



Internal Audit & Counter Fraud Quarterly Report

Quarter 3 2023/24

Oct to Dec 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 2023 and September 2023 meetings.

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 Internal Audit Assurance Map and Quarterly Dashboard

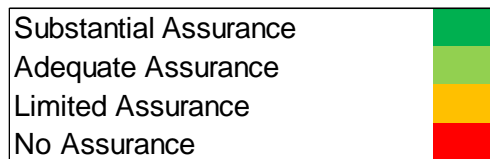
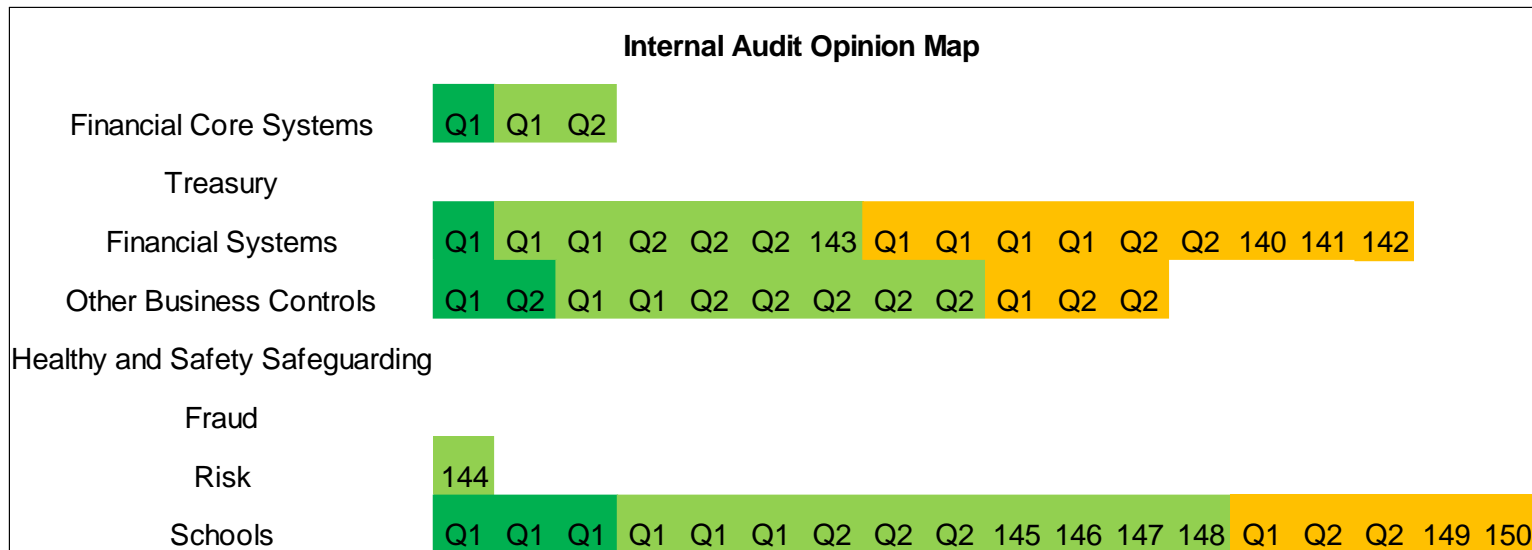
2.1 ASSURANCE MAP

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

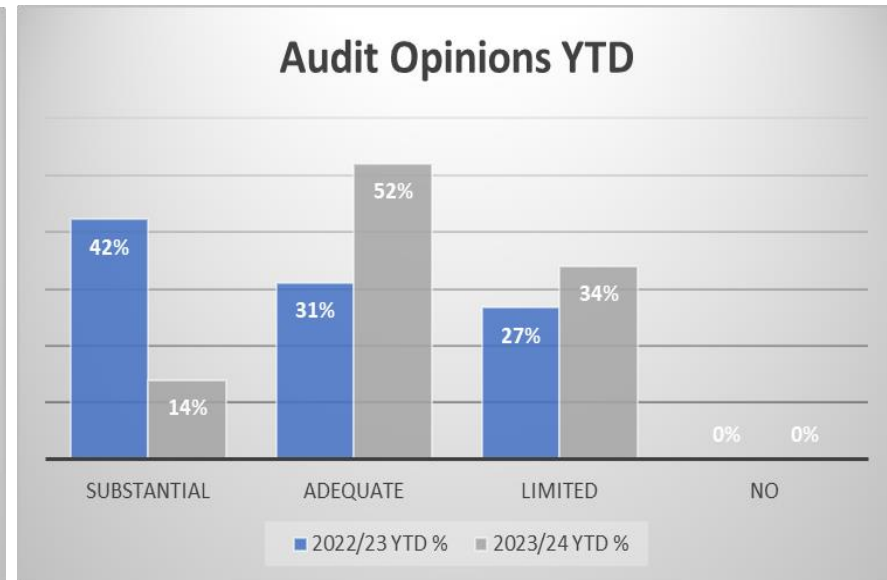
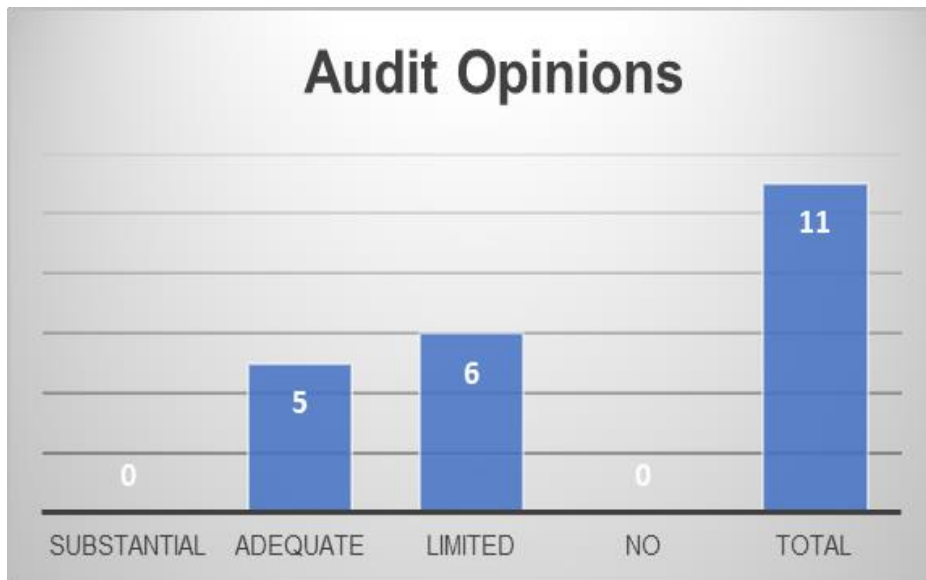
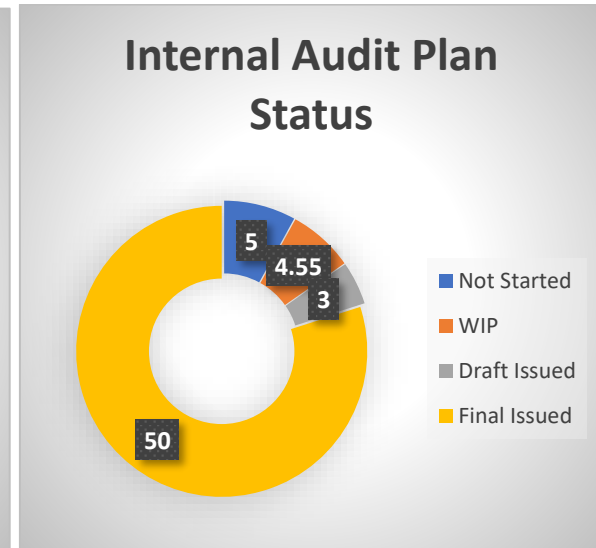
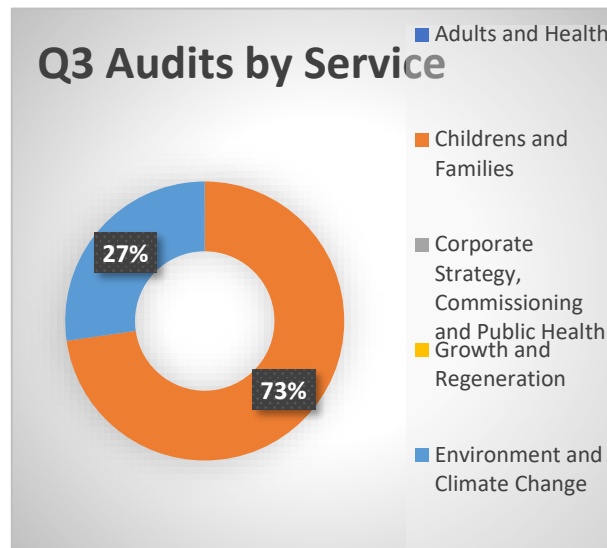
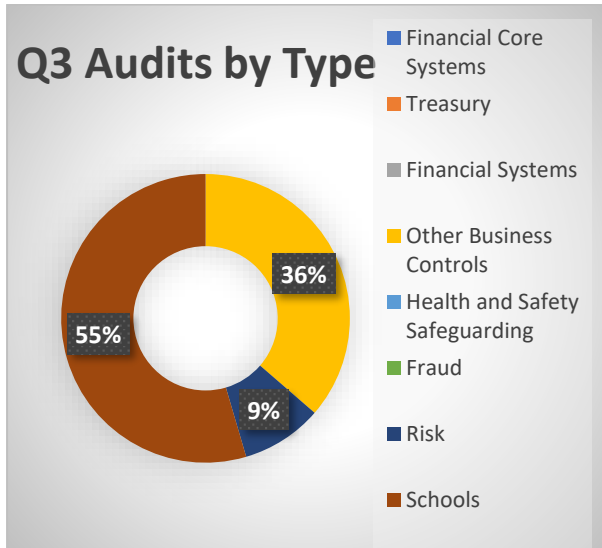
The section below shows the levels of assurance from different areas of council activity.

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.



2.2 Q3 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
	<u>Key Financial Systems</u>				
	None during this period.				
	<u>Other Financial Systems and Processes</u>				
	<u>Environmental Strategy & Climate Change</u>				
<u>140</u>	School Transport Contract Management	<p>Limited Assurance</p> <p>In view of ongoing significant budget pressures, management requested a review of systems and processes to ensure that increasing demand was the primary cause, rather than non-compliance or inefficiency. The outcome of this review did not provide assurance that overspends relate solely to increased demand and higher charges rather than poor internal procedures. Whilst increase in demand is a primary factor in the overspend, inconsistent internal processes and lack of a transport IT system application are highly likely to be significant contributory factors.</p> <p>Recommendations have been agreed in a number of areas to:</p> <ul style="list-style-type: none"> • improve the transparency and rigour of decision making and payment for call-off work • improve recording and filing of decisions taken 	0	12	0

		<ul style="list-style-type: none"> • review swiftly the provision of single use taxis to and from the same venues to enable efficiency savings to be achieved by considering alternative provision • improve financial monitoring and control of commitments in the ordering process • introduce sample checking of payments to actual attendance • ensure consistent application of parent pay arrangements. 			
141	Energy Supply Contract Management	<p>Limited Assurance Despite significant and inescapable price increases in the international market for gas and electricity, the review identified a lack of clear bill monitoring, usage monitoring and limitations of the Utilidex software, providing limited assurance that energy usage and payment in the corporate estate is managed robustly.</p> <p>Improvements to existing processes are required to rectify the issues and errors found, especially on gas billing, to provide clarity as to the roles and responsibilities of the various teams involved.</p>	1	5	1
	Childrens Services				
142	SENDACT	<p>Limited Assurance - SENDACT face a number of issues some of which are a symptom of the SEND landscape and beyond its control and others that have escalated over a period of time. Increase in volume from Education Health Care Plan new assessment requests and annual reviews post-COVID have placed an unsustainable strain on SENDACT resources and the council's budget, impacting on compliance. It was therefore decided at an early point of the audit there would be a focus on transformation to help the process of reforming practice rather than stating what is already evident. Current compliance and budgetary findings would normally warrant a no assurance opinion. The opinion awarded is because of the transformation work that is currently being undertaken to address the situation.</p> <p>Rather than a follow-up audit in a specified amount of time, as transformation is in its infancy, it is suggested that ongoing feedback is obtained through oversight on a quarterly basis with a subsequent larger follow-up audit as per the action plan.</p>	1	8	7

		In the first meeting it was found that compliance has reduced since the final report was issued and there has been a high turnover of staff. It should be note that it is going to take a significant period of time to see any real improvement in this area due to the interlinking with wider SEND and school pressures having a direct impact on the service.			
143	School Admissions	Adequate Assurance	-	2	2

3.2 Business Risk Audits

	<u>Audit</u>	<u>Opinion</u>	<u>Recommendations</u>		
			Fundamental	Significant	Merits Attention
	Culture & Visitor Economy / Development				
144	Memorial Safety	<p>Limited Assurance</p> <p>Two Services are involved regarding 14 Council active cemeteries and 43 closed ones respectively. Long standing management with maintenance by an external provider occurs in the former, albeit this has fallen into abeyance recently. Little or no oversight has occurred in the latter and yet the risk is the same in both types of location.</p> <p>Bereavement Services have determined the management of this risk is best served by an in-house solution but this has not been progressed due to budget constraints and their inspection system has effectively come to a halt, placing it on a par with closed cemeteries where little work has ever been undertaken.</p> <p>A risk based assessment of each cemetery and priority monitoring of the key structures appears to be the best way forward and management are working towards delivery of such an approach.</p>	1	9	2

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
	None during this period.				

3.4 School Audits

	Substantial Assurance	
145-148	Adequate Assurance	4
149-150	Limited Assurance	2
	No Assurance	

4 Investigations and other Audit Activity

4.1 Adults and Social Care

Learning Disabilities Investigation

An investigation was undertaken regarding an employee acting outside of their permissions. A report was compiled that contained recommendations relating to the department in question.

4.2 Skills & Regeneration

Modify Scheme – Grant Return

An unplanned review of Scheme compliance with WYCA requirements was requested and performed, no issues were found, enabling the return to be signed off by the S151 Officer.

4.3 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 through 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. The extraction of data was outsourced for the quarter 3 return, but they were unable to have a sufficient data set by the deadline. Subsequently, two claims have been scheduled for quarter 4. The service assures audit that the associated financial risks have been considered in relation to this grant.

4.4 Legal & Governance

Complaints System

Complaints System Benchmarking to the New Ombudsman Code of Practice

Audit work on draft Ombudsman proposals completed and presented; Those which are considered simple to implement and good practice irrespective of any obligation are being implemented. Others, that involve practice change, awaiting publication of final requirements by LG Ombudsman's service

Information Governance Board

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

4.5 Highways & Streetscene

WYCA Grants Verification

Verification has been undertaken of the first tranche of various Schemes funded by WYCA to provide assurance for the S151 Officer sign-off.

4.6 Corporate

Final Annual Governance Statement 2022/23

Compilation of the Final Statement following the annual review of the effectiveness of governance and control arrangements and update on progress with the Significant Governance Issues therein.

4.7 Schools

An investigation was undertaken into the compliance and governance arrangements of a diocese bank account at Cumberworth First School.

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	8	22	-	7	3	-
Tenancy Fraud	-	11	-	-	-	-
Blue Badge	39	46	18	31		

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

August YTD (December figures have not been received yet)

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

6. Regulation of Investigatory Powers Act investigations

None this period.