



# **Internal Audit & Counter Fraud Quarterly Report**

**Quarter 4 2023/24  
Jan to Mar 2024**

## 1 Introduction

This report sets out the work of Internal Audit completed in the period shown above. All work included has reached a finalised state and, except where shown otherwise, management have accepted the findings and agreed to implement the recommendations, or, in the case of employee investigations, any disciplinary action has been through the required stages and any appeal time. A number of audits are awaiting finalisation and will be reported in the next quarter.

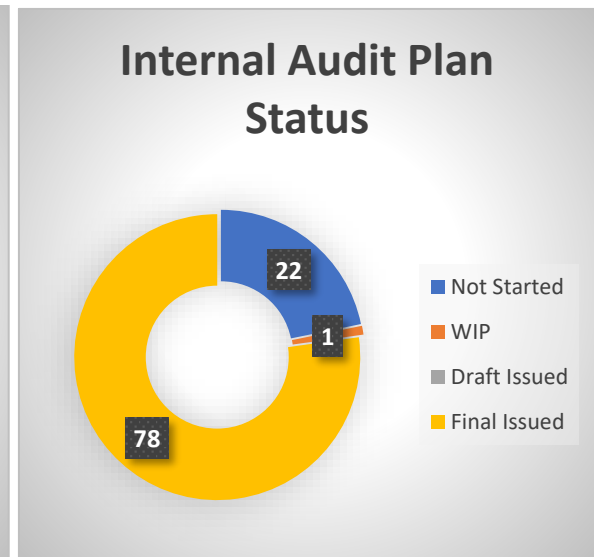
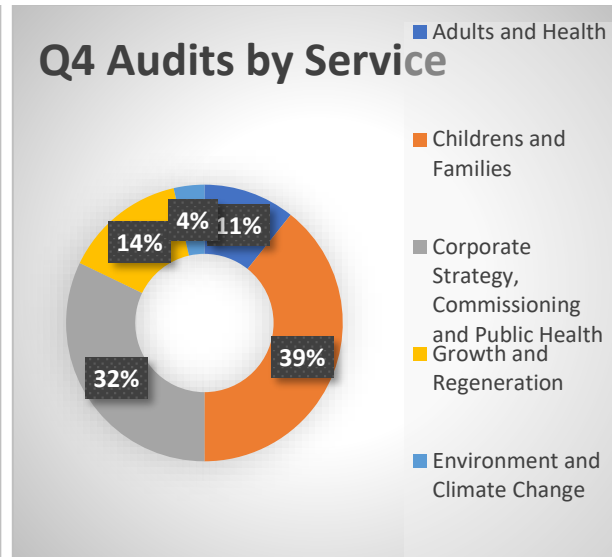
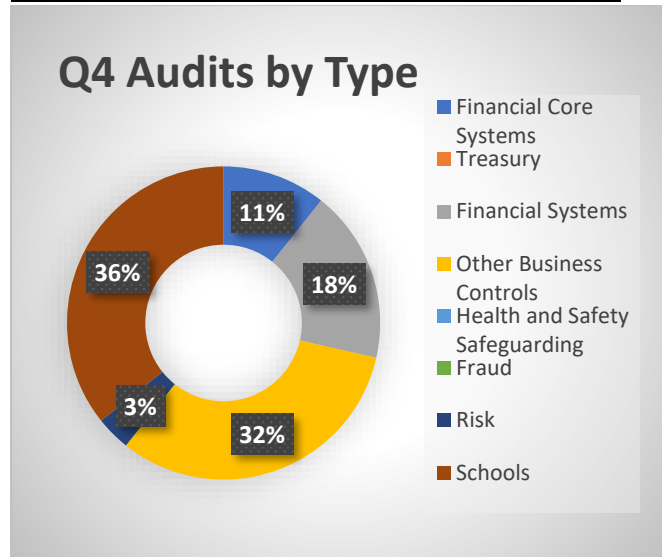
Where an assurance opinion was appropriate these reflected the standard framework below

Opinion	Definition - Control Adequacy	Definition - Control Application
Substantial Assurance	A robust framework of all key controls exists that is likely to ensure that objectives will be achieved.	Controls are applied continuously or with only minor lapses.
Adequate Assurance	A sufficient framework of key controls exists that is likely to result in objectives being achieved but the overall control framework could be stronger.	Controls are applied but with some lapses.
Limited Assurance	Risk exists of objectives not being achieved due to the absence of a number of key controls in the system.	Significant breakdown in the application of a number of key and/or other controls.
No Assurance	Significant risk exists of objectives not being achieved due to the absence of key controls in the system.	Serious breakdown in the application of key controls.

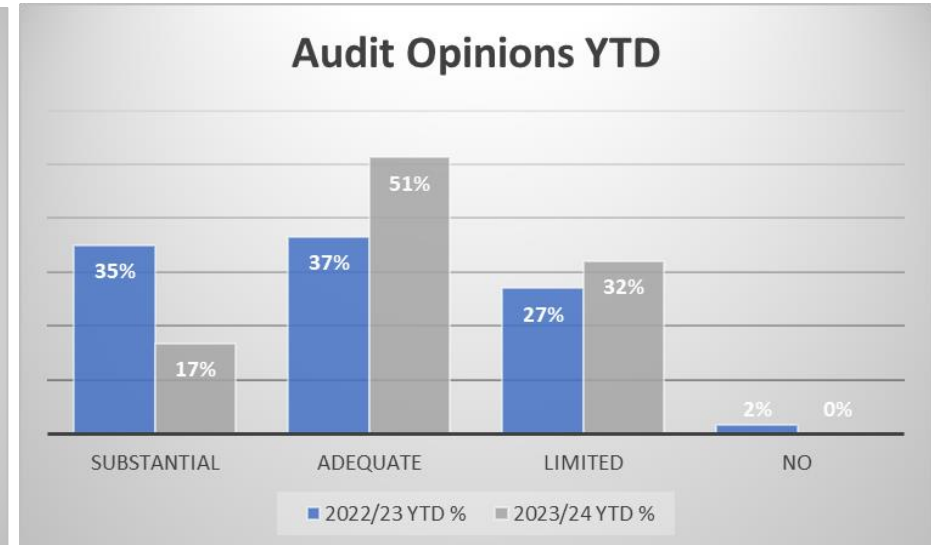
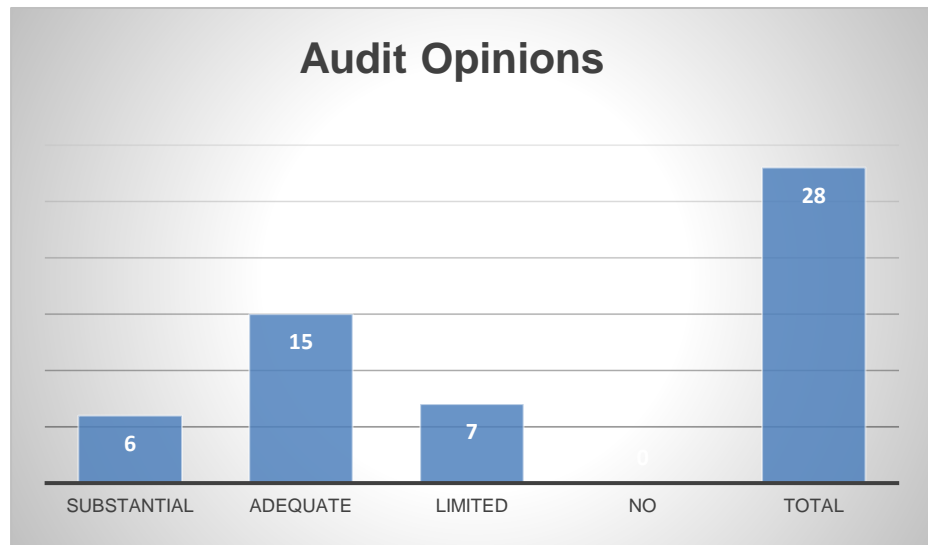
All audit work attracts recommendations intended to achieve at least an adequate level of control. All audits resulting in a negative - "limited assurance" or "no assurance" - opinion are followed up as a matter of course, whereas confirmation of progress in implementing agreed recommendations in other reports is sought periodically.



## 2.2 Q4 INTERNAL AUDIT DASHBOARD



NB: Figures do not include 9 unplanned 23/24 audits (2 of which have not reached a conclusion).



### **3 Planned Audit Work Completed in the Period**

#### **3.1 Financial System and Service Audits**

	<u>Audit</u>	<u>Opinion</u>	<u>Recommendations</u>		
			Fundamental	Significant	Merits Attention
	<b><u>Core Financial Systems</u></b>				
	<b><u>People Services</u></b>				
<b>151</b>	Payroll	<b>Adequate Assurance</b>	0	3	8
<b>152</b>	Accounts Receivable	<b>Adequate Assurance</b>	0	4	2
	<b><u>Finance</u></b>				
<b>153</b>	VAT	<b>Substantial Assurance</b>	0	0	0
	<b><u>Other Financial Systems and Processes</u></b>				
	<b><u>Public Health</u></b>				
<b>154</b>	Third Sector Support	<b>Substantial Assurance</b>	0	1	1
	<b><u>People Services</u></b>				
<b>155</b>	Direct Debit Payments	<b>Adequate Assurance</b>	0	3	1

	<b><u>Highways &amp; Streetscene</u></b>				
<b><u>156</u></b>	Parks Income	<b>Limited Assurance:</b> The price increases for 2023/24 were approved too late in the season, by which time most of the events to which they related had been booked and paid for. This has been corrected for the current year. The policy on discretionary pricing was applied inconsistently. Some events and other more regular users, such as bowling and cycling clubs are in receipt of subsidised usage in terms of facilities and grounds maintenance for which no authorisation or direct benefit to the Council could be found.	0	6	2
<b><u>157</u></b>	Local Land Charges	<b>Adequate Assurance</b>	0	4	2
	<b><u>Culture &amp; Visitor Economy</u></b>				
<b><u>158</u></b>	Bereavement Services Income	<b>Adequate Assurance</b>	0	2	2
	<b><u>Homes &amp; Neighbourhoods</u></b>				
<b><u>159</u></b>	Disabled Home Adaptation Grants	<b>Adequate Assurance</b>	0	4	2
	<b><u>Childrens and Families</u></b>				
<b><u>160</u></b>	Leaving Care	<b>Limited Assurance:</b> The scope of the audit was Finance Support Procedures and Control as well as Accommodation provision following from a review of	1	18	5

		those 18+ care leavers that were resident in supported accommodations. Both areas received recommendations in key areas of policy, procedure and management to ensure controls are adequate to minimise the risk. A follow-up is scheduled for March 2025			
	<b><u>Other Business Controls</u></b>				
	<b><u>Adults and Health</u></b>				
<b><u>161</u></b>	Care Phones	<b>Limited Assurance:</b> There were a number of findings from the audit that required recommendations both with the service design and subsequent performance of the care phone team. A re-design is already underway, and a review of controls have been recommended to ensure the service minimises risk wherever possible.	1	8	10
<b><u>162</u></b>	Community Health and Social Care Hub	<b>Limited Assurance:</b> Testing identified that the service is not achieving the key metrics. Demand has increased significantly whilst the staffing resources available, due to sickness and departures, had reduced which impacts performance. Data was difficult to obtain reducing the amount of testing possible. Recommendations focussed on the exploration of alternative operational arrangements including the increase in the use of digital systems that are available to alleviate and reduce the volumes of more minor queries received. Greater digitisation would also help with performance management. This area is part of the transformation programme.	1	5	0

### **3.2 Follow - Up Audit Work Completed in the Period**

	<u>Follow Up Audit</u>	<u>Opinion</u>	<u>Outstanding Recommendations</u>		
			Fundamental	Significant	Merits Attention
	<b><u>Homes &amp; Neighbourhoods</u></b>				
<b><u>163</u></b>	Temporary Accommodation Procurement	<b>Limited Assurance:</b> The tender process for temporary accommodation has been completed, but the contracts have still not been finalised so contract management could not be tested sufficiently. The fundamental issue with temporary accommodation is that demand outstrips supply leaving the council vulnerable to being unable to meet immediate need. The service is looking at options to address this. A further audit will be undertaken in 25/26 to re-assess the position.	1	1	0
	<b><u>Finance</u></b>				
<b><u>164</u></b>	Clients' Finances	<b>Adequate Assurance</b>	0	4	1
<b><u>165</u></b>	Business Rates Reliefs & Exemptions	<b>Adequate Assurance</b>	0	2	0
<b><u>166</u></b>	Council Tax Data Validation	<b>Adequate Assurance</b>	0	4	1
<b><u>167</u></b>	Business Rates Data Validation	<b>Adequate Assurance</b>	0	4	0



	<u>Follow Up Audit</u>	<u>Opinion</u>	<u>Outstanding Recommendations</u>		
	<u>Adults and Health</u>		<b>Fundamental</b>	<b>Significant</b>	<b>Merits Attention</b>
<u>168</u>	Emergency Duty Service	<p><b>Limited Assurance:</b> The position from the previous follow-up audit review in 2022/23 remains unchanged. Implementation of the 8 outstanding recommendations is needed to strengthen the overall EDS internal control environment. The structure of the service has now been under review for over a year with no progress or changes implemented at present.</p>	0	5	3

### **3.3 School Audits**

<u>169 – 171</u>	<b>Substantial Assurance</b>	<b>4</b>
<u>172 – 177</u>	<b>Adequate Assurance</b>	<b>5</b>
<u>178</u>	<b>Limited Assurance</b>	<b>1</b>
	<b>No Assurance</b>	

## **4 Investigations and other Audit Activity**

### **4.1 Homes & Neighbourhoods**

#### **Fire Safety Reporting and Data Governance**

Following identification of under-reporting of issues to the Regulator of Social Housing and subsequent self-reporting, the Service Director commissioned an audit review of the causes and wider areas for improvement.

Although the identification of issues at high rise premises was largely accurate, throughout the estate of properties subject to additional fire safety obligations, there were inconsistencies and uncertainties, misclassification and duplication of information. Not all work that had been completed had been recorded. A previous Head of Assets had decided it was not necessary to report the lowest priority actions, as it was believed that they could be attended to at pace, probably quicker than they could be reported. A backlog of work and various mis-classification issues due to the complexity of recording in the system used. led to a lack of clarity over what actions were required if any, and their completion status. In some cases, more serious issues were not prioritised sufficiently, producing a database that was not sufficiently robust or reliable. The arrangements depended on the diligence of a single individual, with too little supervisory focus to ensure that adequate progress was made. Some key personnel have also left recently leading to a knowledge gap.

### **4.2 Family Support & Child Protection**

#### **Stronger Families Programme**

As reported in quarter 2, there has been a change in qualifying criteria for this claim and it was found that data integrity was not adequate and on this basis most of the claim could not be submitted as eligible for SFP support. A smaller claim than forecasted was therefore submitted. Other local authorities have experienced a similar issue. The extraction of data was outsourced for the quarter 3 return, but they were unable to have a sufficient data set by the deadline. Two claims were scheduled for quarter 4. One claim was submitted in the quarter at a lower volume than expected, the impact of which had already been factored into the financial forecast. It has been recommended that additional work is carried out to ensure integrity of the data that is provided to audit for testing as the failure rate was 25% in the current sample.

### **4.3 Corporate**

#### **Annual Governance Statement 2022/23 – Action Plan Update**

Progress on managing each of the Significant Governance Issues was reviewed and reported to ELT and CGAC, a process that will also inform compilation of the Draft 2023/24 Statement too.

### **4.4 Use of cash & P Cards**

#### **Corporate Review of expenditure processes- use of cash and P cards**

Internal Audit have been assisting a wider council project to increase control over expenditure, and particularly that which is beyond normal arrangements- such as the use of cash and purchasing cards. Various operating locations have been visited. It is likely that cash will remain a small but important part of the councils operations, particularly where these involve the councils relationship with vulnerable clients. There is scope to use alternatives, like purchasing cards for some transactions, and pre-loaded payment cards- as a substitute for some cash use.

### **4.5 Highways Service**

#### **Oakenshaw Cross**

This listed monument was damaged by a vehicle in March 2022. The report addresses the decision to dismantle, storage and progress as regards options for relocation or reinstatement, and the formal processes to achieve this.

## **5. Counter Fraud Work**

### **5.1 Housing and Blue Badge Fraud (in this period)**

Investigation Type	New Referrals	Ongoing	Closed Prosecutions	Closed No Fraud Proven or Warning Issued	Applications Cancelled	Properties Returned
Right To Buy	7	31	0	1	4	0
Tenancy Fraud	3	4	0	2	0	0
Blue Badge	53	72	14	13		

### **5.2 Adult Social Care – West Yorkshire Financial Exploitation and Financial Abuse Team**

**December YTD (March figures have not been received yet)**

Referrals Received	Investigations	Pre-Investigations	Safeguarding Only	Yet to be designated	Closed	Value (£)
2	3	0	1	4	0	137,770

## **6. Regulation of Investigatory Powers Act investigations**

None this period.