



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

**Quarter 2 2023/24  
July to Sept 2023**

## 1 Introduction

This report sets out the work of Internal Audit completed in the period shown above, including the remainder of work relating to last year's Plan plus that for the current one approved at the April meeting.

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.

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 Internal Audit Assurance Map and Quarterly Dashboard

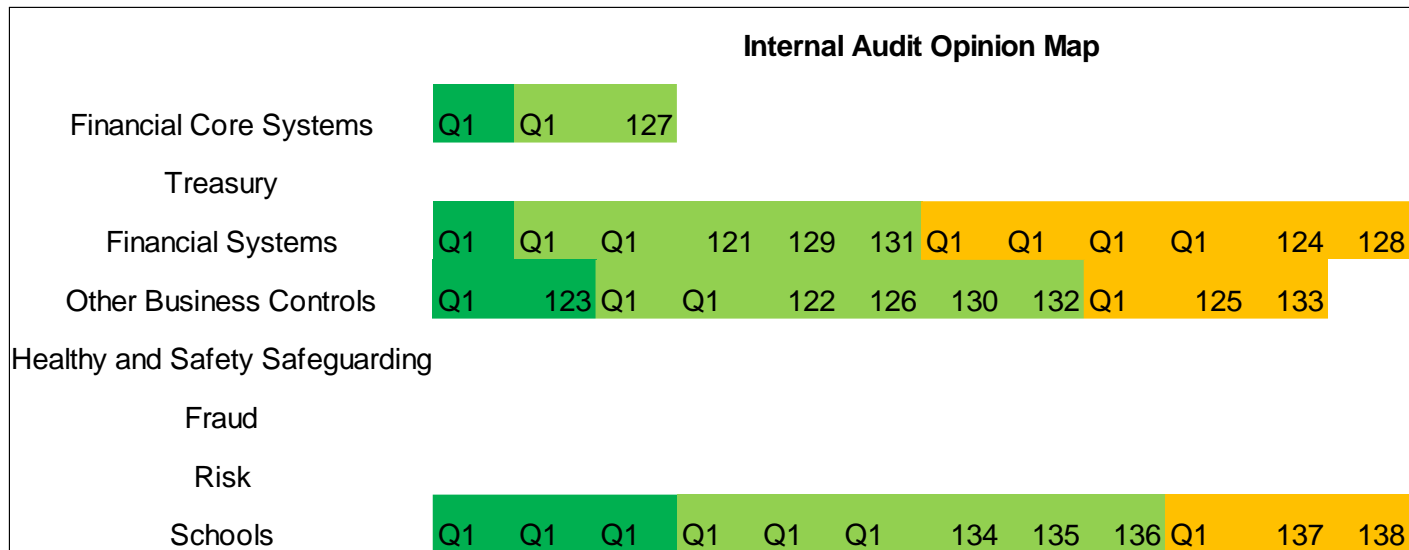
### 2.1 ASSURANCE MAP





This Tableau presents a summary of third line assurance that relates to this year.

The section below shows the levels of assurance from different areas of council activity.

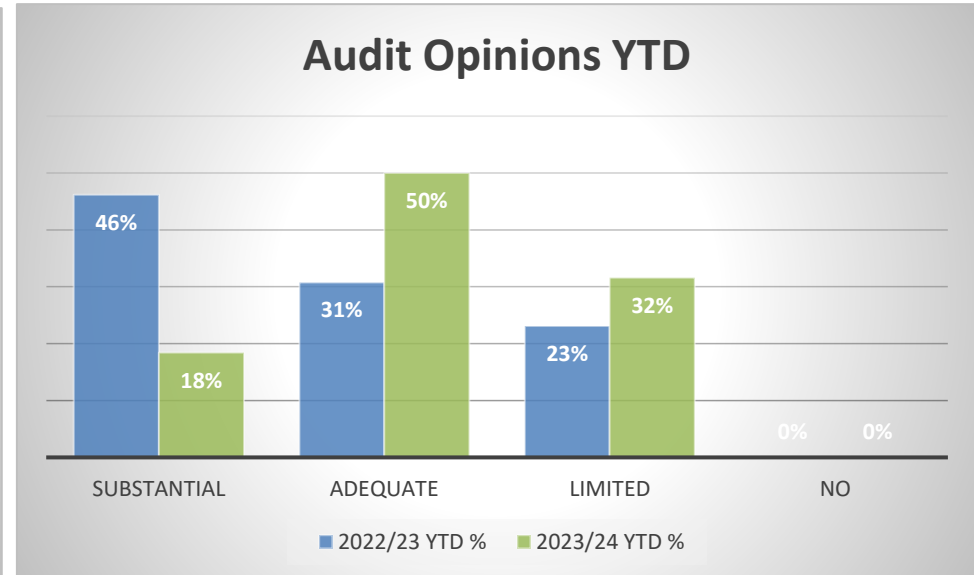
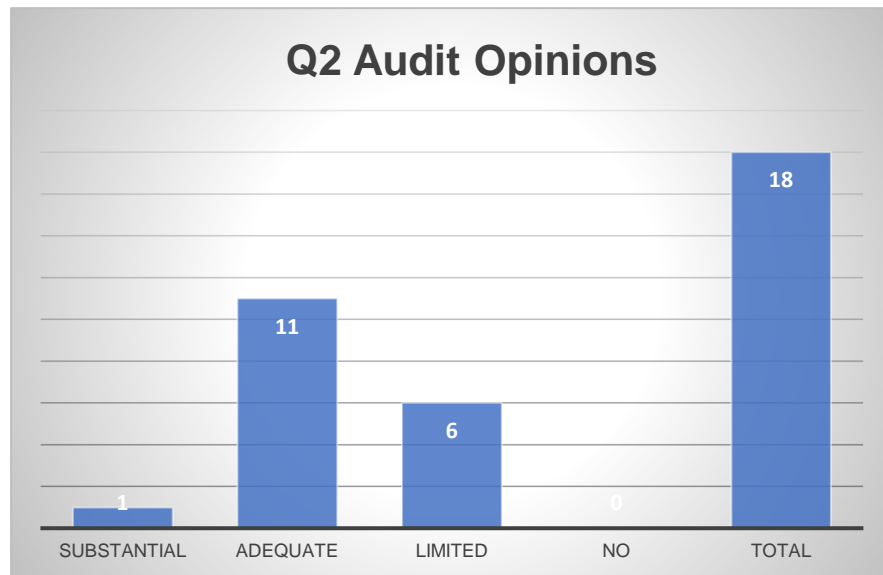
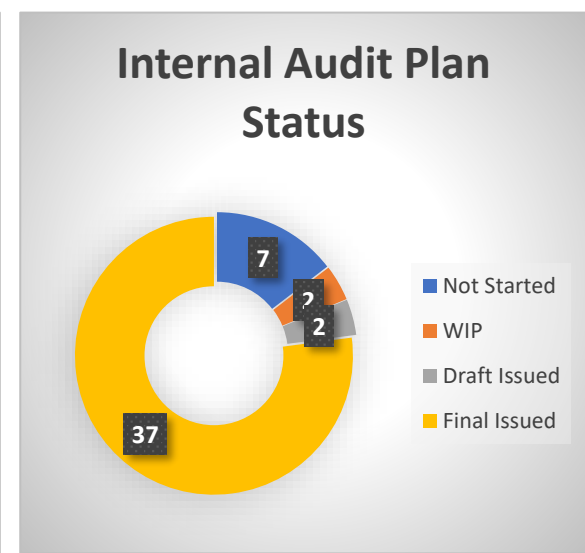
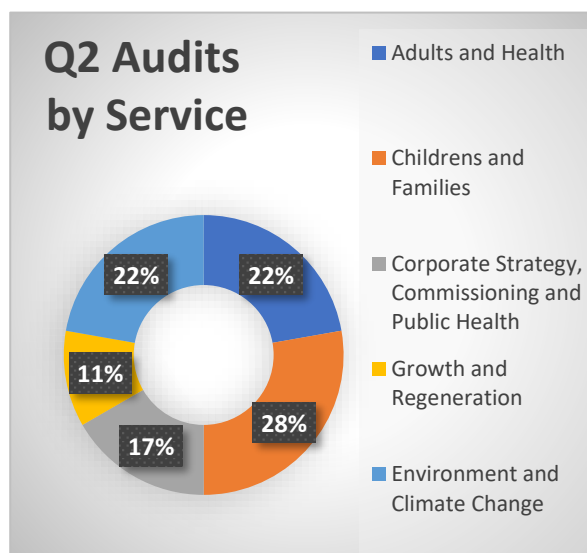
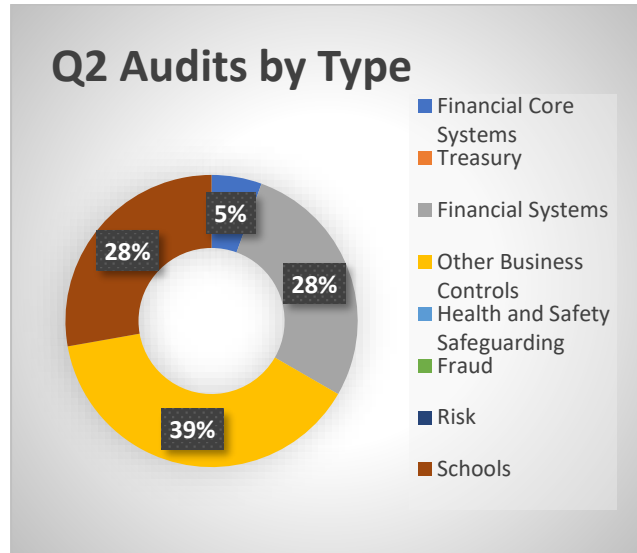
Green colours show areas of positive assurance. Yellow/red shows limited/no assurance.

The “numbers” link to matters included in this report. Those marked Q1 were reported in the last report.



Substantial Assurance	
Adequate Assurance	
Limited Assurance	
No Assurance	

## 2.2 Q2 INTERNAL AUDIT DASHBOARD



### **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>Financial Systems</u></b>	None During Q2			
	<b><u>Other Financial System and Process Audits</u></b>				
	<b><u>Adult Services</u></b>				
121	Kirklees Integrated Care Equipment Service (KICES)	<b>Adequate Assurance</b>		4	5
122	Mental Health Shared Lives	<b>Adequate Assurance</b>		3	5
	<b><u>Highways &amp; Streetscene</u></b>				
123	Parking and Enforcement	<b>Substantial Assurance</b>		1	1
	<b><u>Childrens Services</u></b>				
124	Our Space Grant scheme	<b>Adequate Assurance</b>		4	4
	<b><u>Homes and Neighbourhoods</u></b>				
125	Former Tenants Write Offs	<b>Limited Assurance</b> - Whilst it appears that staff are following the write off procedures in place, maintaining a sufficient audit trail for the majority of write offs and reasons, issues were found concerning a sizeable minority of cases.	1	4	3
126	Responsive Repairs	<b>Limited Assurance</b> - Responsive Repairs have reported rapid volume growth over a sustained period of time. The service is striving to rectify issues and report performance with the best available information, but		6	2

		<p>there are Issues with data integrity making it difficult to accurately quantify the true increase. The majority of repairs remain small and in the historical charging bandings A and B, but ageing housing and a lapse in planned works are impacting the service through recurrent and often expensive jobs on a number of properties and these properties are having an impact upon volumes and cost of responsive repairs.</p> <p>There is or has been a lack of controls that has impacted on performance but there are short term control solutions that can be used in the interim to mitigate risks until better management information is available</p> <p>The process requires review to ensure that tenants are receiving the best service. Clarity on policy and embedding of performance management controls should be adopted to help reduce volumes.</p>			
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### **3.2 Business Risk Audits**

	<u>Audit</u>	<u>Opinion</u>	<u>Recommendations</u>		
			Fundamental	Significant	Merits Attention
<u>127</u>	Adult Social Care – Deprivation of Liberties	Adequate Assurance		2	4
128	Legal, Governance and Commissioning – Procurement Category Management	Adequate Assurance		3	6

### **3.3 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>Culture and Visitor Economy</u></b>				
129	School Catering Procurement	<b>Limited Assurance</b> - In general, the recommendations from the previous audit around contract and price file audit trails and filing had been completed; however, some other areas of checking remained inadequate. As this is a fundamental control gap, the overall audit opinion remains 'limited assurance'.	1		4
130	Meadow Green Catering Income	<b>Adequate Assurance</b>		3	1
131	<b>Customers and Communities</b> – Modern Slavery	<b>Adequate Assurance</b>		4	3
132	<b>Highways and Streetscene</b> – Pool Cars	<b>Adequate Assurance</b>		4	
133	<b>Public Health</b> - Integrated Healthy Child Programme	<b>Adequate Assurance</b>		2	4
134	<b>People Services</b> – Mandatory Staff Training	<b>Limited Assurance</b> - Progress had been made in implementing a new training application, My Learning, however reporting functionality has not been developed sufficiently to identify corporate compliance with the areas identified as ones of a mandatory nature. Assurance cannot yet be provided that those staff who require aspects of mandatory training have indeed undertaken this fully.		8	

### **3.4 School Audits**

	Substantial Assurance	0
135-137	Adequate Assurance	3
138,139	Limited Assurance	2
	No Assurance	0

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

### **4.1 Adults and Social Care**

#### Direct Payment Review

Internal audit was asked to review the circumstances around a direct payment to a client of large value.

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

#### Regional Adoption Agency Membership Review

The new Service Director requested the review because of concerns about whether the arrangement represents best value for money. The contract terms and conditions presented challenges to achieving reduction in costs however recommendations from the review to ensure value for money were taken forward to the contract partners. Subsequently a formula recalculation has seen a reduction in cost to Kirklees providing better value for money for the volume of adoption and support services offered in the authority.

### **4.3 Resources, Improvements & Partnerships**

#### Our Space Grant Investigation

An investigation was undertaken in connection with an application and subsequent usage of grant monies (see also 124)



## **4.4 Family Support & Child Protection**

### Stronger Families Programme

The latest Payment by Results quarterly claim has been audited prior to certification by the Director of Finance. There has been a change in qualifying criteria for this claim and it was found through the audit that data integrity was not adequate and on this basis most of the claim had to be rejected. A smaller claim than forecasted was therefore submitted. Other local authorities have experienced a similar issue and the service is working closely with the data insight team to ensure data integrity is sufficient for the Q3 claim.

## **4.5 Legal & Governance**

### Information Governance Board

Ongoing support to the Board and relevant task and finish groups.

## **4.6 Corporate**

### Draft Annual Governance Statement 2022/23

Compilation of the Draft Statement following the annual review of the effectiveness of governance and control arrangements.

## **5. Counter Fraud Work**

### **5.1 Housing and Blue Badge Fraud**

Investigation Type	New Referrals	Ongoing	Closed Prosecutions	Closed No Fraud Proven or Warning Issued	Applications Cancelled	Properties Returned
Right To Buy	6	26		2	4	
Tenancy Fraud	3	8		1		
Blue Badge	16	28	19	17		

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

#### **August YTD**

Referrals Received	Investigations	Pre-Investigations	Safeguarding Only	Yet to be designated	Closed	Value (£)
11	4	1	2	0	4	107,770

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

None this period

