from external bodies such as Ofsted and the Care Quality Commission.

6. Assurance on Risk Management

- 6.1 The Council must ensure that it is delivering against priorities and requirements (political, community and statutory), that it is managing its processes effectively (finance, procurement, governance) and making the best use of its resources (money, assets, people). To ensure that outcomes are achieved for residents, businesses and visitors, the identification, evaluation and control of risks and issues needs to be appropriate to ensure that they are managed at acceptable levels and support better decision making through the understanding of risks, whether a positive opportunity or a threat and the likely impact.
- 6.2 Risk and issue management should be aligned to the Council's business planning, financial management, transformation activities and performance management processes to ensure that it is a live process. A combination of strategic and operational registers is used to ensure that risks and issues are captured and addressed in an integrated way and the Executive Leadership Team reviews the Council's strategic risks on a regular basis.
- 6.3 An internal audit review of risk management across the Council's departments has recently been undertaken. It was noted that horizon scanning was undertaken in some areas with associated changes and impacts discussed by the Executive Leadership Team. In addition, a Performance Board had been introduced during 2022/23, which is attended by Executive Directors. The audit identified some areas where improvements could be made to ensure there is consistency across the Council in how risks are managed and reported.
- 6.4 The Audit and Performance Committee receives regular reports on achievements against the Council's priorities, key performance indicators and risks. Directors provided additional information to the Committee during the financial year 2022-23 in the following areas:
- Approach to performance reporting (July 2022)
 - Procurement Services (November 2022)
 - Contract & Supplier Performance (November 2022)
 - Corporate Complaints (November 2022)
 - Ethical Standards (February 2023)

7. Assurance on Corporate Governance Arrangements

- 7.1 Each year, the Council's Directors complete an annual Director's Assurance Statement which is an opportunity for them to assess the governance arrangements and sources of assurance within their department. Any significant issues should be identified and would feed into the Council's Annual Governance Statement. Internal Audit periodically test the content of Director's Assurance Statements both to confirm their accuracy and to build upon our own picture of assurance across the Council.

7.2 In addition, from the work undertaken by Internal Audit, the Council's corporate governance framework is considered to comply with the best practice guidance on corporate governance issued by CIPFA/Solace.

8. Financial Implications

8.1 There are no financial implications from this report.

9. Legal Implications

9.1 There are no legal implications from this report.

10. Carbon Impact

10.1 The decision will have no carbon impact.

11. Equalities Impact

11.1 There are no equalities implications from this report.

12. Consultation

12.1 The Internal Audit Plan and the work undertaken by the Internal Audit Service is prepared in consultation with the Council's Executive Leadership Team and officers within the Council and supports the Executive Director's responsibility under S151 of the Local Government Act 1972 relating to the proper administration of the Council's financial affairs.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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APPENDICES

Appendix 1 Audits completed with assurance opinions, audits still in progress and changes made to the 2022/23 Internal Audit Plan.

Appendix 2 Internal Audit Plan 2022/23 – Final Progress Report (a summary of Internal Audit outcomes since the last report to Committee).

BACKGROUND PAPERS

Internal Audit Reports
Committee Progress Reports

Internal Audit Plan – 2022/23

Audits completed in 2022/23

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Med. Priority Recs	No of Low Priority Recs	Reported to Committee
Cross Cutting	Finance, HR and Payroll Compliance	n/a	Satisfactory	0	0	0	Jul-23
Finance & Resources	Accounts Receivable (debt management)	Feb-23	Satisfactory	0	1	0	Jul-23
Finance & Resources	NNDR	Feb-23	Substantial	0	0	2	Jul-23
Finance & Resources	Pension Investments	Feb-23	Substantial	0	1	1	Jul-23
Finance & Resources	Digital & Innovation – Audit Needs Assessment	Mar-23	Advisory	0	0	0	Jul-23
Finance & Resources	Council Tax	Apr-23	Satisfactory	0	1	2	Jul-23
Finance & Resources	Housing Benefit	Apr-23	Substantial	0	0	1	Jul-23
Finance & Resources	Pensions Administration	ongoing	Advisory	0	0	0	Jul-23
Adult Social Care & PH	Continuing Healthcare	May-23	Limited	0	7	0	Jul-23
Children's Services	Libraries: Cash handling	Aug-22	Advisory	2	0	0	Jul-23
Children's Services	Supporting People Claims	Mar-23	Satisfactory	0	0	0	Jul-23
Children's Services	Implementation of Mosaic	ongoing	Advisory	0	0	0	Jul-23
Schools	St Joseph's Primary (now an academy)	Dec-22	Satisfactory	0	5	6	Jul-23

Internal Audit Plan – 2022/23

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Med. Priority Recs	No of Low Priority Recs	Reported to Committee
Schools	St Clement Danes Primary (draft need comments from NS)	Mar-23	Satisfactory	0	5	4	Jul-23
Schools	QEII & College Park – Process Review	Mar-23	Advisory	0	15	0	Jul-23
Schools	St George's Hanover Square Primary	Mar-23	Satisfactory	0	4	5	Jul-23
Schools	All Souls Primary	Mar-23	Satisfactory	0	2	0	Jul-23
Schools	St Augustine's Secondary (2021/22)	May-23	Satisfactory	0	5	4	Jul-23
Schools	Dorothy Gardner Nursery	May-23	Satisfactory	0	6	8	Jul-23
Schools	Tachbrook Nursery	May-23	Satisfactory	0	2	4	Jul-23
Schools	St Mary Magdalene Primary	May-23	Limited	1	9	6	Jul-23
Schools	St Matthew's CE Primary	Jun-23	Satisfactory	0	4	4	Jul-23
Schools	St Peter's CE Primary	Jun-23	Satisfactory	0	6	5	Jul-23
Schools	St Barnabas Primary	Jul-23	Satisfactory	0	3	6	Jul-23
Schools	Our Lady of Dolours Primary	Jul-23	Satisfactory	0	6	6	Jul-23
Schools	St Mary of the Angels Primary	Jul-23	Satisfactory	0	4	4	Jul-23
Schools	Mary Paterson Nursery	Jul-23	Satisfactory	1	2	6	Jul-23

Internal Audit Plan – 2022/23

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Med. Priority Recs	No of Low Priority Recs	Reported to Committee
Schools	Queens Park Primary	Jul-23	Limited	0	6	2	Jul-23
Growth, Planning & Housing	Electrical Safety (2021/22)	Mar-23	Satisfactory	0	1	1	Jul-23
Growth, Planning & Housing	LAD2 Grant	Oct-22	Advisory	0	0	0	Jul-23
Environment & City Management	Contract Management & Contract Extension	May-23	Advisory	1	5	1	Jul-23
Schools	Burdett Coutts Primary (2021/22)	Jan-23	Satisfactory	0	0	2	Feb-23
Schools	St Mary's Bryanston Square	Jan-23	Satisfactory	0	6	3	Feb-23
Schools	Westminster Cathedral School	Jan-23	Satisfactory	0	5	5	Feb-23
Growth, Planning & Housing	Lift Maintenance (2021/22)	Nov-22	Satisfactory	0	2	1	Feb-23
Adult Social Care & Public Health	Contain Outbreak Management Fund Compliance	Jun-22	n/a	0	0	0	Nov-22
Children's Services	Children's Placements: Operational & Financial Procedures (2021/22)	Jun-22	Limited	3	1	2	Nov-22
Schools	St Edward's Primary (2021/22)	Jul-22	Satisfactory	1	1	2	Nov-22

Internal Audit Plan – 2022/23

Plan Area	Auditable Area	Issued	Assurance level given	No of High Priority Recs	No of Med. Priority Recs	No of Low Priority Recs	Reported to Committee
Growth, Planning & Housing	Protect & Vaccine Grant Compliance	Jun-22	Advisory	0	0	0	Nov-22
Growth, Planning & Housing	Additional Restrictions Grant (ARG)	Sep-22	Satisfactory	0	4	4	Nov-22

Audit work in progress

Those audits commenced but not sufficiently complete at the end of the financial year, are not included in the assurance opinion for 2022/23. The outcomes from these reviews will be reported in a future Internal Audit Progress Report, The status of these reviews is shown below:

Plan Area	Auditable Area	Status
Cross Cutting	Risk Management	Initial work complete. Further work carried forward to 2023/24
Children's Services	Registrar Service	Draft report due
Schools	Portman Early Childhood Centre	Additional testing scheduled for Q1 2023/24 prior to final report being issued
Finance & Resources	Corporate Property	Draft report due
Growth, Planning & Housing	Leaseholders – Major Works	Fieldwork in progress
Innovation & Change	S106 and CIL	Draft report due

Changes to the 2022/23 Internal Audit Plan

The table below shows audits removed from the 2022/23 plan, following discussions with management, or deferred to a future year.

Plan Area	Auditable Area	Reason Audit not Undertaken
Cross-cutting	Effectiveness of the Audit Committee	Deferred to 2023/24 to allow the Committee to become established
Cross-cutting	Business Continuity	Deferred to 2023/24 to allow compliance to become embedded
Cross-cutting	Review of Constitution	Review undertaken by the Director of Law audit not required

Internal Audit Plan – 2022/23

Plan Area	Auditable Area	Reason Audit not Undertaken
Cross-cutting	Scheme of Delegated Authority	Review after Constitution update – possibly 2023/24
Cross-cutting	Register of Officers' Interests	Expectations clear in Code of Conduct. Possible review in future year
Cross-cutting	Politically Restricted Posts	HR project underway on this, no audit required
Adult Social Care	Home Care	Delayed start so agreed to defer to 2023/24
Adult Social Care	Contract Management	Agreed with the service to carry forward into 2023/24 Plan
Adult Social Care	Discharge to Assess	High level of scrutiny at the time and no audit required
Adult Social Care	Market Management	Social Care Reform delays – consider in future Plan
Children's Services	Libraries Asset Management	Discussed with the service and audit no longer required
Finance & Resources	Governance for wholly owned companies	Delayed start so carried forward to 2023/24
Finance & Resources	Commercial Partnerships	Areas identified for inclusion in 2023/24 Plan and Directors' Assurance Statements
Growth, Planning & Housing	Procurement of Temporary Accommodation	Due to changes in the process, audit deferred with advisory support as new processes are agreed which is ongoing into 2023/24
Growth, Planning & Housing	Housing Repairs	Due to commissioned review, audit work deferred. To be considered in 2023/24
Growth, Planning & Housing	HRA Recharges	Some internal work undertaken. Consider for future Plan
Growth, Planning & Housing	Building Control	Defer to 2023/24 so scope can be considered to account for changes in legislation
Environment & City Management	Markets & Street Trading	Defer to 2023/24 due to service re-organisation
Environment & City Management	Mortuary	Defer to future year due other priorities
Environment & City Management	Coroner's Court	Defer to 2023/24 (review requested by RBKC for assurances)
Environment & City Management	Environmental Health & Safety	Defer to 2023/24 due to service re-organisation

Internal Audit Plan – 2022/23

Plan Area	Auditable Area	Reason Audit not Undertaken
Environment & City Management	Contracted Services	Changes in management of some contracts and others recently re-procured. To review which to include in 2023/24 Plan
Innovation & Change	Contracted Services	Some services moved to Communities in year from ECM so will review and consider those that are due for audit in 2023/24
Innovation & Change	Climate Emergency	Timing for review would be better in 2023/24 to determine focus of scope.
Innovation & Change	Projects/ Programmes	New processes and governance arrangements in place. Need to become embedded. Agreed with service to defer and consider in 2023/24
Innovation & Change	Equalities	Need to consider scope focus. Agreed with service to defer and consider timing for review.

Internal Audit Plan 2022/23 – Final Progress Report

1. Executive Summary

- 1.1 The work carried out by the Council's Internal Audit Service in the reporting period found that, in the areas audited, internal control systems were generally effective with three substantial, eighteen satisfactory and three limited assurance reviews completed in the period (see paragraph 2.2).
- 1.2 The follow up review completed in the period for one audit confirmed that the implementation of recommendations has been effective with 100% of recommendations being fully or partly implemented at the time of review.

2. Audit Outcomes

- 2.1 Four assurance levels are used and when an audit is completed, an assurance opinion is provided. A description of each of the assurance levels is summarised below:

Assurance Level	Description
Substantial Assurance:	There is a sound system of internal control designed to achieve their objectives and the control processes tested are being consistently applied.
Satisfactory Assurance:	While there is generally a sound system of internal control, there are weaknesses which put some of the objectives at risk; and/or there is evidence that the level of non-compliance with some of the control processes may put some of the objectives at risk.
Limited Assurance:	Weaknesses in the system of internal control are such as to put the objectives at risk; and/or the level of non-compliance puts the objectives at risk.
Nil Assurance:	Control processes are generally weak, leaving the processes/systems open to significant error or abuse; and/or Significant non-compliance with basic control processes/systems open to error or abuse.

Internal Audit Plan 2022/23 – Final Progress Report

- 2.2 Since the last report to Members, twenty-four audits have been completed, three substantial, eighteen satisfactory and three limited assurance:

Service Area	Audit	Assurance
Cross cutting	Finance, HR and Payroll Compliance	Satisfactory
Finance & Resources	Accounts Receivable – Debt Management	Satisfactory
Finance & Resources	Council Tax	Satisfactory
Finance & Resources	NNDR	Substantial
Finance & Resources	Housing Benefit	Substantial
Finance & Resources	Pension Investments	Substantial
Adult Social Care & PH	Continuing Healthcare (see 2.3)	Limited
Children's Services	Supporting People Claims Compliance	Satisfactory
Schools	St Augustine's Secondary	Satisfactory
Schools	St Matthew's CE Primary	Satisfactory
Schools	Dorothy Gardner Nursery	Satisfactory
Schools	Tachbrook Nursery	Satisfactory
Schools	St George's Hanover Square Primary	Satisfactory
Schools	All Souls Primary	Satisfactory
Schools	St Barnabas Primary	Satisfactory
Schools	Our Lady of Dolours Primary	Satisfactory
Schools	St Clement Danes Primary	Satisfactory
Schools	St Joseph's Primary	Satisfactory
Schools	St Mary of the Angels Primary	Satisfactory
Schools	Mary Paterson Nursery	Satisfactory
Schools	St Peter's CE Primary	Satisfactory
Schools	St Mary Magdalene Primary (see 2.4)	Limited
Schools	Queens Park Primary (see 2.4)	Limited
Growth, Planning & Housing	Electrical Safety (2021/22)	Satisfactory

Internal Audit Plan 2022/23 – Final Progress Report**2.3 Adult Social Care: Continuing Healthcare (limited assurance)**

- 2.3.1 Continuing Healthcare (CHC) is a package of health and social care that is arranged and funded solely by the NHS where an individual is found to have a 'primary health need'. Such care is provided to an individual aged 18 or over to meet needs that have arisen as a result of disability, accident, or illness. Clients are identified for CHC eligibility following the completion of the Checklist and Decision Support Tool (DST). This is usually assessed on discharge from hospital and should also be kept under review when individuals are being provided with care packages either at home or in residential settings.
- 2.3.2 CHC funding is not means tested and can be provided in a range of settings, including an NHS hospital, a care home or someone's own home. Where there is a need for care that is not deemed to be NHS funded, this would need to be funded by the Council or the individual (subject to eligibility criteria). In addition, if an individual does not qualify for full funding, the NHS may still have a responsibility to contribute to meeting the individual's health and social care needs. Where these needs overlap then a flexible approach may be taken with a jointly funded package of care, with the NHS and Council agreeing their respective contributions to the overall cost.
- 2.3.3 In order to determine whether an individual has a primary health need, a detailed assessment and decision-making process must be followed, as set out in the National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care. CHC is an area of high value spend and a key area for adult social care budget management.
- 2.3.4 The audit noted areas of good practice including:
- Staff access to the current version of the Adult and Social Care Standard Operating Procedures.
 - The Integrated Care Body (ICB) issues quarterly performance monitoring outlining the performance of the North-Western London integrated care system which includes the Key Performance Indicator relating to DST Assessments being completed by the Health Service within 28 days of the case being raised.
- 2.3.5 Seven medium priority recommendations were made as a result of the audit in respect of the following:
- The Council's Standard Operating Procedures (SOPs) for Adult Social Care, which include processes relating to Continuing Healthcare, were last reviewed in December 2019.
 - A CHC checklist must be completed prior to an individual being referred for a Decision Support Tool (DST) assessment to confirm if they may be potential eligible for CHC funding. Testing identified inconsistencies in the completion of the CHC checklist and, in some cases, the checklist could not be located on the case management system (Mosaic).
 - A review of the CHC process noted that there were no clear centralised monitoring systems in place for those that had been accepted for CHC, or to record those that had been through the assessment process and had eligibility refused.

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- The CHC team highlighted the need for a social worker to be involved within the Multi-Disciplinary Team, as this would allow the Council to be in a better position to dispute negative DST outcomes (where CHC funding has been refused). It was noted that there have been instances where social workers have not been provided adequate time to prepare for CHC reviews. Testing confirmed that the involvement of the local authority in the DST process could not be evidenced in a number of cases reviewed.
- There was no evidence of a defined escalation process for when DST assessments are not completed within 28 days of the initial referral and testing identified inconsistencies in how communications with the ICB are recorded on the case management system.
- The eligibility of an individual for CHC is the responsibility of the CHC Team with the ICB and should be completed three months after the initial outcome and annually thereafter. While the responsibility for the review lies with the ICB, the social worker should still have involvement with the process and this is not adequately reflected within the Adult Social Care SOPS.
- A sample test to confirm all relevant documentation was held on the case management (Mosaic) identified some instances where there was a delay in uploading relevant documentation and other cases where expected documentation was missing.

2.3.6 All of the recommendations have been accepted and all actions are due to be completed by December 2023.

2.4 Schools (limited assurance)

2.4.1 Audits of the Council's schools are carried out using an established probity audit programme, usually on a five-year cycle unless issues dictate a more frequent review. The programme is designed to audit the main areas of governance and financial control and has been fully reviewed to facilitate effective remote auditing where required. The programme's standards are based on legislation, the Scheme for Financing Schools and accepted best practice and the purpose of the audit is to help schools establish and maintain robust financial systems. In the reporting period, two school audits have been issued with a limited assurance opinion.

2.4.2 St Mary Magdalene primary school: 16 recommendations (1 high, nine medium and six low priority) made in the following areas:

- Staffing/ Payroll (1 x high, 1 x low)
- Governance (4 x medium, 2 x low)
- Financial planning (1 x medium, 1 x low)
- Procurement (2 x medium, 1 x low)
- Income (1 x medium)
- Unofficial funds (1 x medium)
- Asset management (1 x low)

All of the recommendations have been accepted and all actions are due to be completed by December 2023.

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2.4.3 Queens Park primary school (draft issued December 2022): 8 recommendations (six medium and two low priority) made in the following areas:

- Staffing/ Payroll (1 x medium)
- Governance (1 x medium, 1 x low)
- Financial planning (1 x medium)
- Procurement (2 x medium, 1 x low)
- Asset management (1 x medium)

The draft report was issued in December 2022 and the management responses and agreed actions and implementation dates are being reviewed before the report is finalised.

2.5 **Advisory Reviews**

2.5.1 In addition, seven advisory reviews/support have been undertaken in the following areas:

- Audit Needs Assessment: Digital and Innovation
- Pensions Administration
- New Case Management System (Children's Services)
- Libraries Cash Handling
- QEII & College Park Schools
- LAD 2 (Green Home) Grant
- Contract Management & Contract Extensions (ECM)

Recommendations arising from advisory reports are followed up and the implementation of these recommendations are reported in summary to the Committee.

Internal Audit Plan 2022/23 – Final Progress Report

2.6 Implementation of Audit Recommendations

- 2.6.1 One follow-up review was undertaken in the period which confirmed that the implementation of recommendations had been effective with 100% of recommendations being fully or partly implemented at the time of review:

Audit	Recs Made*	Implemented*	In Progress*	Not yet actioned*
Performance Management	7	5	2	0
Total High Priority	0	0	0	0
Total Medium Priority	6	4	2	0
Total Low Priority	1	1	0	0
Totals	7	5	2	0

* Recommendations categorised as High (H), Medium (M) or Low (L) priority

- 2.6.2 Follow up work is undertaken when the majority of the recommendations made are expected to have been implemented as indicated in an agreed management action plan. Sometimes recommendations cannot be fully implemented in the anticipated timescales. In these cases, where appropriate progress is being made to implement the recommendations, these are identified as “in progress”. Recommendations will be followed up until all high and medium priority recommendations are implemented or good progress in implementing them can be demonstrated. Where appropriate, the follow up is included in the next full audit of the area.