



City of Westminster Committee Report

Meeting:	Audit and Performance Committee
Date:	25 November 2024
Classification:	General Release
Title:	Internal Audit Progress Report 2024/25 (to October 2024)
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 status of the work included in the 2024/25 Internal Audit Plan as at the end of October 2024. Four audits issued as draft reports at the time of the last report to the Committee (July 2024), have now been finalised and five draft reports, have also been issued. Although no overall opinion is given at this time on the adequacy and effectiveness of the Council's governance, risk management and controls, the Committee can be assured that sufficient internal audit work is planned to ensure an appropriate assurance opinion can be provided by the end of the financial year.
- 1.2 The status of the audits confirmed for inclusion within the Plan and audit work carried forward from 2023/24, is shown in **Appendix 1**.

2. Recommendation

That the Committee consider and comment on the results of the internal audit work carried out during the period.

3. Reasons for Decision

The work undertaken by the Internal Audit Service is reported to the Committee during the financial year to enable the Committee to consider the progress made against the Internal Audit Plan and the outcomes of the completed audits which are considered as part of the Annual Assurance Opinion provided by the Shared Services Director for Audit, Fraud, Risk and Insurance.

4. Background, including Policy Context

4.1 The Committee are provided with updates on progress against the Annual Audit Plan and on any limited or no assurance audits issued in the period.

4.2 The Audit Plan for 2024/25 was reviewed by the Committee in February 2024. To ensure that the Annual Audit Plan is more responsive to changing risks and challenges, it has been developed as a '3 plus 9-month' plan. This approach allows for the first three months to be identified in detail with the remaining nine months being more flexible to suit the needs of the Council at the time. The Plan is reviewed and updated following discussions with Directors, taking into account changing risks and priorities. The revised Plan is reported to the Committee on a quarterly basis and any significant changes in the coverage of the Plan will be highlighted.

5. Internal Audit Outcomes (to October 2024)

5.1 In the last report to the Committee in July 2024, three audits from 2023/24 had been issued in draft and these have now been finalised and received a Satisfactory assurance opinion:

- Home Care
- Leaseholder Charges – Major Works
- Mortuary

5.2 One Limited assurance audit has also been finalised which is summarised in paragraphs 5.4 to 5.8 below.

5.3 In addition, five draft reports have been issued:

- St Vincent de Paul Primary School (2023/24)
- St Peter's Eaton Square, Primary School
- Cyber Incident Management
- Tree Maintenance Contract
- Markets & Street Trading

Housing Complaints & Members' Enquiries (Limited Assurance)

5.4 The Housing Complaints Team are responsible for ensuring that all complaints and enquiries relating to housing issues have been acknowledged and triaged to the responsible service area. The Team is also responsible for escalating, managing and responding to Ombudsman enquiries and must ensure that there are timely and accurate case records. The audit reviewed the effectiveness of the service for handling complaints and Members' enquiries related to housing and reported 2 high and 3 medium priority recommendations in respect of:

- delays in responding to complaints and enquiries (high).
- communication in respect of delays (high).
- multiple members of the Team working on a single case with confusion as to who was responsible for completing tasks (medium).

- feedback from departments and residents was not being utilised to inform changes for service improvement (medium).
 - Lack of evidence that Key Performance Indicators (KPIs) were being used to encourage service improvement (medium).
- 5.5 Since the audit fieldwork was completed in January 2024, the service rolled out a Customer Relationship Management (CRM) system from April 2024, which has enabled improvements in resident engagement, reporting, oversight, ownership of and responsiveness to stage 1 complaints. This was followed by utilisation of the CRM system for stage 2 complaints which are managed by Senior Officers and provided them with better reporting of casework and individual caseloads to drive improvement. A daily Director-led meeting was also in place to drive a culture of improvement and to provide supportive leadership on the management and resolution of complaints.
- 5.6 A new Lessons Learnt Framework has been effective since Q2 of 2024/25 with a lessons learnt exercise carried out in July to reflect on learning from complaint backlogs from a resident and internal user perspective. Feedback has been incorporated into the Complaints Improvement Plan. A quarterly complaints report, which focuses on performance, root cause, quality assurance findings, learning and improvement is now produced and a task and finish group has been established using complaints feedback and performance data to support further resident led improvements.
- 5.7 New KPIs have been agreed for 2024/25 which have been incorporated into a refreshed performance dashboard and corresponding performance boards at Senior Manager and Director level. Any areas of under-performance are expected to be addressed with actions put forward which are intended to drive improvement to achieve the target.
- 5.8 The impact of the actions taken by the service to improve the housing complaints process is currently being reviewed as part of the internal audit follow up process and outcomes will be included in a future Progress Report to the Committee.

Follow up

- 5.9 Follow up work is undertaken when most 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.

- 5.10 Three follow-up reviews were undertaken in the period which confirmed that 100% of recommendations made had been fully implemented.

Follow up Review	Recs Made*	Implemented*	In Progress*	Not yet actioned*
Tachbrook Nursery	6	6	0	0
Mary Paterson Nursery	9	9	0	0
Trading Standards	1	1	0	0
Totals	16	16 (100%)	0 (0%)	0 (0%)
Total High Priority	2	2	0	0
Total Medium Priority	4	4	0	0
Total Low Priority	6	6	0	2
Totals	16	16	0	0

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

- 5.11 **Appendix 2** shows the details of high or medium priority recommendations outstanding at the time of the initial follow up review. The details in this Appendix will be updated during the year as part of the continuous follow up process.
- 5.12 In addition to the follow up reviews shown in paragraph 5.4, a light touch review was undertaken of the Food Safety service which confirmed that recommendations made in a previous audit (June 2021) were now embedded.

6. Financial Implications

There are no financial implications from this report.

7. Legal Implications

There are no legal implications from this report.

8. Carbon Impact

The decision will have no carbon impact.

9. Equalities Impact

There are no equalities implications from this report.

10. Consultation

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:

Moira Mackie on 07800 513 192 Email: Moira.Mackie@rbkc.gov.uk

or

David Hughes on 07817 507 695 Email: David.Hughes@rbkc.gov.uk

APPENDICES

Appendix 1 Status of Planned Audits 2024/25

Appendix 2 Implementation of Internal Audit Recommendations 2024/25

BACKGROUND PAPERS:

Internal Audit Reports

Status of Planned Audits 2024/25

Plan Area	Draft Report Issued	In Progress/ Due to Start	Not yet Due	Defer/ Remove from Plan*
Cross-cutting		<ul style="list-style-type: none"> • Third Party Providers Health & Safety (Q1) • <£100k spend (2023/24) • Climate Emergency (Q2) 	<ul style="list-style-type: none"> • Governance & Risk Management (TBC) • Corporate Health & Safety (TBC) 	
Adult Social Care		<ul style="list-style-type: none"> • PH: Core Drugs & Alcohol Treatment Contract Monitoring (2023/24) 	<ul style="list-style-type: none"> • New Grants (PH) TBC • Contract Management (PH) TBC • Areas of Risk: Service/Market (TBC) • Other TBC post CQC 	<ul style="list-style-type: none"> • Direct Payments (consider for 2025/26)
Children's Services		<ul style="list-style-type: none"> • Supporting People Claims (ongoing) • Operational & Financial Systems (placements) further audit work 	<ul style="list-style-type: none"> • Other Cyclical Audit(s) (TBC) 	
Schools	<ul style="list-style-type: none"> • St Vincent de Paul Primary (2023/24) (Sep-24) • St Peter's Eaton Square Primary (Sep-24) 	<ul style="list-style-type: none"> • Barrow Hill Primary (Q3) • George Eliot Primary (Q3) 	<ul style="list-style-type: none"> • St James' & St John's Primary (Q4) • St Augustine's Federated Primary (Q4) • College Park (TBC) • QEII (TBC) 	
Finance & Resources	<ul style="list-style-type: none"> • Cyber Incident Management (Oct-24) 	<ul style="list-style-type: none"> • Treasury Management (Q3) 	<ul style="list-style-type: none"> • IT Service Management (Q4) • IT Strategy & Governance (Q4) 	<ul style="list-style-type: none"> • Revs & Bens (reviewing frequency of audit cycle and scope for future year)
Housing		<ul style="list-style-type: none"> • Housing Rents (2023/24) • H&S Water Hygiene (Q3) • Housing Needs Insourcing Project (ongoing) 	<ul style="list-style-type: none"> • H&S Fire Safety (Q4) • Other cyclical audits (TBC) 	

Plan Area	Draft Report Issued	In Progress/ Due to Start	Not yet Due	Defer/ Remove from Plan*
Regeneration, Economy and Planning		<ul style="list-style-type: none"> • S106 Review post previous audit (ongoing) • CIL – Employment & Skills Commitments (Q3) 	<ul style="list-style-type: none"> • Planning / Building Control (TBC) • Regeneration Scheme Governance (TBC) 	
Environment & Communities	<ul style="list-style-type: none"> • Tree Maintenance Contract (Oct-24) • Markets & Street Trading (Oct-24) 	<ul style="list-style-type: none"> • Disabled Facilities/ Home Improvement Grants (Q3) 	<ul style="list-style-type: none"> • Parking Technology Contract (Q3) • Waste Contract (Q3/4) • Communities – TBC (Q3/4) 	
Corporate Services		<ul style="list-style-type: none"> • Pensions Admin (ongoing) • Coroner’s Service (Q3) 	<ul style="list-style-type: none"> • Other: FOIs/SARs; Transparency, Partnerships (TBC) • People Services (TBC) 	

*Audits may be deferred for several reasons including but not limited to:

- Other priority/higher risk area work required.
- Changes in organisation or regulatory requirements which would affect the timing/ scope of an audit.

Implementation of Internal Audit Recommendations 2024/25

The high (0) and medium (1) priority recommendations not fully implemented at the time of the initial follow up are summarised in the table below and further follow up will be undertaken to confirm implementation.

Ref	Audit	High Priority	Medium Priority	Recommendation(s) in progress/ not implemented	Status	Revised Implementation Date
1	Westco (satisfactory) & all Wholly Owned Companies Audit issued: 2022 Initial follow up: Oct-23 (Committee Jul-24) Next follow up: In progress	0	1	Westco Trading Company should Register with the Information Commissioner's Office and retain evidence of this registration.	Legal to clarify position re registration with the ICO. This rec needs to be considered in respect of all wholly owned companies.	December 2023